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MAHATMA GANDHI

ANNUAL REPORT
2020-2021

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

COMPOSITION OF COMMITTEES OF THE COMPANY

AUDIT COMMITTEE
Shri Sumit Bose – Chairman
Shri S. S. Mundra – Member
Justice Vikramajit Sen – Member
Shri Umakant Jayaram – Member
Sushri Jayshree Vyas – Member
Shri T. C. Suseel Kumar – Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Sushri Jayshree Vyas – Chairperson
Shri Umakant Jayram – Member
Justice Vikramajit Sen – Member
Shri David Wright – Member
Shri T. C. Suseel Kumar – Member
Shri Ashishkumar Chauhan – Member

RISK MANAGEMENT COMMITTEE
Shri David Wright – Chairman
Shri S. S. Mundra – Member
Justice Vikramajit Sen – Member
Shri Sumit Bose – Member
Shri Umakant Jayaram – Member
Sushri Jayshree Vyas – Member
Shri Sanjay Banerji – Member

MEMBER COMMITTEE
Justice Vikramajit Sen – Chairman
Shri S. S. Mundra – Member
Shri Sumit Bose – Member
Shri Umakant Jayaram – Member
Sushri Jayshree Vyas – Member
Shri David Wright – Member
Shri T.C. Suseel Kumar – Member
Shri Ashishkumar Chauhan – Member

REGULATORY OVERSIGHT COMMITTEE
Shri S. S. Mundra – Chairman
Shri Sumit Bose – Member
Justice Vikramajit Sen – Member
Shri David Wright – Member
Shri Umakant Jayaram - Member
Sushri Jayshree Vyas – Member
Dr. R. K. Kakkar – Member

EXECUTIVE MANAGEMENT COMMITTEE
Shri Ashishkumar Chauhan – Managing Director & CEO
Shri Neeraj Kulshrestha – Chief Regulatory Officer
Shri Nayan Mehta – Chief Financial Officer
Shri Kersi Tavadia – Chief Information Officer
Shri Sameer Patil – Chief Business Officer
Shri Girish Joshi – Chief Trading Operations and Listing Sales

STATUTORY AUDITOR
S.R. Batliboi & Co. LLP
Chartered Accountants

STAKEHOLDER RELATIONSHIP / SHARE ALLOTMENT COMMITTEE
Shri T. C. Suseel Kumar – Chairperson
Shri S. S. Mundra – Member
Sushri Jayshree Vyas – Member
Shri David Wright – Member
Shri Ashishkumar Chauhan – Member

NOMINATION & REMUNERATION COMMITTEE
Shri S. S. Mundra – Chairman
Shri David Wright – Member
Shri Umakant Jayaram – Member
Sushri Jayshree Vyas – Member
Shri Sumit Bose – Member

DELISTING COMMITTEE
Shri Sumit Bose – Chairman
Justice Vikramajit Sen – Member
Shri Umakant Jayaram – Member
Shri David Wright – Member
Sushri Jayshree Vyas – Member
Shri T. C. Suseel Kumar – Member
Shri Ashishkumar Chauhan – Member
Shri Ramjibhai B. Mavani – Member
Shri Mahesh Shah – Member

STANDING COMMITTEE ON TECHNOLOGY AND CYBER SECURITY
Shri David Wright – Chairman
Shri Sumit Bose – Member
Justice Vikramajit Sen – Member
Shri S. S. Mundra – Member
Shri Umakant Jayaram – Member
Shri T. C. Suseel Kumar – Member
Prof Sivakumar G – Member
Shri Pravir Vohra – Member
Shri Lokesh Garg – Member

PUBLIC INTEREST DIRECTORS / INDEPENDENT DIRECTORS
Justice Vikramajit Sen – Member
Shri Sumit Bose – Member
Shri S. S. Mundra – Member
Shri David Wright – Member
Shri Umakant Jayaram – Member
Sushri Jayshree Vyas – Member

REGISTRAR AND TRANSFER AGENT
Kfin Technologies Private Limited
Selenium Building, Tower - B, Plot no. 31 & 32,
Gachibowli, Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032
E-Mail: einward.ris@kfintech.com
Toll Free No. : 1-800-309-4001

BOARD OF DIRECTORS

Justice Vikramajit Sen
Chairman & Public Interest Director

Shri Ashishkumar Chauhan
Managing Director & CEO

Shri Sumit Bose
Public Interest Director

Shri S. S. Mundra
Public Interest Director

Shri David Wright
Public Interest Director

Shri Umakant Jayaram
Public Interest Director

Sushri Jayshree Vyas
Public Interest Director

Shri T. C. Suseel Kumar
Shareholder Director

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Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the gong memento to Shri Yogi Adityanath, Hon'ble Chief Minister of Uttar Pradesh at the listing of Lucknow Municipal Corporation Bonds on December 2, 2020 at BSE.

Shri Ashishkumar Chauhan, MD & CEO, BSE along with the dignitaries and Covid Warriors during the lamp lighting ceremony at Diwali Muhurat Trading event held on November 15, 2020 at BSE.

AGM Notice

NOTICE is hereby given that the Sixteenth Annual General Meeting of Shareholders of BSE Limited will be held on Tuesday, August 24, 2021 at 3.00 p.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon.

2. To declare a final dividend of ₹ 21/- per equity share, for the Financial Year ended March 31, 2021.

3. To appoint a Director in place of **Shri T. C. Suseel Kumar** (DIN:06453310), Shareholder Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, subject to approval of Securities and Exchange Board of India.

SPECIAL BUSINESS

4. **Payment of Remuneration to Shri Ashishkumar Chauhan, Managing Director and CEO:**

   To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to resolution passed by the Nomination and Remuneration Committee and Board of Directors at their meetings held on May 7, 2021 and May 13, 2021, respectively and pursuant to the provisions of the Sections 197 and 198 of the Companies Act, 2013 ("the Act") and other applicable provisions of the Act and the rules made thereunder, if any [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force], read with Schedule V of the Act, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, applicable provisions of Articles of Association of the Company and in pursuance of Securities and Exchange Board of India ("SEBI") approval letter No. MRD/DSA/OW/2017/255/1 dated August 24, 2017, consent of the Members be and is hereby accorded for payment of remuneration as minimum remuneration to Shri Ashishkumar Chauhan (DIN: 00898469), Managing Director and CEO of the Company, (who was re-appointed for a period of five years w.e.f. November 2, 2017 vide ordinary resolution passed by Members of the Company on October 16, 2017) commencing from April 1, 2021 till November 1, 2022.

   RESOLVED FURTHER THAT the terms and conditions of re-appointment of Shri Ashishkumar Chauhan as the Managing Director and CEO of the Company including the remuneration to be paid to him as approved aforesaid by SEBI and Members of the Company shall remain unchanged.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors

Prajakta Powle
Company Secretary and Compliance Officer
Membership No. A20135
Mumbai, May 13, 2021

NOTES:

1. In view of the COVID-19 pandemic and pursuant to the General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold Annual General Meeting through VC/OAVM, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the sixteenth Annual General Meeting ("AGM") of the Company is being held through VC. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
2. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), as the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent notes.
3. Since the AGM will be held through VC, the Route Map is not annexed to this Notice. The registered office of the Company shall be deemed to be the venue for the AGM.
4. In compliance with the Circulars, Annual Report along with the Notice of the AGM, and instructions for remote e-Voting/ e-Voting are being sent only through e-mail to those Shareholders whose email addresses are registered with the Company's Registrar and Transfer Agents, KFin Technologies Private Limited ("RTA")/ Depository Participant(s) ("DP"). The copy of Annual Report along with the Notice is also available on Company's website at www.bseindia.com, www.nseindia.com (where the Company is listed) and www.evotingindia.com (agency providing e-Voting facility).
5. M/s. N. L. Bhatia and Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-Voting/e-Voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman, or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company at www.bseindia.com, www.nseindia.com (where the Company is listed) and www.evotingindia.com (agency providing e-Voting facility).
6. Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email at bhaskar@nlba.in and the same should also be uploaded on the VC portal / e-Voting portal of CDSL.
7. **Trading Members or their associates and agents as on cut-off date shall not be eligible to vote on Item No. 3 of the Notice.**
8. Pursuant to Regulation 46 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the securities of a Recognized Stock Exchange are required to be maintained in Demat mode. Further, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), securities of listed companies can only be transferred in Demat mode w.e.f. April 1, 2019. In view of the above, Members are advised to dematerialize the shares held in physical mode.
9. The Board of Directors has recommended Final Dividend of ₹ 21/- per equity share for the Financial Year ended March 31, 2021 that is proposed to be paid on or before Wednesday, September 22, 2021 to those Members whose names appears in the Register of Members of the Company as on **Friday, August 6, 2021** (close of business hours of record date) subject to the approval of the Shareholders at the AGM.
10. Members whose shareholding is in demat mode are requested to notify any change in address or bank account details to their respective DPs. Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System ("ECS") mode to receive dividend on time in line with the Circulars. We urge Members to utilize the ECS for receiving dividends. Please refer to point No. 13 for the process to be followed for updating bank account details.
11. The final dividend, once approved by the Members, will be paid electronically through various online transfer modes to those Members who have updated their bank account details. For Members who have not updated their bank account details, dividend warrants / cheques will be sent out to their registered addresses. To avoid delay in receiving dividend, Members are requested to update their KYC with their depositories (where shares are held in demat mode) and with the RTA (where shares are held in physical mode) to receive dividend directly into their bank account.

12. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in demat mode and with RTA in case the shares are held by them in physical mode.

13. To register e-mail address for all future correspondence and update the bank account details, please follow the below process:

    a. Members holding shares in Demat mode can get their details registered/updated only by contacting their respective DP.

    b. Members holding shares in physical mode may register their email address and mobile number with the RTA by sending an e-mail request to the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address and mobile number, self-attested copy of Permanent Account Number Card ("PAN") and copy of a share certificate for registering their email address. Additional details like name and branch of Bank along with bank account type, bank account number, 9-digit MICR code, 11-digit IFSC code and scanned copy of cancelled cheque will be required for updating bank account details.

14. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in demat mode are, therefore, requested to submit their PAN to their DP. Members holding shares in physical mode are required to submit their PAN details to the RTA.

15. As per the provisions of Section 72 of the Companies Act, 2013 ("the Act"), the facility for submitting nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same with their DP in case the shares are held by them in demat mode, and to the RTA, in case the shares are held in physical mode.

16. In pursuance of approval of Shareholders at the 15th Annual General Meeting held on July 30, 2020, applications for appointment of Shri T. C. Suseel Kumar, Shri Alok Vajpeyi, Shri Ghanshyam Dass and Smt. Rita Bhagwati, as Shareholder Directors, were sent to SEBI for approval. In response to the said applications, SEBI approved the appointment of Shri T. C. Suseel Kumar who was nominated on the Board of the Company by Life Insurance Corporation of India, as Shareholder Director and accordingly, Shri T. C. Suseel Kumar was appointed w.e.f. October 22, 2020.

17. **Tax Deducted at Source ("TDS") on Dividend:**

    Pursuant to the provisions of the Finance Act, 2020 dividend income is taxable in the hands of the Shareholders w.e.f. April 1, 2020 and accordingly, the Company would be required to deduct tax at source from the dividend paid to Shareholders, if so approved at the ensuing AGM at the prescribed rates.

    The rate of TDS as per the Income Tax Act, 1961 ("IT Act"), would depend upon the status of the recipient and is explained herein below:

    i. Resident Shareholders:

    In case of resident Shareholders, Section 194 of the IT Act provides mandate for withholding tax @ 10% on dividend income. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the Financial Year to **individual** Shareholder does not exceed ₹ 5,000/-. In absence of PAN, TDS rate of 20% will apply. Further, in case of resident individual Shareholders, in a case where PAN is not linked with Aadhaar pursuant to the prescribed due date, then the PAN will become inoperative and the consequences as applicable in case of No PAN will apply for the said Shareholders (currently applicable from July 1, 2021). Additionally, tax may be deducted at double the applicable rate, if any shareholder required to file their return of income has not filed their return of income for the preceding two financial years (i.e., FY 2018-19 and FY 2019-20) and aggregate taxes deducted at source/ tax collected at source exceeds ₹ 50,000/- in each of the two previous years (may be applicable from July 1, 2021). The said requirement will be verified by the Company from the Government enabled online facility.

    Resident Shareholders, being individuals, whose total dividend income in a Financial Year exceed ₹ 5,000/- and who wish to receive dividend without deduction of tax at source may submit a declaration in Form No. 15G (for individuals below the age of 60 years, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form No. 15H (applicable to an individual of the age of 60 years and above with no tax liability on total income), in original to the RTA on einward.ris@kfintech.com. Format for Form 15G and Form 15H have been uploaded on Company's website as Annexure 1 and Annexure 2 respectively. Where a Shareholder furnishes a valid Nil or lower tax rate deduction certificate under Section 197 of the Act, TDS will be applied as per the rates prescribed in such certificate.

    Any other entity entitled to exemption from TDS:

    i. **Insurance companies:** Documentary evidence (PAN and registration certificate along with self-declaration in the format is uploaded on Company's website as Annexure 3) that the provisions of Section 194 of the IT Act are not applicable to them (self-attested by the competent authority with affixed stamp).

ii. **Mutual Funds:** Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of Section 10 of the IT Act and is covered under Section 196 of the IT Act. (Format of declaration form is uploaded on Company's website as Annexure 3).

iii. **Alternative Investment Fund (AIF) established in India:** Self- declaration that its dividend income is not chargeable under the head 'Profit and Gains of Business or Profession' and exempt under Section 10(23FBA) of the IT Act and they are established as Category I or Category II AIF under the SEBI regulations. (Format of declaration form is uploaded on Company's website as Annexure 3).

iv. **Entities Exempt under Section 10 of the IT Act:** In case of resident non-individual Shareholders, if the income is exempt under the IT Act, the authorized signatory shall submit the declaration duly signed with stamp affixed for the purpose of claiming exemption from TDS (Format of declaration form is uploaded on Company's website as Annexure 3);

v. **Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income -** Documentary evidence that the person is covered under Section 196 of the IT Act.

vi. **Beneficial ownership:** In case of equity share(s) held in the Company as a beneficiary; and are not subject to TDS under Section 196 of the IT Act, the person shall submit self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card (Format of declaration form is uploaded on Company's website as Annexure 3).

vii. **Benefit under Rule 37BA:** In case where shares are held by Clearing Members/ Intermediaries/ Stockbrokers and TDS is to be applied by the Company in the PAN of the beneficial Shareholders then intermediaries/ stockbrokers and beneficial Shareholders will have to provide a declaration. (Format of declaration is uploaded on Company's website as Annexure 4 and excel template as Appendix A). This declaration should be submitted within 4 days from the record date to the RTA on einward.ris@kfintech.com. Kindly note that no declaration shall be accepted after 4 days from the record date.

Shareholders are requested to note that while submission of original form / documentary evidence is mandatory, they may upload and submit the said documents online (except Annexure 4),on the portal of the RTA at https://ris.kfintech.com/form15 or email the same at einward.ris@kfintech.com on or before **August 6, 2021**.

ii. Non-resident Shareholders (including Foreign Portfolio Investors/ Foreign Institutional Investors ('FPI / FII'))

In case of non-resident Shareholders other than foreign companies, the IT Act provides mandate for withholding tax at the rate of 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

Particulars	Surcharge Rate	Effective TDS rate
Dividend Income not exceeding ₹ 50,00,000	Nil	20.80%
Dividend Income exceeds ₹ 50,00,000 but does not exceed ₹ 1,00,00,000	10%	22.88%
Dividend Income exceeding ₹ 1,00,00,000	15%	23.92%

In case of Shareholders, being foreign companies, the IT Act provides mandate for withholding tax at the rate of 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

Particulars	Surcharge Rate	Effective TDS rate
Dividend Income not exceeding ₹ 1,00,00,000	Nil	20.80%
Dividend Income exceeds ₹ 1,00,00,000 but does not exceed ₹ 10,00,00,000	2%	21.27%
Dividend Income exceeding ₹ 10,00,00,000	5%	21.84%

In respect of non-resident Shareholders (including foreign companies and including FPI/ FII), the TDS rates mentioned above will be further subject to any benefits available under the Double Taxation Avoidance Agreement ("DTAA") read with Multilateral Instrument ("MLI") provisions, if any, between India and the country in which the non-resident is considered resident in terms of such DTAA read with MLI.

In order to claim benefit under DTAA, the non-resident Shareholders would be required to submit the following documents each Financial Year on or before the record date fixed for determining the Shareholders who are eligible to receive the final dividend, if so, approved at the respective AGMs:

A. Self-Attested PAN

B. Tax Residency Certificate ("TRC") issued by the Tax / Government authority of the country in which the Non-Resident shareholder is a resident of (valid for the relevant financial year).

C. Form 10F containing therein information to be provided under Section 90(5)/ 90A (5) of the IT Act, if not so covered in TRC (Valid for the relevant financial year)- uploaded on Company's website as Annexure 5.

D. Declaration from Shareholders stating the following (template uploaded on Company's website as Annexure 6):

- That the shareholder did not at any time during the relevant year have a permanent establishment in India
- That the shareholder is the beneficial owner of the dividend
- That the construct and affairs of the shareholder is not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty.
- That the arrangement of the shareholder is not covered under impermissible avoidance arrangement

E. The Company will apply at its sole discretion and is not obligated to apply the beneficial DTAA rates for tax deduction on dividend payable to Shareholders. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident Shareholders.

F. Where a shareholder furnishes valid nil / lower withholding tax certificate under Section 195/ 197 of the IT Act, withholding tax will be applied as per the rates prescribed in such certificate.

G. Valid self-attested documentary evidence in support of the entity being entitled to exemption from TDS needs to be submitted. Shareholders are requested to note that while submission of original form / documentary evidence is mandatory, they may upload and submit the said documents online (except Annexure 4), on the portal of the RTA at https://ris.kfintech.com/form15 on or before **August 6, 2021.**

Please note: Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.

Please note that the Company in its sole discretion reserves the right to call for any further information and/or to apply domestic law for TDS.

Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Record Date, documents, information available in public domain, etc. In case of ambiguous, incomplete, or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per the Act and claim for a credit / appropriate refund, if eligible. **No claim shall lie against the Company for such taxes deducted.**

Shareholders, whose **valid PAN** is updated, will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal/.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co- operation in any appellate proceedings.

Please note that all the relevant annexures, as mentioned above, can be downloaded from the link : https://www.bseindia.com/investor_relations/annualreport.html.

The summary of annexures are as follows:

1. **Annexure 1** - FORM 15G.
2. **Annexure 2** - FORM 15H.
3. **Annexure 3** - Declaration of category of shareholder.
4. **Annexure 4** - TDS Declaration Format under Rule 37BA_Pool Account along with excel template in Appendix A.
5. **Annexure 5** - FORM 10F.
6. **Annexure 6** – Non-Resident Tax Declaration.

18. Pursuant to the provisions of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), and relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly, transferred ₹ 1,18,000/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend for Financial Year 2012-13 to the IEPF. The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the Company's website at www.bseindia.com. Members who have not encashed Final Dividend for the Financial Year 2013-14 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

19. Pursuant to the provisions of IEPF Rules, all equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, 298 equity shares of ₹ 2/- each on which the dividend remained unpaid or unclaimed for last seven consecutive years with reference to the due date of October 30, 2020 were transferred for the Financial Year 2012-13 to the IEPF Account, after following the prescribed procedure. Further, all the Shareholders who have not claimed / encashed their dividends in the last seven consecutive years from Financial Year 2013-14 are advised to claim the same. In case, valid claim is not received, the Company will proceed to transfer the respective equity shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.

20. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM:

A. VOTING THROUGH ELECTRONIC MEANS

i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and applicable circulars, the Members are provided with the facility to cast their vote electronically (through remote e-Voting as well as the e-Voting system on the date of the AGM) , through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice.

ii. The remote e-Voting period commences on **Saturday, August 21, 2021 (9.00 A.M. IST)** and ends on **Monday, August 23, 2021 (5.00 P.M. IST)**. During this period, Members holding shares either in physical mode or in demat mode, as on **Tuesday, August 17, 2021** i.e. **cut-off date**, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. A person who is not a Member as on the Cut-off date should treat Notice of this Meeting for information purposes only.

iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.

iv. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Tuesday, August 17, 2021.

v. Any person or non-individual Shareholders (in physical mode/ demat mode) who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow the steps mentioned below.

vi. **Login method for e-Voting and voting during the meeting for Individual Shareholders holding securities in demat mode**

In terms of the SEBI circular dated December 9, 2020 on the e-Voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-Voting process has been enabled to all individual Shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility. Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders		Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1)	Users who have opted for Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.
	2)	After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider ("ESP") i.e. CDSL, for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all ESP i.e. CDSL/NSDL/KFin/LINKINTIME, so that the user can visit the ESP website directly.
	3)	If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. CDSL where the e-Voting is in progress.
Individual Shareholders holding securities in Demat mode with **NSDL**	1)	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com.
	2)	Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.
	3)	Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider- CDSL and you will be re-directed to the CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	4)	If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.
	5)	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
	6)	A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
	7)	After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider- CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in Demat mode) login through their **Depository Participants**	1)	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
	2)	After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
	3)	Click on Company name or e-Voting service provider name -CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use "Forget User ID" and "Forget Password" option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

vii. **Login method for e-Voting and voting during the meeting for Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.**

a) The Shareholders should log on to the e-Voting website www.evotingindia.com.

b) Click on "Shareholders" module.

c) Now 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. Shareholders holding shares in Physical mode should enter Folio Number registered with the Company.

d) Next enter the Image Verification as displayed and Click on Login.

e) If you are holding shares in Demat mode and had logged on to www.evotingindia.com and voted on an earlier e-Voting of any company, then your existing password is to be used.

f) If you are a first-time user follow the steps given below:

Login type	For Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.
PAN	Enter your 10-digit alpha-numeric "PAN" issued by Income Tax Department. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by RTA or contact RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to login. If both the details are not recorded with the depository or the Company, please enter the Member id / folio number in the Dividend Bank details field.

g) After entering these details appropriately, click on "SUBMIT" tab.

h) Shareholders holding shares in physical mode will then directly reach the Company selection screen. However, Shareholders holding shares in Demat mode 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 account 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.

i) For Shareholders holding shares in physical mode, the details can be used only for e-Voting on the resolutions contained in this Notice.

j) Click on the EVSN for the relevant <BSE Limited> on which you choose to vote.

k) 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.

l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

m) 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.

n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

p) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot password and enter the details as prompted by the system.

q) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote e-Voting only.**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney ("POA") which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; bhaskar@nlba.in, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC AND E-VOTING DURING THE AGM:

i. The procedure for attending AGM and e-Voting on the day of AGM is same as the instructions mentioned above for e-Voting.

ii. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

iii. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM.

iv. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.

v. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

vi. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.

vii. Further Shareholders will be required to allow Camera (in case of speakers) and use Internet with a good speed to avoid any disturbance during the AGM.

viii. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

ix. Members (holding shares as on Cut-off date) who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, on or before Saturday, August 21, 2021, from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at bse.shareholders@bseindia.com. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

x. Only those Shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

xi. If any Votes are cast by the Shareholders through the e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

21. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act, shall be available for inspection during the AGM at e-Voting portal.

22. Statement pursuant to Section 102(1) of the Act, in respect of the Special Business to be transacted at the AGM along with details pursuant to SEBI Regulations and other applicable laws are annexed hereto. All documents referred to in the accompanying Notice and the Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to bse.shareholders@bseindia.com.

23. The term 'Members' or 'Shareholders' has been used to denote Shareholders of BSE Limited.

24. To enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference.

Sr. No.	Particulars	Details
1	Record date for dividend	Friday, August 6, 2021
2	Cut-off date for e-Voting	Tuesday, August 17, 2021
3	For updating Email ID & Bank details before the Cut-off date for e-Voting	Refer Point No. 13
4	Time period for remote e-Voting	Commences on Saturday, August 21, 2021 (9.00 A.M. IST) and ends on Monday, August 23, 2021 (5.00 P.M. IST)
5	Speaker Registration/Post your Queries	Refer Point No. 20 (B) (ix)
6	TDS on Dividend & Link for downloading formats for submission	Refer Point No. 17 https://www.bseindia.com/investor_relations/annualreport.html

By Order of the Board of Directors

Prajakta Powle
Company Secretary & Compliance Officer
Mumbai, May 13, 2021

Details of the Directors seeking re-appointment/variation in terms of remuneration at the AGM (Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)

Name of Director	Shri. T.C Suseel Kumar	Shri Ashishkumar Chauhan
Designation	Shareholder Director	Managing Director and CEO
DIN	06453310	00898469
Date of Appointment	October 22, 2020	November 2, 2012
Date of Reappointment	N.A.	November 2, 2017
Item No.	3	4
Date of Birth (Age)	February 1, 1961 (60 years)	March 16, 1968 (53 Years)
Brief Resume	Shri T.C. Suseel Kumar has retired as Managing Director of Life Insurance Corporation of India in January 2021. A University Rank-holder in Post Graduate, Shri T. C. Suseel Kumar joined the Corporation as a Direct Recruit Officer in 1984. During a span of more than 3 decades in the Corporation, Shri T.C. Suseel Kumar held various distinguished positions in the Corporation pan India and abroad. Holding the senior position as Executive Director at the Corporate Office, Shri T.C. Suseel Kumar has the distinction of working in all major streams that included Marketing, Customer Relationship Management, Personnel, Finance & Accounts, Audit, Corporate Planning, Inspection, Estates, Human Resource Development, Bacassurance and Investments besides heading foreign operations in Mauritius. Quite strong at analytics and interpretation of data, Shri T.C. Suseel Kumar had authored the business strategies of the Corporation aligning the short and long term goals to regain the market share. During his stewardship in Marketing, the LIC has crossed many a milestone with all time high First Year Premium Income and consolidated its market leadership with appreciable growth. He also pioneered the market research program to target the millennial for both new business and agency recruitment. The Corporation, after over a decade, could add more than a lakh of Agents during the year 2020-21. He was also instrumental in rolling out automated business data compilation and analysis in real time across the Corporation and that enabled the managers to strategies and execute the business plans. With his rich experience and expertise in the field of insurance and finance behind his name, Shri T. C. Suseel Kumar has held position in the Board of many important companies viz. National Mutual Fund- Mauritius, LIC Lanka Limited, LIC HFL AMC Limited, LIC Pension Fund, LIC Mutual Fund Trustee Company, National Insurance Academy. His contribution as Board member was significant as companies derived rich benefits from his cross functional expertise.	Shri Ashishkumar Chauhan, a technocrat from IIT and IIM, is the MD & CEO of BSE Limited ('BSE'), with market capitalization of listed companies close to USD 3 trillion. Since 2009, Shri Ashishkumar Chauhan has helped BSE to become the fastest exchange in the world with 6 microseconds response time, completed its IPO, revived its revenues, introduced mobile stock trading to India, diversified in areas such as currency, commodities and equity derivatives, SME, start-ups, Mutual fund distribution, IPO/bond distribution, Insurance distribution, Agri spot market, Power trading, and International exchange at Gift city etc. Shri Ashishkumar Chauhan acted as the CEO of IPL cricket team Mumbai Indians in its formative years and worked as the President and CIO of Reliance group from years 2000 to 2009 in the field of IT, e-commerce, public relations, media, telecom, sports, organized retail, IPO, petrochemicals, refining, oil and gas etc. Shri Ashishkumar Chauhan is one of the founders of at NSE (National stock exchange) and is considered the father of modern financial derivatives in India due to his work there from 1993-2000. He is also the creator of Nifty index and was in charge of creating the first screen-based trading. He started his career as a banker with IDBI. Shri Ashishkumar Chauhan is a serial entrepreneur. He is considered amongst the foremost experts in the fields of fintech, market microstructure, transaction processing, corporate governance, finance, regulatory policies, business, technology, cricket, and Indian social issues. He has spoken at conferences organized by UN, WEF, WFE, UNCTAD, OECD, Commonwealth etc. He has been a part of the policy committees of Ministry of finance, Ministry of MSME, CBDT, RBI, SEBI etc. He also headed the South Asia Federation of Exchanges (SAFE), consisting of 20 plus exchanges.

	He has attended various senior management training seminars and that include sessions at Asian Institute of Management, Manila, Indian School of Business, Hyderabad and various Indian Institute of Management. Presently he is on the board of Axis Bank Limited, BSE Limited and Lakshmi Machine Works Limited.	He has won several prestigious Indian and international awards over last 3 decades including Digital Icon of the Year, Asian Banker, Top 50 CIOs in the world etc. He serves on the board of prestigious Indian universities including IIMs, AJNIFM, NITs, NIITs etc. amongst his many social activities. He is also acting as the Chancellor of University of Allahabad, UP, India, one of the nationally important universities and the oldest Universities in Asia set up in 1887. He is a distinguished visiting faculty at Ryerson University in Toronto and Honorary Professor at Nottingham University Business School. He has co-authored a book titled on BSE 'A temple of wealth creation'. A book titled 'Sthithpragya - the process of maintaining equilibrium' has been written on his life journey.
Expertise in specific functional area	Marketing, Customer Relationship Management, Personnel, Finance & Accounts, Audit, Corporate Planning, Inspection, Estates, Human Resource Development, Bancassurance, Investments and Foreign operations	Information Technology, Finance, Markets, Microstructure of markets, cricket, telecommunications, organized retail, Oil & Gas refining and Indian social issues.
Qualifications	M.A (Economics)	B. Tech (IIT-Bombay) and PDGDM (IIM-Calcutta).
Remuneration last drawn	₹ 7,40,000/- (Sitting Fees)	₹ 8,41,90,678/- for FY 2020-21 As mentioned in the statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and in accordance with the approvals granted by SEBI vide its letter dated August 24, 2017 and Members of the Company on October 16, 2017.
Terms and Conditions of appointment/ re-appointment	Liable to retire by rotation	N.A.
Number of Meetings of the Board held and attended during the year	4 of 4	7 of 7
Directorships held in other Company	• Axis Bank Limited • Lakshmi Machine Works Limited	• BSE Institute Limited • BSE Investments Limited • BSE Technologies Private Limited • BSE Sammaan CSR Limited • India International Clearing Corporation (IFSC) Limited • India International Exchange (IFSC) Limited • ICSI Institute of Insolvency Professionals • Krishna Avanti Private Limited
Committee position held in other Companies (Including BSE Limited) *	BSE Limited • Audit Committee • Stakeholder Relationship/ Share Allotment Committee	NIL
Relationship with other directors	None	None
No. of equity shares held in the Company	NIL	NIL

**Chairmanship and membership of Audit Committee and Stakeholders' Relationship / Share Allotment Committee have been considered.*

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

ITEM NO. 4:

Shri Ashishkumar Chauhan was re-appointed as the Managing Director and CEO ("MD & CEO") of the Company for a further period of 5 years with effect from November 2, 2017 to November 1, 2022. The re-appointment was approved by Securities and Exchange Board of India ("SEBI") vide its letter No. MRD/DSA/OW/2017/255/1 dated August 24, 2017 and by Members of the Company by way of ordinary resolution dated October 16, 2017.

The Company has been paying remuneration to Shri Ashishkumar Chauhan in accordance with SEBI approval dated August 24, 2017 and as per the ordinary resolution passed by Shareholders vide postal ballot conducted on October 16, 2017. Shri Ashishkumar Chauhan, Managing Director & CEO has been paid remuneration as per the terms of his appointment from April 1, 2021 till date. It is expected that the Net profits of the Company as per Section 198 of the Act may be insufficient for the Financial Year 2021-22 as a result of which the managerial remuneration payable to Shri Ashishkumar Chauhan as approved by SEBI and Shareholders may exceed the limits prescribed under Section 197 of the Act. Therefore, in terms of the provisions of the Act, approval of Members of the Company by way of a special resolution is sought for payment of remuneration to Shri Ashishkumar Chauhan for a period commencing from April 1, 2021 till November 1, 2022.

The terms and conditions including remuneration approved by SEBI and Shareholders of the Company are not proposed to be amended.

It is specifically clarified that no increase in remuneration of Shri Ashishkumar Chauhan is proposed and the same is in line with the remuneration already approved by the Members by way of postal ballot conducted on October 16, 2017.

Based on the resolution passed by the Nomination and Remuneration Committee ("NRC") and the Board of Directors at their meetings held on May 7, 2021 and May 13, 2021, respectively, the said resolution is placed before the Members for their approval.

The approved terms and conditions of re-appointment including remuneration for the period commencing from November 2, 2017 up to November 1, 2022 are mentioned below:

(1) Salary:

MD & CEO shall be entitled to a Salary of ₹ 15,00,000 (Rupees Fifteen Lakh only) per month. The Board or the NRC may, at its discretion, fix the annual increase in Salary every year, subject to the percentage limits applicable based on performance.

(2) Additional Allowance:

MD & CEO shall be entitled to an Additional Allowance of ₹ 9,45,000 (Rupees Nine Lakh Forty-Five Thousand only) per month which includes ₹ 1,50,000 (Rupees One Lakh Fifty Thousand only) per month in lieu of contribution to National Pension Scheme. The Board or the NRC may, at its discretion, fix the annual increase in Additional Allowance every year, subject to the percentage limits applicable based on performance.

(3) Annual Performance Based Variable Pay:

Annual Performance Based Variable Pay as may be decided by the Board or the NRC of ₹ 1,50,00,000* (Rupees One Crore Fifty Lakh only) per annum [*applicable to median performance level i.e. (Rating 3)]. The Board or the NRC, as the case may be, may fix the actual Variable Pay in each year depending upon his performance level at such amount and at such percentage in comparison to the median performance level subject to condition that the final Variable Pay shall not exceed one-third of final Total Pay for the respective year as stipulated by SEBI. 50% of the amount so decided shall be payable on deferred basis after three years, subject to malus and claw back arrangements.

(4) Perquisites:

In addition to the above, MD &CEO shall be entitled to the following perquisites: -

PART — A

(a) Housing: The Company will provide accommodation, or House Rent Allowance in lieu thereof at the rate of 50% of the Salary.

(b) Medical Allowance at the rate of one month's Salary per annum.

(c) Leave Travel Allowance at the rate of one month's Salary per annum.

(d) Medical Insurance, Personal Accident & Life Insurance cover, as per the Company's policy.

(e) Club memberships (Life Membership fees not allowed).

PART — B

(a) Contribution to Provident and Pension Fund(s) at the rate of 12% of the Salary.

(b) Contribution to Superannuation Scheme, if and when such a scheme is in force, at the rate of 15% of the Salary by reducing the Additional Allowance by an amount equivalent to the contribution.

Explanation to (a) & (b) above: Contribution to Provident and Pension Fund(s) and Superannuation Scheme will not be included in the computation of the ceiling on remuneration payable to MD & CEO to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

(c) Gratuity at a rate not exceeding one month's Salary for each completed year of service or part thereof in excess of six months with the Company. However, gratuity payable at a rate not exceeding half a month's Salary for each completed year of service shall not be included in the computation of the ceiling on remuneration payable to MD & CEO.

(d) Leave Encashment as per the Leave Rules of the Company. However, encashment of accumulated leave at the end of his tenure shall not be included in the computation of the ceiling on remuneration payable to MD & CEO.

PART — C

(a) A Company provided and maintained car with drivers. The basic value of the car shall not exceed ₹ 50 lakhs (Rupees Fifty Lakhs only). Cost of the car exceeding the same shall be borne by MD & CEO.

(b) Company maintained telephone (besides a mobile phone) along with net connectivity as per Company's policy to be provided at the residence of MD & CEO.

(5) Other Benefits

(a) Leave with full pay and allowances as per the Rules of the Company. Such leave will be permitted to be accumulated in accordance with the Company's Rules and Procedures in force from time to time. Casual and Sick leave will be admissible as per the Rules of the Company.

(b) Any other payments which the Board or NRC may decide to pay to the employees including working directors in such manner and for such purpose as may be decided by the Board or the NRC provided that such other payments payable to MD & CEO together with salary and other emoluments or its structure shall not exceed the limits prescribed under the Act/ or any amendment thereto or re-enactment thereof or under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SEBI Regulations").

(c) General: Such other benefits (including lunch subsidy) as per Company's policy as are made available by the Company to other members of the staff from time to time. Further, the Board or NRC may restructure the compensation payable to MD & CEO from time to time in accordance with prevailing SEBI Regulations, subject to the overall total compensation provided above.

(6) Other Terms

No sitting fee shall be payable to Shri Ashishkumar Chauhan during his tenure as MD & CEO.

Where in any Financial Year during the currency of tenure of MD & CEO, the Company has no profits or its profits are inadequate, the monthly remuneration payable to MD & CEO shall not exceed the limits specified under Schedule V of the Act or any amendment thereto or re-enactment thereof.

Shri Ashishkumar Chauhan shall not be liable to retire by rotation during the currency of his tenure as MD & CEO.

The Board or the NRC, as the case may be, may at its discretion, fix the annual increase in the Total Pay every year not exceeding 15% of the Total Pay of the previous year. The Board or the NRC, as the case may be, may also vary, at any time, the percentage increase in the Variable Pay for each performance level applicable to MD & CEO in comparison to median performance level (i.e. Rating 3) subject to the condition that the Variable Pay component in the Compensation will not exceed one-third of the Total Pay.

The compensation package of Shri Ashishkumar Chauhan shall also be subject to following since he is also a Key Management Person as per the requirements of SEBI.

(a) The Variable Pay component in the compensation will not exceed one third of the Total Pay.

(b) 50% of the Variable Pay will be paid on a deferred basis after 3 years subject to (d) below.

(c) ESOPs and other equity linked instruments issued by BSE, if any, will not form part of the compensation package.

(d) The terms of compensation shall have malus and claw back arrangements.

The total compensation payable as above is given hereunder in terms of fixed and variable pay ratio subject to increments as stated above: -

Fixed Pay* (per annum)	Variable Pay** (per annum)	Total Pay (per annum)	% Fixed Pay to Total Pay	% Variable Pay to Total Pay
₹ 4,50,00,000	₹ 1,50,00,000	₹ 6,00,00,000	75%	25%

** Fixed Pay includes Basic Salary, House Rent Allowance (if paid), Additional Allowance, Leave Travel Allowance, Medical Allowance, Lunch Subsidy, contribution to Provident Fund, Gratuity and Superannuation and Pension Schemes but excludes certain perquisites like Company maintained car with drivers, telephone (besides mobile phone) with net connectivity, leave encashment, club memberships, medical, personal accident and life insurance cover.*

*** The Variable Pay component of 25% is in respect of the median performance level i.e. (Rating 3). There are five grades of performance level namely Rating 1, 2, 3, 4 and 5. If the performance level is assessed above the median performance level (i.e. Rating 4 or Rating 5), the variable pay would be equivalent to 110% or 120 % of the Variable Pay at the median level, as the case may be. Similarly, if the performance level is assessed below the median performance level (i.e. Rating 2 or Rating 1), the Variable Pay would be equivalent to 90% or 0 % of the Variable Pay at the median level, as the case may be. Accordingly, the actual Variable Pay of Shri Ashishkumar Chauhan for each year will be fixed (subject to discretion of Board or the NRC, as the case may be, to vary the percentage increase in the Variable Pay for each performance level in comparison to median performance level) depending upon his performance in each year subject to the condition that the final Variable Pay shall not exceed one-third of final Total Pay for the respective year as stipulated by SEBI.*

Except Shri Ashishkumar Chauhan and his relatives, none of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution.

Additional information as required under Schedule V to the Act has been provided as **Annexure I**.

By Order of the Board of Directors

Prajakta Powle
Company Secretary & Compliance Officer
Mumbai, May 13, 2021

ANNEXURE I

STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE COMPANIES ACT, 2013

S/n	Particulars	
I.	**General information:**	
1.	Nature of industry	Exchange operation – Financial services
2.	Date or expected date of commencement of commercial production	The Company got incorporated under the Companies Act, 1956 with effect from August 8, 2005, pursuant to BSE (Corporatisation and Demutualisation) scheme 2005.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	Financial Performance as per the audited financial statements for the year ended March 31, 2021 **Consolidated Financial Performance:** Total Income: ₹ 65,465 Lakh Profit before tax: ₹ 15,257 Lakh Profit after tax: ₹ 14,170 Lakh **Standalone Financial Performance:** Total Income: ₹ 56,505 Lakh Profit before tax: ₹ 11,599 Lakh Profit after tax: ₹ 9,726 Lakh
5.	Foreign investments or collaborations, if any.	The Company has no foreign collaborations. As per the shareholding pattern as on March 31, 2021, Foreign investors were holding 18.50% collectively of the total paid up share capital of the Company.
II.	**Information about the appointee:**	
1.	Background details	Refer details under brief resume, as per the table wherein details of directors are provided.
2.	Past remuneration	₹ 8,41,90,678 for FY 2020-21 As mentioned in the statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and in accordance with the approvals granted by SEBI vide its letter dated August 24, 2017 and Members of the Company on October 16, 2017.
3.	Recognition or awards	• Distinguished Alumnus Awards from both his Alma Mater IIT Bombay and IIM Kolkata • "Digital Icon of Year" by Indian Express Group • Ranked amongst the top CEOs in financial markets by Asian Banker • Ranked amongst top 50 CIOs in the world by Information Week US
4.	Job profile and his suitability	As per Brief Resume- Refer the table wherein details of directors are provided.
5.	Remuneration proposed	As mentioned in the statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and in accordance with the approvals granted by SEBI vide its letter dated August 24, 2017 and Members of the Company on October 16, 2017.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the Country of his origin)	The remuneration as proposed of Shri Ashishkumar Chauhan is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its businesses. Moreover, in his position as Managing Director and CEO of the Company, Shri Ashishkumar Chauhan devotes his substantial time in overseeing the operations of the Company.

S/n	Particulars	
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration proposed, Shri Ashishkumar Chauhan does not have any pecuniary relationship with the Company.
III.	**Other information:**	
1.	Reasons of loss or inadequate profits	The Company is passing a Special Resolution pursuant to the provisions of Section 197 (1) of the Companies Act, 2013 and Schedule V thereto and as a matter of abundant precaution, as the profitability of the Company may be adversely impacted in future due to business environment during the period for which remuneration is payable to Shri Ashishkumar Chauhan i.e. till November 1, 2022.
2.	Steps taken or proposed to be taken for improvement	The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position.
3.	Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

Boards' Report

The Board of Directors ("Board") present the Sixteenth Annual Report of BSE Limited ("the Company" or "BSE" or "Exchange") together with audited financial statements for the Financial Year ended March 31, 2021.

1. STATE OF AFFAIRS

A. FINANCIAL SUMMARY AND HIGHLIGHTS:

The financial performance for Financial Year ("FY") 2020-21 is summarised in the following table:

₹ in Lakh

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total revenue	**56,505**	54,213	**65,465**	63,000
Total expenses	**43,453**	45,849	**53,070**	55,320
Profit before exceptional items & tax	**13,052**	8,364	**12,395**	7,680
Exceptional items [income/(expenses)]	**(1,453)**	9,158	**(1,453)**	3,204
Profit before tax and share of profits of associates	**11,599**	17,522	**10,942**	10,884
Share of profits of associates	**-**	-	**4,315**	2,665
Profit before tax	**11,599**	17,522	**15,257**	13,549
Tax expenses	**1,873**	155	**1,087**	1,488
Net profit for the year from continuing operations	**9,726**	17,367	**14,170**	12,061
Net profit from discontinued operation	**-**	-	**-**	-
Net profit for the year from total operations	**9,726**	17,367	**14,170**	12,061
Net profit attributable to the Shareholders of the Company	**9,726**	17,367	**14,490**	12,227
Net profit attributable to the non-controlling interest	**-**	-	**(320)**	(166)
Other comprehensive income	**277**	(25)	**(23)**	1,102
Total comprehensive income for the year from total operation	**10,003**	17,342	**14,147**	13,163
Total comprehensive income attributable to the Shareholders of the Company	**10,003**	17,342	**14,497**	13,230
Total comprehensive income attributable to the non-controlling interest	**-**	-	**(350)**	(67)
Basic and diluted EPS before exceptional items (₹) – Continuing Operations	**23.30**	16.72	**33.00**	18.04
Basic and diluted before discontinued operation after exceptional items	**21.23**	35.37	**30.94**	24.57
Basic and diluted EPS after exceptional item (₹) – Total Operations	**21.23**	35.37	**30.94**	24.57

I. Consolidated Results

The total income of the Company during the FY 2020-21 on a consolidated basis was ₹ 65,465 Lakh reflecting an increase of ₹ 2,465 Lakh (up by 4%) over previous financial year. However, the total expenses for the year were lower by ₹ 2,250 Lakh (down by 4%) at ₹ 53,070 Lakh.

During the financial year, the income was higher mainly due to increase in income from securities services (up by 30%); income from corporate services and data dissemination (up by 6%). Decrease in expenses are mainly due to decrease in administration and other expenses by 13% and computer technology expenses by 19%.

The net profit after tax from total operation was higher by ₹ 2,109 Lakh (up by 17%) to ₹ 14,170 Lakh as against ₹ 12,061 Lakh in the previous financial year.

II. Standalone results

The total income of the Company during the FY 2020-21 on a standalone basis was ₹ 56,505 Lakh reflecting an increase of ₹ 2,292

Lakh (up by 4%) over previous financial year. The total expenses for the year were lower by ₹ 2,396 Lakh (down by 5%) at ₹ 43,453 Lakh.

During the financial year, the income was higher mainly due to increase in income from securities services (up by 22%); income from corporate services and data dissemination (up by 6%). Decrease in expenses are mainly due to decrease in administration and other expenses by 15% and computer technology expenses by 12%.

The net profit after tax was lower by ₹ 7,641 Lakh (down by 44%) to ₹ 9,726 Lakh as against ₹ 17,367 Lakh in the previous financial year.

B. DIVIDEND

The Board of the Company, in its meeting held on May 13, 2021, has recommended a final dividend of ₹ 21/- per equity share of the face value of ₹ 2/- each fully paid up for the financial year ended March 31, 2021 subject to the approval of the Shareholders at the Annual General Meeting ("AGM").

The said dividend is in line with the Dividend Distribution Policy of the Company.

The final dividend, if approved, would result in a cash outflow of approximately ₹ 9,619 Lakh. The total dividend on equity shares for FY 2020-21 would aggregate to ₹ 9,619 Lakh, resulting in a payout of 99% of the standalone profits of the Company.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source. For more clarity on deduction of tax, please refer para on 'Tax Deducted at Source ("TDS") on Dividend' as mentioned in the notes to the Notice of Sixteenth Annual General Meeting.

Under Clause 5.3 of the BSE (Corporatisation and Demutualisation) Scheme, 2005, 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, 2021. 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. Brief details about the shares being kept in abeyance by the Company are given in 'Share Capital' section.

C. TRANSFER TO RESERVES

The Company has not transferred any amount of profits to reserves for FY 2020-21.

D. INVESTOR RELATIONS

The Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors through structured conference-calls and periodic investor/analyst interactions like individual meetings, participation in investor conferences, quarterly earnings calls and analyst meet from time to time. The Company participated in a number of investors meets organized by reputed Global and Domestic Broking Houses, during the year. The Company always believes in building a relationship of mutual understanding with investor/analysts. The Company ensures that critical information about the Company is available to all the investors, by uploading all such information on the Company's website.

2. MAJOR EVENTS OCCURRED DURING THE YEAR

A. MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT

There are 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 this report.

B. CHANGE IN NATURE OF BUSINESS

The Company has not undergone any change in the nature of business during the FY 2020-21.

C. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

3. SHARE CAPITAL

Pursuant to clause 5 of BSE (Corporatisation and Demutualisation) Scheme, 2005 approved by Securities Exchange Board of India ("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, decided for the purpose, 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. All corporate benefits including dividend as may be declared by the Company from time to time on the shares which remain in abeyance, are being provided for and would be payable on the allotment of these shares.

CHANGE IN PAID-UP SHARE CAPITAL

There was no change in the paid-up share capital of the Company during the FY 2020-21.

4. INVESTOR EDUCATION AND PROTECTION FUND

TRANSFER OF UNCLAIMED/UNPAID DIVIDEND

Pursuant to the provisions of Section 124 of the Companies Act, 2013 ("the Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF

Rules"), and relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

The Company had, accordingly transferred the following amount to IEPF:

Type of Dividend	Dividend per share	Date of Declaration	Date of Transfer	Amount Transferred
Final Dividend for FY 2012-13	₹ 4/-	July 30, 2013	October 21, 2020	₹ 1,18,800/-

TRANSFER OF SHARES

Pursuant to the provisions of IEPF Rules, all equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred.

Accordingly, 298 equity shares of ₹ 2/- each on which the dividend remained unpaid or unclaimed for last seven consecutive years with reference to the due date of October 1, 2020, were transferred during the FY 2020-21 to the IEPF Account, after following the prescribed procedure.

The Company has sent reminders to all such Shareholders who have not claimed their dividends for FY 2013-14 declared by the Company. All equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years shall be transferred by the Company to IEPF Account in accordance with provisions of the Act and IEPF Rules made thereunder. Members who have not encashed Final Dividend for the FY 2013-14 or any subsequent dividend declared by the Company, are advised to write to the Nodal Officer of the Company immediately.

Any Shareholder whose dividend/shares are transferred to IEPF can claim the shares by making an online application in Form IEPF-5 (available on www.iepf.gov.in).

Details of Nodal Officer

Name : Smt. Prajakta Powle, Company Secretary and Compliance Officer

Email address : bse.shareholders@bseindia.com

Details of the resultant benefits arising out of shares already transferred to the IEPF:

Sr. No.	Dividend	Financial Year	Cumulative No. of Shares	Amount (₹)
1.	Interim Dividend	2017-18	225	1,125
2.	Thirteenth Final Dividend	2017-18	225	6,975
3.	Interim Dividend	2018-19	448	2,240
4.	Fourteenth Final Dividend	2018-19	448	11,200
5.	Fifteenth Final Dividend	2019-20	760	12,920

Year wise amount of Unpaid/Unclaimed Dividend lying in the unpaid account upto March 31, 2021 and the corresponding shares, which are liable to be transferred to the IEPF, and the due dates for such transfer

Sr. No.	Date of declaration of Dividend	Number of Shareholders against whom Dividend amount is unpaid	Number of shares against whom Dividend amount is unpaid	Amount Unpaid as on March 31, 2021 (₹)	Due date of transfer of Unpaid and Unclaimed Dividend to IEPF
1.	9th Final Dividend (FY 2013-14) AGM held on August 1, 2014	195	34,451	1,37,804	September 3, 2021
2.	10th Final Dividend (FY 2014-15) AGM held on September 25, 2015	285	1,13,734	5,68,670	October 27, 2022
3.	Interim Dividend (FY 2015-16) Board Meeting held on February 3, 2016	366	2,43,316	8,51,606	March 7, 2023
4.	11th Final Dividend (FY 2015-16) AGM held on June 24, 2016	301	1,12,308	4,49,232	July 24, 2023
5.	Interim Dividend (FY 2016-17) Board Meeting held on February 14, 2017	2,149	83,918	4,19,590	March 16, 2024
6.	12th Final Dividend (FY 2016-17) AGM held on September 4, 2017	2,244	82,353	18,94,119	October 5, 2024
7.	Interim Dividend (FY 2017-18) Board Meeting held on February 2, 2018	3,132	1,88,256	9,41,280	March 6, 2025
8.	13th Final Dividend (FY 2017-18) AGM held on August 2, 2018	2,220	86,631	26,85,561	September 3, 2025
9.	Interim Dividend (FY 2018-19) Board Meeting held on November 30, 2018	2,603	1,04,780	5,23,900	December 30, 2025
10.	14th Final Dividend (FY 2018-19) AGM held on July 15, 2019	1,924	75,241	18,81,025	August 18, 2026
11.	15th Final Dividend (FY 2019-20) AGM held on July 30, 2020	2,097	1,46,008	22,07,607	August 30, 2027

5. MANAGEMENT

A. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The current strength of Board of the Company is eight. Being a Stock Exchange, the Board comprises of six Public Interest Directors ("PIDs") nominated by SEBI, one Shareholder Director nominated by Life Insurance Corporation of India ("LIC") and one Managing Director (considered in the Shareholder Director category).

Changes during the year

Smt. Usha Sangwan retired as the Shareholder Director of the Company at the Fifteenth AGM held on July 30, 2020. In the said AGM Shareholders approved the appointment of Shri T. C. Suseel Kumar as Shareholder Director who was nominated on the Board of the Company by LIC, subject to approval of SEBI. Accordingly, post SEBI's approval Shri T. C. Suseel Kumar was appointed as Shareholder Director w.e.f. October 22, 2020.

SEBI approved the extension of tenure of Shri S. S. Mundra and Shri David Wright as PIDs for a further period of three years w.e.f. January 17, 2021 and March 16, 2021 respectively.

Shri T. C. Suseel Kumar, Shareholder Director, is liable to retire by rotation at ensuing AGM and being eligible, has offered himself for re-appointment.

During the year, there were no changes in the Key Managerial Personnel of the Company.

B. DECLARATIONS BY PUBLIC INTEREST DIRECTORS

The Company has received declarations from all the PIDs, under Section 149(7) of the Act that they have met the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, all PIDs have also given the declarations that they satisfy "fit and proper" criteria as stipulated under Regulation 20 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations"). All PIDs have also complied with Code for Independent Directors prescribed in Schedule IV to the Act. All PIDs have also given their annual affirmation on compliance with the Code of Conduct for the Board of Directors and Senior Management of the Company.

Further, there has been no change in the circumstances affecting their status as PIDs of the Company.

C. DECLARATION BY THE COMPANY

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

D. MEETINGS OF THE BOARD

During the FY 2020-21, seven meetings of the Board of Directors were held. The details of meetings of the Board, are provided in the Corporate Governance Report forming a part of this Annual Report.

Separate meetings of the PIDs were held on May 18, 2020, July 29, 2020, October 30, 2020 and February 2, 2021.

E. BOARD COMMITTEES

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship/ Share Allotment Committee, Risk Management Committee and Corporate Social Responsibility Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year have been enumerated in Corporate Governance Report forming part of this Annual Report.

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

F. AUDIT COMMITTEE RECOMMENDATIONS

All recommendations of Audit Committee were approved by the Board of Directors during the year.

G. BOARD EVALUATION

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters, such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subjected to peer-evaluation.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in May 2021. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, Independent External Persons and noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

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

H. REMUNERATION OF DIRECTORS AND 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 SECC Regulations, a statement containing the remuneration details of Directors and employees is annexed as **Annexure A**.

I. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures for the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the financial year ended March 31, 2021;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

J. 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, 2021, based on the criteria established in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

K. COMPLIANCE WITH SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards ("SS") issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under review, the Company complied with SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

L. IMPLEMENTATION OF CORPORATE ACTION

During the year under review, the Company has complied with the specified time limit for implementation of Corporate Actions.

M. ANNUAL RETURN

Annual Return in Form MGT–7 is available on the website of the Company at www.bseindia.com/static/investor_relations/annualreport.html.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of subsidiaries / associates of your Company are provided in notes to financial statements.

During the year under review, two new subsidiaries of the Company viz. BSE Administration & Supervision Limited and BSE E-Agricultural Markets Limited were incorporated.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries, associates & joint ventures in Form No. AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at www.bseindia.com/static/investor_relations/annualreport.html.

7. PUBLIC DEPOSITS

The Company has not accepted any public deposits during the financial year ended March 31, 2021 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of investments made by the Company are provided in Note Nos. 7, 8 and 9 of the Notes to the Standalone Financial Statements.

The Company has not provided any guarantee or security to any person or entity and has not made any loans and advances in the nature of loans to firms / companies in which directors of the Company are interested.

9. AUDITORS

A. STATUTORY AUDIT AND STATUTORY AUDITORS' REPORT

The Statutory Auditors, 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.

Statutory Auditors' Report

The Statutory Auditors' report dated May 13, 2021 on the financial statements of the Company for FY 2020-21 is unmodified and does not have any reservations, qualifications, or adverse remarks.

Details in respect of frauds reported by auditors

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

B. SECRETARIAL AUDIT AND SECRETARIAL AUDIT REPORT

The Board appointed Dhrumil M. Shah & Co., Practicing Company Secretaries (CP No.: 8978/ FCS No.: 8021) to conduct Secretarial Audit of the Company for FY 2020-21.

Secretarial Audit report for the financial year ended March 31, 2021 as provided by Dhrumil M. Shah & Co., Practicing Company Secretaries is enclosed as **Annexure B**.

The Secretarial Auditor's report does not contain any qualifications, reservations or adverse remarks.

C. INTERNAL AUDITOR

Internal Audit for the year ended March 31, 2021 was conducted by S Panse & Co. LLP and Internal Audit report at periodic intervals were placed before the Audit Committee.

D. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

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

A. CONSERVATION OF ENERGY

I. The steps taken and their impact on conservation of energy:

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 wherever feasible. Our offices are painted in brighter color 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. We have replaced few AHU coils which has resulted in increase in efficiency and energy savings.

II. The steps taken by the Company for utilising alternate sources of energy:

Our building has 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:

The Company has not done any capital investment on energy conservation equipment during the year.

B. TECHNOLOGY ABSORPTION

The year 2020-21 witnessed an unprecedented and challenging time, gripped by COVID-19 pandemic globally. For the initial few months i.e. first and second quarter of the previous financial year business volumes were low across different business sectors, as all around government machinery, corporates and various service sectors were involved in taking steps to restrict the impact of COVID-19 pandemic. Technology played an exemplary role that kept all stakeholders connected across all sectors and industries, during this period which continued unexpectedly beyond a year.

Given the situation, the Company feels honoured to inform that we continued to maintain 100% uptime of the Trading system, with no outages during the year. We also continued to deliver growth prospects by adding more competitive products, newer business streams, in addition to continuously enhancing the existing applications and services.

Technology the saviour during COVID-19 pandemic

Over the years, the Company has been consistently practising the disaster management processes for continuity of business. Due to this sustained effort, the Company is able to demonstrate 'business as usual', as trading and all its business processes continued without any interruption.

In anticipation of the impending impact of the global pandemic, the Company started its tactical planning and implementation well in advance. On the technology front, there were certain steps taken by the Company to facilitate safety of its people, vendor teams and other stakeholders entering the premises for day-to-day business.

- Important and critical technology and business processes team members were identified and segregated to work from two different locations to minimise the risk in the initial period.
- A ratio of minimum team was maintained to operate from office on rotation basis.
- All safety measures as advised by the Government were taken for safety of the people operating from office
- All officials were provided remote access facility to work from home with proper security measures in place to maintain confidentiality, security, audit and monitoring while working remotely.
- Extensive use of cloud technologies and cloud-based solution for collaboration and day to day business & communication.
- All our technology initiatives, enhancements and expansion envisaged for the year, we were able to achieve and implement them with most of the teams working remotely. More details on these implementations are provided in subsequent paragraph below.
- We remained digitally connected with all our stakeholders, trading members, regulators, other market participants.
- Webinars and Business presentation and awareness were regularly conducted digitally to continue to maintain momentum of business enthusiasm.
- Training session and awareness on different subjects and importantly on 'Security' while working from home were conducted for all officials of the Company.
- Safety and Health related awareness and training sessions were conducted with the help of experts.

Overall, the morale of all the officials was high and the Company witnessed constructive contributions from them.

The Company continued its technology journey, with a little caution and picked up the pace subsequently as we were equipped with 'new normal'. Major technology upgrades and migrations were achieved while the team were working remotely along with minimum team maintained on site.

I. Upgrade Trading system OS from 6.X to 7.X

The Company had completed the upgradation of Trading system Operating System (OS) from 6.x version to 7.x version. The upgradation that started in first quarter of 2019, was completed by end of June 2020.

This was an extremely challenging task as changing of OS of live trading system needed a deep understanding and proper assessment of all impacted components and associated risks. However, upgrade was imperative as the new OS version provided high performance and support from the service provider.

The migration was planned in phased manner distributed component-wise addressing the less critical modules first, followed by rigorous testing. During the migration, old and new setup was maintained as parallel setup with processes and trading members shifted in batches to new setup.

By February 2020, majority of the trading components were migrated successfully without any issues. Subsequently, due to COVID-19 pandemic, the migration process was paused until April 2020. We resumed our activity in May 2020 and completed the same by end of June 2020 on Primary site. By the end of July 2020, the upgradation and migration were completed at DR site also.

During the migration process, the infrastructure was also optimized by rearrangement of the servers.

Further, the supporting backend database to trading system was upgraded to enterprise edition that offers better support, optimization and efficient backup\restore capabilities.

II. Enterprise Class Storage Refresh

The Company's current storage system being used has reached its End of support in March 2020 last year. Thus, to support its applications & systems, the need to purchase a new storage hardware was raised last year. The Company also wanted to improve on data storage & processing, lower power consumption & maintenance costs along with reliable Disaster Recovery ("DR").

To meet the Company's requirements, of the four industry leaders, based on technical evaluation, the solution that meets the Company's requirements was selected last year. The solution provider has provided an integrated high-performance solution in terms of higher throughput & better Read/Write response. Also, the solution has innovative (SAN), multi-controllers, and active-active capabilities and support multiple service transmissions, multiple device models, and rapid business growth with 3DC replication.

The solution provider has tested the performance in real-time POC and successfully demonstrated entire application scenario and provided optimized storage solution in line with the Company's high performance, low latency, elasticity, highly secure & reliable environment.

The Company carefully drafted the migration approach as overall infrastructure environment was hybrid in nature. Each of these needs to be equally managed without disturbing the production setup and on-going processes. Thus, a progressive approach was suggested, starting with minimum non-critical systems and scaling further in the process of migration and manage them.

Databases are the major users of Storage. The migration process of databases was initiated in the month of January 2020 with almost every Saturday mock trading. By the end of March 2020, 90% databases were migrated. However, due to COVID-19 pandemic the migration was paused for a period of one month and activity was accomplished in the month of May 2020. The final phase of migration was accomplished in two phases, each extending over a period of 22 to 24 hours of activity in a stretch.

In the storage migration process, the configuration of replication of data from PR to DR was changed. In addition, the automation tool that performs switch over to DR also underwent changes due to change in storage. To test the new storage on DR site, its replication, modified automation tool, multiple rounds of mock trading were conducted at DR site during the month of second quarter of previous financial year.

III. Interoperability in Offer for Sale ("OFS") segment

In the previous financial year, interoperability was operational across all Exchanges and Clearing corporations for three major segments, Equity, Equity Derivatives and Currency segments.

The core of interoperability is unified risk management across clearing corporations. This model was primarily suggested by SEBI to reduce trading costs by better utilisation of margin and collateral capital that market participants have to maintain at one designated clearing corporation instead of maintaining separately at respective clearing corporations.

All the underline infrastructure and technology implementation were accomplished to support the interoperability model.

The Company took the lead in previous year to be the first Exchange to implement interoperability.

During the year, Interoperability was implemented for Offer for Sale (OFS) segment. OFS platform facilitates promoters of listed companies to dilute/offload their holding in listed companies in a transparent manner with wider participation.

The Company provides an Internet based Book building system (IBBS), on which the OFS bids are received, and these bids are validated in Realtime Risk Management system (RTRMS) for margin availability. RTRMS acts as an FIX gateway between IBBS and other clearing corporations. Integration with other Exchanges and clearing corporations were seamless as basic infrastructure were in place.

The Interoperability of OFS segment went live on July 13, 2020.

IV. Automation in business process

Post pandemic it has become evident the importance of automation in business processes to make the businesses more resilient. Today, automation is in roadmap of almost all technology initiatives.

Automation of business processes were implemented 5 years back for Company's daily operations as well as for DR processes.

With advancement in technology that uses robotic technology to perform repetitive tasks, the Company decided to upgrade its existing automation tool to new generation automation solution in daily business processes. All the routine and repetitive tasks that are generally part of start of day business processes and end of day business processes were encompassed into automation process. As the multiple business segments were spread out at different time of the day, the need of parallel processing was imperative. Same applies for shifting to DR site for all critical applications within minimum possible time.

The development and deployment of new automation tool started in the first quarter of previous year and accelerated in the second quarter. As the core operations team were working remotely, the running of new automation tool in parallel initially were challenging tasks as it encountered number of issues, which required continuous tweaking, tuning and correction on the run. Over a period of next 6 months i.e. by end of 2020, the new automation tool had stabilised and 70% of the major critical business processes were automated as part of new solution. The new solution also offers an in-depth insight and statistics in a form of Dashboard.

For the above, multiple rounds of mock trading were conducted on weekends, observations captured, and further tuning were taken for reducing the job process time and performance. The Company has substantially reduced the Recovery Time Objective ("RTO") in the automation process of switch-over to DR, thereby meeting the industry standards. The process of further improvements and enhancements is in progress, currently. The major benefit the Company derived was reduced dependency on manual tasks and high reliability and resiliency during this COVID-19 pandemic period.

V. Connect with your stakeholders

Establishing open communication with stakeholders is essential to right direction for future growth of the Company, by understanding their interests, concerns and fulfilling them.

The Company's technology section took this initiative to interact with its trading members with an objective to evaluate the level of awareness present among the trading members about the various products offered by the Company and further based on the evaluation, devise the plan of action for increasing the visibility of the products.

For this, an independent team was constituted to conduct a survey. The team had identified sample trading members from different regions of the country for the purpose of survey.

The key finding of the survey was that almost everyone vouched for the Company's platform stability for uninterrupted service. As regards the level of awareness of the Company's offerings, it was observed that the awareness of the offerings was less across these members. They showed willingness to explore and adopt the capabilities offered by the Company to fullest extent.

Post findings of the survey, the Company's Tech Team along with business team started one-to-one online sessions with large members wherein the business and technology heads of their organization were appraised by the Company's senior team about the various offerings of the Company that would perfectly fit in their business needs. A joint schedule by business and technology team is being worked out to create a regular awareness session in various subjects to keep the trading members aware on latest developments.

One of the crucial initiative taken as part of this exercise is to ensure that all trading members and empanelled ISV's ("Independent Software Vendor") to move to ETI ("Enhanced Trading Interface") and discontinue legacy messaging layer ("IML'). The trading members are being made aware of the ETI protocol which are having a cutting edge over the competitors. Till date almost all algo members and few large retail and institutional members are actively using ETI for trading purpose. Further, All empanelled ISV's support the ETI.

VI. Big Data Backup & Recovery System and DR System

The Company during the year has evaluated public cloud infrastructure as an alternative for backup and recovery for its data currently available in Big Data platform.

The Company evaluated public cloud infrastructure as a viable option as the same storage would be utilised for both backup and recovery system and setting up bigdata cluster for analytical workload, with infinite scalability. Releasing the existing DR infrastructure and moving to public cloud will substantially reduce the maintenance and management of the setup thereby no capital investment in the process. However, the results of evaluation process were not yielding positive feedback in terms of technical and commercial aspects.

The Company, therefore, developed their own backup and recovery system inhouse. The Company reused existing commodity hardware for building storage and compute. Metadata were stored securely. Since the entire system exists in the same network backbone of the Company, taking data back up and restoring into Big Data system was very fast in comparison to public cloud storage and least expensive. Since November 2020, the Company deployed the backup and restoration system and at present nearly 150 Terabytes of compressed data from the Big Data system is backed up and stored.

VII. Upgrade of Single Sign-on ("SSO") application

SSO the single sign on application, built on open source platform, is extensively used by trading members. Since the solution is now five-year old, the Company has initiated the upgrade of application to newer technology for better performance and enhanced user interface. The new SSO is rolled out and is operational.

VIII. Financial ERP solution developed by BSE Technologies Private Limited

In the previous year, the Company's in-house application development team – BSE Technologies Private Limited (formerly, Marketplace Technologies Private Limited), initiated development of financial ERP solution ("Class ERP") as a substitute to costly third-party solutions.

BSE Technologies team comprising of cross domain expertise of business and IT, the new application developed was suitably customised for the Company's requirement. Further, many enhancements were implemented to keep the products competitive.

For the whole year the new solution CLASSERP was being used by the respective business team and the group companies of the Company.

All transactions recording, fetching reports, data entering and matching are being done in new solution. All tasks and activities that were performed in third party solution are now performed in new application and the same is being running successfully. The old third-party solution is now decommissioned.

In the process, the Company has saved substantial AMC costs that was payable to third party solution.

CLASSERP is now a competitive software,meeting international standards and can potentially compete with leading peer products available in market.

IX. Commissioning of new Data Centre to host third party applications

As the number of applications and system grew over the period, this demanded careful evaluation and placement of such applications in existing data centre especially the third-party applications from the security point of view and other regulatory requirements.

To address the above, the Company commissioned the new data centre, adjacent to existing data centre to earmark the new Data centre only for hosting third party applications such as Interoperability related infrastructure and similar requirements in terms of servers and network equipment.

The new Data centre was commissioned in the month of October 2020. In planned and phased manner initially, a parallel setup was created so as not to disturb production setup. Servers, storage, telecom links and interconnectivity provisioning were done in advance. During maintenance window migration was accomplished with zero business downtime.

X. Shifting of Near Disaster Recovery site ("NDR") to new location

As per SEBI regulatory requirement, the Company must maintain a Near Disaster Recovery site ("NDR") to ensure zero data loss and maintain a copy of data at NDR. The NDR was hosted on a third-party service provider site, the contract of which was due to expire.

After careful evaluation of prospective new service provider, an alternate NDR was finalised and migration from old NDR to new NDR was required to be accomplished prior to end of contract.

The new NDR was made ready with basic infrastructure such as backbone connectivity with primary site and disaster recovery site. The core infrastructure namely all market participant links disaster recovery failover and near site storage system was shifted to the NDR in a planned maintenance window. This involved simultaneous activity with multiple telecom operators and multiple stakeholders. The activity was followed by a market-wide mock trading.

The shifting to new NDR was accomplished in the month of June 2020 ahead of contract expiry date with old NDR operator.

XI. Market participant link upgrade project

The Company through the service providers, provides leased lines to market participants for trading and related services. These leased lines within Mumbai were consolidated from serial technology to Ethernet technology. This helped the Company to stay be at par with latest telecom technologies and helped the Company to save costs. In the process, existing 2Mbps circuits were upgraded to 4Mbps without changes in yearly outgo to market participants.

Subsequently, in August 2020, the Company pro-actively initiated the upgrade of market participant MPLS links outside Mumbai from 2Mbps serial/ Ethernet to 4Mbps Ethernet links. In a very short span of time, despite pandemic related travel restrictions, the Company managed to complete the project. Nearly 700 market participant MPLS links were upgraded outside Mumbai from 2Mbps to 4Mbps without any change in yearly recurring charges.

Similarly, during this period end of life old network switches as part of campus LAN were replaced with new switches in phased manner on weekends without any disturbance to trading members in their day-to-day work.

XII. Unannounced Live trading from DR

Every year the Company has been regularly conducting live trading session twice a year, every six months as part of SEBI's regulatory requirement. The live trading session at DR are generally conducted for one whole week.

In addition, this year we conducted first unannounced live trading from DR site as part of recent regulatory requirement.

The complete process of switch-over from Primary site to Disaster site and back were conducted using automation tool. All of the DR related tasks and activities were performed remotely. Overall live trading from DR site was seamless with no issues observed. The trading volumes and other business activities were normal. The system performance, responses were normal.

All required processes and protocol were followed for unannounced live trading from DR that involved dependency and communication to different stakeholders, mainly trading members, inter-operability participants i.e. other Exchanges and Clearing corporations.

The Company pursued to bring in newer products, opportunities and enhancements in existing platforms and applications to enrich the experience and harness the capabilities provided by use of contemporary technologies.

XIII. Unified Trading Interface

To address the growing need of the investors and other stake holders to trade on the multiple domestic exchanges, the Company had envisaged and has been offering Hosted Trading Solution to the trading members and their clients. The solution offered are BoltPlus On Web - BOW and BSE Electronic Smart Trader – BEST.

BOW and BEST are the Company's hosted, multi-exchange, multi-segment, multi-tenant scalable and reliable solution offering Order and Trade Management (OMS), Real time order-based Risk Management ("RMS) and Order Routing Services (ORS). These platforms Support trading using leased lines as well as internet. These products are offered Free of cost to all our trading members.

Value Proposition for Members:

- Completely Exchange Hosted Application.
- No IT infrastructure cost to the Member.
- No BOD and EOD Operations required on the member end.
- Single Application for all Users Types.
- Trade commencement in one day.
- Real time support services.

Salient Features of the Trading interface

✓ **Security**

- 2 FA
- Secure Socket Layer
- IP Based Login Restrictions

✓ **MarketWatch**

- Real Time Quotes on ALL Versions i.e. Exe, Browser& Mobile
- User Defined Market Watch
- Formulae Based MWs
- MWs for DPs, Top Gainers /Losers, Value, Volume
- Real Time Charts
- Extremely Low Bandwidth Usage

✓ **Order and Trade Management**

- Supports all Exchange Order types
- Customizable Reports – Order, Trade Book
- Order entry from MW, MBP etc
- Multileg Orders

✓ **User Management**

- N Tier Hierarchy for Users based on roles
- Support, Multi Admin, Branch Admin
- Dealers, Administrators, Investors

✓ **Integrated Risk Management**

- Order Based Risk Management
- Span Margining
- Template based profiles for Dealer, Investor and Admins
- Trading Rights Definitions for All Levels – Exchange / Segment/User/Security Level
- Access Controls at the Exchange / Segment/User/Security Level
- MTM controls on Risk Management
- Real-time Surveillance with additional features of Square Offs

Enhancements during the year

BOW

- Trading through Desktop and Mobile devices - 1000 plus members registered.
- BOW New desktop based Front-End Release with User friendly new UI. This helps in user convenience and supports faster placement of Orders.
- User configurable features added like default Qty, Price, Disclosed Qty, client type, order type, set Alerts while placing orders, Retain last client etc.
- BOW New Mobile application launched for Android and IOS with additional information services like fundamental and Technical analysis.
- BOW API Services: Trading members can develop their own front end with single BOW API to trade on all exchanges. This also leverages member's Brand Identity.
- CP code-based trading which is useful for Institutional Users.
- Negative price support for Commodities trading for all Exchanges
- BOW is a first application to offer interoperability features on June 1, 2019.
- Upfront Margining
- Exposure margin changes as per SEBI Guidelines.
- Integration with third party Payment Gateway service providers.
- BOW is participating in various Exchange Audit and following all the processes in line with regulatory mandate.

BEST

- 700 Plus members registered for BEST software Services
- Upfront Margining
- CP code-based trading which is useful for Institutional Users.
- Exposure margin changes as per SEBI Guidelines.
- Integration with third party Payment Gateway service providers.

BOW and BEST being hosted solutions, was instrumental for trading members in addressing their business needs during this pandemic period, as all users were forced to work or operate remotely. The Company saw a surge in the new user requests. The Company ensured 100% uptime to all its stakeholders of BOW and BEST and have been operating and managing all its critical infrastructure and systems. In order to address the continuous change in market and regulatory requirements, the Company's technology team is vigilant and continuously enhancing the features and the service offerings as highlighted above.

XIV. Launch of StAR MF Plus

The Company's StAR MF (Mutual Fund) platform continues to be popular among the investing community. The primary USP of the StAR MF platform is all services under one roof. Continuing this objective, over the years many new features and enhancements has been rolled-out for the benefits of different types of end users associated with StAR MF. This platform facilitates bond between all types of service providers and end users. Some of the important service providers are Banks, AMCs, Depositories and RTAs. In addition, StAR MF platform has been successful in adding several sub-segments to cater to niche distributor base - Banks, Large corporates, Fintech's, Channel Partners, National Distributors, Individuals etc

On January 18, 2021, the Company launched StAR MF Plus, a premium platform with key features for distributors and their clients. StAR MF Plus offers complete front office, order management, analytics, back office and business support solutions.

The new platform is a complete solution for distributors, enables client onboarding as well as e-KYC and provides customer portfolio management.

In view of the recent SEBI guidelines allowing Registered Investment Advisors ("RIA") to sell mutual fund, which earlier was only limited to advisory and not selling. The new platform facilitates onboarding of RIAs into mainstream StAR MF plus platform. This will further help to increase Company's market share in MF industry by adding new participants / segments.

The second main reason for onboarding of RIAs on StAR MF plus platform is regulation and compliance, as per SEBI guidelines. This further reiterates the need for a platform for RIAs, and Distributors, which is compliant with all SEBI requirements to enable the RIAs to conduct their business with ease.

All the infrastructure for the new platform is hosted on in-premises private cloud setup. Anticipating the number of users in future and load, the setup is scalable to meet future requirements and has in-built load distribution mechanism in its architecture.

The new StAR MF Plus platform is operational since January 2021 and process of onboarding RIAs is currently going on.

XV. Launch of BEAM

On December 11, 2020, the Company under the flagship of its subsidiary company launched an electronic spot platform for agricultural commodities viz. BSE's E-Agricultural Markets Ltd. ("BEAM"). This initiative is aimed at enhancing the competitiveness of the Indian agricultural market leveraging the strengths of the Company in financial markets, market technology and its vibrant ecosystem. On the first day of launch, trading was launched in imported Almonds.

BEAM is a subsidiary of the BSE Investments Limited (wholly owned subsidiary of the Company). This platform will function as a national level, institutionalized, electronic, transparent commodity spot trading platform in line with the Prime Minister's vision to create a "single market". The platform facilitates spot agricultural commodities transactions across value chain consisting of producers, intermediaries, ancillary services and consumers.

BEAM has leveraged the Company's state-of-the-art technology to offer customized solutions to farmers, traders, and stakeholders to facilitate risk-free and hassle- free purchase and sale of various agri commodities. This platform will ensure reduced cost of intermediation, improved procurement efficiency, enhanced producers' realization and ultimately more competitive consumer paid price. The platform will also help eliminate bottlenecks associated with procurement and trading.

BEAM platform provides a modern ecosystem for Agricultural Markets by redefining the role of existing value chain participants for enhanced value creation.

The BEAM platform consists of various in-house developed solutions/ applications, consisting of Web-based Trading ("bidding") front end, matching engine that will receive bids and match across buyers and sellers, contract generation system, risk management system, clearing and settlement system catering to settlement of transactions as well as warehousing logistics. All of these applications are hosted on on-premises private cloud.

XVI. New data delivery model

As more and more systems are getting tightly inter-linked due to business needs and furthermore new systems and applications are getting added, the Company is in process of introducing a new data delivery model that will work on the concept of event-based Publisher-Subscriber.

The major benefit in the proposed new model is the provider system will become lighter by offloading the data delivery to a separate application that will handle all the load of downstream applications that needs data. Primarily, this model will help in making Trading system more efficient as all downstream applications/ systems will now receive data from new application that will act as publisher and receiving application as subscribers.

The new application supports a wide range of message exchange patterns including publish/subscribe, request/reply, queueing and streaming, with qualities of service like best effort and guaranteed delivery.

Some of the inherit capabilities of new model are

- Reliability & Robustness
- Built-in fault tolerance and high availability configuration options
- Built-in disaster recovery functionality for business continuity Capacity & Performance
- Very high throughput and low, consistent latency Advanced Messaging
- Message caching and replay
- Sophisticated topics, including wildcards
- Message prioritization
- Dead message queues
- In-service upgrades Integration
- Easily integrate events from leading streaming and analytics products
- Free open-source Kafka connectors, for both sources and sinks Management & Monitoring
- Centralized administration
- Powerful, proactive monitoring and alerting, including integration with existing monitoring tools

Currently, it is in development phase and ready to be deployed with one use case.

XVII. Innovation sandbox

SEBI in the month of May 2019, issued a guideline on setting up the Innovation Sandbox. With an objective to boost the participation of FinTech companies into newer solutions, products and services, SEBI proposed to create a test bed, where FinTech companies will have access for the development of their solutions. The guidelines by SEBI outlines the framework of the sandbox setup covering, enrolment, operations, administrations, legalities, etc.

The Company as part of the above regulatory requirement has set up the Innovation Sandbox platform that facilitates providing market

related data, historical data, etc. with the use of Application Program Interface ("API").

The Company has setup an online workflow-based web portal to receive and approve applications interested in use of Sandbox viz. https://www.innovation-sandbox.in.

The innovation sandbox portal is operational.

Cyber Security Technology absorption and certification

i. Distributed Denial of Service ("DDoS") Protection replacement

For protection from continues threats and as a first line of Cyber defence, The Company has DDoS Technology protection enabled. The devices responsible to ensure this were end of life and required replacement and upgrade to support the protection from sophisticated and volumetric attacks evolved over the period. The Company with the opportunity to replace this device have enhanced the capability by placing a new device which can identify and protect from sophisticated Volumetric, application layer and Secure Socket Layer ("SSL") based DDoS attacks.

ii. Cloud Cyber Security with Content Deliver Network ("CDN")

The Company uses CDN for its high volume websites, such as www.bseindia.com, such websites are always on target of attackers as it represents the face of the Company over internet and at national and international level when any one refers to stock market in India. To ensure the protection of all such high-volume websites CDN service is used which renders the information to end users without sending much traffic to the Company data centres. To protect from any sophisticated attacks or denial of service, the Company has strengthened the cyber security by enabling Cloud Web Application Firewall ("DDoS"), Cloud Distributed Denial of Service ("DDoS") Protection, Site Shield and Domain Name System ("DNS") Security.

iii. Virtual Private Network for Work from home or anywhere

The Company has scaled and upgraded VPN technology and license to enable and support the Work from Home for users and enable users to perform their business as usual tasks from anywhere using companies zero trust based secure VPN solution. This has helped to sail smoothly through the pandemic caused due to Covid19 and helped ensure zero business day loss or impact when users couldn't travel to office.

iv. Certification

The Company has successfully cleared the Certification and surveillance audit for Year 2020 – 21 for Information security Management System ISO 27001:2013 and Business Continuity Management System ISO 22301:2012.

XVIII. Disclosures

i. The efforts made towards technology absorption:

The Company continued with passion looking for path-breaking technologies & adopted them. The year has been challenging and appealing for the Company's technology team to continue its journey in exploring and implementation of newer technologies, however, the Company's technology team was successful in implementing them as planned.

The Company has taken the lead for implementation of;

- Interoperability of Clearing Corporations,
- Exploring the new age data delivery model, that will go long way in how trading and critical systems exchange information with inbuilt features of scalability and resiliency.
- Effective utilisation is made of available indigenous technology team expertise and develop home grown applications.
- Knowhow and technology upgradation capabilities are built-up.
- Newer development and implementation with the use of Open source technologies, enriching the trading interface and aligning the needs of end users into BoltPlus on Web ("BOW') and BSE Electronic and Smart Trader ("BEST")
- Migration to high performance storage system linked with latest technologies and upgrading the Operating System ("OS") of the Trading system.

Needless to mention, the efforts put in by the Company reasserts that it is the fastest Exchange of the World. All departments within your Company are equipped with tech-enabled solutions and applications to deliver best of the services to all its customers.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution;

The IT strategy and approach adopted by your Company has ensured uninterrupted services and trading facility. The Company thrives to remain competitive and has provided best in class products and services to all its market participants. The market participants are the beneficiaries of technology upgrade and newer rollouts made by the Company during the year. The Company's technology offerings are built as a service model, thereby reducing the cost for its market participants.

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

a) the details of technology imported - Not Applicable

b) the year of import - Not Applicable

c) whether the technology been fully absorbed - Not Applicable

d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable

iv. the expenditure incurred on Research and Development - Not Applicable

C. FOREIGN EXCHANGE EARNING AND OUTGO

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

Foreign Exchange Earning: ₹ 2,953 Lakh (Previous Year: ₹ 2,700 Lakh)

Foreign Exchange Outgo: ₹ 1,657 Lakh (Previous Year: ₹ 272 Lakh)

11. RISK MANAGEMENT AND COMPLIANCE

Risk Management is one of the critical element of operating framework at BSE. Enterprise Risk Management ("ERM") framework encompasses practices relating to the identification, evaluation, mitigation and monitoring of strategic, operational, financial, compliance risks and emerging risks to achieve key business objectives and to minimise the adverse impact of risks., enabling effective leveraging of market opportunities and enhancement of long-term competitive advantage.

The Board of Directors of the Company has formed a Risk Management Committee ("RMC") to oversee the ERM Framework, mitigation and monitoring the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

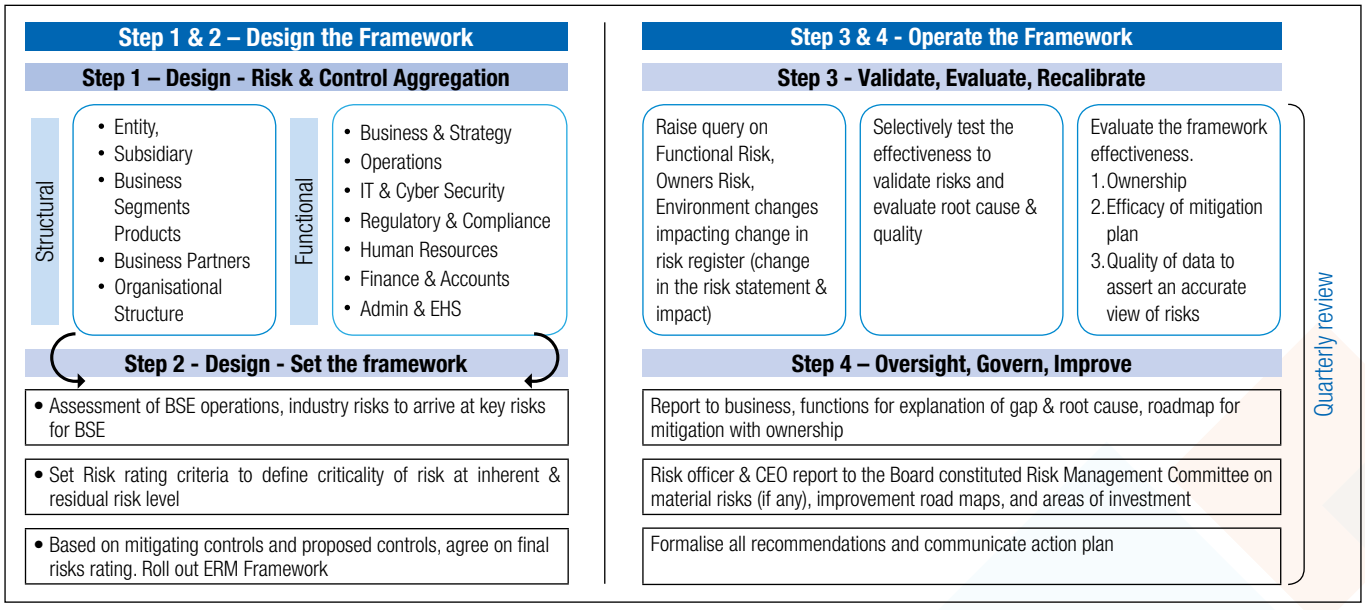
BSE's Management identifies key risks (existing as well as emerging) and prioritises the mitigation actions based on the potential adverse impact on operations and/or Shareholder value. As we operate in a dynamic environment, these risks are reviewed regularly and assessed for their potential impact/ exposure. Every quarter, a detailed update on ERM is presented and deliberated upon in the meetings of the RMC of the Board

OVERVIEW

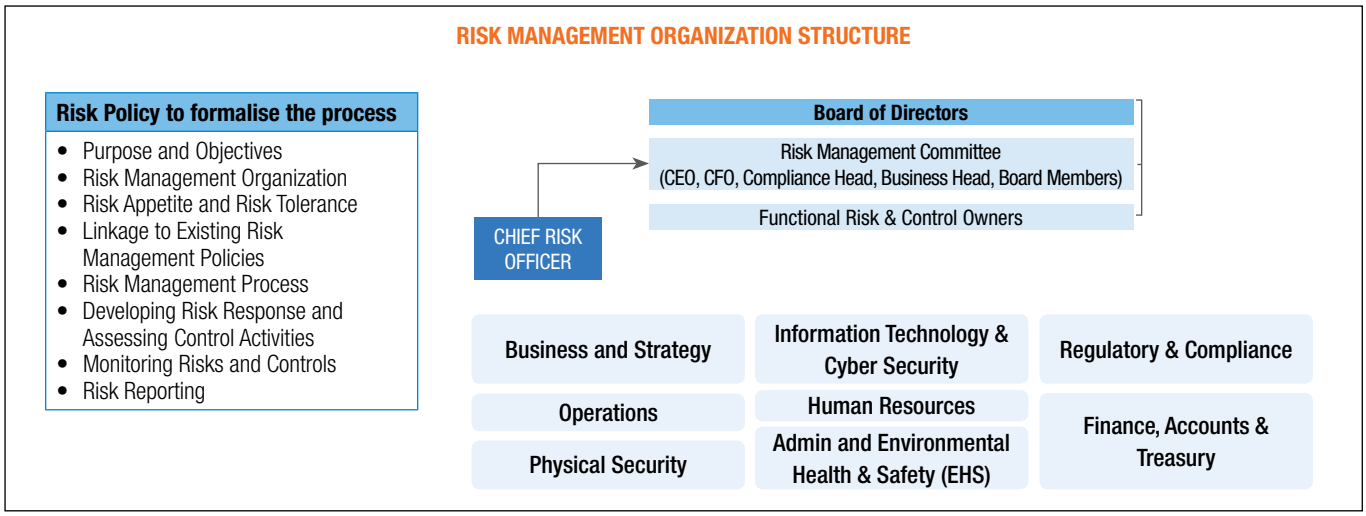
Risk Management is an enterprise wide function at BSE which covers major business and functional objectives including Strategy, Operations, Technology and Compliance. The Enterprise Risk Management (ERM) enables the achievement of strategic objective by identifying, analysing, assessing, mitigating,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

KEY COMPONENTS OF BSE'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	✓ Approving key business objective to be achieved by the Company. Ensuring that the executive management focuses on managing risks to key business objectives.
	✓ Reviewing the performance of the Risk Management Committee
Risk Management Committee	✓ Comprises of six directors and one independent external expert: ▪ Shri David Wright – Chairman ▪ Justice Vikramajit Sen – Member ▪ Shri S. S. Mundra – Member ▪ Shri Sumit Bose – Member ▪ Shri Umakant Jayaram – Member ▪ Sushri Jayshree Vyas – Member ▪ Shri Sanjay Banerji – Independent External Expert
	✓ Review and oversight with regards to identification, evaluation and mitigation of the strategic, operational, technology and compliance risks
	✓ Reviewing and approving risk related disclosures
	✓ Monitoring and approving the risk management framework and associated practices of the Company
	✓ To review the Annual plan for Risk Management Presentations by various departments.
	✓ To review the action taken report of Risk Management committee meetings.
Role of Risk team	✓ Adhering to the risk management policy and procedures
	✓ Implementing prescribed risk mitigation actions
	✓ Reporting risk events and incidents in a timely manner

RISK CATEGORIES

The Company's risk management framework is broadly categorized as risk pertaining to (a) Business and Strategy, (b) Information Technology & Cyber Security, (c) Regulatory and Compliance, (d) Finance and Accounts, (e) Operations, (f) Human Resources and (g) Admin and Environmental Health & Safety ("EHS")

Risks arising out of the choices we have made in defining our business and 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 Operations, IT and Cyber Security Risks. For e.g. risks of business activity disruption due to natural calamities, terrorist attacks or war or regional conflicts, Geo-political changes, 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 Regulatory & Compliance Risks. For e.g. risks of potential litigations, breach of contractual agreements, non-compliances to regulations, potential risk arising out of major regulatory changes.

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.

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 advice and insights 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, a detailed update on ERM is presented and deliberated upon in the meetings of the RMC on a quarterly basis.

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 Risk Officer, 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 incident 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 Technology, Information security risks including cyber-attacks and threat intelligence and continue to monitor the progress of mitigation actions. In addition to this, mitigation plan is executed for data access, its preservation and monitoring measures for internal users is implemented.

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, adequacy of insurance coverage, succession planning, and business continuity management.

f) Monitoring by regulatory department, the key developments in the regulatory environment.

g) Reviewed the risk management practices with distinct focus on impact of COVID – 19 on the organisational performance, physical security, trading operations, cyber and information security and key measures taken for employee well – being,

Due to the inherent risks in the Company's business activities, it is vital that BSE keeps improving risk management practices to strengthen the organisation through informed strategic and business decisions.

BSE's strategic vision for the ERM function is to embed ERM across processes, business strategy and key decision making to add significant and strategic organisational value.

12. COMPANY'S POLICIES

A. POLICY ON NOMINATION AND REMUNERATION

The Company's policy on Nomination and Remuneration includes criteria for determining qualifications, positive attributes and independence of a Director.

The salient features of the Nomination and Remuneration policy are given below:

The Nomination and Remuneration Policy of the Company is performance driven and is designed to motivate employees, recognize their achievements and promote excellence in performance.

The Policy provides guidance on:

(1) Selection and nomination of Directors to the Board of the Company;

(2) Appointment of the Senior Management Personnel of the Company; and

(3) Remuneration of Directors, Key Managerial Personnel and other employees.

The said policy is available on the website of the Company at https://www.bseindia.com/downloads1/nrcpolicy.pdf.

B. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company has constituted a CSR Committee in accordance with Section 135 of the Act.

The Annual Report on CSR activities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been annexed to this Report as **Annexure C**.

The Company primarily works through BSE CSR Integrated Foundation towards supporting the projects in the areas of health, sanitation, technology incubators, eradicating hunger and poverty and various sectors covered under Schedule VII of the Act.

The CSR policy is available on the website of the Company at https://www.bseindia.com/downloads1/Corporate_Social_Responsibility_Policy.pdf.

C. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism / Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) the Act, enabling stakeholders to report any concern of unethical behaviour, suspected fraud or violation.

The said policy interalia provides safeguard against victimization of the Whistle Blower. Stakeholders including directors and employees have access to the Managing Director & CEO and Chairperson of the Audit Committee.

During the year under review, no stakeholder was denied access to the Chairperson of the Audit Committee.

The policy is available on the website of the Company at https://www.bseindia.com/downloads1/Whistle_Blower_policy.pdf.

D. RELATED PARTIES TRANSACTIONS

All Related Party Transactions that were entered during the financial year were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required Shareholders' approval under Regulation 23 of the Listing Regulations. None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2020-21 and hence does not form part of this report.

The Policy on Related Party Transactions is available on the website of the Company at https://www.bseindia.com/downloads1/Related_Party_Transaction_Policy.pdf.

E. POLICY ON MATERIAL SUBSIDIARY

As required under Regulation 16(1)(c) of Listing Regulations, the Company has formulated and adopted a policy for determining 'Material' Subsidiaries.

For the FY 2020-21, Indian Clearing Corporation Limited ("ICCL") is the material subsidiary of the Company. As per Regulation 24A of Listing Regulations, the Secretarial Audit Report of ICCL is annexed as **Annexure D**.

The policy on Material Subsidiary is available on the website of the Company at https://www.bseindia.com/downloads1/Policy_on_Material_Subsidiaries.pdf.

F. INSIDER TRADING REGULATIONS

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI").

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at https://www.bseindia.com/downloads1/Code_of_fair_disclosure_of_UPSI.pdf.

G. DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy containing the requirements of Regulation 43A of Listing Regulations is annexed as **Annexure E** and is also available on the website of the Company at https://www.bseindia.com/downloads1/BSE_Dividend_Distribution_Policy.pdf.

13. DISCLOSURE AS REQUIRED UNDER 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 behaviour. 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 financial year ended March 31, 2021, no complaints pertaining to sexual harassment have been received.

14. RESOURCES COMMITTED TOWARDS STRENGTHENING REGULATORY FUNCTIONS AND TOWARDS ENSURING COMPLIANCE WITH APPLICABLE REGULATORY REQUIREMENTS

The Company being a recognised Stock Exchange is governed by SEBI. SEBI from time to time has issued various regulations and guidelines applicable to the Company. The Company ensures compliances with the same and aims to remain at the forefront by creating a precedent for others to follow, in terms of compliance by implementing the best governance practices and disclosures.

During the year under review, the Company's regulatory division comprised of under departments, taking care of various critical aspects of regulatory compliances.

A) Listing Compliance
B) Member Compliance
C) Surveillance and Supervision
D) Inspection
E) Investor Services
F) Financial Surveillance
G) Legal Regulatory

There are 135 resources in these functions at various designations. Each such department is headed by a senior official of the Company, reporting to the Chief Regulatory Officer, who in turn reports to the Managing Director & CEO and Regulatory Oversight Committee.

The Company has ensured to make disclosures of various mandatory regulatory requirements along with reporting of the same to various regulatory authorities in addition to informing the same to the Board of Directors and Committee members.

For the financial year ending on March 31, 2021, BSE incurred direct and indirect expenses amounting to ₹ 1,699.66 Lakh as per activity-based accounting methodology towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements.

15. MARKETING AND COMMUNICATIONS

Despite the prevailing pandemic situation, the Company has undertaken several initiatives to keep members, investors and general public abreast about the latest product offerings, services and regulations. The Company hosted several webinars every week covering varied topics addressing all stakeholders. The initiatives undertaken by the Company got prominent coverage in all leading national and regional dailies, and television channels. Social media platforms were also leveraged to reach out to a wide audience.

Keeping in mind the on-going situation, the number of physical events hosted by BSE this year was limited. However, the Company managed to organise a few prominent physical listing ceremonies by following all social distancing and audience capacity norms suggested by the authorities.

During the course of the year, the Company hosted several dignitaries across various sectors.

- Shri Yogi Adityanath, Hon'ble Chief Minister of Uttar Pradesh
- Smt. Sanyukta Bhatia, Mayor of Lucknow
- Shri Satish Mahana, Cabinet Minister, Department of Infrastructure & Industrial Development, Uttar Pradesh
- Shri Ashutosh Tandon, Cabinet Minister, Urban Development, Urban Employment and Poverty Alleviation, Uttar Pradesh
- Shri Sidharth Nath Singh, Cabinet Minister, Khadi, Village Industries, Sericulture, Textile, Micro, Small & Medium Enterprises and Export Promotion, Uttar Pradesh
- Shri Navneet Sehgal, IAS, Additional Chief Secretary (ACS), MSME & Export Promotion, Uttar Pradesh
- Shri Alok Pandey, Joint Secretary, Dept. of Investment & Public Asset Management, Ministry of Finance, Government of India
- Shri G P Garg, Executive Director, SEBI
- Shri Hariharan, CGM, SEBI
- Shri Krishnanand R, CGM, SEBI
- Shri Prasad J, GM, SEBI
- Ms. Athiya Shetty, Bollywood Actress

16. OTHER DISCLOSURES

A. MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34(2)(e) of the Listing Regulations, the Management Discussion and Analysis Report forms part of this Annual Report.

B. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report forms part of this Annual Report.

C. CORPORATE GOVERNANCE

Pursuant to the SECC Regulations, Listing Regulations and the Act, report on Corporate Governance as on March 31, 2021, forms part of this Annual Report. A Certificate from Practicing Company Secretary, confirming status of compliances of the conditions of Corporate Governance is annexed to the Corporate Governance Report.

D. INVESTOR PROTECTION FUND ("IPF")

The Company, through its IPF, regularly conducts Investor Awareness Programmes ("IAPs") throughout the country. IPF was instrumental in conducting 6838 IAPs during FY 2020-21. Out of this, 2,871 IAPs were conducted by IPF while 3967 IAPs were conducted through the Investors Services Fund ("ISF"). During the year, IPF conducted 154 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. During the year, several educational and other capital market awareness events were sponsored by IPF to raise awareness about corporate best-practice. IPF is currently managing 27 Investor Service Centres across India covering all the major state capitals, including Mumbai. During FY 2020-21, as part of digital initiative, BSE IPF has created Animated Investor Education Videos on 53 topics in English, Hindi, Marathi, Gujarati, Bengali languages. These Videos have been uploaded on websites of BSE & BSE IPF for benefit of common investors.

Major Initiatives:

World Investor Week (WIW) 2020:

World Investor Week ("WIW") was a week-long global campaign promoted by the International Organization of Securities Commissions ("IOSCO") to raise awareness about the importance of investor education and protection and highlight the various initiatives of securities regulators in these two critical areas. In India, SEBI had chosen the week of November 23 – 29, 2020 to celebrate this week. BSE Investors Protection Fund ("BSE IPF") had taken the initiative under the guidance of SEBI and the aegis of IOSCO to launch investor focused communications, initiatives, promoting contests to increase investor awareness and education and conducting pan India Investor Awareness Programs, including some with SEBI.

BSE IPF undertook some unique initiatives this year such as:

1) launching the SEBI Common Securities Booklet in BRAILLE for the blind
2) curating special investor awareness videos for the deaf/mute
3) having cricket theme-based Quiz called Investor Proficiency League for every day of the WIW
4) Opening Bell Ringing Ceremony at BSE's iconic International Convention Hall where the SEBI Executive Director Shri G P Garg and his senior team attended.
5) holding interesting Webinars & Web based IAPs etc. for our investors.

A] Webinars:

BSE IPF conducted 399 Webinars during WIW 2020. Out of the above, 44 Webinars were jointly conducted with SEBI & CDSL. 11 webinars were conducted exclusively for women during WIW 2020, 9 of these were in Women Colleges. Further following unique Webinars were also conducted during WIW 2020:

1. Webinar was conducted on November 28, 2020 for Members of Institute of Company Secretaries of India ("ICSI") on "Role of Exchanges & Depositories in Capital Market" jointly with CDSL.

2. Web based Panel Discussion "India Investor Show 2020" was organized on November 24, 2020 jointly with BSE Brokers Forum on topic "Investor Protection - Where do we stand?" where MD&CEO BSE, gave an address at the inauguration and Head IPF spoke at the Panel Discussion.

B] Dedicated microsite:

IPF had also placed a Banner on BSE website at a prominent place with click thru to a specially created microsite showcasing all events of WIW on BSE IPF website. Also links to SEBI chairman's message were made available on WIW page on both BSE and BSE-IPF websites.

C] Ringing of Opening Bell:

BSE IPF was given the opportunity to ring the Opening Bell this year on November 23, 2020 at its historic International Convention Hall at Dalal Street, Fort, to flag off the prestigious event of WIW 2020. The ceremony was presided over by Shri G. P. Garg, Executive Director, SEBI, and other senior officials' team from SEBI.

D] Investor Proficiency League Quiz Contest:

BSE-IPF conducted a QUIZ program named "Investor Proficiency League" for investors to test their general awareness about the securities market. This Quiz program was based on Cricket 20-20 theme and mainly targeted at youngsters. Entire Quiz was based on 20-20 Cricket Theme and was conducted on all seven days during the period from November 23, 2020 to November 29, 2020. Due to the Guidebook prepared and sent to investors who registered for the Quiz, it was found that the overall accuracy rate of participants in the Quiz held was more than 70%.

Total 10 daily winners called "Man of the match" were awarded Gift Vouchers for Rs.1000/- each while 5 "Man of the series" winners were declared at the end of 7 days, who received vouchers for ₹ 2500/- each. Total participants in the weeklong Quiz were 14,302.

E] MOU with J&K Government:

During WIW the BSE IPF also signed an MOU with the Jammu & Kashmir Skill Mission (under the J&K Govt) for conducting Investor Awareness and Education Programs in the Union Territory. Incidentally a total of 4 MOUs were signed on that day with the Hon'ble Lt. Governor of J&K – the 3 others being by BSE MF, BSE Insurance and BSE Institute for Skill Development.

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 and tier 3 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. Investor Awareness Campaigns were also carried on various themes in both print and electronic media, such as CNBC TV18, CNBC Awaaz, ZEE Business and ET Now.

E. GREEN INITIATIVE

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.

17. ACKNOWLEDGEMENTS

The Board sincerely thanks the Government of India, SEBI, RBI, IRDA, GIFT City Ltd., CERC, 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, vendors, auditors, solicitors and lawyers for their continued partnership and confidence in the Company.

The Board members also wish to place on record their appreciation for the dedication and contribution made by the employees at all levels and look forward for their support in future as well. The Board members are also deeply touched by the efforts, sincerity and loyalty displayed by the employees during the COVID-19 pandemic and without whom the growth of the Company is unattainable

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 13, 2021
Place: Mumbai

Justice Vikramajit Sen
Chairman

ANNEXURE 'A' OF BOARD'S 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 THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF YOUR COMPANY FOR THE FINANCIAL YEAR 2020-21 IS AS FOLLOWS:

Name of Director	Ratio of the Remuneration of Director to median remuneration
Shri Ashishkumar Chauhan[1]	107.66
Sushree Jayashree Vyas	2.53
Shri Umakant Jayaram	2.95
Shri Sumit Bose	2.85
Justice Vikramajit Sen	2.81
Shri S.S Mundra	2.75
Shri David Wright	2.34
Smt. Usha Sangwan[2]	0.13
Shri T C Suseel Kumar[3]	0.95

1. Total Remuneration considered 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 2020-21 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

2. Retired as Shareholder Director w.e.f. July 30, 2020.

3. Appointed as Shareholder Director w.e.f. October 22, 2020.

B. DETAILS OF PERCENTAGE INCREASE IN THE REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2020-21 ARE AS FOLLOWS:

Remuneration paid to Managing Director and Chief Executive Officer:

Name	% increase in remuneration in the Financial Year[1 & 2]
Shri Ashishkumar Chauhan	10%

1. Including payment of deferred variable pay representing 50% of the variable pay of prior year (along with interest thereon) on completion of 3 years as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

2. 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, 2018.

Remuneration paid to Non-Executive Independent Directors:

Name	% increase in remuneration in the Financial Year
Sushree Jayashree Vyas	41%
Shri Umakant Jayaram	18%
Shri Sumit Bose	20%
Justice Vikramajit Sen	33%
Shri S.S Mundra	60%
Shri David Wright	50%

Remuneration paid to Non-Executive Non-Independent Shareholder Directors:

Name	% increase in remuneration in the Financial Year
Smt. Usha Sangwan[1]	-80%
Shri T C Suseel Kumar[2]	NA

1. Retired as Shareholder Director w.e.f. July 30, 2020.

2. Appointed as Shareholder Director w.e.f. October 22, 2020.

Remuneration paid to Key Managerial Personnel (KMP):

Name	Designation	% increase in remuneration in the Financial Year
Shri Nayan Mehta	Chief Financial Officer[1]	6%
Smt. Prajakta Powle	Company Secretary and Compliance Officer[1]	3%

1. Including payment of deferred variable pay representing 50% of the variable pay of prior year (along with interest thereon) on completion of 3 years as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. 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, 2018

C. PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2020-21: 10%

D. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON MARCH 31, 2021: 462

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 7%. The average percentile increase in the salaries of managerial personnel is 10%.

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

INFORMATION REQUIRED UNDER REGULATION 27(5) & (6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018, FOR THE PERIOD FROM APRIL 1, 2020 TO MARCH 31, 2021

Sr. No.	Name of Key Management Personnel	Designation	Compensation (amount in ₹)	Ratio of the Compensation of Key Management Personal to median Compensation
1.	Shri Ashishkumar Chauhan	MD & CEO	8,41,90,678	107.66
2.	Shri Neeraj Kulshrestha	Chief Regulatory Officer	1,50,86,913	19.29
3.	Shri Nayan Mehta	Chief Financial Officer	1,69,70,026	21.70
4.	Shri Kersi Tavadia	Chief Information Officer	1,51,62,981	19.39
5.	Shri Sameer Patil	Chief Business Officer	1,20,46,546	15.40
6.	Shri Girish Joshi	Chief Trading Operations and Listing Sales	88,20,623	11.28
7.	Shri Shivkumar Pandey	General Manager (CISO)	71,50,015	9.14
8.	Shri Khushro Bulsara	Chief General Manager	79,51,383	10.17
9.	Shri Rajesh Saraf	Chief General Manager	92,86,158	11.87
10.	Shri Gopalkrishnan Iyer	Chief General Manager	83,45,267	10.67
11.	Shri Ketan Jantre	Senior General Manager	60,97,802	7.80
12.	Shri Vivek Garg	Senior General Manager	59,93,013	7.66
13.	Shri Shankar Jadhav	Senior General Manager	90,78,977	11.61
14.	Shri Mahendra Tawde	Senior General Manager	63,23,961	8.09
15.	Shri Vijukumar Pillai	Senior General Manager	47,26,987	6.04
16.	Shri Rahul Sharma	Senior General Manager	67,41,966	8.62
17.	Smt Usha Sharma	General Manager	65,52,430	8.38
18.	Shri Ajaykumar Thakur	General Manager	64,88,404	8.30
19.	Shri Jayesh Shah	General Manager	43,17,414	5.52
20.	Shri Rajendra Sharma	General Manager	60,30,301	7.71
21.	Shri Bhushan Mokashi	Additional General Manager	55,28,439	7.07
22.	Shri Devendra Kulkarni	Deputy General Manager	38,47,206	4.92
23.	Smt. Prajakta Powle	Deputy General Manager	33,83,442	4.33
24.	Ms. Neelam Patel	Assistant General Manager	21,23,174	2.71

** 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 2020-21 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.*

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

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, 2018, FOR THE PERIOD FROM APRIL 1, 2020 TO MARCH 31, 2021

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*@	53	22-Sep-09	8,41,90,678	Managing Director & CEO	B Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta)	30	President and Group Chief Information Officer (CIO) - Reliance Industries Limited.
2.	Shri Nayan Mehta*@	54	19-Jan-12	1,69,70,026	Chief Financial Officer	B. Com, ACMA, FCA	29	Joint General Manager (Accounts) - Credit Analysis & Research Ltd.
3.	Shri Kersi Tavadia*@	58	25-Oct-10	1,51,62,981	Chief Information Officer	B.Sc, PGDCS, MFM, CISM	38	Chief Technology Office-HSBC Invest Direct Securities.
4.	Shri Neeraj Kulshrestha*@	55	05-May-15	1,50,86,913	Chief Regulatory Officer	B.Sc. (Computer), MBA (Finance).	33	Executive Director at Morgan Stanley India
5.	Shri Sameer Patil	47	07-Jul-15	1,20,46,546	Chief Business Officer	B.Sc., Dip. In Marketing Management	22	Advisor at NCDEX
6.	Shri Girish B Joshi#	53	06-Aug-10	88,20,623	Chief Trading Operations and Listing Sales	B. Com, A.C.A, AICWA	30	Asst. General Manager at ICICI Bank
7.	Shri Rajesh Saraf	51	30-May-11	92,86,158	Chief General Manager	BR (Elect), MMS (Finance)	27	Sr. Consultant at Tata Consultancy Services
8.	Shri Shankar Jadhav	54	15-Nov-12	90,78,977	Senior General Manager	B. Tech (IIT Bombay), PGDM (IIM Ahmedabad)	30	President at Quantum Project Infra
9.	Shri Gopalkrishnan Iyer	54	01-Jan-98	83,45,267	Chief General Manager	B. Com, FCA and CFA from ICFAI	31	Sr. Manager at Nucleus Securities Limited
10.	Shri Shivkumar Pandey	46	27-Apr-16	71,50,015	Group Chief Information Security Officer	B.E in Electronics and Telecommunication. Master's in Information Management	21	Chief Information Security Officer at National Payment Corporation of 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 2020-21 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018*

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

 # Shri Girish B Joshi is holding 18 shares of the Company

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. Except Shri Girish Joshi, none of the employees named above hold any equity shares in the Company.
4. 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 13, 2021
Place : Mumbai

Justice Vikramajit Sen
Chairman

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014]

To,
The Members,
BSE LIMITED
25th Floor, P. J. Towers
Dalal Street, Mumbai - 400 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BSE LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2021** 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **March 31, 2021** according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under.

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under.

iii) The Depositories Act, 1996 and the Regulations and Bye laws framed there under.

iv) Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made there under to the extent of Foreign Direct Investment and overseas Direct Investment.

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   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, 2018;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not Applicable**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2019; -**Not Applicable**

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - **Not Applicable**

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:-

a. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.

b. Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018.

c. Prevention of Money Laundering Act, 2002.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

I further report that:

- the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Independent Directors and Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- adequate notices is given to all Directors to schedule Board Meetings, Agenda and detailed notes on agenda were sent 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.
- all decisions at Board and Committees meetings are were carried out unanimously, as recorded in the minutes of the Board and Committee meetings.
- There are adequate systems and processes exist in place in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Dhrumil M Shah & Co.
UDIN: F008021C000297453

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No. 995/2020

Date: 13th May, 2021
Place: Mumbai

*This Report is to be read with my letter of even date which is annexed as **Annexure- I** and forms an integral part of this report.*

ANNEXURE I
(TO THE SECRETARIAL AUDIT REPORT)

To,
The Members,
BSE LIMITED

My report of even date is to be read along with this letter:

1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.

2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report 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 Dhrumil M Shah & Co.
UDIN: F008021C000297453

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No. 995/2020

Date: 13th May, 2021
Place: Mumbai

ANNEXURE 'C' OF BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY 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 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. Disaster relief in form of medical aid to promote health care, food supply to eradicate hunger, poverty and malnutrition and supply of clear water to promote sanitation and making available safe drinking water and

iii. Promoting technology incubators, including those set up as non-academic Technology Business Incubators, as permitted under Companies Act, 2013 and various guidelines issued thereunder.

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

The detailed CSR Policy of BSE is publicly available at the Weblink http://www.bseindia.com/downloads1/Corporate_Social_Responsibility_Policy.pdf.

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

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sushri Jayshree Vyas	Chairperson / Public Interest Director	1	1
2.	Shri Umakant Jayaram	Member / Public Interest Director	1	1
3.	Justice Vikramajit Sen	Member / Public Interest Director	1	1
4.	Shri David Wright	Member / Public Interest Director	1	1
5.	Shri T. C. Suseel Kumar	Member / Shareholder Director	1	1
6.	Shri Ashishkumar Chauhan	Member / Managing Director & CEO	1	1

1. Justice Vikramajit Sen, Shri David Wright and Shri T.C. Suseel Kumar were appointed as members w.e.f. November 26, 2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The details are disclosed on the Company's website at https://www.bseindia.com/.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

6. **Average net profit of the Company as per section 135(5):** ₹ 11,199.24 Lakh

7. (a) **Two percent of average net profit of the company as per section 135(5) (two percent of ₹ 11,199.24 Lakh):** ₹ 223.98 Lakh
   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil
   (c) **Amount required to be set off for the financial year, if any:** Nil
   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 223.98 Lakh

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹ Lakh.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of Fund	Amount	Date of Transfer
223.98	Not Applicable		Not Applicable		

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of Project		Project Duration
				State	District	
Not Applicable						

Amount Allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR Account for the project as per section 135(6) (in ₹)	Mode of implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				Name	CSR Registration Number
Not Applicable					

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Lakh)	Mode of implementation – Direct (Yes/NO)	Mode of implementation – Through Implementing agency	
				State	District			Name	CSR Registration Number
1.	Contribution to BSE CSR Integrated foundation towards undertaking CSR activities, including contribution to technology incubator	Various sectors covered by Schedule VII of the Companies Act, 2013	Yes	PAN India	PAN India	223.98	No	BSE CSR Integrated Foundation	CSR00001916

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 223.98 Lakh

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	223.98
(ii)	Total amount spent for the Financial Year	223.98
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr, No.	Preceding Financial Year	Amount Transferred to unspent CSR Account under section 135(6) (in ₹)	Amount spent in the recording Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable** (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

Place: Mumbai
Date: May 13, 2021

Ashishkumar Chauhan
Managing Director & CEO

Jayshree Vyas
Chairperson

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Indian Clearing Corporation Limited,
25th Floor, P. J. Towers,
Dalal Street, Mumbai 400001.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Clearing Corporation Limited** (hereinafter called the **'Company'**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 (**'Audit 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:

I have examined the books, papers, Minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (effective from October 03, 2018);
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not applicable to the Company during the year under review as the Company does not have any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings);
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):--
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(Not applicable to the Company during the year under review);
    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, 2018 (Not applicable to the Company during the year under review);
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Shared based Employee Benefits) Regulations, 2014 notified on 28th October 2014; (Not applicable to the Company during the year under review);
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the year under review);
    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 year under review);

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the year under review) and

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 & SS-2);

ii. Regulations 17 to 27, 46(2)(b) to 46(2)(i) and Para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the requirement of Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018(effective from October 03, 2018) and

iii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations :-

a. In terms of the requirements of Regulation 46 of The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, all the securities of the Company (Clearing Corporation) shall be in Dematerialised format. However, Six Equity Shares of the Company, held by the Nominee Shareholders on behalf of its Holding Company (BSE Ltd) are in physical format.

b. In terms of the requirements of Section 4(3) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Presiding Officer and every Member of the Internal Committee shall hold office for such period, not exceeding three years, from the date of their nomination. However, upon examination of Anti Sexual Harassment Policy adopted by the Company with effect from 01.08.2013, it was found that Internal Complaints Committee was not duly re-constituted upon expiry of stipulated term.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Public Interest Directors (Independent Directors). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on the 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.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting of the Board.
- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, etc.

For **Shweta Gokarn & Co.**
Company Secretaries

Ms. Shweta Gokarn
ACS 30393 I CP 11001

Place: Navi Mumbai
Date: April 27, 2021
UDIN: A030393C000162888

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A
(To the Secretarial Audit Report)

To,
The Members,
Indian Clearing Corporation Limited,
25th Floor, P. J. Towers,
Dalal Street, Mumbai 400001.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provided a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

5. Wherever required, I have obtained and relied on the Management representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Shweta Gokarn & Co.**
Company Secretaries

Place: Navi Mumbai
Date: April 27, 2021

Ms. Shweta Gokarn
ACS 30393 I CP 11001

ANNEXURE 'E' TO BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the **"Board"**) of BSE Limited (the **"Company"**) has adopted this dividend distribution policy (**"Policy"**) formulated in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This progressive Policy reflects the intent of the Company to maintain or grow the dividend each year, while recognizing that some earnings fluctuations are to be expected and that the dividend declared by the Board will reflect its view of the earnings prospects over the entirety of the investment cycle.

The Board, while considering the decision of dividend pay-out or retention of a certain amount or entire profits of the Company, shall, as far as possible, continue to strike a balance between the interests of the business, our financial creditors and our shareholders.

This updated Policy has been adopted by the Board with effect from Financial Year 2017-18.

Guidelines for Dividend Declaration

The Board shall consider the following factors while declaring / recommending dividend:

1. Circumstances under which Shareholders can expect Dividend: Dividend will generally be paid once a year. Dividends for any financial year will generally be paid out of net profit earned during the said year. However, in special circumstances which include maintaining dividend rate, the Board may at its discretion, declare interim dividends and also declare dividend out of retained earnings.

2. Financial Factors: The dividend, if any, will depend on a number of factors, including but not limited to the Company's result of operations, earnings, capital requirements and surplus, quantum of profits, current and future cash flow requirements, providing for unforeseen events and contingencies, and general financial conditions as the Board may deem fit.

3. Other Internal / External Factors: Internal factors include business expansion plan, investment plans, contractual restrictions, or other strategic priorities as may be considered prudent by the Board. External factors include market conditions, competition intensity, applicable legal restrictions, adherence to requirements stipulated under the regulations formulated by the Securities and Exchange Board of India, the Companies Act and rules thereunder, as amended from time to time, taxation and other factors considered relevant by our Board.

4. Utilization of Retained Earnings: Retained earnings will generally be used to strengthen the financial position of the Company and will be used for declaration of dividends in special circumstances including maintenance of dividend rate.

5. The Company currently has only one class of shares, viz. equity, for which this Policy is applicable. This Policy is subject to review if and when the Company issues different classes of shares.

Dividend will continue to be accrued and payable with respect to shares held in abeyance.

The Policy shall be published in the annual report of the Company and available on the Company's website.

The adequacy of this Policy shall be reviewed and reassessed periodically and updated by the Board based on the changes that may be brought about due to any regulatory amendments or otherwise.

Management Discussion & Analysis

1. ECONOMIC OUTLOOK

A. ECONOMIC ENVIRONMENT

The year 2020 was fraught with uncertainties and panic, which impacted most economic activities in both developed and developing economies. Trade and tourism came to a halt, while job and output losses exceeded levels seen in any previous crisis. Governments around the world responded rapidly—and boldly—to stem the health and economic contagion of the crisis. Fiscal and monetary stimulus packages were quickly rolled-out to save the economy.

According to the UN World Economic Situation and Prospects 2021 report, the short-term economic costs of the COVID-19 pandemic do not fully account for its long-term impacts on employment, productivity, and potential output. While large-scale fiscal stimulus prevented total economic collapse and supported the incomes of millions of households, there is little sign that these measures will boost long-term investments and create new jobs. Unless investments in physical and human capital pick up, the world economy will likely adjust to a lower growth trajectory.

The pandemic exposed the systemic vulnerability of the world economy. World gross product fell by an estimated 4.3 percent in 2020 — the sharpest contraction of global output since the Great Depression of 1929. In contrast, world output had shrunk by 1.7 percent during the Great Recession in 2009. The pandemic clearly hit the developed economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. Output in developed economies is estimated to have shrunk by 5.6 percent in 2020, with growth projected to recover to 4.0 percent in 2021. The developing countries experienced a relatively less severe contraction, with output shrinking by 2.5 percent in 2020. The economies of the Group of Twenty (G20)—which account for nearly 80 percent of world output—contracted by 4.1 percent, mirroring the overall performance of the world economy. Only China, among G20 members, managed to register growth in 2020.

Shri Yogi Adityanath, Hon'ble Chief Minister of Uttar Pradesh along with Shri Ashishkumar Chauhan, MD & CEO, BSE ringing the opening bell to mark the listing of Lucknow Municipal Corporation Bonds on December 2, 2020 at BSE.

• Liquidity Boosts in response to the Pandemic

Massive and timely fiscal responses prevented an economic catastrophe worldwide, with fiscal outlays from the developed countries represented nearly 80 percent of the US$ 12.7 trillion of fiscal stimulus worldwide. Germany, Japan and the United States accounted for more than 50 percent of all the fiscal stimulus worldwide. In dollar terms, stimulus spending per capita averaged nearly US$ 10,000 in the developed countries, while it amounted to less than US$ 20 per capita in the least developed countries.

While the central banks around the world have been broadly successful in injecting massive amount of liquidity and keeping long-term interest rates low, they have been less successful in meeting their inflation targets, with actual inflation falling below expectations. The environment of excessive liquidity and low inflation has allowed financial markets to underprice risks, which may exacerbate financial instability. Low inflation will also adversely impact the sustainability of high levels of public and private debt worldwide. As debts are typically contracted in nominal values, a lower-than-expected inflation will keep the real value of debt high.

• Increase in Public Debt

The rolling out of large stimulus packages, and falling government revenues, have strained and stretched public finances worldwide. In almost one in five developing and transition economies, the government deficit is projected to reach double digits as a percentage of GDP. A slower recovery of growth will only further exacerbate fiscal deficits. Along with growing fiscal deficits, total public debt worldwide increased by an estimated US$ 9.9 trillion in 2020. This is the largest increase in public debt since the Second World War (1939 – 1945).

• Impact on Global Trade

The COVID-19 crisis delivered a significant shock to global trade, restricting cross-border travel, disrupting international production networks and depressing demand worldwide. After trade flows collapsed in the early stages of the pandemic, merchandise trade

Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the BSE Coffee Table Book to Shri Ashutosh Tandon, Cabinet Minister, Urban Development, Urban Employment and Poverty Alleviation, Uttar Pradesh at the listing ceremony of Lucknow Municipal Corporation Bonds on December 2, 2020 at BSE.

has been recovering since mid-2020 on the back of strong demand for electric and electronic equipment, pharmaceuticals and especially, personal protective equipment. The recovery in merchandise trade has been led by China and other East Asian economies, which were relatively successful in containing the spread of the virus and experienced a faster-than-expected rebound in economic activities.

Overall, global trade in goods and services is estimated to have declined by 7.6 percent in 2020, a slightly smaller contraction than during the global financial crisis. Annual growth in global trade is forecast at 6.9 percent in 2021 and 3.7 percent in 2022, buoyed by a recovery in international travel. The global trade outlook faces significant uncertainties, including over the future spread of the virus; lasting damage from the crisis to labour markets and balance sheets; and lingering trade tensions among major trading partners.

• Impact on Commodity Markets

The COVID-19 pandemic affected commodity markets very unevenly, in contrast to the global financial crisis, during which commodity prices moved mostly together. Agricultural commodity prices have been resilient as global demand remained robust and supply chain disruptions were generally only short-lived. Since global markets for major food staples are well supplied, agricultural price indexes are projected to remain stable in 2021.

After falling sharply during the early stages of the pandemic, the prices of metals have rebounded faster and more strongly than expected. As a result of strong demand from China and supply disruptions, the prices of copper, aluminium and iron ore are now well above their pre-pandemic levels.

The crisis has severely affected the global energy industry, with potentially long-lasting consequences. While the initial collapse in oil prices has been followed by a steady recovery on the back of improving global prospects, oil supply cuts and a weakening dollar, elevated global oil inventory levels and surplus production capacity limit the upward potential of oil prices going forward.

• Impact on Equity Markets

Thanks to massive stimulus spending worldwide, the financial markets are awash with liquidity. Most of excess liquidity went to acquisition of financial assets. Against the backdrop of a pandemic, major stock market indices registered record increases during the past year. The S&P 500 index, for example, touched an all-time high to close more than 4,000 levels.

REGIONAL DEVELOPMENTS AND OUTLOOK

United States (US)

Real GDP is estimated to have contracted by 3.9 percent in 2020. The economy came to a standstill in mid-March owing to lockdown measures taken to combat the coronavirus disease (COVID-19) pandemic; and the unemployment rate jumped to 14.7 percent in April from 3.5 percent in February. The Government promptly responded with an unprecedented stimulus package (the Coronavirus Aid, Relief, and Economic Security [CARES] Act), whose size cumulatively totaled 12 percent of GDP by the end of October. This measure, which expanded income transfers to households and provided emergency loans to businesses, sustained growth in aggregate disposable personal income.

During the third quarter of 2020, the United States economy rebounded as lockdown measures were relaxed. The United States economy is forecast to grow by 3.4 percent in 2021. As monetary easing

Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the BSE Coffee Table Book to Smt. Sanyukta Bhatia, Mayor of Lucknow at the listing ceremony of Lucknow Municipal Corporation Bonds on December 2, 2020 at BSE.

Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the BSE Coffee Table Book to Shri Satish Mahana, Cabinet Minister, Department of Infrastructure & Industrial Development, Uttar Pradesh at the listing ceremony of Lucknow Municipal Corporation Bonds on December 2, 2020 at BSE.

continues, consumption of durable goods and residential investments continue to grow. However, other demand components, particularly corporate investments, and exports, are forecast to remain weak if the uncertainties associated with the COVID-19 pandemic persist.

Europe

Europe has been experiencing an economic crisis of historic proportions, with the region expected to have seen an economic contraction of 7.8 percent in 2020 (for EU-27) because of the pandemic. Rigorous lockdown measures to contain the spread of the pandemic. This led to a virtual standstill in large parts of the economy, which set off a cascade of negative effects. Businesses—especially small businesses with fewer financial reserves—were thrown into a liquidity crisis, as revenues fell off the cliff while costs remained unchanged.

The pandemic also led to a wide range of monetary policy actions. In March 2020, the European Central Bank (ECB) initiated a pandemic emergency purchase programme (PEPP) and in June subsequently increased its total volume to 1,850 billion euros, equivalent to more than 10 percent of euro zone GDP. Other central banks in the region have taken similar steps towards providing support within the context of the pandemic.

The forecast for the region is growth of 5.2 percent in 2021 and 2.6 percent in 2022, base effects would account for the greatest part of the rebound. The major risks include a longer-lasting wave of pandemic infections, leading to a continued contraction of economic activities.

China

In China, early lockdown measures were successful in quickly containing the domestic spread of COVID-19, which enabled an economic recovery to unfold from the second quarter of 2020 onward. Following a deep GDP contraction of 6.8 percent in the first quarter, growth picked up on the back of a rebound in industrial production and exports, as pandemic control measures were gradually removed. Growth was also supported by an increase in infrastructure investment as well as a modest revival in private consumption. Against this backdrop, the Chinese economy is likely to have expanded by 2.4 percent in 2020, making it the only major economy in the world to have experienced growth in 2020. China's GDP growth is projected to increase to 7.2 percent in 2021, before moderating to 5.8 percent in 2022.

Developed Asia

Developed Asia-comprising Japan, Australia and New Zealand-experienced an unprecedented plunge in the level of its economic activities in the second quarter of 2020.

In Japan, real GDP is estimated to have contracted by 5.4 percent in 2020 and is forecast to grow by 3.0 percent in 2021. Despite the roll-out of an unprecedented stimulus package, including income transfers and employment subsidies, real GDP plunged in the second quarter, marking the third consecutive quarterly decline.

In Australia, real GDP, which is estimated to have contracted by 4.5 percent in 2020 and will grow by 3.3 percent in 2021. The pace of recovery picked up towards the end of 2020. External demand for Australia's commodity exports is expected to lead growth in 2021.

Africa

After a contraction of 3.4 percent in 2020-the first in 27 years and the largest on record, Africa is projected to achieve a modest recovery, with regional GDP expanding by 3.4 percent in 2021 and 3.6 percent in 2022. The achievement of the projected recovery is predicated on a recovery of domestic demand as generated through the relaxation of lockdown constraints and the pickup of exports and commodity prices.

Commodity Outlook

Brent oil averaged about US$ 43 per barrel in 2020, a price that was about one third below the 2019 average of US$ 64 per barrel; but for 2021, a moderate increase to about $50 per barrel is projected as economic activities pick up and travel demand returns. However, even in the medium term, oil prices are likely to remain below the pre-pandemic level. Higher global oil inventory levels and surplus production capacity in key oil producers will limit the upward pressure on prices. Lower prices, coupled with uncertainty about the pandemic's

long-term effect on demand structures and the accelerating energy transition, will in turn continue to weigh on investment in the oil sector.

Metal prices rebounded much faster than expected in the course of 2020 as stimulus measures in China boosted demand and prolonged lockdowns in South America caused significant supply disruptions. The price of copper, which is used predominantly in electrical applications and telecommunications, hit a seven-year high in December 2020, as the global 5G network roll-out continues and demand for comprehensive ICT infrastructure is on the rise. The prices of iron ore, Aluminium, nickel, tin, and zinc also recovered strongly in the second half of the year. Going forward, metal prices will likely be supported by continuing rapid growth in China and a more broad-based recovery in global demand.

B. INDIAN OUTLOOK

I. Economic Performance in FY 2020-21

India's economy recovery strengthened in the last quarter of 2020-21 before the onset of the second wave of pandemic. GDP grew by 1.6% in the fourth quarter of FY21 from year ago, an improvement over the 0.5% growth in third quarter and the decline of 24.4% and 7.4% in the first two quarters of FY21, thereby limiting the extent of full year contraction. The higher economic growth during Q4 FY21 can be linked to the unlocking of the economy that was underway during the period. The economic growth for the year as a whole came in at -7.3%, which was better than the -8% growth projected in the second advance estimate.

GDP at Current Prices in the year 2020-21 is estimated to attain a level of ₹197.46 lakh crore. After bottoming out at a record annualized contraction of 24.4% in Q1 FY21, India's GDP continued with its gradual sequential recovery, with Q4 posting an expansion of 1.6% YoY, up from 0.5% seen in Q3. The trend is similar for Gross Value Added (GVA), which improved its performance to 3.7% YoY in Q4 FY21, up from 1.0% in Q3 FY21. The relatively strong uptick in both GDP/GVA metrics confirms the advancement on normalization in economic activity that happened in the backdrop of receding COVID infections and easing of past lockdown restrictions during Q4 FY21.

The unlocking of the economy which was underway in the last two quarters of FY21 (Oct'20-Mar'21) boosted consumption and activity across sectors. India is one of the select few economies that have witnessed positive year-on-year growth in the last two consecutive quarters. The economic growth during Q4 FY21 is likely to be short lived, as the ongoing quarter i.e., Q1 FY22 saw a sharp increase in COVID infections. While the peak of the second wave has subsided by June 2021, it leaves behind a severe impact on economic activity.

a. Union Budget for FY 2020-21

The Budget for FY 2021-22 focused big on large picture and has not tinkered too much with existing framework, especially with no new taxes, cess, or charges. In a nutshell it is extremely simulative, and particularly good for the capital markets, equities, REITs and InvITs. The Finance Minister had marketed this as once in a century budget, while the Prime Minister said that this budget should be seen as a series of mini budgets that have been announced since the last year. The budget started on a positive note with Indian manufacturing industry posting a strong growth. The Finance Minister has emphasized on the following pillars:

- Health & well being
- Physical & Financial capital and Infrastructure
- Inclusive development for aspirational India
- Reinvigorating Human Capital
- Innovation
- Minimum Government Maximum Governance

Major Announcements for Capital Markets:

- Proposal to consolidate #SEBI Act 1992; Depositories Act, 1996; #Securities Contracts (Regulation) Act, 1956; Government Securities Act, 2006
- SEBI to be notified as a regulator for gold exchanges
- InvITs: NHAI and PGCIL to sponsor one InvITs each, Rs 5,000 crore to be transferred to NHAI InvITs, Rs 7,000 to be

(L-R) Shri Navneet Sehgal, IAS, Additional Chief Secretary (ACS), MSME & Export Promotion, Uttar Pradesh ; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Satish Mahana, Cabinet Minister, Department of Infrastructure & Industrial Development, Uttar Pradesh; Shri Sidharth Nath Singh, Cabinet Minister, Khadi, Village Industries, Sericulture, Textile, Micro, Small & Medium Enterprises and Export Promotion, Uttar Pradesh ; Shri Yogi Adityanath, Hon'ble Chief Minister of Uttar Pradesh; Shri Ashutosh Tandon, Cabinet Minister, Urban Development, Urban Employment and Poverty Alleviation, Uttar Pradesh and Smt. Sanyukta Bhatia, Mayor of Lucknow during the lamp lighting ceremony at the listing ceremony of Lucknow Municipal Corporation Bonds on December 2, 2020 at BSE.

Actress Athiya Shetty, Shri T.C. Suseel Kumar, Shareholder Director, BSE along with Shri Ashishkumar Chauhan, MD & CEO, BSE during the Bell ringing ceremony of Diwali Muhurat Trading event held on November 15, 2020 at BSE.

transferred to the PGCIL InvITs, Rs 7000 to be transferred to the PGCIL InvITs

- Disinvestment: The central government aims to garner Rs 1.75 lakh crore through divestments in 2021-22. Two PSBs, one general insurance company to go under disinvestment. A policy to be announced for privatization of state-run companies and to create a new list of companies for disinvestment. LIC to come up with an IPO in 2021-22. Policy for disinvestment in strategic and non-strategic sectors has been approved by the government.
- Details of capital gains from listed securities, dividend income, and interest income to also be pre-filled in tax forms
- Foreign Investors: Foreign portfolio investors to get deduction of tax on dividend at a lower treaty rate
- NRI's: notify rules to eliminate double tax for NRIs on foreign retirement funds.
- IFSC Zone: Tax holiday for aircraft leasing business in Gift city. tax exemption for relocating funds to IFSC.
- Infrastructure Financing: Bill to set up DFI providing ₹ 20,000 crore to launch the National Asset Monetization Pipeline to fund new infra projects. Bill to set up Development Financial Institution by providing Rs 20,000 crore to be introduced in Parliament.
- Insurance: Amend Insurance Act, 1938 to increase FDI limit from 49% to 74% in insurance companies and allow foreign ownership and control with safeguards.
- Commodities:
  - o Reducing customs duty uniformly to 7.5% on semi, flat and long products of non-alloy, alloy, and stainless steel
  - o Exempting duty on steel scrap till March 2022
  - o To provide relief to copper recyclers, reducing duty on copper scrap from 5% to 2.5%
  - o Customs duties on gold and silver proposed to be rationalized
- o To raise customs duty on cotton from 0% to 10%, on raw silk and silk yarn from 10% to 15%

b. COVID-19 Relief Measures

I. 26 March 2020: INR 1.7 lakh crore relief package announced by the Finance Minister

II. On 15 May 2020: Prime Minister of India declared a COVID relief package of INR 20 lakh crore

III. On 14 Nov 2020: INR 2.65 lakh crore comprehensive stimulus package announced by the Finance Minister

i. Liquidity measures

- Relief measures announced by Reserve Bank of India on 27 March 2020 & 17 April 2020:
- Reduction of policy repo rate by 75 basis points (from current 5.15% to 4.40%).
- RBI will conduct auctions of TLTRO (Targeted Long Term Repo Operations) of up to three-year tenor of appropriate sizes for a total amount up to INR 2 lakh crore (~USD 26 billion) at a floating rate, linked to policy repo rate (50% corporates, 25% for development institutions for onward lending to agri, housing and medium / small enterprises and 25% for NBFCs and MFI).
- CRR of all banks to be reduced by 100 basis points to 3% beginning March 28, for 1 year. This will release liquidity of INR 1,37,000 crore across the banking system.
- Liquidity coverage ratio for banks reduced from 100% to 80% likely to release liquidity.
- These liquidity measures will inject liquidity of INR 4.74 lakh crore (~USD 63 billion) to the system.

ii. Relief for MSMEs

- INR 3 Lakh crore (USD 39 bn) collateral free loan with 100% credit guarantee.

- INR 20k crore (USD 2.6 bn) subordinate debt for stressed MSMEs.
- INR 50k crore (USD 6.5 bn) equity infusion for MSMEs with growth potential and viability through Fund of Funds.
- New definition of MSMEs – investment limit revised upwards; additional criteria of turnover introduced.
- No global tenders for government contracts up to INR200 crore (USD 26 mn).
- E-market linkage to be promoted as replacement of trade fairs and exhibitions
- MSME dues to be cleared within 45 days.

iii. Relief for NBFCs

- INR30k crore (USD 3.9 bn) liquidity infusion for NBFCs/ HFCs/MFIs
- INR45k crore (USD 5.9 bn) partial credit guarantee scheme for NBFCs

iv. Relief for Power utilities

- INR90k crore (USD 11.7 bn) liquidity infusion to DISCOMs against receivables guaranteed by State government for exclusive purpose of discharging liabilities to power generating firms.

v. Regulatory measures

- Moratorium period to be excluded while computing 90 Day NPA norm for asset downgrade .
- Time period allowed under RBI framework for resolution extended by 90 days (210 + 90 days).
- Further deferring implementation of last tranche of 0.625 % of capital conservation buffer to Apr 01, 2021.

vi. Real estate sector and EPC/Contractors:

- Extension of up to 6 months to be provided by all Central Agencies (like Railways, Ministry of Road, Transport & Highways, Central Public Works Dept, etc.).
- Government agencies to partially release guarantees, to the extent contracts are partially completed.
- Registration and completion timelines extended by upto six months for all registered real estate projects.
- Concurrent extension of various statutory compliances under RERA.

vii. Insolvency and Bankruptcy Code (IBC):

- Threshold of default under section 4 of the IBC has been increased from Rs 100,000 to Rs 10 million with the intention to prevent triggering of insolvency proceedings against MSMEs.
- Fresh admission of Insolvency cases for default arising after 25 March 2020 under IBC, 2016 suspended for six month (extendable by another six months) in an effort to stop companies at large from being forced into insolvency proceedings in such force majeure causes of default.
- Loans for COVID-19 excluded from definition of default.
- Government to proposed new guidelines for MSME.

viii. Corporate affairs:

- Applicability of CARO, 2020 has been shifted to FY21 instead of FY20. (CARO is Companies Auditors' Report Order).
- Companies Act requirement of creating deposit reserve of 20% of deposits maturing in FY21 and investing 15% of debentures maturing in FY21 before 30 April 2020 may be done before 30 Sep 2020.
- Decriminalization of certain defaults under the Companies Act 2013 and simplification of mechanism to deal with defaults.
- Lower penalties for default of small companies, one person company, producer companies and startups.
- Companies permitted to list securities directly in foreign jurisdiction.

Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri T.C. Suseel Kumar, Shareholder Director, BSE present the bull memento to Actress Athiya Shetty during the Diwali Muhurat Trading event held on November 15, 2020 at BSE.

Shri Ashishkumar Chauhan, MD & CEO, BSE along with Actress Athiya Shetty present the bull memento to Dr. M. L. Saraf, Professor Emeritus, Head of Dept. Orthopaedics, Spine & Joint Replacement Surgeon, Bombay Hospital Institute of Medical Sciences at Diwali Muhurat Trading event held on November 15, 2020 at BSE.

- Private companies who list debt securities on stock exchange not to be regarded as listed companies.

ix. Self Sufficient Economy

- Production Linked Incentive (PLI) scheme worth up to Rs 1.46 lakh crore for 10 key sectors in a bid to boost India's manufacturing capabilities and enhancing exports
- Incentives will be offered for the sectors such as white goods manufacturing, pharmaceutical, specialized steel, automobiles, telecom, textile, food products, solar photovoltaic and cell battery.
- Rs3,000 crore boost for promotion of project exports through lines of credit under the Indian Development and Economic Assistance (IDEAS) scheme
- R&D grant of Rs900 crore to the biotechnology sector for the development of COVID-19 vaccines

x. Planned Urbanization, Resilient Infrastructure

- Employment will also be created through the infrastructure and housing incentives and spending, including 7.8 million through the PM Awas Yojana for the rural economy.
- An additional Rs18,000 crores were announced under the Prime Minister Awas Yojana Urban (PMAY-U) that would be provided through additional allocation and extra budgetary resources.
- Set up a Rs1.10 lakh crore platform for infra debt financing through equity infusion of Rs6,000 crore in the National Investment and Infrastructure Fund (NIIF) which will ease infra financing and trigger infrastructure development.

xi. Employment Measures

- New employees under the Employees' Provident Fund Organization (EPFO)-registered organizations will enjoy benefits, including subsidy support by way of EPF contributions. The scheme is expected to cover 65% of employees and 95% of establishments in the formal sector.
- Rs10,000 crore under the Prime Minister Garib Kalyan Yojana will boost rural employment in the informal sector and encourage the growth of the rural economy.

xii. Credit Measures

- Extend the Emergency Credit Line Guarantee Scheme (ECLGS) till March 31, 2021, to provide liquidity support to the 26 stressed sectors of the economy, including healthcare, identified by the Kamath Committee by providing collateral free and 100% guaranteed loans.

II. Economic Prospects for FY 2021-22

The more widespread and intense second wave of the pandemic since the start of FY22, is a setback to the country's nascent economic recovery seen in the last quarter of FY21. Economic growth in FY22 is expected to be lower than earlier anticipated, with the world bank forecasting a GDP growth of 8.3% for FY22, as against its earlier estimate of 10.1%. Domestic economic growth prospects hinges on the effective control of pandemic and the relaxation of the restrictions that are in place across the various parts of the country. The restrictions are expected ease gradually only from July onwards. At the same time there is optimism that with higher proportion of the population getting vaccinated, there could be a turnaround the economic activity as has been witnessed in other parts of the world.

The pace of commercial and business activity in the domestic activity is expected to gather pace on the back of vaccination driven optimism and policy support. A strong V-shaped global recovery supported by unprecedented easing of monetary and fiscal policies is likely to be supportive of India's exports. The expectation of normal rainfall (98% of long period average) in the upcoming south-west monsoon season that runs from Jun-Sep, a seasonal support, can act as a buffer for the rural economy.

Although there is the vaccination driven optimism regarding the revival of commercial and business activity, domestic economic growth continues to be underscored by uncertainty given the resurgence in Covid infections across states.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

A. CAPITAL MARKET

Stock Exchanges in India continued to remain among the most resilient globally, being fully operational despite the nation-wide lockdown for many months of FY 2021. Indian Capital Markets demonstrated tremendous growth despite the challenges posed by the COVID-19 pandemic. Stock Exchanges and all associated market infrastructure institutions in India were fully functional despite the lockdown, on back of government and regulatory support, meticulous planning, and technological advances, thus ensuring uninterrupted business continuity for market participants. Its role in the economy is vital to ensure India remains among the top destinations for domestic and global businesses to expand and invest. India's exchanges have shown extraordinary strength to bounce back with greater stability and sustainability in wake of any crisis and remain confident that they will emerge stronger from the COVID-19 pandemic. Raising capital is a strategic priority in this current scenario, and the frontiers of Indian capital markets are not only increasing but has assumed far greater importance and urgency.

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, corporates, and market participants. To give an overview of the dimension of the capital markets in India, as of FY 2020-21 there were 3 Stock Exchanges in the Equity Cash, Equity derivatives and Currency Derivatives Segment and 5 in the Commodities Derivatives Segment, 5 clearing corporations, 2 depositories, 9,975 Foreign Portfolio Investors (FPIs), and 18 custodians, with a market capitalization of all listed companies at ₹ 204.3 trillion.

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

B. MAJOR POLICY DEVELOPMENTS FOR FY 2020-21

Revised Margin Framework

SEBI released a framework to enable verification of upfront collection of margins from clients in cash and derivatives segments, with effect from December 1, 2020. The applicable upfront margins will be collected from clients in advance of the trade and the clearing corporations will send minimum four snapshots of client wise margin requirements to trading member (TM) or clearing member (CM) for them to know the intra-day margin requirement per client in each segment.

Members will have to report the margin collected from each client in a manner prescribed by the regulator. The EOD margin obligation of the client will be compared with the respective client margin at EOD, and peak margin obligation of the client will be compared with respective client peak margin during the day. Regarding penalty, SEBI said higher of the shortfall in collection of the margin obligations at the two prescribed manners will be considered for levying a fine. The verification of availability of margins will be done by exchanges, or clearing corporations, on a weekly basis.

The peak margin obligation of clients across snapshots will be adopted in a phased manner. For three months of implementation, SEBI said 25 percent of peak margin obligation of the client across snapshots will be compared with respective client peak margin available with the TM or CM during the day. This will be 50 percent for subsequent three months, and thereafter 75 percent for subsequent three months, and finally 100 percent. It further said shortfall in collection of margins will be calculated by taking into consideration the phased adoption of peak margin obligation of client. During the period of phased adoption, the member should be able to demonstrate that the balance peak margin obligation has been funded from the member's own funds and not from any other client.

New Pledge/ Re-Pledge System

On 2 September 2020, SEBI dispensed with certain disclosure requirements under the Substantial Acquisition of Shares and Takeover Regulations, 2011 under the new pledge/ re-pledge mechanism. This marked a definitive shift from the previous title transfer collateral mechanism to the new pledge/re-pledge system and advances investor's

Shri Ashishkumar Chauhan, MD & CEO, BSE felicitating Shri Ashutosh Tandon, Cabinet Minister, Urban Development, Urban Employment and Poverty Alleviation, Uttar Pradesh in presence of Shri Sanjay Prasad, Principal Secretary of UP Chief Minister ; Shri Deepak Kumar, Principal Secretary, Housing & Urban Development, UP and Shri Ajay Kumar Dwivedi, Municipal Commissioner, Lucknow for successfully raising Rs. 200 Crore on BSE Bond platform on November 13, 2020 at BSE.

Ringing of the Opening Bell by Shri G P Garg, Executive Director, SEBI and Shri Ashishkumar Chauhan, MD & CEO, BSE along with Senior Officials from SEBI, BSE and other dignitaries at World Investor Week 2020 celebration on November 23, 2020.

interests by revamping the entire payment, clearing and settlement system. Under the previous regime of title transfer collateral agreements, the general practice was for a client to provide power of attorney to brokers in order to facilitate meeting margin requirements. This power of attorney would enable brokers to transfer securities from the client's demat account to their collateral account.

The new guidelines prohibit title transfer collateral agreements that were previously the norm. This means that TMs and CMs can no longer transfer the title of a client's securities to their own demat accounts – under the new system, clients' securities will never leave their demat accounts. Compliance with the new guidelines means that TMs and CMs are to open separate demat accounts tagged as 'client securities margin pledge account' to accept margin pledges.

Mutual Funds investment in the commodity derivatives

In June 2020, SEBI issued a circular implementing the participation of Mutual Funds in Commodity Derivatives Market in India. It has been stated that no mutual fund scheme shall invest in the physical goods except gold. The gold investment shall be done via gold EFT's. However, all the mutual fund scheme issued through a contract can invest in physical goods through books of scheme, not exceeding the timeline provided by the Government. The investment shall be within 180 days in case of Gold and Silver and for other physical goods it shall be by the date of immediate expiry.

On 11 January 2021, SEBI revised certain norms on daily price limits for agricultural and non-agricultural commodity derivatives. As per the revised norms, the base price for fixing the DPL slabs shall be the previous day's closing price of the underlying contract on the respective stock exchange and the stock exchanges shall ensure that their system should only accept those orders which are within the relevant prescribed slab at any point of time. To prescribe DPL slabs for the first trading day (launch day) of each Contract, Stock Exchange shall determine base price as Volume Weighted Average Price (VWAP) of the first half an hour, subject to a minimum of ten trades and If enough trades are not executed during the first half an hour, then the VWAP of the first-hour trade subject to a minimum of ten trades shall be considered. If enough trades are not executed even during the first hour of the day, then VWAP of the first ten trades during the day shall be considered.

Other Major SEBI Measures

Amidst the situation arising out of the COVID-19 pandemic from March 2020, market regulator SEBI, to reduce compliance, issued over 40 circulars relaxing rules -- Companies got extra time to file quarterly results and conduct annual general meetings; brokers and trading members got relaxations on maintaining call data records of clients; and mutual fund houses got more time for compliance, among others. SEBI also granted a one-time extension to the validity of public offer filings.

Date	Details of SEBI Circular
Mar 25, 2021	Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967 – Directions to Stock Exchanges, Depositories, and all registered intermediaries
Mar 23, 2021	Review of Delivery Default Norms
Mar 22, 2021	Clarification on the valuation of bonds issued under Basel III framework
Mar 22, 2021	Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) of Market Infrastructure Institutions (MIIs)
Mar 16, 2021	Streamlining the process of IPOs with UPI in ASBA and redressal of investors grievances
Mar 10, 2021	Review of norms regarding investment in debt instruments with special features, and the valuation of perpetual bonds
Mar 08, 2021	Amendments to provisions in SEBI Circular dated September 16, 2016 on Unique Client Code (UCC) and mandatory requirement of Permanent Account Number (PAN)
Mar 05, 2021	Circular on Guidelines for votes cast by Mutual Funds
Mar 03, 2021	Code of Conduct & Institutional mechanism for prevention of Fraud or Market Abuse
Feb 23, 2021	Pre-Expiry Margin on commodities under Alternate Risk Management Framework
Feb 09, 2021	Revised disclosure formats under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015
Feb 02, 2021	Setting up of Limited Purpose Clearing Corporation (LPCC) by Asset Management Companies (AMCs) of Mutual Funds
Jan 19, 2021	Relaxations relating to procedural matters – Issues and Listing
Jan 15, 2021	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid -19 pandemic
Jan 15, 2021	Norms for investment and disclosure by Mutual Funds in Exchange Traded Commodity Derivatives ("ETCDs")

Date	Details of SEBI Circular
Jan 11, 2021	Revision in Daily Price Limits (DPL) for Commodity Futures Contracts
Jan 11, 2021	Review of Volatility Scan Range (VSR) for Option contracts in Commodity Derivatives Segment
Jan 08, 2021	Circular on Amendment to Regulation 20(6) of SEBI (AIF) Regulations, 2012
Jan 08, 2021	Transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation
Dec 31, 2020	Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s) - Extension of timeline for implementation
Dec 21, 2020	Core Settlement Guarantee Fund, Default Waterfall and Stress Test for Limited Purpose Clearing Corporation (LPCC)
Dec 21, 2020	Review of inclusion of Historical Scenarios in Standardized Stress Testing in Commodity Derivatives Segment
Dec 08, 2020	Additional Payment Mechanism (i.e., ASBA, etc.) for Payment of Balance Money in Calls for partly paid specified securities issued by the listed entity
Dec 02, 2020	Operational guidelines for Transfer and Dematerialization of re-lodged physical shares
Dec 01, 2020	Relaxation in timelines for compliance with regulatory requirements
Nov 24, 2020	Testing of software used in or related to Trading and Risk Management
Nov 23, 2020	Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities under - SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (ILDS Regulations), SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (NCRPS Regulations), SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 (SDI Regulations) and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (ILDM Regulations)
Oct 06, 2020	Issuance, listing and trading of Perpetual Non-Cumulative Preference Shares (PNCPS) and Innovative Perpetual Debt Instruments (IPDIs)/ Perpetual Debt Instruments (PDIs) (commonly referred to as Additional Tier 1 (AT 1) instruments)
Oct 01, 2020	Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default - Extension of timeline for submission of the Undertaking cum Indemnity bond by the Trading members (TMs) / Clearing Members (CMs) for all the bank accounts.
Oct 01, 2020	Framework for monitoring of foreign holding in Depository Receipts

Date	Details of SEBI Circular
Sep 28, 2020	Recovery of assets of defaulter member and recovery of funds from debit balance clients of defaulter member for meeting the obligations of clients / Stock Exchange / Clearing Corporation
Sep 21, 2020	Alternate Risk Management Framework Applicable in case of Near Zero and Negative Prices
Sep 15, 2020	Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment - Clarification
Sep 08, 2020	Entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market – Addition of NSE to the list
Sep 02, 2020	Review of provision regarding segregation of portfolio due to the COVID – 19 Pandemic
Sep 02, 2020	Disclosures on Margin obligations given by way of Pledge Re-pledge in the Depository System
Jul 29, 2020	Implementation of SEBI circular on Margin obligations to be given by way of Pledge / Re-pledge in the Depository System
Jul 29, 2020	Extension of time for submission of financial results for the quarter/half year/ financial year ended 30th June 2020
Jul 22, 2020	Circular on Transaction in Corporate Bonds/Commercial Papers through RFQ platform and enhancing transparency pertaining to debt schemes
Jul 21, 2020	Review of Stress Testing Methodology for Positions with Early Pay-in
Jul 20, 2020	Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments
Jul 13, 2020	Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures-Amendments

Listing Ceremony of Nureca Ltd. on February 25, 2021 at BSE.

Listing Ceremony of Antony Waste Handling Cell Pvt. Ltd. on December 14, 2020 at BSE.

Date	Details of SEBI Circular
Jul 07, 2020	Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (ILDM Regulations) and certain SEBI Circulars due to the Covid -19 virus pandemic
Jul 01, 2020	Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default
Jul 01, 2020	Relaxation from compliance to REITs and InvITs due to the CoVID-19 virus pandemic- Amendment
Jun 24, 2020	Guidelines for Order-to-trade ratio (OTR) for Algorithmic Trading
Jun 24, 2020	Further extension of time for submission of financial results for the quarter/half year/financial year ending 31st March 2020 due to the continuing impact of the CoVID-19 pandemic
Jun 23, 2020	Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19
Jun 08, 2020	Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 and certain SEBI Circulars due to the COVID -19 virus pandemic
Jun 05, 2020	Participation of Mutual Funds in Commodity Derivatives Market in India
May 26, 2020	Guidelines for identification and selection of location as a delivery centre(s) for commodity derivatives contract
May 25, 2020	Implementation of Circular on 'Margin obligations to be given by way of Pledge / Re-pledge in the Depository System' - Extension
May 20, 2020	Advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
May 14, 2020	Relaxation from the applicability of SEBI Circular dated October 10, 2017 on non-compliance with the Minimum Public Shareholding (MPS) requirements
May 12, 2020	Entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market
Apr 27, 2020	Extension of implementation date of Circular on 'Review of Margin Framework for Cash and Derivatives segments (except for Commodity Derivatives Segment)'
Apr 23, 2020	Review of provisions of the circular dated September 24, 2019 issued under SEBI (Mutual Funds) Regulations, 1996 due to the COVID - 19 pandemic and moratorium permitted by RBI
Apr 23, 2020	Relaxation in Regulation 24(i)(f) of the SEBI (Buy-back of Securities) Regulations, 2018 due to the COVID 19 pandemic
Apr 21, 2020	One-time relaxation with respect to validity of SEBI Observations
Apr 17, 2020	Additional relaxations / clarifications in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') due to the COVID – 19 pandemics.
Apr 16, 2020	Relaxation in time period for certain activities carried out by depository participants, RTAs / issuers, KRAs, stockbrokers
Nov 27, 2020	Guidelines/clarifications on Peak Margin collection and reporting
Sep 28, 2020	Guidelines/clarifications on Margin collection & reporting
Sep 03, 2020	Investor Awareness regarding the revised guidelines on margin collection
Aug 31, 2020	Guidelines/clarifications on Margin Collection & Reporting
Aug 31, 2020	Imposition of fines for false reporting of margins by Trading Member in Cash Segment
Jul 31, 2020	Guidelines / clarifications on Margin collection & reporting
Jan 18, 2021	Reporting of Client Level Cash & Cash Equivalent and Bank account Balances
June 15, 2020	Reporting of Client Level Cash & Cash Equivalent and Bank account Balances

C. GLOBAL CAPITAL MARKETS PERFORMANCE

Like the economy, capital markets also proved to be one of the most tumultuous in modern history, marked by several developments that were historically unprecedented. But the year also demonstrated the resilience of people, institutions, and financial markets. 2020 will be remembered by most investors for the impact of the COVID-19 pandemic. Global stocks suffered one of the quickest declines on record, but broadly recovered and hit new highs by year-end. Technology stocks outperformed the broad US market, while energy stocks had another year of double-digit losses. Some of the highlights include:

- Global stocks (as measured by the MSCI World Index) climbed 14%.
- Gold (as measured by Nymex per troy ounce) soared 28%.

For investors, the year 2020 was characterized by sharp swings for stocks. March 2020 saw a 33.79% drop in the S&P 500 Index as the pandemic worsened. This was followed by a rally in April, and stocks reached their previous highs by August. Ultimately, despite a sequence of epic events and continued concerns over the pandemic, global stock market returns in 2020 were above their historical norm. The US market finished the year in record territory and with an 18.40% annual return for the S&P 500 Index. Non-US developed markets, as measured by the MSCI World ex USA Index, returned 7.59%. Emerging markets, as measured by the MSCI Emerging Markets Index, returned 18.31% for the year.

The stock market rebounded so quickly because investors were encouraged that the pandemic would not trigger a more severe financial crisis. And that assurance came from the Federal Reserve, which took swift and wide-ranging action to stabilize markets. The global economy's nascent recovery, a federal stimulus package, massive amounts of liquidity from the Federal Reserve and the rapid development of multiple COVID-19 vaccines all helped in the recovery of the markets. In addition to slashing a key interest rate to near-zero by mid-March, the Fed unveiled "an alphabet soup of programs" to stabilize markets. The US Congress passed a $2.2 trillion stimulus package to put money into the pockets of Americans and offer relief to business owners.

The downturn in stocks impacted some segments of the market more than others in ways that were consistent with the impact of the COVID-19 pandemic on certain types of businesses or industries. For example, airline, hospitality, and retail industries tended to suffer disproportionately with people around the world staying at home, whereas companies in communications, online shopping, and technology emerged as relative winners during the crisis.

Fixed income markets mirrored the extremity of equity behavior, with nearly unprecedented dispersion in returns during the first half of 2020. For example, in the first quarter, US corporate bonds underperformed US Treasuries by more than 11%, the most negative quarterly return difference in data going back a half century. But they soon swapped places: the second quarter was the second-most positive one on record for corporates over Treasuries, with a 7.74% advantage. Large return deviations were also observed between US and non-US fixed income as well as between inflation-protected and nominal bonds.

Global yield curves finished the year generally lower than at the start. US Treasury yields, for example, fell across the board, with drops of more than 1% on the short and intermediate portions of the curve. The US Treasury curve ended relatively flat in the short-term segment but upwardly sloped from the intermediate- to long-term segment. For 2020, the Bloomberg Barclays Global Aggregate Bond Index returned 5.58%.

In the coming year, many questions remain about the pandemic, new vaccines, business activity, changes in how people work and socialize, and the direction of global markets. Developments in the COVID-19 pandemic should continue to help dictate market direction heading into 2021. This includes trends in infection rates and associated mortalities, along with the speed and effectiveness of vaccines being delivered and administered. Other major factors include:

- Policy changes: A significant question remains about how government policy might change soon, as governments lay out a variety of plans that differ to the previous years, with potential implications across a range of industries, if implemented.
- Trade wars: In addition to the potential policy shifts mentioned above, trade wars may come into focus again, if the primary market risk of the pandemic eventually subsides. The Biden administration might take a different trade policy approach, particularly with China.
- Relatively high valuations—Most global markets continue to trade at a significant premium to both its mean and median historical price-to-earnings. Global markets are trading at record highs despite the myriad of risks that might warrant lower valuations.

D. INDIAN CAPITAL MARKETS PERFORMANCE

Despite the economy slipping into recession and all activity coming to a standstill for a few months due to the COVID-19 pandemic, markets registered their best financial year performance in a decade. The cumulative market capitalisation of BSE-listed firms is at more than Rs 205 lakh crore, a rise of about 92 percent in FY2020-21, as compared to Rs 113.5 lakh crore on March 31, 2020. In comparison, the S&P BSE Sensex gained 68%, indicating the gains in the equity markets were broad-based. The S&P BSE Sensex climbed to an all-time high of 52,517 points on February 16, 2021.

Listing Ceremony of Brookfield India Real Estate Trust on February 16, 2021 at BSE.

Listing Ceremony of Anupam Rasayan India Ltd. on March 24, 2021 at BSE.

Another key driver of the market rally has been the growth and participation of retail investors, to the tune of 6.3 crores in terms of UCC, as on March 31, 2021, which not only pushed frontline benchmarks to new highs but also triggered an upswing in the mid- and small-cap indices during the year. The gains in mid-and small-caps have, in fact, been sharper with both the indices rallying 91% and 115%, respectively on the BSE.

Equities showed exemplary resilience in the year gone by as governments and major central banks of the world came out together to keep the economy up and running in times of pandemic. The collective efforts bore fruit as the Indian equities ended among the top-performing markets of the world in FY21. The rally has been partly on account of strong foreign inflows on expectation of improvement in the economy after a stringent pandemic-triggered lockdown for a few months in FY 2021. Accommodative monetary policies of global central banks, especially the US, ensured emerging markets, including India, remained flushed with funds all through the year.

One of the remarkable takeaways from the market's performance in FY 2021 was the contrasting trend of foreign institutional investors (FIIs) and domestic institutional investors (DIIs). During the year, foreign portfolio investors (FPIs) pumped in a record $37.6 billion (Rs 2.74 trillion) into equities, which was the highest since FY2013. In the cash segment, FIIs were sellers only in two months - April and September 2020 - in the last financial year. On the other hand, domestic mutual funds recorded a net outflow of Rs 1.25 trillion and became net sellers for the first time since FY13.

Since the market crash in March and early April 2020, the government undertook a slew of reforms and relief measures to spur economic growth. Better than expected GDP numbers in the third quarter, consistency in GST revenues of over INR 1 lakh crore, positive global cues, and strong buying interest from FIIs helped the Indian markets maintain its upward momentum in the months after May 2020. As the year progressed, PMI for manufacturing and services expanded as demand and output continued to recover strongly from coronavirus-related disruptions. MSCI rebalancing of weightage of Indian stocks in their emerging markets index also added to flows. India may see passive inflow of US$ 2.5 billion due to implementation of the new regime on foreign ownership limits (FOL) in the MSCI Global Indexes containing Indian securities. Better-than-expected earnings from Indian companies also helped inflows for Indian equities, the highest for emerging markets.

In India, markets benefitted from announcement of Rs. 30 trillion stimulus package to restart economy by means of production linked incentive schemes, Aatmanirbhar Bharat rozgar yojana etc. to incentivize manufacturing and creation of new jobs, respectively. The Budget for 2021-22, Vehicle Scrappage policy, capital infusion in public sectors banks also added the momentum in the markets. The factors which also impacted the equity markets include geopolitical issues at the India-China border, technical glitches, and the Covid-induced economic shutdown.

Date	Factors impacting capital markets
20-Apr-20	US Crude oil prices fell to negative values for the first time in History
24-Apr-20	Franklin Templeton announced shutting down of six of its yield-oriented managed credit funds with total assets under management of ₹ 25,856 crore
12-May-20	Prime Minister Announces Rs.20 trillion stimulus package to restart economy
13-May-20	Announcements relating to incentives for the MSME Sector
16-June-20	Tensions Escalated at India -China border
17-Sep-20	Govt permits up to 74% FDI under automatic route in defence sector
13-Nov-20	Atmanirbhar Bharat 3.0: Total stimulus package announced is of Rs 29.87 lakh core - Economic Stimulus
1-Feb-21	Budget announced for FY 21-21
24-Feb-21	Technical glitch results in NSE being shut down from 10:40 AM to 3:17 PM
18-Mar-21	Vehicle Scrappage policy announced in Lok Sabha
31-Mar-21	Govt infuses Rs 14,500 cr capital into four public sector banks

Capital Market Outlook

Despite the fresh lockdowns due to the resurgence of covid cases in March and April 2021, a protracted return to normalcy is expected by August 2021. The markets are expected to keep a tab on how the COVID-19 situation unfolds and the vaccination scenario plays out globally and in India. That apart, crude oil prices, bond yields, macro-economic variables (both in India and across the globe) will be among key drivers.

Other than the response to the COVID-19 pandemic, major factors to impact Indian capital markets in the coming year 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.

If India emerges out of the pandemic stronger within a reasonable quick timeframe, it is widely expected that the equity markets to remain vibrant as the country remains one among the top investment destinations. 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 equities is expected to further increase.

3. CAPITAL MARKETS

A. 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, 2021, BSE is ranked #9 by market capitalization among global stock exchanges , and the largest in India. As of March 31, 2020, BSE was ranked #13 globally.

B. PRIMARY MARKET

The total number of companies listed on BSE as on March 31, 2021 was 5,477 as compared to 5,377 as on March 31, 2020.

In FY 2020-21, Indian Investors showed faith in investing funds in Indian corporate sector primarily via the BSE fund raising platforms. Rs 18.56 lakh crores (USD 252.95 bn) worth of funds was mobilized through listing of Equity, Bonds, REITs, InvITs and Commercial Papers, a growth of 53 % over FY 2019-20.

During FY 2020-21, 30* companies tapped the capital market through the IPO process to get listed on the Mainboard of BSE. The amount raised through Mainboard in FY 2020-21 was ₹ 45,814* crore as against ₹ 20,827 crore in FY 2019-20.

In addition to 30* IPOs on the Mainboard, another 14# companies raised ₹ 152 crore through the Small and Medium-sized Enterprises ("SME") IPO process in FY 2020-21 and 5 companies raised ₹ 15 crore through the Small and Medium-sized Enterprises -Start Up ("SME Start-up") IPO process in FY 2020-21.

* Also includes Yes Bank Ltd – FPO

includes 1 FPO of ₹ 30.02 Crore

The total amount mobilized through Privately Placed Debt Instruments ("PPDI") at BSE in FY 2020-21 was ₹ 5,50,060 crore as against ₹ 4,71,637 crore in FY 2019-20. During FY 2020-21, there were 18 public issues of bonds, which mobilized ₹ 10,588 crore as against ₹ 15,068 crore in the FY 2019-20. Out of these 18 public issues, 17 issues (94%) 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 99.94%.

The total amount mobilized through Commercial Paper ("CP") at BSE in FY 2020-21 was ₹ 10,52,952 crore.

I. Mutual Fund Segment

The BSE StAR MF platform continues to be India's largest mutual fund distribution Infrastructure with close to 82% of market share amongst similar platforms in mutual fund Industry. In FY 2020-21, BSE StAR MF crossed 9.38 Crore transactions witnessing 63% growth as compared to 5.75 Crore transactions in FY 2019-20. The platform also registered approx. 42,000 new members, taking the total number of members to over 69,000 on the platform. BSE StAR MF App (StAR MF Mobility) has processed over 19.28 lakh transactions since its launch, amounting to ₹ 11,007 crore till March 2021.

43 AMCs, accounting for more than 99.99% of total AUM in Indian Mutual Fund Industry pay a service charge on a per transaction basis, processed at BSE's StAR MF platform. This enables BSE to provide even better services and additional resources to all investors in mutual funds bringing in further automation and certainty to the mutual funds investment process in India.

Listing Ceremony of Burger King India Ltd. on December 4, 2020 at BSE.

Listing Ceremony of Exim Bank of India USD 1 bn notes under USD 10 bn GMTN Programme on Global Securities Market, India INX on January 14, 2021 at BSE.

II. Municipal Bonds and Green Bonds

The total amount mobilized through Municipal Bonds at BSE in FY 2020-21 was ₹ 200 Crore as against ₹ 100 Crore in FY 2019-20. Lucknow Municipal Corporation raised bonds aggregating to ₹ 200 Crore in FY 2019-20. The total amount mobilized through Green Bonds at BSE in FY 2020-21was Nil as against ₹ 1,803 Crore in FY 2019-20.

Innovations and unique features of BSE StAR MF

- The technology Infrastructure provided by BSE has created a super highway, which has boosted the mutual funds distribution for traditional distributors as well as new age e-commerce network of IFAs, Banks , Fintech platforms, brokers, broker branches and associates in over 3,000 towns across India.
- It is the only platform 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.
- New Value added services Offering:
    - Brokerage Management Services
    - Portfolio Software Services
    - Distributor Common Empanelment,
    - New IFA Certification Program
    - Phygital Initiatives
    - EKYC
    - Corp Direct
    - SIP Pause
    - Uniform NAV
- Overnight Investment framework facilitates BSE StAR MF Registered Investors:
    - To route idle monies as overnight investments, monies can be invested even for single day i.e. overnight.
    - Subscription and redemption can happen simultaneously on the same day.
- Only Infrastructure in India that supports 3 modes via Systematic Investment Plan ("SIPs"), which can be initiated as under:
    - Paperless SIP: Wherein the link for payment is created for 1st Instalment as well as subsequent Instalment, only available with BSE.
    - X-SIP/ National Automated Clearing House ("NACH" & "eNach") 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.
- Any day Systematic Transfer Plan ("STP") and Systematic Switch Plan ("SWP"), with "First order today" 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.
    - Mobile App for distributors

III. Sovereign Gold Bonds

With Stock Exchanges being allowed to act as a receiving office for Sovereign Gold Bond ("SGB") Scheme, BSE has become a significant platform for accepting retail bids in this product. BSE aggregates application from its vast network of brokers and distributors and channels the same to RBI.

With Stock Exchanges being allowed to act as a receiving office for Sovereign Gold Bond ("SGB") Scheme, BSE has become a significant platform for accepting retail bids in this product. BSE aggregates application from its vast network of brokers and distributors and channels the same to RBI. During the FY 2020-21 RBI has issued tranche series from SGB192001 to SGB202112, BSE has received collection of 7633.98 kgs and value of Rs. 3654.14 crores for the period mentioned.

C. SECONDARY MARKET

I. Equity Cash Segment ("ECM")

The S&P BSE SENSEX ended FY 2020-21 at 49,509 compared to 29,468 at year end of FY 2019-20, an increase of 68.01% over the year. The average daily value of equity turnover on BSE in FY 2020-21 was ₹ 4,197 Crore, a y-o-y Increase of about 56.86% from ₹ 2,676 Crore in FY 2019-20.

II. Equity Derivatives Segment ("EDX")

In EDX, the daily average value was ₹ 1,40,804 Crore in FY 2020-21 as compared to ₹ 1,056 Crore in FY in FY 2019-20. BSE has Launched Futures / Options on Sensex 50 with unique Friday Expiry. BSE Derivatives has recorded highest turnover of 3,89,758 Crore on November 26, 2020.

Active trades was witnessed on derivatives contract based on the Sensex 50 Index, which was launched on June 29, 2020, with a with differentiated Monday expiry initially and later with Friday expiry. The Sensex 50 index offers participants the ideal equity hedge in a volatile market, with its constituents representing about 58 percent of market capitalization of India's listed universe. The Sensex 50 options contracts offers superior flexibility (offset via alternate expiry day) and a cost-efficient hedge (no transaction charges on the BSE platform) for participants than any comparable product in Indian markets. Market share Sensex 50 Contracts was 13.50% against comparable index derivatives contracts.

BSE also received an exemptive relief under CFTC Regulation 30.10 that enables members to accept futures and options orders from customers located in the US. This will benefit BSE members and provide the US customers increased access to Indian futures and options markets.

III. Currency Derivatives Segment ("CDX")

In CDX, BSE's market share decreased to 29.59% in FY 2020-21 from 40.87% in FY 2019-20. Members' participation in this segment increased to 409 (22 Banks, 1 Primary Dealer and 386 Members) during FY 2020-21, compared to 402 (22 Banks, 1 Primary Dealer and 379 Members) in FY 2019-20.

IV. Interest Rate Derivatives ("IRD")

During FY 2020-21, BSE's market share in IRD increased to 30.25% from 21.72% in FY 2019-20. Members' participation increased to 134 (9 Banks, 4 Primary Dealers & 121 Members) in FY 2020-21 from 132 (9 Banks, 4 Primary Dealers & 119 Members) FY 2019-20.

V. Commodity Derivatives

BSE became India's first universal exchange by adding commodity derivatives to its portfolio on 1 October 2018. The first contracts to be launched was Gold futures (1 KG), and subsequently variety of gold futures contracts and more commodities in the Bullion, Metals, Energy and Agri Ecosystem were subsequently launched.

- Total commodities offered for trade: 13.
- Total Contracts offered for trade: 21.
- Precious Metals: Gold and Silver
- Base Metals: Steel, Copper, Zinc and Aluminium
- Agri: Guargum, Guarseed, Cotton, Turmeric and Almond
- Energy: Brent Crude and Oman Crude

With a view to further widen and deepen the commodity derivatives markets, on the suggestion of BSE, framework to introduce 'options on spot' prices of commodities instead of futures prices was permitted. BSE launched the first 'options in goods' contracts on Gold mini and Silver kg based on spot prices from June 1, 2020. This led to the deepening and expansion of the bullion derivatives markets by permitting participants to give or take delivery of the underlying without getting into the futures contract at the time of expiry, a move

Listing Ceremony of Indigo Paints on February 2, 2021 at BSE.

Listing Ceremony of RailTel Corporation of India Ltd. on February 26, 2021 at BSE.

aimed at for the benefit of small and medium sized jewelers, traders, and bullion dealers. Key highlights of the commodity segment include:

- First and Only Exchange to have Almond Futures Contract in the World
- First Exchange to have Negative Price Settlement Mechanism
- First Exchange to launch "Options in Goods"
- Introduce BIS Standard Gold & Sliver
- Delivery in Options in Goods both of Gold & Sliver
- First Exchange to deliver BIS Standard Gold

Deliveries constitute an integral part of commodity segment at BSE. BSE became India's first exchange to comply by India Good Delivery Standard on its commodity platform by adopting Bureau of Indian standard (BIS) notified standards - IS 17278: 2019, for delivery of gold and silver. This was in line with Prime Minister's vision of "Make in India" and "Atmanirbhar Bharat" of a self-reliant nation. With this step, BSE wished to highlight its commitment and priority towards own Good Delivery Standard and emerge as the as the price-setter instead of a price-taker in bullion trade.

Commodity	Total delivery	Unit
GOLD	19	KG
SILVER	7,470	KG
GUARSEED	8,730	MT
GUARGUM	60	MT
COTTON	1,100	BALES
CHANA (Discontinued)	240	MT
TURMERIC	420	MT
ALMOND	1,20,000	KG

NEW SEGMENT, PRODUCTS AND FEATURES

Almond Futures

BSE introduced monthly futures contracts on almonds on June 22, the first of its kind not only in India but globally. Since launch, it has recorded delivery of 1,20,000 Kgs. India is one of the top consumers and importers of almonds in the world - largest market comprising 48% of global imports. Excluding Crude and Gold, Almonds is on the largest commodities imported by India, and the largest agri commodity. A standard futures contracts are extremely convenient for producers and large importers, who can hedge their price risk.

Bullion 'options in goods'

BSE launched India's first options contract on Gold mini and Silver kg based on spot prices. Until then, options contracts which devolve on underlying futures contract were only available for participants.

BSE also became India's first exchange to successfully complete physical delivery in Gold mini 'Options in Goods' contract on June 30, 2020 at the exchange designated vault in Ahmedabad, Gujarat. The options contracts on BSE help participants give or take delivery based on the underlying without getting into the futures contract at the time of expiry. These contracts are a superior hedging tool as compared to a futures contract, as there is no obligation on the part of the buyer to buy/sell the underlying. Even in terms of costs, market participants can hedge their price risks with only a small upfront premium payment.

Steel Billets Futures

BSE launched futures contracts on BSE Steel Billets, effective March 1, 2020, for the benefit the steel ecosystem, as India becomes one of the major players in the global steel market. The Steel Users Federation of India has signed a Memorandum of Understanding with the BSE to launch of new products and entail much-needed public participation in futures contracts.

Negative Pricing Functionality

A historic drop occurred on April 20, 2020, when the price of West Texas Intermediate (WTI) crude dropped by almost 300%, trading at around negative US$ 37 per barrel. Considering this scenario and keeping in mind the potential impact to participants in India, BSE enabled its BOLT Plus trading system to accept orders and execute trades at negative prices, making it the first exchange in India offer this facility to participants in India.

VI. BSE SME Platform

During FY 2020-21 14# companies raised INR 152 Crore from the market. The total market capitalization of all the 334 companies listed on BSE SME Platform reached INR 21,765 Crore. During FY 2020-21 the SME platform continued to be a front-runner with a market share of 61%. The Exchange has also launched the BSE SME IPO Index on

December 14, 2012 with 100 as the base. On March 31, 2021 the value of this index reached 1,626.92 with annual growth of 19%.

includes 1 FPO of INR 30.02 Crore

Migration to Main Board

As Per ICDR Guidelines of SEBI for SME Platform, a company may opt to migrate from SME board to the main board once the company's post issue face value capital crosses ₹ 10 Crore. The company must compulsorily migrate to Main board in case the post-issue face value capital crosses ₹ 25 Crore. During FY 2020-21, 18 BSE SME companies have migrated to the BSE Main Board.

We have signed MoU with State Governments of Maharashtra and Telangana during FY 2020-21 to create awareness about the platform. We have also signed MoU with IIT Alumni Council, Gujarat Student Start-up and Innovation Hub (i-Hub), Yes Bank Limited, Inventivepreneur Chamber of Commerce and Industry (ICCI) to create awareness for their SME / Startups clients.

VII. 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 ₹ 6,60,788 Crore in FY 2020-21 as against ₹ 7,04,258 Crore in FY 2019-20 . The Company has market share of 34% in FY 2020-21 for Corporate Bonds Reporting. In case of Statutory Liquidity Ratio ("SLR") securities i.e. Government Securities and Treasury Bills, trades worth ₹ 3,75,552 Crore were reported on NDS- RST in FY 2020-21 as against ₹ 3,44,794 Crore in FY 2019-20. BSE's market share in reporting of SLR securities increased to 60% in FY 2020-21 from 49% in FY 2019-20.

Trading in Non-Convertible Debentures ("NCDs") and Bonds on 'F' group on BOLT BSE's equity platform saw volume of ₹ 4,905 Crore in FY 2020-21 as against ₹ 5,406 Crore in FY 2019-20 . BSE has increased its market share to 69% in FY 2020-21 from 66% in FY 2019-20 for the retail trading of Corporate Bonds.

The settlement volume for corporate bonds witnessed business of ₹ 1,60,157.57 Crore in FY 2020-21 as against ₹ 1,52,331 Crore in FY 2019-20. BSE has increased its market share to 11% in FY 2020-21 from 9% in FY 2019-20 for corporate bond settlement.

BSE Launched Request for Quote (RFQ) platform for execution and settlement of trades in NDS-RST system after receiving the markets regulator SEBI's approval w.e.f February 3, 2020. RFQ platform is a web-based online trade execution and settlement platform for trading of Corporate Bonds, Commercial Papers, Certificate of Deposit, G-secs, T-bills, State Development Loans, Municipal Bonds, and securitized Debt. Mutual Funds and Insurance companies based on their regulatory requirements started using RFQ platform in October and November 2020 respectively. Total Volume in RFQ platform of BSE was ₹ 4,240 Crores for FY 2020-21.

VIII. Non – Competitive Bidding ("NCB-GSec")

BSE has launched Non – Competitive Bidding in Government Securities (G-Sec), State development Loans (SDL) and Treasury Bills (T-Bills) which allows retail investors to purchase G-Sec, SDL and T-Bills. The Company has received approval from the RBI and SEBI for acting as facilitator for non-competitive bidding (NCB) under RBI Auction in G-Sec, SDL and T-Bills.

BSE also launched a mobile app called "BSE Direct" as well as a Web based platform for Individual Investors to participate directly in the auction of G-Sec, SDL and T-Bill issued by the Government of India.

For the FY 2020-21, BSE has received bids worth ₹ 327.64 crore through its various bidding platform while in FY 2019-20, bids worth ₹ 24.303 Crore were received.

IX. Exchange Traded Funds ("ETF")

As on March 31, 2021, BSE had 73 ETFs listed on its platform, as compared with 64 as on March 31, 2020. During FY 2020-21, the average daily turnover in ETF is ₹ 20 Crore compared with ₹ 23 Crore in FY 2019-20.

X. 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 2020-2021, there were 35 OFS issues out of which BSE

Listing Ceremony of Rangoli Tradecomm Limited on March 22, 2021 at BSE.

Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the memento to Shri Dinesh Kumar Khara, Chairman, SBI at the Listing ceremony of SBI USD 600 Mn notes under USD 10 Bn GMTN Programme on Global Securities Market, India INX on January, 28, 2021 at BSE.

was appointed as the Designated Stock Exchange in 22 issues (64%). Out of the 35 OFS issues, 9 issues were conducted exclusively on the BSE platform, the total amount raised through OFS issues on BSE platform was more than ₹ 16,000 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 2020-2021, there were 101 such OTB issues, of which BSE was appointed as the Designated Stock Exchange in 89 issues (88%). Out of the 101 OTB issues, 81 issues were conducted exclusively on BSE platform, the total subscription through OTB issues was more than ₹ 35,500 Crores.

Online platform to Retail Investors for bidding in Debt Public

In accordance with the SEBI circular, from January 01, 2021 BSE has extended the facility to retail investors to apply in public issues of debt securities through its web-based platform and mobile application called 'BSE Direct' with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto Rs. 2 Lac. BSE Direct now enables retail investors to participate in any public offering of debt securities through BSE website and mobile application.

Unified Payment Mechanism (UPI) for public issue of debt

During the year the Exchange also introduced the Unified Payments Interface (UPI) mechanism in addition to the already specified modes under the ASBA, to block funds for application value upto Rs. 2 Lac submitted through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) for public issues of debt securities.

SMS and Email to investors (Open Market Buyback offers)

BSE has also started sending SMS and Email to the investor (seller) for the trade matched for shares tendered by the investor in the offer of buyback of shares from Open Market route through Stock Exchange mechanism from March 2021. This step would help investors to claim appropriate tax exemption under the provisions of Income Tax Act, 1961.

XI. Securities Lending & Borrowing ("SLB")

The SLB turnover at ICCL decreased by 8.24% from ₹ 8,043 Crore in FY 2019-20 to ₹ 7,380 Crore in FY 2020-21. The lending fees decreased by 57.87% from ₹ 44.29 Crore to ₹ 18.66 Crore during this period.

Segment	FY 2020-21 (₹ Crore)	FY 2019-20 (₹ Crore)
Turnover for the period - 1st Leg of SLB transactions	**7,380**	8,043
Lending fees.	**18.66**	44.29

XII. Disinvestment Drive of GOI and BSE's support

In FY 2020-21, BSE's iBBS platform has facilitated Government of India Disinvestment Program through OFS and OTB to garner more than ₹ 10,500 Crore, forming more than 52% of the Total Disinvestment by the Government of India in FY 2020- 2021.

BSE also has extended the facility for acceptance of subscriptions for Additional Offer for Bharat Bond ETF, (Bharat Bond ETF 2025 and Bharat Bond ETF 2031) by online mechanism called BSE iBBS Platform for Mutual Fund ("BiMF") and garnered more than 80% of the subscription through electronic platform of bidding by stock exchanges for ETF's.

XIII. 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 2020-21, BSE reversed action initiated against Promoters / Directors of 9 exclusively listed companies, which were found to be compliant with SEBI circular dated October 10, 2016 and August 01, 2017 and consequently these companies were removed from the BSE's Dissemination Board. As on March 31, 2021 there are 694 companies on the Dissemination Board of BSE.

XIV. Startups platform

BSE has started the Startups platform on 22nd December 2018. The Startups Companies seeking listing should be in the sector of IT, ITES, Bio-technology and Life Science, 3D Printing, Space technology,

E-Commerce, Hi- Tech Defense, Drones, Nano Technologies, Artificial Intelligence, E-gaming etc. The criteria for listing is:

1. The company should be registered as start-up with DPIIT. In case the company is not registered as Start-up with DPIIT then the company's paid-up capital should be minimum Rs. 1 crore.
2. The company or the partnership / proprietorship / LLP firm or the firm which have been converted into the company should have a combined track record of at least 2 years at the time of filing the prospectus with BSE. There should be preferably investment by QIB investors (as defined under SEBI ICDR Regulations, 2009) / Angel Investors/Accredited Investors for a minimum period of 2 years at the time of filing of draft prospectus with BSE.
3. The company should have positive net worth.

During FY 2020-21, 5 companies raised INR 15 Crore from the market. On March 31, 2021 the total market capitalization of all the 9 companies listed on BSE Startups Platform reached INR 96 Crore. During FY 2020-21, the Startups platform continued to be a front-runner with a market share of 100%

We have signed MoU with State Governments of Maharashtra and Telangana during FY 2020-21 to create awareness about the platform. We have also signed MoU with IIT Alumni Council, Gujarat Student Start-up and Innovation Hub (i-Hub), Yes Bank Limited, Inventivepreneur Chamber of Commerce and Industry (ICCI) to create awareness for their SME / Startups clients.

D. INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED (INDIA INX)

BSE has made strategic investments in India International Exchange (IFSC) Limited (India INX) and India International Clearing Corporation (IFSC) Limited (India ICC) looking at the long term growth potential of these ventures. The total investments made till date is Rs. 145.545 crores in India INX and Rs. 80 crores in India ICC. The focus of the government and the regulators is to make IFSC a successful international financial centre in the coming years, which augurs well for India INX and India ICC. Various regulatory measures have been put in place and others are in the pipeline to have a vibrant cash and derivatives markets at IFSC. BSE is ready to dilute its share, subject to regulatory requirements and onboard new investors as strategic partners who share BSE's vision for the IFSC. ICICI Bank Limited and DCB Bank Limited have already joined as a strategic partners in these ventures. Ongoing discussions are taking place with other potential strategic investors.

International Financial Services Centres (IFSC) Authority, the unified regulator for IFSC, now regulates all financial services in IFSC, comprising banking, securities, insurance and pension markets. The IFSC Authority, as a unified regulator, would play a pivotal role in inter-regulatory coordination and harmonizing regulations of various inter-related markets, leading to improvement in the regulatory regime and ease of doing business at IFSC. As a dedicated regulator for the IFSC, headquartered at GIFT City IFSC, Gandhinagar, the authority is expected to play a very significant role in ushering in rapid development and growth of the IFSC as envisioned by the government of India.

India INX continues to position itself as a preferred offshore platform, open 22 hours a day for trading and become the financial gateway of choice for both inbound and outbound investors. The derivatives trading volumes at India INX has grown significantly since inception. The average daily turnover for the month of March 2021 was USD 13.87 billion, which is up by more than 1000% from March 2020. India INX is poised to achieve further growth in its turnover and it now successfully competes with Singapore Exchange and Dubai Gold & Commodities Exchange in some of the India dedicated products such as index and currencies. This has laid the foundation for India INX to become the preferred offshore gateway to India through innovative product offerings, cutting edge technology, competitive regulatory framework, attractive tax structure, easy access to markets and outstanding customer service. India INX continues to innovate and place emphasis on reaching out to global investors through its trading members to improve the liquidity and depth of the markets. Depending on regulatory approvals, India INX proposes to introduce new and innovative products in future to compete with other international exchanges and cater to the needs of investors across the globe.

One of the primary goals of India INX is to help companies raise funds from the capital markets which can be deployed for the growth and development needs of the company, leading to employment generation and overall economic development. Keeping this in mind India INX launched the Global Securities Market Platform, which is a pioneering concept in India, offering issuers an efficient and transparent method to raise capital. The platform offers a debt listing framework at par with other global listing venues such as London, Luxembourg, Singapore etc.

Listing Ceremony of Stove Kraft Ltd. on February 5, 2021 at BSE.

(L-R) Shri V. Balasubramaniam, MD & CEO, INDIA INX; Smt. Harsha Bangari, DMD, EXIM Bank of India; Mr. David Rasquinha, MD, Exim Bank of India and Shri Arunkumar Ganesan, Head of Business Operations and Technology, India INX at the listing ceremony of Exim Bank of India : USD 1 bn notes under USD 10 bn GMTN Programme on Global Securities Market, India INX on January 14, 2021.

Till date, Global Securities Market has established USD 50+ billion in MTN programmes and more than USD 27+ billion of bonds issued. As on date, leading issuers like Asian Development Bank, State Bank of India, EXIM Bank, PFC, ONGC, REC, IRFC, Adani Green Energy UP Ltd., Adani International Container Terminal Private Limited, Adani Ports and Special Economic Zone Limited etc. have established their MTN programmes, alongside drawdowns and/or standalone issuances, which are a healthy mix of masala, dollar denominated and green bonds. India INX is also the first introducer of the Green Securities Platform for issuance of green bonds. In a first, ten subsidiaries of ReNew Power Pvt Limited, listed their foreign currency bonds exclusively on Global Securities Market (GSM) of India International Exchange at GIFT IFSC in April 2021.

The IFSC would be the venue were various innovations and new initiatives are expected to materialize in the coming years. BSE would be keen explore these new initiatives and seek investment opportunities in IFSC, such as the opportunity of setting up an International Bullion Exchange(s).

Key Milestones Achieved, Major Events and Growth Strategy of INDIA INX

Following is a summary of key milestones achieved, major events along with an analysis of the growth strategy during F.Y. 2020-21:

I. MARKETS BUSINESS PERFORMANCE

Growth in the core business segment – India INX Derivatives

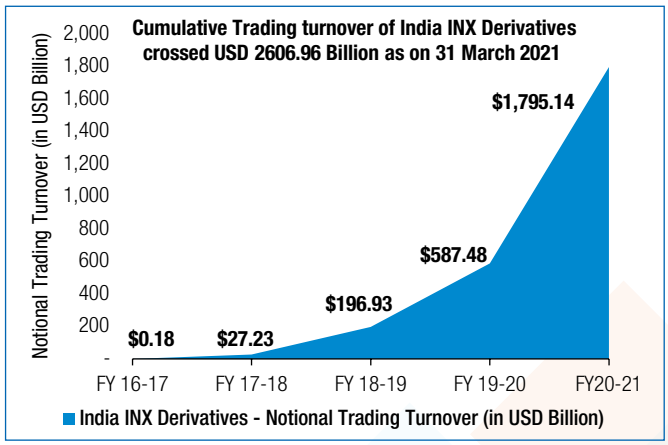
India INX's core business of Derivatives has achieved remarkable growth since its launch in January 2017.

- During the Financial Year 2020-21, India INX was the largest exchange at GIFT IFSC with an overall market share [1] of 88.21% based on the notional Trading Turnover for Derivatives. India INX's market share at GIFT IFSC increased to 97% in March 2021
- INDIA INX is the leading Exchange at GIFT IFSC for Equity Index Futures and Options with market share of 88.48% during FY 2020-21. INDIA INX's market share increased to 97.85% in March 2021.
- India INX's Gold Futures market share[2] as compared to equivalent Gold Futures traded in Dubai was 82.93% during FY 2020-21.
- India INX's INDIA50 Index Futures and Options market share[3] as compared to similar India-based equity index derivatives traded in Singapore was 74.20% during FY 2020-21.
- INDIA INX's highest daily trading turnover was USD 30.30 billion achieved on March 10, 2021

Secondary Markets – India INX's Derivatives Business Performance

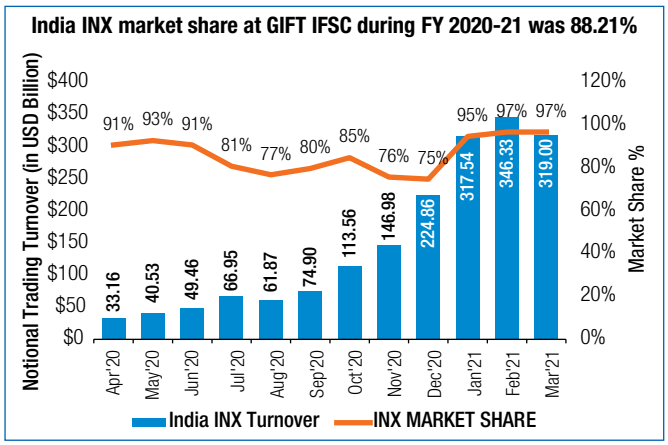
India INX delivered an exponentially increasing growth in trading volume and trading turnover during FY 2020-21 as compared to the previous financial year. The notional trading turnover on INDIA INX's derivatives increased by 205.56% from USD 587.48 billion in the previous financial year FY 2019-20 to USD 1795.14 billion in FY 2020-21. During the same period, trading volume increased from 452.88 lakh contracts (FY 2019-20) to 1264.19 lakh contracts (FY 2020-21).

Growth in India INX Derivatives Trading Turnover



[1] Market share calculated based on the notional trading turnover of the Futures and Options
[2] Market share for Gold Futures is based on the estimated notional trading turnover of similar contracts in Dubai-based Exchanges
[3] Market share for Index Futures and Options is based on the estimated notional trading turnover of similar contracts in Singapore-based Exchanges

Market share of India INX Derivatives at GIFT IFSC



The Average Daily Trading Value (ADTV) of India INX's Derivatives peaked at USD 6958 million per day in during the FY 2020-21. The highest daily trading turnover of USD 30.30 billion was achieved on March 10, 2021 when 19,06,949 contracts (lots) were traded. Cumulative Trading Turnover of India INX Derivatives has crossed USD 2606.96 billion (Rupees 1,91,62,381 Crores) as on March 31, 2021 with the cumulative Trading Volume at 18,72,84,808 contracts (lots).

India INX Derivatives – Notional Trading Turnover (in USD million)

Description	FY 2020-21	FY 2019-20	% change
India INX Futures	**1,47,088**	92,031	59.82%
India INX Options	**16,48,052**	4,95,452	232.64%
TOTAL	**17,95,140**	5,87,483	205.56%

India INX Derivatives – Trading Volume (no. of contracts or lots)

Description	FY 2020-21	FY 2019-20	% change
India INX Futures	**91,54,522**	49,79,970	83.83%
India INX Options	**11,72,64,788**	4,03,08,849	190.92%
TOTAL	**12,64,19,310**	4,52,88,819	179.14%

India INX Derivatives by asset class –Notional Trading Turnover (USD million)

Asset class	FY 2020-21	Share (%)	FY 2019-20	Share (%)	% change
Equity Index Futures	**93,199**	5.19%	49,216	8.38%	89.37%
Equity Index Options	**16,48,052**	91.81%	4,95,452	84.33%	232.64%
Commodities & Energy Futures	**41,776**	2.33%	42,815	7.29%	-2.43%
Currency Futures	**10,551**	0.59%	-	-	100.00%
Currency Options	**1,562**	0.09%	-	-	100.00%
TOTAL	**17,95,140**	100%	5,87,483	100%	205.56%

Key Statistics of India INX Derivatives by asset class – Trading Volume (No. of contracts or lots)

Segment	FY 2020-21	Share (%)	FY 2019-20	Share (%)	% change
Equity Index Futures	**72,48,004**	5.73%	40,59,987	8.96%	78.52%
Equity Index Options	**11,72,64,788**	92.76%	4,03,08,849	89.00%	190.92%
Commodities & Energy Futures	**7,14,171**	0.56%	9,19,983	2.04%	-22.37%
Currency Futures	**9,85,762**	0.78%	-	-	100.00%
Currency Options	**2,06,585**	0.16%	-	-	100.00%
TOTAL	**12,64,19,310**	100%	4,52,88,819	100%	179.14%

Key statistics for India INX Derivatives by product – Notional Trading Turnover (USD million)

Product	FY 2020-21	Share (%)	FY 2019-20	Share (%)	% change
INDIA50 Index Futures	**93,199**	5.19%	49,216	8.38%	89.37%
INDIA50 Index Options	**16,48,052**	91.81%	4,95,452	84.33%	232.64%
Gold Futures (32 tr oz)	**41,776**	2.33%	42,815	7.29%	-2.43%
USDINR Futures	**3,385**	0.19%	-	-	100.00%
INRUSD Futures	**7,166**	0.40%	-	-	100.00%
USDINR Options	**1,562**	0.09%	-	-	100.00%
TOTAL	**17,95,140**	100%	5,87,483	100.00%	205.56

Shri Ashishkumar Chauhan, MD & CEO, BSE and Chairman India INX presenting a memento to Mr. David Rasquinha, MD, Exim Bank of India at the listing ceremony of Exim Bank of India : USD 1 bn notes under USD 10 bn GMTN Programme on Global Securities Market, India INX on January 14, 2021.

Key statistics for India INX Derivatives by product – Trading Volume (no. of contracts or lots)

Product	FY 2020-21	Share (%)	FY 2019-20	Share (%)	% change
INDIA50 Index Futures	**72,48,004**	5.73%	40,59,987	8.96%	78.52%
INDIA50 Index Options	**11,72,64,788**	92.76%	4,03,08,849	89.00%	190.92%
Gold Futures (32 tr oz)	**7,14,171**	0.56%	9,19,983	2.03%	-22.37%
USDINR Futures	**4,48,667**	0.35%	-	-	100.00%
INRUSD Futures	**5,37,095**	0.42%	-	-	100.00%
USDINR Options	**2,06,585**	0.16%	-	-	100.00%
TOTAL	**12,64,19,310**	100%	4,52,88,819	100%	179.14%

Growth in Listings Business – India INX Global Securities Market

India INX set up India's first international primary markets platform, the Global Securities Market to cater to the needs of Indian and foreign issuers to raise funds from global investors. The maiden listing of debt securities on Global Securities Market was on December 22, 2017. Ever since, has emerged as the leading primary markets platform at GIFT IFSC for raising capital through issuance with 100% market share in MTN establishment and 99% market share in listed bonds in GIFT IFSC.

As on March 31, 2021: India INX's Global Securities Market has cumulatively established USD 50.57 billion of Medium Term Notes ("MTN") and listed USD 26.83 billion of debt securities including masala bonds and green bonds.

During FY 2020-21, approx. 53% of the funds raised by Indian issuers was listed on India INX's Global Securities Market and 48% of Indian issuers listed their instruments on India INX. Marquee Foreign Bank - Asian Development Bank and several large Indian corporate entities, Public Sector Units (PSU), banks and financial institutions have established / updated MTNs and/or listed debt securities on the Global Securities Market viz

- Adani International Container Terminal Private Limited
- Adani Ports and SEZ Limited
- Asian Development Bank
- Export-Import Bank of India (EXIM)
- Indian Railway Finance Corporation (IRFC)
- National Thermal Power Corporation (NTPC)
- Power Finance Corporation (PFC)
- Rural Electrification Corporation (REC)
- State Bank of India

India INX's Primary Market Platform - Global Securities Markets

India INX's Global Securities Market has emerged as the leading primary markets platform at GIFT IFSC for raising capital from global investors through debt securities.

During FY 2020-21, the cumulative MTN established on Global Securities Market increased by 4% to USD 50.57 billion as compared to USD 48.57 billion till financial year FY 2019-20. Similarly, during FY 2020-21, cumulative listing of debt securities increased by 26% to USD 26.83 billion as compared to USD 21.29 billion till financial year FY 2019-20 with the number of issuances increasing by 31% from 51 ISINs to 67 ISINs.

Listings Business Performance (USD million)

Description	Till March 31 2021	Till March 31 2020	% Change
Medium Term Notes established on GSM	**50,574**	48,574	4%
Debt Securities (Drawdowns and Standalone) Listed on GSM	**26,829**	21,288	26%
No. of issuers	**17**	15	13%
No. of issues listed (ISIN's)	**67**	51	31%

For the period April 1, 2020 to March 31, 2021 total value of bond listed on GSM Platform is USD 5,541 against the relevant Established or Updated MTN / Standalone Programme is given below:

Sr. No	Name of Issuer	MTN / Standalone Programme established / updated (USD Million)	Debt Securities (Bonds) Listed (USD Million)	No. of ISINs
1	Adani International Container Terminal Private Limited	-	300	2
2	Adani Ports and SEZ Limited	-	1,250	4
3	Asian Development Bank	-	INR 300 Mn (USD 41 Mn)	-
4	Export-Import Bank of India (EXIM)	10,000	1,000	2
5	Indian Railway Finance Corporation (IRFC)	4,000	750	2
6	National Thermal Power Corporation (NTPC)	6,000	0	-
7	Power Finance Corporation (PFC)	5,000	500	1
8	Rural Electrification Corporation (REC)	7,000	1,000	3
9	State Bank of India	10,000	700	2
	Total		**5,541**	**16**

India INX Global Access (IFSC) Limited ("India INX GA" or "Global Access")

India INX launched a 100% wholly-owned subsidiary **India INX Global Access IFSC Limited ("India INX GA")** on September 18, 2018 to facilitate access to global exchange markets through a single centralized platform. India INX GA is a pioneering venture of India INX, the first of its kind from India and GIFT IFSC. It offers India INX's members easy access to a diverse range of multi-asset class products traded on international exchanges without having the need to set up abroad.

India INX GA's vision is to become the leading provider of financial services by offering centralized access to international financial markets for the benefit of India INX's members from GIFT IFSC. India INX GA effectively and efficiently complements India INX's business offerings through connectivity to global markets, thereby decreasing the time to market.

As on March 31, 2021, India INX GA has regulatory approval to offer access to the following international exchanges:

- CME Group of Exchanges
- London Metal Exchange (LME)
- Intercontinental Exchange (ICE) Futures US
- ICE Futures Europe
- Eurex
- Euronext N.V.

India INX GA facilitates access to international exchanges through Marex Spectron group, which is a Futures Commission Merchant (Clearing Member) of CME Group of Exchanges. India INX GA's clients can open separate sub-accounts for trading on global exchanges. In this structure, India INX GA is classified as a Foreign Broker as per CFTC Regulation 3(10)(c)(2) with an Omnibus account with Marex. This would facilitate India INX GA's clients to access cash and derivatives products available on international exchanges.

Key benefits for India INX GA's clients

Some of the major benefits of trading on India INX GA are as follows:

- Single-window interface to multiple global exchanges from GIFT IFSC
- Access to multi-asset class products
- State-of-the-art technology using Marex Spectron's Neon Trader and other approved Independent Software Vendors (ISVs) such as CQG, TT, Stellar, Vela, etc.
- Server co-location facility available from ISVs
- Members can also immensely benefit from hedging and arbitrage opportunities between India INX and other international exchanges

A centralised single-window interface for trading on international exchanges decreases overall costs of accessing global markets from GIFT IFSC. Technology is a key enabler in the vastly competitive exchange marketspace and India INX GA's clients can access multiple exchange markets.

II. KEY REGUALTORY DEVELOPMENTS

i. IFSC Authority operationalized:

The IFSC Authority Act, 2019, which was notified vide notification no. 50 on December 20, 2019 paved the way to set up the unified authority for regulating all financial activities in the International Financial Services Centers (IFSCs) in the country. The IFSC Authority (IFSCA) is expected to play a pivotal role in inter-regulatory coordination leading to improvement in the ease of doing business for foreign investors and develop the IFSC as a leading financial services hub at par with the leading global financial centres.

Some of the key functions of the Authority pertain to:

- Regulating financial products, financial services and financial institutions at the IFSC that have been approved by any regulator (such as SEBI, RBI, IRDAI, PFRDAI) before the enactment of the IFSC Authority Act, 2019.
- Regulating any other financial products, services or institutions at IFSC that may be notified by the Central Government and,
- Recommending to the Central Government, any other financial services, products or institutions which may be permitted in IFSC.

The Department of Economic Affairs (DEA), Ministry of Finance on April 27, 2020 notified 27th of April, 2020* as the date of the establishment of the International Financial Services Centres Authority and that the head office of the Authority shall be at Gandhinagar, Gujarat. On the same day it also notified that sections 1 to 11, 14 to 16, 27, 29, 30 and 34 of the IFSC Authority Act, 2019 to come into force. Subsequently, the DEA further notified on August 21, 2020 that sections 12, 17 to 26, 28, 31 and 32 the IFSC Authority Act, 2019 to come into force.

Later, the DEA finally notified* on September 29, 2020 the commencement of sections 13 and 33 of the Act. The same effectively bestowed the IFSCA with all provisions of the IFSC Authority Act, 2019. Since then, the IFSC has commenced operations from October 01, 2020 and has set up its office at the GIFT IFSC and appointed various officials across the financial services domains.

Over the course of the year, the IFSC Authority has initiated various regulatory measures across the capital markets, banking and insurance to place the IFSC at par with the leading global financial centres. It has issued regulations and circulars catering to both policy making and operational matters. It is expected that with its various interventions, the IFSC will be able to establish itself as a leading financial and FinTech hub in the near future.

[*https://ifsca.gov.in/Viewer/Index/61; https://ifsca.gov.in/Viewer/Index/6; https://ifsca.gov.in/Viewer/Index/93]

ii. Key regulations issued by IFSC Authority:

The IFSC Authority has initiated various regulatory measures across financial services domains since it got operationalized. These measures have been in the form of notified regulations as well as directives by way of circulars and guidelines, a few of the key ones are as listed below:

IFSC Authority (Global In-House Centres) Regulations, 2020

The IFSC Authority notified the Global IN-house centres regulations on November 12, 2020*. The same covers, among other things, the eligibility criteria, grant of registration, permissible services and activities, currency and conduct of business, reporting requirements and maintenance of records by a financial services group or an entity which is regulated by a financial services regulator or any other competent body regulating financial services activities in its home jurisdiction and include its holding, subsidiary or associate companies, branch, or subsidiary of a holding company to which it is also a subsidiary. It thus pertains to entities that cater to its financial services group wherein the entities served must be located in Financial Action Task Force compliant jurisdictions. This intervention of the IFSCA is expected to give a boost to employment generation at the IFSC, attract qualified professional to it while also establishing the IFSC as a back-office processing hub of leading global financial services providers.

Further to the above regulations, the IFSCA has also issued requirements for registration as a Global In-House Centre and the the reporting requirements of the registered entity vide circular F. No. 29/IFSCA/GIC/2020-21 dated November 18, 2020**.

[*https://ifsca.gov.in/Viewer/Index/111; **https://ifsca.gov.in/Viewer/Index/112]

International Financial Services Centres Authority (Banking) Regulations, 2020

The IFSC Authority notified the Banking regulations on November 18, 2020*. The same covers the requirements for setting up a banking unit in the IFSC, prudential regulatory requirements covering maintenance of leverage ratio, reserve requirements and exposure ceiling, permissible activities of the banking units which covers, among other things, participation in derivatives transactions, transact in currency and interest rate derivatives on a stock exchange, offer non deliverable currency contracts involving INR, function as a trading member for trading in interest rate or currency derivatives or professional clearing member for clearing and settlements in any derivative segment, KYC and anti-money laundering norms and other operational requirements. The portfolio management services and investment management services have been included in the permitted activities for the IFSC Banking Units (IBUs). This expands the type of intermediaries and the scope for market access in the capital markets.

[* https://ifsca.gov.in/Viewer/Index/116]

International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020

The Dept. Of Economic Affairs, Ministry of Finance notification no.2957E dated August 31, 2020 notified bullion spot delivery contracts and bullion depository receipts with underlying bullion as Financial Products and trading in bullion depository receipts with underlying bullion in relation to bullion spot delivery contracts and bullion financing, bullion based loans, bullion loans against collateral, bullion vaulting, clearing and settlement services in relation to bullion spot delivery contracts and bullion depository receipts as Financial Services.

In pursuance of the same, the IFSC Authority notified its Bullion regulations on December 04, 2020*. The same covers, inter alia, requirements for recognition of international bullion exchange (IBE) and bullion clearing corporation (IBCC) and bullion depository, recognitions of IBE/IBCC/IBD, function of IBE, general obligations of IBE/IBCC, ownership and shareholding of IBE/IBCC, governance, code of conduct for directors and KMPs, membership requirements, rights and obligations of bullion depositories, participants and beneficial owners, registration, liabilities and record keeping by vault managers, issuance, maintenance and withdrawal of bullion depository receipts, registration of intermediaries and other persons, reporting requirements etc.

Further to the same, the IFSCA has formed working groups and sub-groups comprising of representatives from the MIIs, including India INX, which have come together to form a consortium to set up the IBE/IBCC and the IBD which are in the process of ascertaining the ways and means of setting up and operationalizing these entities in the IFSC in the near future. India INX has already received an approval from the IFSCA to participate as a promoter shareholder in the capitalisation of the holding company which will set up the three entities at the IFSC.

IFSCA, vide circulars F. No. 236/IFSCA/Unallocated Account/2020-21/1 dated March 03, 2021** has enabled dealings by IFSC-Banking Units (IBUs) in Bullion Unallocated Accounts for the purpose of trading, hedging and swapping with Physical Gold / Silver(Allocated). The IBUs are permitted to open Unallocated Accounts for undertaking Trading activities may open accounts by their customers and the IBUs can also participate in derivative transactions through Unallocated Accounts. The regulations prescribe, inter alia, the eligibility norms, risk management framework, position gaps, inter-bank transactions and other guidelines with regard to reporting of Asset-Liability Internal Audit Committee of the bank, bullion exposure limits computation, approvals and reporting.

[* https://ifsca.gov.in/Viewer/Index/127; https://ifsca.gov.in/Viewer/Index/156]

International Financial Services Centres Authority (Finance Company) Regulations, 2021

The IFSC Authority notified the IFSCA (Finance Company) Regulations, 2021 on March 31, 2021*. The same covers, inter alia, requirements for setting up of a finance company, prudential regulatory requirements covering capital ratio, liquidity coverage ratio, exposure ceiling, the permissible activities, KYC, AML, corporate governance and reporting. These regulations seek to enable Indian and foreign non-banking entities to set up subsidiaries in the IFSC and offer diverse services including aircraft and ship leasing and other services related to the securities markets too.

[* https://ifsca.gov.in/Viewer/Index/161]

IFSC Authority constituted committee on the non deliverable forwards market

A key factor for developing IFSC as a preferred global hub for International Financial Services is to develop it as a hub for offshore trading in INR.

In order to assess the required regulatory and infrastructural facilities necessary for on shoring the above markets and devise a strategy to create the same at the IFSC, IFSCA has set up a committee on positioning of IFSC as a hub for offshore trading in INR.

Shri V. Balasubramaniam, Managing Director & CEO of the company has been nominated as a one of committee member by IFSCA. The Committee has since met three times and has made considerable headway in identifying various initiatives to be taken across infrastructure, regulations, legal and tax issues and various associated aspects. Further to the deliberations in the meetings, India INX has also submitted various suggestions on the subject. The committee is expected to submit its final report and recommendations shortly.

III. Introduction of Rupee Derivatives with settlement in foreign currency on the Exchange.

Reserve Bank of India (RBI) has allowed IBUs to participate in exchange traded currency derivatives on Rupee (with settlement in foreign currency) listed on stock exchanges set up at IFSCs vide RBI notifications dated January 20, 2020[1] on "Introduction of Rupee derivatives of International Financial Services Centre" and (2) dated January 21, 2020[2] on "Setting up of IFSC Banking Units (IBU's) – Permissible activities." RBI has also issued notification dated April 01, 2015 (updated as on January 21, 2020)[3] on "Setting up of IFSC Banking Units (IBUs)". Accordingly, Banks are required to also ensure that their IBUs have necessary expertise to price, value and compute the capital charge and manage the risks associated with the products / transactions intended to be offered and have directed them to obtain their Board's approval for undertaking such transactions. IBUs are also required to follow all prudential risk mitigation measures as applicable while participating in these products.

The Honourable Finance Minster had made an announcement in her Budget speech while presenting the Finance Bill 2020 of permitting Rupee derivatives to be traded in the IFSC. Later, SEBI vide its Circular dated February 03, 2020[4], prescribed the positions limits for eligible market participants for Currency Future and Options Contracts (involving Indian Rupee) on Exchanges in IFSCs.

Further to the above, INDIA INX, had submitted contract specifications with SEBI and RBI and further to their approvals launched the trading in Rupee derivatives on May 08, 2020 at the august hands of Honourable Finance Minster. The exchange has clocked a daily average turnover in Rupee derivatives of USD 52.21 million since launch of trading.

Yet another favourable development has been that the RBI on March 27, 2020, has permitted the IBUs to offer offshore non-deliverable Rupee derivative contracts to persons not resident in India. Given the above developments, it is expected that the IBUs will actively participate in the Rupee derivatives and contribute to the broader goal of on-shoring the NDF market for the Rupee which has hitherto being expanding in the offshore global financial centres.

(Notification ref nos: (1) RBI/2019-20/145, (2) RBI/2019-20/147, (3) RBI/2014-15/533, (4) SEBI/HO/ MRD2/DCAP/CIR/P/2020/17, (5) RBI/2019-20/193, AP (DIR Series) Circular No. 23 (6) https://www.indiainx.com/circulars/20200506-1/20200506-1.pdf)

IV. MoU with Luxembourg Stock Exchange to facilitate fund raising and listing of green and ESG finance projects

In pursuance to the commitment to sustainable development the Exchange launched, in August 2019, an exclusive Global Securities Market Green platform for listing of green, social and sustainable financing bonds, aligned to ICMA's principles.

On November 19, 2020, BSE's international arm, India International Exchange (India INX), announced its memorandum of understanding with Luxembourg Stock Exchange for development and promotion of ESG and green finance in the local market.

This pact is a non-binding agreement with Luxembourg Stock Exchange and can provide the issuers and investors with an opportunity to list and trade green bonds on India INXs platform, GSM Green with opportunity to dual list with Luxembourg Stock Exchange which is the largest green bond listing platform with exceptional governance standards. It is engvisaged that this pact may be benefitting not only issuers listing on India INX and Luxembourg Stock Exchange but strengthening ties between the two countries also. It is one of the few initiatives the two Exchanges have deliberated on to encourage more green funding which is in line with the Government of India initiative of sustainable development.

V. Seamless conduct of trading and settlements during the Lockdown due to COVID-19 pandemic

Pursuant to the WHO's announcement of COVID-19 as a global pandemic, the Ministry of Home Affairs had issued an order (no. 40-3/2020-D) dated March 24, 2020 in which various guidelines had been issued laying down the measures to be taken by departments of

the Government of India and the State Governments for containment of pandemic. While the Order, inter alia, provided that most commercial establishments should be closed down, the capital market services, being part of 'essential services', as notified by SEBI were exempted from such closures. Accordingly, INDIA INX, being a SEBI/IFSCA recognized stock exchange, continued to offer seamless trading and settlement services even during the current Lockdown. It continues to note and follow any directions issued by the government and various authorities while striving to seamlessly conduct its operations.

The management of INDIA INX, with an aim to conduct the normal market operations and prompt identification and resolution of issues, if any, has been closely tracking the evolving situation. India INX has activated its BCP framework and, as part of its BCP measures, it continues its systems operations from the "Primary Site" at GIFT IFSC, an isolated and quarantined location similar to a DR site, which has a resilient IT Infrastructure backbone with minimal required staff strength.

Additionally, readiness is maintained to utilize, if required, its DR Site at Hyderabad, notwithstanding the yet to be resolved matter of regarding trades executed at the DR site to be deemed to have been effected at GIFT SEZ and the resultant lenient tax treatment thereof. Employees have been given remote access to their computer systems using a framework called Virtual Private Network (VPN) keeping in mind the information security needs along with flexibility required in current situation which enables them to work remotely from their homes without affecting the information security protocol.

The Exchange has deployed minimum staff on shift basis for Mission Critical Activities while adopting "Work From Home procedures" towards support for mission critical tasks and conduct of business critical activities. All necessary precautions and requirements with respect to frequent sanitisation, social distancing and wearing of masks is observed in the office. Communication lines with all stakeholders, IFSCA, banks, clearing corporations, other exchanges and market participants have been kept active and constant monitoring is done of daily situation.

INDIA INX continues to operate normally and seamlessly for 22 hours a day and compete with other international exchanges. All our systems continue to work fine and independently at the GIFT IFSC location. The Exchange's clearing corporation, India ICC also continues to operate normally conducting 2 settlements daily.

4. BUSINESS OPERATION REVIEW

A. MEMBERSHIP

During FY 2020-2021,18 Deposit Based Membership ("DBM") applications were received at BSE. Since launch of new DBM scheme in April 2010, BSE has received a total of 958 DBM applications, as on March 31, 2021.

B. CORPORATE SERVICES (LISTING),

The Corporate Services segment of BSE registered revenue growth in FY 2020-21. Annual Listing Fees (equity, debt and MF) increased marginally by 0.63% to ₹ 159 Crore compared to ₹ 158 Crore in FY 2019-20. BSE also provides other services to corporates such as book building software, buy-back facilities, reverse book building software, etc. Fees earned from such services were ₹ 34 Crore in FY 2020-21 as compared to ₹ 18 Crore in FY 2019-20, a rise of 89% from the previous year on account of new primary market issuances, Rights issues and OTB/OFS facility.

C. DATA INFORMATION PRODUCTS

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

The total revenue from the sale of market data and information products was Rs. 33.36 Crore in FY 2020-21 as compared to Rs. 31.52 Crore in FY 2019-20. The increase in revenue was on account of increase in international pricing by Deutsche Boerse and increase in Euro exchange rate in 2020-21 ."

D. INDEX

Asia Index Private Limited ("AIPL") is a joint venture between S&P Dow Jones Indices LLC and BSE.

AIPL's Total Revenue increased from INR 3,224 lacs in FY 2019-20 to INR 3,699 lacs in FY 2020-21. The Profit before Tax increased from INR 687 lacs in FY 2019-20 to INR 896 lacs in FY 2020-21.

In 2020-21 we saw an increase in demand for issuance of Market Linked Debentures on the S&P BSE SENSEX. There was also an increased interest in Data Subscription for S&P BSE Indices."

5. SIGNIFICANT DEVELOPMENTS

A. Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments

SEBI vide circular number SEBI/HO/ MRD2/DCAP /CIR/P /2020 /127 dated July 20, 2020 specified that the member shall have to report the margin collected from each client, as at EOD and peak margin collected during the day.

B. Implementation of SEBI circular on 'Margin obligations to be given by way of Pledge / Re-pledge in the Depository System'

SEBI, vide circular no. SEBI/HO/MIRSD /DOP /CIR/P/2020/28 dated February 25, 2020 specified the mechanism of pledge / re-pledge towards margin through the Depository system.

As per the new mechanism for giving securities toward margin the Trading member (TM) / Clearing member (CM) shall accept client collateral and margin funded stocks by way of creation of pledge / re-pledge in the Depository system only.

Further in case, a client has given a power of attorney in favour of a TM / CM, such holding of power of attorney shall not be considered as equivalent to the collection of margin by the TM / CM in respect of securities held in the demat account of the client.

SEBI vide circular no. SEBI /HO /MIRSD /DOP/CIR/ P/2020 / 143 dated July 29, 2020 specified that the mechanism of pledge / re-pledge has been implemented with effect from August 01, 2020. Members were required to close all existing demat accounts tagged as 'Client Margin / Collateral' by August 31, 2020.

C. Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default

SEBI, vide circular no. SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 01, 2020 specified the Standard Operating Procedure to be initiated by the Stock Exchanges (SE) / Clearing Corporations (CC) / Depositories after detection of the early warning signals as laid out in the Circular SEBI /HO / MIRSD / DOP/CIR/P/2018/153 dated December 17, 2018 and other triggers as laid down in the aforesaid circular until declaration of defaulter of Trading Member / Clearing Member by the SE / CC.

Once the TM is declared defaulter, the proceedings shall be in compliance with the Bye-laws, Rules and regulations of SE / CC respectively.

6. SECONDARY MARKET POLICY DEVELOPMENTS

A. ADDITIONAL SURVEILLANCE MEASURE (ASM)

SEBI and Exchanges, pursuant to discussions in joint surveillance meetings, have launched this framework for stocks which witness price/ volume volatility in short/ medium term.

There are two parts of ASM framework viz. Short Term ASM and Long Term ASM for the stocks witnessing short term price movement and long-term price movement respectively as per the pre-defined criteria. Under Short Term ASM Framework, securities attract imposition of higher margins up to 100% with client specific margins subject to fulfilment of certain conditions and under Long Term ASM Framework, actions include reduction of daily price band, 100% margin and settlement on gross basis.

The ASM framework was introduced on March 21, 2018 and revised thereafter from time to time based on suggestions of the Exchanges and market conditions wherein the latest revisions in FY 2020-21 included imposing the framework to companies with very low non-promoter holding witnessing price volatility and rationalization of margins on top clients.

As on March 31, 2021, 330 companies have been identified to be a part of ASM framework.

B. DEALING WITH UNSOLICITED MESSAGES

SEBI / the Company noticed that unsolicited messages are being sent to investors inducing them to trade in the stocks of certain listed companies, indicating target prices and/or potentially misleading information. In view of the same, the Company, has been sending advisory messages to the investors on a periodic basis cautioning them to take an informed decision while dealing in stocks and beware of unsolicited stock tips/ recommendations. Further, based on joint discussions by SEBI with Exchanges, a detailed notice no. 20200830-01 was issued on August 30, 2020 to the market participants, inter alia, informing details of actions applicable while dealing in stocks under 'For Information' list and 'Current Watchlist', transaction period which would be considered for withholding requirements, period upto which sale proceeds shall be withheld, verification checks for considering valid reference of messages received from the investors before updating the 'For Information' list / 'Current Watchlist', etc.

C. REVERSAL TRADE PREVENTION CHECK

The Company is the first and the only exchange to implement PAN based Reversal Trade Prevention Check (RTPC) functionality. In PAN based RTPC, the second leg of a potential reversal trade between the set of two entities is automatically cancelled at the time of matching in the trading engine, thereby eliminating the possibility of any trade reversal taking place. The said check has been already made applicable in Equity Derivatives, Currency Derivatives and Commodity Derivatives segments of BSE.

In continuation with the above measures, as a matter of prudence and abundant precaution, the PAN based RTPC was introduced in BSE Equity Segment on securities exclusively available for trading on BSE trading platform with effect from Monday, 28 September 2020.

D. ORDER BASED SURVEILLANCE MEASURES- PERSISTENT NOISE CREATORS

SEBI and Exchanges, pursuant to discussions in joint surveillance meetings, have launched an additional surveillance measure in Equity and Equity Derivatives Segments to deter persistent noise creators i.e. excessive order modifications/ cancellations with an intent to avoid execution. The measure inter-alia covers monitoring of such cases on daily basis over a prescribed period to detect the violations and imposing a non-monetary penalty thereon in form of trading disablement on the trading accounts. Exchange has issued a notice on March 26, 2021 informing the implementation of the aforesaid framework from April 05, 2021.

7. REGULATORY

A. SURVEILLANCE & INVESTIGATION

I. Statistics for FY 2020-21

As part of market monitoring activities during FY 2020-21; 40,373 surveillance alerts were generated, of which 801 alerts were taken up for snap investigations. Subsequently till March 31, 2021, 143 cases were taken up for preliminary/ detailed investigations, of which 118 preliminary/ investigation reports have been forwarded to SEBI.

II. Broker Supervision

279 inspections of members were conducted* during FY 2020-21, which include 230 routine inspections and 1 special inspection. Further, 48 out of 279 inspections were jointly conducted with SEBI, other Exchanges and Depositories during F.Y. 2020-21 which was selected by SEBI for joint inspection for the F.Y. 2020-21.

III. 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 trading members electronically through the BSE Electronic Filing System ("BEFS"), thereby reducing the communication time resulting in expeditious resolution of investor complaints. The trading members sends its reply through "BEFS". The investors can also lodge complaints directly with the Exchange through email, physical document form or through online e-Complaint registration on BSE website (e-Complaint Registration). The complaints against trading members are redressed through conciliation process by Grievances Redressal Committees ("GRC") wherein the GRC is also empowered to decide the claim value.

The Company provides GRC 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 GRC and arbitration services from 24 investor services centres located at different parts of the country. The Company also conducts orientation program for Arbitrators and GRC Members at its various regional centres. During the year the company has conducted 2 such online programs for GRC and Arbitrators of Ahmedabad, Vadodara, Mumbai, Jaipur, Indore, Patna, Kanpur and Ranchi centres.

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.

B. LISTING COMPLIANCE

I. 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"). The Company had earlier enabled XBRL based filing for Shareholding Pattern, Corporate Governance Report, Voting Results, Financial Results, Share Capital Audit report, Disclosure of Insider Trading under Prohibition of Insider Trading, Unit Holding Pattern for Mutual funds, Financial Results for Insurance Companies and NBFCs and filing of companies' Annual Reports (based on MCA Taxonomy).

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. In the previous year, other Exchanges had commenced integration of the BSE XBRL taxonomy for these filings and listed companies are now able to use a common file for filing at all Exchanges.

All new XBRL based developments are now being jointly developed by the exchanges with BSE being largely responsible for the development of Taxonomy and the Excel utility used for filing.

During the current year, filing for Cash flow report and Statement for Deviation or variation of utilization of funds were introduced in XBRL. Further, the Company is working with other MIIs for a industrywide initiative to collect information from market participants in XBRL formats and will be regularly introducing additional regulations for submission in XBRL mode.

II. Compulsory Delisting

Trading in the securities of certain listed companies had 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 had 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.

Till March 31, 2021, the Exchange has delisted 1122 companies which have been suspended for a period of more than 6 months for non-compliance with the erstwhile Listing Agreement/ SEBI (LODR) Regulations, 2015 and which have not completed formalities for revocation within stipulated timelines.

SEBI has included this provision in its circular on Standard Operating Procedure (SOP) for suspension and revocation. The Exchange accordingly sends advisory letters to companies suspended pursuant to the provisions of SEBI SOP circular, informing about the consequences of not initiating formalities for revocation of suspension of trading.

III. 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 and timely dissemination 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 responsible and 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 as well as enhancing the security features in line with the regulatory requirements. Filing through CAFS which was available for Equity listed companies has now been extended to other segments like, debt, mutual funds and commercial papers as well. In the FY 2020-21, the Exchange has received 10,39,241 filings by companies using the CAFS system.

COVID19

The COVID – 19 pandemic has impacted the operations of the listed corporates primarily due to restrictions placed on mobility of persons and materials and several corporates have reported temporary or partial / complete shutdown of business/ operations. These have been made public by disclosing the same under Regulation 30 the Listing Regulations and are disseminated on the Exchange website. Stringent norms for social distancing and other measures have been instituted by the Central and State Governments, for reducing the rate of spread of the virus. Subsequent to the pandemic, there has been a significant decrease in demand for certain non-essential or less essential goods and services due to which companies functioning in these sectors are impacted. Since the nationwide lockdown was imposed from March 23, 2020, companies have been working with skeletal workforce or have provided work from home facilities to their employees. Due to these circumstances, most companies have not been able to meet their compliance obligations and finalize their annual accounts within the stipulated timelines. Recognizing this practical difficulty SEBI, MCA and other regulatory agencies have given extension of the applicable timelines for various regulatory filings and have also given certain concessions in compliance requirements like allowing holding of Board meetings through video-conferencing and EGM/AGMs through video conferencing or other audio-visual means.

However, stock exchanges were regarded as an essential service and were required to operate as usual, despite the unusual circumstances. Accordingly, the senior management has swung into action and ensured that the working of the equity, derivatives, currency and commodity markets run by your Exchange continued working seamlessly, and efficiently. Thus, not only critical areas like operations, information technology, surveillance and settlement were working but also services like listing, compliance monitoring, member compliance were fully functional. In fact, your exchange takes pride that during this period, 3 SME's were successfully listed.

8. COMPETITIVE STRENGTHS AND OPPORTUNITIES

A. STRENGTHS

I. 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 public. In fact, today BSE is the world's fastest exchange with a speed of 6 microseconds.

The BSE building is a symbol of the Indian growth story and is one of the most recognizable icons of India. It is one of the few structures in India that is trademarked.

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 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.

BSE brand is further strengthened due to over four thousand seminars/ education sessions conducted every year. These events are investor awareness programmes that are conducted in association with BSE IPF (Investor Protection Fund), or events organized with industry associations like FICCI, CII, Assocham, PHD Chamber of Commerce & Industry, BSE Brokers Forum etc.

II. Sound corporate governance and regulatory framework

III. Technological Prowess

i. Encouraging the potentials of Big Data

The Company continued its development on Big Data implementation. So far, the company has the reputation of being exclusive in introducing RegTech initiatives by bolstering the regulatory processes with the use of Artificial Intelligence (AI) and Machine Learning (ML). As a part of surveillance function, the Company is pro-actively monitoring news on BSE listed companies from different mediums and channels of news

During the year, the Company developed its own backup and recovery system inhouse for Big Data. The Company reused existing commodity hardware for building storage and compute. Metadata were stored securely. Since the entire system exists in the same network backbone of the Company, taking data back up and restoring into Big Data system was very fast in comparison to public cloud storage and least expensive.

ii. Expand horizons for use of open source technologies

During FY 2020-21, the company achieved one of the biggest milestone of successfully upgrading OS of its mission critical Trading system, that was initiated in the previous financial year. The Company continued its development by offering trading interface to end users, built and developed on open source technologies and platform.

The Company believes that use of Open source technologies provides a competitive edge in terms of service and delivery as well as lesser financial investments compared to proprietary technologies. The Open source technologies are now becoming more flexible due to its wide adoption across the globe.

iii. Cloud Initiatives

The Company has adopted a mix of cloud initiatives by investing in on-premises cloud infrastructure and seek the public cloud on need basis. The Company has successfully implemented hybrid cloud in its Primary as well as at its Disaster Recovery site. During the year, the Company augmented its infrastructure to cater to future needs and newer business streams. By this, the newer developed applications are being hosted on in-premises cloud setup. This uptime of these systems and applications are assured due to very nature of cloud architecture.

Overall, the roll-out of newer business products and initiatives are also faster now, as the Business and technology teams are working as a single unit, where spikes, scaling and capacity planning is effectively managed and monitored.

As most of the mission critical applications and office applications were hosted on cloud setup, this strategy helped during the COVID-19 pandemic. The accessibility to these systems and applications fostered its use to all teams working remotely and perform their business processes seamlessly. For the Company, the year was 'business as usual' and it continued its development and enhancements throughout the year as planned.

iv. Solutions developed by Subsidiary Company BSE Technologies Private Limited

The Company's subsidiary, BSE Technologies Private Limited (formerly, Marketplace Technologies Private Limited), primarily into development of IT solutions & products, continued its efforts to develop more and more applications that is best suitable for use of the Company and, to leverage the knowledge of business and IT. Further, many enhancements were implemented to keep the products competitive.

Financial ERP solution was one such solution developed and implemented during the year in response to third party expensive product. This financial solution has the best of features available in the third-party solution as well as flexibility of customisation it has been developed by the team that understand the essence of business needs. Another, one such implementation was Application and Performance Monitoring system, with extensive use of Open source stack. During the year, further enhancements and features were added to this solution, in order to make it market it as an commercial product.

In addition, the Company's IT development team, contributed extensively into development of newer applications and solutions for newer business streams that were introduced during the year. The customization as per business needs, its roll-out, integration with dependent modules, were seamless and achieved in a shorter time as the IT development team possessed the requisite business and IT knowledge.

The Company's IT development arm is highly motivated and thrust to look into newer developments and creating solutions that offers business opportunities.

B. OPPORTUNITIES

I. Gold Spot Exchange

The Hon'ble Union Finance Minister Smt. Nirmala Sitharaman said while presenting the Budget for FY 2020-21 proposed to set up an international bullion exchange at IFSC in GIFT City, which will lead to better price discovery of gold, create more jobs and enhance India's position in such market. "With the approval of the regulator, GIFT City would set up an International Bullion Exchange(s) in GIFT-IFSC as an additional option for trade by global market participants", she said.

Subsequently, the Government of India (GoI) established International Financial Services Centres Authority (IFSCA) on April 27, 2020, to regulate all financial services in International Financial Services Centres (IFSCs) with headquarters in Gandhinagar (Gujarat). The GoI

on the recommendations of the IFSCA, had on August 31, 2020, notified the bullion spot delivery contract and bullion depository receipt (with bullion as underlying) as Financial Products and related services as Financial Services under the IFSCA Act, 2019. On October 27, 2020, the board of the IFSCA approved draft bullion exchange regulations, paving the way for setting up the entire ecosystem for bullion trading, including bullion exchange, depository, clearing house and vaults.

In December 2020, the International Financial Services Centres Authority (IFSCA) notified the IFSCA (Bullion Exchange) Regulations 2020 paving the way for setting up the entire ecosystems for bullion trading, including bullion exchange, depository, clearing house and vaults. This move is expected to enable greater transparency not just with respect to pricing but also the conduct of business of gold. It is expected that regulated gold spot exchanges will usher the benefits of electronic markets for gold as well as make gold trading more transparent and eventually facilitate creation of an Indian quality standard for gold.

BSE operates in the GIFT city IFSC zone via its subsidiary India INX, which is part of discussions with the Government to setup an international bullion exchange at IFSC in GIFT City. The proposed exchange would present an opportunity for all stakeholders including BSE to expand their scope of business. The Company would continue to work closely with the Government and the regulators to launch spot exchange for bullion.

II. Insurance Distribution Platform

India with a population of 1.3 billion people is on the cusp of an explosive growth in the Fintech space since the past 3-4 years. With a population of 300m+ people in the middle class and upper middle class across the 200 odd cities coupled with the fact that a major proportion of the population is young, the demand for innovative Fintech solutions across India is phenomenally high. This has fueled steady development in the Fintech space in financial products like mutual fund and Insurance.

BSE-Ebix Insurance Broking Company Private Limited (BSE-Ebix), a joint venture (JV) between BSE Investments Ltd and Ebix Fincorp, a subsidiary of Ebix Inc, the largest Insurance Exchange in the world, has commenced operations for insurance distribution. Products offered as of March 31, 2021 include:

- Auto Insurance - private car and two-wheeler auto insurance.
- Health Insurance
- Covid Cover
- Corona Kavach - individual / family floater basis for a period of 3.5, 6.5 or 9.5 months.
- Life Insurance
- Endowment Insurance

BSE-Ebix seeks to widen distribution outlets, wealth management advisors, Point of Sales Persons (PoSPs) to sell life and non-life insurance products.

III. Power Exchange

India's power demand is expected to grow with the government's focus of providing "24x7" clean and affordable power for all. Of around 1,200 billion units (bu) of electricity generated in India, the short-term market accounts for around 130-150bu. This trade volume has grown by around 10% annually and is valued at around ₹ 22,124 Crore. This short-term power market is serviced by power exchanges, which function on the lines of commodity exchanges and provides a platform for buyers, sellers, and traders of electricity to enter spot contracts that are for the same day, next day, and on a weekly basis. It also provides a payment security mechanism to buyers and sellers. India currently has two operating power exchanges—Power Exchange of India (PXIL) and India Energy Exchange (IEX).

There is a need to deepen existing exchanges through more evolved products, clarity on cross border trading along with institutional mechanisms to deal with forward contracts of varying durations. In this regard, Pranurja Solutions Limited (Consortium of BSE Investments Limited, along with PTC India Limited and ICICI Bank Limited), filed a petition with the power market regulator, CERC (Central Electricity Regulatory Commission) on September 7, 2018 for grant of license for setting up a new power exchange. On 12 February 2021, the CERC proposed to grant registration to Pranurja Solutions to establish and operate a power exchange. The Commission said that it would invite suggestions and comments on its proposal.

IV. Spot Platform for Agriculture and Other Commodities

To transform the agriculture sector, the Government has initiated several reforms including setting up National Agriculture Market (e-NAM) for providing the farmers with an electronic on-line marketplace for agricultural produce. On 15 May 2020, the GoI proposed to reform the agriculture value-chains by deciding to deregulate Essential Commodity trade and introduce a Central law to ease inter-state farm trade, effectively overriding the Agricultural Produce Marketing Committee (APMC) Act 2003.

Considering this opportunity, BSE launched an electronic spot platform for agricultural commodities - BSE E-Agricultural Markets Ltd. (BEAM), as a national level, institutionalized, electronic, transparent commodity spot trading platform. This was in line with the Prime Minister's vision to create a "single market". BEAM commenced beta operations from December 11, 2020 and witnessed trading of 2 tons of imported Almond in Shell worth value of more than Rs. 6 lakhs on the day of its launch.

Frontier Agriculture Platforms Private Limited (FAPL), a company with expertise in agri markets acquired 40% in BEAM on March 5, 2021, with an aim to drive innovation in agriculture markets.

BEAM continues its market outreach and responding to market participants to create robust e-platform despite Covid19 restrictions. It facilitates spot agricultural commodities transactions across value chain consisting of producers, intermediaries, ancillary services, and consumers. BEAM platform aims to reduce cost of intermediation, improve procurement efficiency, and eliminate bottlenecks associated with procurement and trading of agri commodities.

In the future, BSE looks forward to increased volumes in the spot agriculture market in the BEAM platform as it rolls out more features and looks forward to more commodities for spot trade.

9. THREATS

A. 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. Adverse macro-economic developments and political uncertainty may dampen the sentiments of the capital markets and negatively affect the business.

B. REGULATORY CHANGES IMPACTS OUR ABILITY TO COMPETE

The competitive landscape for the securities transactions business in India continues to be challenging. The Company's ability to compete in this environment and ensure that regulations continue to allow competition on a level playing field, will be a major factor.

in ensuring sustained growth and profitability. Regulatory decisions relating to the BSE ownership structure, the ownership structure of its subsidiaries and associate companies, compensation policies and restrictions on how Exchanges distribute their profit will continue to impact competitiveness.

C. CYBERSECURITY THREATS

Even though financial organizations have bolstered their defense against cyber-attacks, they remain a focused target for hackers due to the money involved in the financial sector. That's why, cyber-attacks cost financial sector 300 times more than any other industry.

The Company, therefore, continually invests in new advanced and niche cybersecurity technologies. Also, a continuous improvement in cybersecurity policies and procedures is undertaken by the Company.

Some of the types of cyber threats that the Company could face:

- Distributed Denial of Services (DDoS) – Hackers use this techniques to slowdown or completely shut down The company networks and services by sending more requests than the actual capacity of the Company network and systems, rendering them unreachable to its genuine users / customers.
- Drive-by Attack - In a drive-by attack, a hacker embeds malicious code into an insecure website. When a user visits the site, the script is automatically executed on their computer, infecting it. The designation "drive by" comes from the fact that the victim only has to "drive by" the site by visiting it to get infected. There is no need to click on anything on the site or enter any information.
- AI-Enhanced Cyberthreats – AI capabilities are used by hackers to launch sophisticated cyberattacks in the form of complex and adaptive malicious software. AI fuzzing and Machine Learning poisoning are the next generation threats.
- Cryptojacking - It is a trend that involves cyber criminals hijacking third-party home or work computers to "mine" for cryptocurrency. Cryptojacked systems can cause serious performance issues and costly down time as IT works to track down and resolve the issue.
- Social engineering - Hackers are continually becoming more and more sophisticated not only in their use of technology, but also psychology. Social engineering is the use of deception to manipulate individuals into divulging confidential or personal information that may be used for fraudulent purposes.
- A Severe Shortage of Cybersecurity Professionals — The cybercrime epidemic has escalated rapidly in recent years, while companies and governments have struggled to hire enough qualified professionals to safeguard against the growing threat.
- Ransomware - Ransomware has been at the heart of attacks that have threatened to take down cities as large as Baltimore and New Orleans in 2019. Healthcare providers and school districts have faced ransomware threats, as well. These entities often have no choice but to pay the ransom to keep vital services running.
- Confidential Data Theft - Customer accounts can be the most vulnerable point of entry to financial systems. The hackers use stolen privileged credentials to steal from their account.
- Advanced Persistent Threat - A stealthy computer network threat actor which gains unauthorized access to a computer network and remains undetected for an extended period.

10. KEY STRATEGIES

INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED

BSE has made strategic investments in India International Exchange (IFSC) Limited (India INX) and India International Clearing Corporation (IFSC) Limited (India ICC) looking at the long term growth potential of these ventures. The total investments made till date is Rs. 145.545 crores in India INX and Rs. 80 crores in India ICC. The focus of the government and the regulators is to make IFSC a successful international financial centre in the coming years. This should augur

well for India INX and India ICC. Various regulatory measures have been put in place and others are in the pipeline to have a vibrant cash and derivatives markets at IFSC. BSE is ready to dilute its share, subject to regulatory requirements and onboard new investors as strategic partners who share BSE's vision for the IFSC. ICICI Bank Limited and DCB Bank Limited have already joined as a strategic partners in these ventures. Ongoing discussions are taking place with other potential strategic investors.

International Financial Services Centres (IFSC) Authority, the unified regulator for IFSC, now regulates all financial services in IFSC, comprising banking, securities, insurance and pension markets. The IFSC Authority, as a unified regulator, would play a pivotal role in inter-regulatory coordination and harmonizing regulations of various inter-related markets, leading to improvement in the regulatory regime and ease of doing business at IFSC. As a dedicated regulator for the IFSC, headquartered at GIFT City IFSC, Gandhinagar, the authority is expected to play a very significant role in ushering in rapid development and growth of the IFSC as envisioned by the Government of India.

India INX continues to position itself as a preferred offshore platform, open 22 hours a day for trading and become the financial gateway of choice for both inbound and outbound investors. The derivatives trading volumes at India INX has grown significantly since inception. The average daily turnover for the month of March 2021 was USD 13.87 billion, which is up by more than 1000% from March 2020. India INX is poised to achieve further growth in its turnover and it now successfully competes with Singapore Exchange and Dubai Gold & Commodities Exchange in some of the India dedicated products such as index and currencies. This has laid the foundation for India INX to become the preferred offshore gateway to India through innovative product offerings, cutting edge technology, competitive regulatory framework, attractive tax structure, easy access to markets and outstanding customer service. India INX continues to innovate and place emphasis on reaching out to global investors through its trading members to improve the liquidity and depth of the markets. Depending on regulatory approvals, India INX proposes to introduce new and innovative products in future to compete with other international exchanges and cater to the needs of investors across the globe.

One of the primary goals of India INX is to help companies raise funds from the capital markets which can be deployed for the growth and development needs of the company, leading to employment generation and overall economic development. Keeping this in mind India INX launched the Global Securities Market Platform, which is a pioneering concept in India, offering issuers an efficient and transparent method to raise capital. The platform offers a debt listing framework at par with other global listing venues such as London, Luxembourg, Singapore etc. Till date, Global Securities Market has established USD 50+ billion in MTN programmes and more than USD 27+ billion of bonds issued. As on date, leading issuers like Asian Development Bank, State Bank of India, EXIM Bank, PFC, ONGC, REC, IRFC, Adani Green Energy UP Ltd., Adani International Container Terminal Private Limited, Adani Ports and Special Economic Zone Limited etc. have established their MTN programmes, alongside drawdowns and/ or standalone issuances, which are a healthy mix of masala, dollar denominated and green bonds. India INX is also the first introducer of the Green Securities Platform for issuance of green bonds. In a first, ten subsidiaries of ReNew Power Pvt Limited, listed their foreign currency bonds exclusively on Global Securities Market (GSM) of India International Exchange at GIFT IFSC in April 2021.

The IFSC would be the venue were various innovations and new initiatives are expected to materialize in the coming years. BSE would be keen explore these new initiatives and seek investment opportunities in IFSC, such as the opportunity of setting up an International Bullion Exchange(s).

DIVERSIFY OUR PRODUCT AND SERVICE OFFERINGS AND MAINTAIN NEW PRODUCT INNOVATION AND DEVELOPMENT

BSE currently operates in a wide array of segment and offers a bouquet of products including equity, debt, derivatives in equity, currency, commodity and interest rate, mutual fund, insurance, SME, and start-ups segment. In addition to our ongoing strength in service offering, we intend to target the investors' needs for all financial products through innovative product and service offerings.

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 forming strategic alliances. This is seen from initiatives like the setup of Pan- African multi asset exchange - Afrinex Ltd and a clearing house - Afrinex Clearing House in Mauritius. Financial Services Commission (FSC), Mauritius granted license to both the entities to commence business. The Pan-African Exchange will be using exchange, clearing and settlement technology platform of BSE Technologies Private Limited, technology arm and subsidiary of BSE along with leveraging BSE and its subsidiaries for capacity building and skill augmentation. Several global funds, organizations as well as government entities from Mauritius evinced interest and have become investors in Afrinex Ltd.

FOCUS ON INCREASING OUR MARKET SHARE OF DERIVATIVE PRODUCTS

We actively evaluate products and asset classes outside our traditional focus areas 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 positive results, evident in our increasing market share in the equity futures and options, commodity derivatives and Interest rate options. With the introduction of 'options in goods' and other unique products in commodity derivatives, BSE

has become the second largest commodity exchange in a short span. We have launched futures and options contracts on equity derivatives with a differentiated expiry, which has helped gain market-share.

USE OF OPEN SOURCE TECHNOLOGIES

The Company has adopted as an strategy to extensively develop and migrate to open source platform. Over the years, major mission critical and newer applications are running on open source platform. The learning and experience of this is being extended to other relevant needs of the Company. Use of Artificial Intelligence (AI) and Machine Learning (MI) is extensively used in Big Data platform. Another solution developed by inhouse IT development team on open source platform is, log management of all systems and applications in a form of intuitive feature rich Dashboard to monitor health status. This is extensively used by different teams internally. The product is ready to be marketed as an commercial product in future.

The drive within the Company is to make open source platform as a necessity rather than as an option. The Company's inhouse development team is continuously exploring the option of its use in newer business streams and newly developed applications. The learning and experience of new implementation on open source technology is being increasingly used in similar business needs. It is now a collaborative solution, with flexibility to build a custom solution. With the strong open source community available world-wide, the development is now quicker and troubleshooting and resolution more easier to address.

The company now has its Trading system, Databases, Identity and Access Management, Business Intelligence, Log Management and Analysis, Infrastructure monitoring and several other systems/ applications built on open source. These systems are highly flexible, robust and scalable.

CYBER SECURITY

As a technological as well as a strategic move, the Company has implemented 365 Days 24X7 Next Generation Cybersecurity Operation Centre which comprises state of the art tools and technologies including cognitive and machine learning technologies to make the exchange ecosystem cyber resilient. The Company has also setup 365 Days 24X7 Member Security Operations Centre (MSOC).

The Company, via its extended broker network, serves millions of investors every day, for which a secure and trustworthy information and data security ecosystem is vital. With ever increasing threat landscape, the information and data continues to be the most sought-after information asset globally. It is therefore imperative to protect it from the risk of unauthorized usage, data theft and tampering.

Regulators and governments globally and in India have either set out regulations or are in the process of formalizing data protection bills. To ensure meeting the regulatory requirements and protection of data and information, the Company is committed towards confidentiality and integrity of investor and customer data. The Company has created and implemented an Information Security program covering data security and data privacy. The Company is in the process of streamlining all major business processes to fundamentally embed zero trust architecture to meet local and international data privacy requirements. In order to achieve this some of the existing technological investments will be leveraged and appropriate changes will be made.

Cyber Security is not always an investment that yields profit but prevents loss. In other words, when you invest in security, you expect to reduce the risks threatening your assets. As part of our commitment to protect the technological setup, the Company has been investing on a range of security products and services and have also partnered with some of the leading names in the security industry to support in this endeavor to provide the right and quantitative assessment of return towards security investment, the Company will evolve a value at risk model. This model will be based on security Key Performance Indicators (KPIs) which will help project the reduction in potential financial impact by way of implementing the security measures to protect against these adverse impacts. This assessment will help us optimize our efforts towards securing the Company assets. The initial KPIs have been established and the Company expect the model to evolve over the course of the year. This is done in addition of the reporting and dashboarding done for the regulators, which is done to demonstrate the effectiveness of the security protocol.

In addition to this, the Company plan to further secure its digital assets, i.e. its applications and underlying infrastructure with state-of-the-art logging and monitoring tools with custom rule cases continuously developed for fraud and anomaly detection. As the Company normalizes work from home, it also recognizes that this widens its cyber-attack surface. The Company have implemented an array of steps to secure the access to its network and ensure authenticity while in progress. The Company has been open regarding the process it has in place and have continuously trained their employees regarding the best approach towards keeping the Company secured. Moving forward, the Company will have advanced training sessions for the important operations support staff so that it minimizes human errors which could lead to any large-scale impact to the entity.

The Company is also enabling its business, cyber security and IT strategy to enable the business and functions run uninterrupted with new norm for working due to pandemic situation and implementing controls and solutions to enable users work from home with zero trust, data and information security and Cyber Security in place.

Cyber Security is one of the key strategic components to meet the Company's strategic objective and to improve the overall business resiliency.

11. RISKS AND CONCERNS

A. 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.
- A rapidly spreading infectious disease that causes a pandemic, or exacerbates a pandemic, thereby posing global threat, social and economic chaos can severely upset our business operations by disrupting operations, trading, settlement and high absenteeism and even fatality of our employees. Although the exchange is fully prepared for business continuity, meeting all obligations and ensuring safety of our staff, it is possible that our ability to deliver satisfactory services to our customers may be affected.
- Our business, financial condition and result of operations are highly dependent upon the levels of activity on the exchange; and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances. Moreover, they are dependent on, liquidity and similar factors that affect, either directly or indirectly, the trading, listing, clearing and settlement transaction-based fees.
- Integral to our growth is the relative attractiveness of the financial assets traded on the exchange; and the relative attractiveness of the exchange as a market on which to trade these financial assets. All of these variables are primarily influenced by economic, political and market conditions in India as well as, to a lesser degree, the rest of Asia, the United States, Europe and elsewhere in the world.
- 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.
- Bullion, Base metals and Energy products are linked to International market, Currency and government Duties etc.
- Agri commodities are linked to crop production, monsoon, demand and Government policies.
- Other factors beyond our control, that may materially adversely affect our business, financial condition and result of operations include:

o broad trends in business and finance, including industry-specific circumstances, capital market trends and the mergers and acquisitions environment.

o social and civil unrest, terrorism and war.

o concerns over inflation and the level of institutional or retail confidence.

o changes in government monetary policy and foreign currency exchange rates.

o the availability of short-term and long-term funding and capital.

o the availability of alternative investment opportunities.

o changes and volatility in the prices of securities.

o changes in tax policy (including transaction tax) and tax treaties between India and other countries.

o the level and volatility of interest rates.

o legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets, if significant policy differences emerge among markets.

o the perceived attractiveness, or lack of attractiveness, of Indian capital markets; and

o unforeseen market closures or other disruptions in trading.

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

o develop and license leading technologies.

o enhance existing trading and clearing platforms and services.

o anticipate the demand for new services and respond to customer demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis.

- o continue to attract and retain a workforce highly skilled in technology and to develop and maintain existing technology; and
- o respond and adapt to competition from and opportunities of emerging technologies such as Fintech innovation.

A. COVID-19 Risks on our business and operations

In March 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. A number of governments and organizations have revised GDP growth forecasts for calendar year 2021 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

Since mid-2021, termed as the second wave of COVID-19 in India, a number of Indian states, where the company has operations, have responded by taking measures such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. There are warnings of a third wave of COVID-19 in the second half of calendar year 2021. In case the lockdown persists for longer than anticipated, it could result in subdued growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect our business, prospects, results of operations and financial conditions. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways such as:

- It resulted in a significant increase in volatility in the Indian equity markets which could cause investors to avoid assets such as equities.
- It resulted in reduced work hours for many of our customers and clients, such as banks, which could result in lower volumes in the segments we operate.
- It resulted in closure of physical commodity markets and mandis, the result of which could impact trading volumes, spot polling of prices and deliveries of goods in commodity derivatives segment.
- Inherent productivity, technology, and oversight challenges due to an increase in number of individuals working from home.
- Increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics.
- Uncertainty as to what conditions must be satisfied before government authorities fully remove the "stay-at-home" orders and when such orders would be fully removed.
- The potential negative impact on the health of our personnel, particularly if a significant number of them are afflicted by COVID-19, which could result in a deterioration in our ability to ensure business continuity during this disruption; Since March 2020, over 85 of our employees have been afflicted by COVID-19.
- An increase in operational costs as a result of enabling work-from-home technology systems viz., Virtual Private Network (VPN) and Laptops, housing critical resources in hotels near our offices temporarily, arranging for transportation, arranging meals for all the staff (includes BSE, group company and vendor staff), procurement of COVID related consumables and equipment's such as disinfectants, sanitizer, spray machines etc.

Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

B. REGULATORY & COMPLIANCE

BSE operates in a highly regulated industry and may be subject to regulatory proceedings including censures and fines, for non-compliance with its regulatory obligations.

Changes in government policies and regulations could adversely affect trading on BSE on account of various factors like increase in operating costs, higher regulatory requirements, lower trading limits, higher margins etc. on market participants.

Furthermore, we are facing an unprecedented event in the form of the COVID-19 pandemic. This has led to Central/ State Governments and Municipal bodies imposing lockdowns and other restrictions on public as well as businesses. However, these restrictions have not impacted the functioning of Stock Exchanges since the Government of India has exempted capital and debt market services as notified by SEBI from the said closure.

The management and staff of BSE have risen to the situation and ensured that all segments of the Exchange continued to operate seamlessly and efficiently. The lockdown restrictions have truly tested the robustness of the Business continuity capability of BSE to run its operations in a business as usual mode, with employees working from office and from home. Despite the challenges, the Exchange has not compromised on any of its Regulatory function either in terms of monitoring or surveillance or enforcement or in terms of its service levels.

The pandemic has resulted in a high volatility in the markets owing to investor concerns relating to spread of the pandemic and the resultant fear of economic slowdown. This has resulted in additional scrutiny and closer monitoring of markets in relation to trading and risk management, with the objective of ensuring orderly functioning and integrity of the markets. SEBI has also announced various regulatory measures which inter-alia included increase in margin in Equity and Equity Derivatives markets, introduction of cooling off period for flexing of price bands for F&O stocks and revision in position limits in equity derivatives markets.

Recognizing the challenges faced by brokers and corporates with respect to timely disclosures and compliance with various regulations due to the lockdown, the Exchange has worked with SEBI to mitigate the situation. SEBI has provided temporary relaxations in a number of compliance requirements to ease the difficulties being faced. The relaxations are primarily aimed at providing relief to the listed companies / trading members by extending the deadlines for submissions, and from penalties.

C. 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 vendor payments 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 status of 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 obtained certification valid upto June 2022.

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.

The coronavirus pandemic that the world currently is facing has brought countless challenges. One of these challenges is to safeguard the officials while at the same time maintaining continuity in audit activities. During this crisis which resulted into periodic nation / sate -wide lockdown, the audit functions have been carried out successfully as per schedule, in a secure and remote environment.

12. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

A. HUMAN CAPITAL

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, 2021, the Company had 386 management cadre employees and 108 staff level employees.

Human Resource function continues to be a strategic business partner and change catalyst. It plays a pivotal role in change management and creates triggers for unlocking human potential which results in organization transformation and success. With change and transformation characterized by ambiguity and complexity, we in BSE have a two prolonged approach successfully leveraging the experiential wisdom of our tenured employees as well as infusing high quality talent who bring in multiplicity of experience.

However, the COVID-19 situation has put all BSE's mettle at work. During the pandemic we have taken various initiatives to keep our employee wellness levels high. These initiatives have resulted in a vibrant, productive and enjoyable work environment. A structured approach to career development, leadership development, internal job rotations, and mentoring helps employees grow their career and realize employee's potential. We have built a talent pool of around 386 professionals in the officer's category with an ideal mix of experience and youth.

Some of the most important initiatives are mentioned below.

- **Health Index Form:** Tracking our employees' health has been one of the most important criteria's of ever increasing covid cases in wave I & wave II. Our internally designed app allows employees to fill in the required data as for us to track and monitor health of our employees and their family members on a daily basis. The app is updated as & when there is a change in the government guidelines. The data allows us to report the as on date / dynamic data pertaining to the Health of our employees.
- **COVID – 19 Antigen and RTPCR Testing Camp:** Organized "Free COVID-19 Testing Camp" for our employees of BSE its group companies jointly with Brihanmumbai Municipal Corporation (BMC). A total of almost 2300 persons got tested in the camps.
- **Isolation Centre arrangement with Hotels:** With increasing number of COVID cases, we have tied-up with various hotels in different parts of Mumbai for quarantine of infected employees and their family members. These hotels also have the facility of doctor on call and in some doctors visiting them during the day.
- **Support to employees & their families for Hospitalization:** BSE has been offering continuous support to all its group company employees and their family members for hospitalization. With constant struggle for beds in hospital & quarantine centres our team has been constantly working towards supporting employees in getting hospital admission.
- **Health Insurance Coverage:** Our employees are adequately covered under various Insurance Policies including Group Hospitalisation which covers the pandemic like COVID-19 also.
- **Home Quarantine Support:** We have arrangements with our insurance provider to take care of the home quarantine claims.
- **COVID -19 Warriors – Frontline Line Team:** We have created a team of volunteers named "BSE COVID-19 Warriors". They support and help procure oxygen, necessary medicines like Remdesivir etc. to needy BSE group employees who are hospitalized in Mumbai as well as other cities/states.
- **COVID Vaccination for BSE Employees:** BSE has tied up with leading hospital for giving Covid Vaccine to all employees & their immediate family members free of cost. We are also closely trying to set up a vaccination center in our premise for our employees and their families.
- **Incentive to Employees who worked from Office:** The critical operations resources who were working from office has been around 2 – 5%. To recognize them it was decided to reward them by paying 2X salary for the days such employees who physically attended the office.

B. TRAINING & DEVELOPMENT:

During the current pandemic situation, to engage and to entertain our employees we have adopted new methods of training & development. This new virtual mode of activities were organized for the first time in the history of BSE and its group companies. Along with engagement there was also a focus on the employees' wellness, physical & mental fitness of our employees. In FY 2020-21, the company conducted webinars on a continuous basis on topics including Yoga for Mindfulness and Meditation, Diet for Building Immunity, Ayurveda and its uses, Ergonomics, Eyecare, Breathing & Stretching Workouts etc. In addition to this, we ensured that employees are at their productive best by continuing to work on simplifying internal processes through a collaborative effort with various teams. The collaborative deliberations and decisions of the organization leadership, supported by the stakeholders and enabled by the people managers, have resulted in various new initiatives having been implemented towards enabling change and transformation as well as enhancing a positive performance and learning culture.

13. RECENT GLOBAL INITIATIVES BY BSE IN SUSTAINABILITY SPACE

- In **May 2020,** BSE participated in **"ESG in Asia Virtual Conference 2020"** hosted by Bank of America Securities where BSE made some noteworthy contribution on **Governance and Stock Exchanges play a crucial role in improving sustainability disclosures.**
- In **July 2020,** BSE participated in **"Global Reporting Initiative (GRI) South Asia Virtual Regional Summit 2020"** hosted by GRI South Asia where BSE played a crucial role in terms of its key contributions on defining the scope of Sustainable Finance in India and need for Sustainable Finance Roadmaps. BSE also shared its views on the role that stock exchanges can play in furthering the sustainable finance agenda and promoting sustainability disclosures by Indian corporations.
- In **November 2020,** BSE participated in **"Asian Roundtable with the Stock Exchanges & Regulators"** hosted by GRI. During the course of the roundtable, BSE shared insights on measures that could be undertaken by the Stock exchanges to address the current pandemic situation, steps taken on adoption of sustainability reporting practices and how adoption of sustainability reporting strategies can support the process of building a resilient market and the scope ahead.
- In **February 2021, BSE renewed its MoU with GRI** to work collaboratively and support the Listed Corporates establish sustainability reporting process and various such initiatives for overall stakeholder benefit.
- On **March 8, 2021** BSE hosted its **"Virtual Ring the Bell for Gender Equality"** event themed on **"When women lead: Celebrating Women leaders in corporate sector"**. Through

this event, BSE spread a mass awareness and celebrated the success stories of various women in leadership roles. This event was in joint collaboration with international forums like UNWOMENIDIA, United Nations Global Compact, International Finance Corporation (arm of World Bank), UNWOMEN, MSCI, Sustainable Stock Exchange Initiative.

- On **March 9, 2021** BSE participated in UNGCNI's (United Nations Global Compact Network India) 4th Gender Equality summit, where BSE steered an interesting perspective on **"Driving forces of change: Striving for an equal future from a gender lens"**

14. FINANCIAL PERFORMANCE

A. SOURCES OF FUNDS

I. 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 ₹ 916 lakh (₹ 916 lakh as at March 31, 2020) represented by 4,58,04,297 equity shares of ₹ 2 each (4,58,04,297 equity shares of ₹ 2 each as at March 31, 2020). Out of the same, 4,50,24,297 equity shares of ₹ 2 each (4,50,24,297 equity shares of ₹ 2 each as at March 31, 2020) was subscribed and paid up as at March 31, 2021. The allotment of 7,80,000 equity shares (7,80,000 equity shares as on March 31, 2020) 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.

II. 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 as well as consolidated basis, the balance as at March 31, 2021 amounted to ₹ 66,179 Lakh, which is the same as the previous year.

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. The balance of General Reserve as on March 31, 2021 was ₹ 44,457 Lakh which is the same as previous year on a standalone basis and ₹ 45,512 Lakh as at March 31, 2021 which is same as last year on a consolidated basis.

Capital reserve on business combination: The balance of Capital Reserve on Business Combination as on March 31, 2021 stood at ₹ 10,530 Lakh on a standalone and consolidated basis, which is the same as the previous year.

Retained Earnings: On a standalone basis, the balance in the Retained Earnings as at March 31, 2021 was ₹ 96,368 Lakh, as compared to ₹ 94,429 Lakh in the previous year.

On a consolidated basis, the balance in Retained Earnings as at March 31, 2021 was ₹ 1,24,945 Lakh as compared to ₹ 1,18,203 Lakh in the previous year.

III. Other Reserves:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:			
a)	Share application money pending allotment	**1**	1
b)	Capital redemption reserve	**176**	176
	Total	**177**	177
Consolidated:			
a)	Share application money pending allotment	**1**	1
b)	Capital Redemption Reserve	**176**	176
c)	Liquidity enhancement scheme (LES) reserve	**22**	39
	Total	**199**	216

Capital Redemption reserve of ₹ 176 Lakh has been created representing the nominal value of equity shares bought back.

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), the Company had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's derivatives contracts traded in the Exchange. LES was launched on November 01, 2017 and which was further extended and amended from time to time. An expense of Rs 1,455 Lakhs (Previous year: Rs 1,562 Lakhs has been incurred towards the Scheme for the year ended March 31, 2021.

Further Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2021, INDIA INX has created additional LES reserve of Rs 1,438 lakhs and incurred an expense of Rs 1,455 Lakhs during the year ended March 31, 2021, accordingly LES reserve balance as on March 31, 2021 is Rs 22 Lakhs (As on March 31, 2020: Rs 39 Lakhs). The LES reserve as on March 31, 2021 will not form part of net worth as on March 31, 2021.

Further Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017; INDIA INX has created LES reserve as tabled below:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**39**	8
Add: Transfer from Retained Earning	**1,438**	1,593
Less: LES expenditure incurred during the year	**(1,455)**	(1,562)
Closing Balance	**22**	39

IV. Other Comprehensive Income:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:			
a)	Remeasurements gain / (loss) on the defined employee benefit plans	**106**	(171)
	Total	**106**	(171)
Consolidated:			
a)	Remeasurements gain / (loss) on the defined employee benefit plans	**(29)**	(368)
b)	Foreign Currency Translation Reserve	**1,006**	1,338
	Total	**977**	970

Total Equity: The Total Equity on consolidated basis increased to ₹ 2,49,242 Lakh as on March 31, 2021 from ₹ 2,42,510 Lakh as on March 31, 2020. The book value per equity shares on consolidated basis increased to ₹ 554 as at March 31, 2021 as compared to ₹ 539 as at March 31, 2020.

The Total Equity on standalone basis increased to ₹ 2,18,717 Lakh as on March 31, 2021 from ₹ 2,16,501 Lakh as on March 31, 2020. The book value per equity shares on standalone basis increased to ₹ 486 as at March 31, 2021 as compared to ₹ 481 as at March 31, 2020.

Non-Controlling Interest: New investors had taken minority stake in India INX and India ICC, due to which non-controlling interest of ₹ 1,856 Lakh was generated as at March 31, 2020 on a consolidated basis. The non-controlling interest increased to ₹ 2,351 Lakh as on March 31, 2021.

Share Application Money Pending Allotment: On a consolidated basis, the India INX and India ICC has received share application money of ₹ 1,417 Lakh for which allotment is pending as at March 31, 2021.

Core Settlement Guarantee Fund: On a consolidated basis, the balance of Core Settlement Guarantee Fund as at March 31, 2021 increased by ₹ 10,376 Lakh to ₹ 53,914 Lakh, as compared to ₹ 43,538 Lakh in the previous year.

B. APPLICATION OF FUNDS:

I. Property Plant & Equipment and Investment Property:

Additions to Gross Block - Standalone: During the year, the Company capitalised ₹ 2,792 Lakh to the gross block comprising of ₹ 171 Lakh in Plant & Equipments, ₹ 196 Lakh in Electrical Installations, ₹ 2,408 Lakh in Computer Equipments, ₹ 1 Lakh in Furniture & Fixtures and ₹ 16 Lakh in Office Equipments.

During the previous year, the Company capitalised ₹ 2,407 Lakh to the gross block comprising of ₹ 5 Lakh in Plant & Equipments, ₹ 2 Lakh in Electrical Installations, ₹ 2,365 Lakh in Computer Equipments, ₹ 21 Lakh in Furniture & Fixtures and ₹ 14 Lakh in Office Equipments.

Additions to Gross Block - Consolidated: During the year, the Company capitalised ₹ 3,003 Lakh to the gross block comprising of ₹ 16 Lakh in Leasehold building, ₹ 213 Lakh in Plant & Equipments, ₹ 205 Lakh in Electrical Installations, ₹ 2,545 Lakh in Computer Equipments, ₹ 4 Lakh in Furniture & Fixtures and ₹ 20 Lakh in Office Equipment.

During the previous year, the Company capitalised ₹ 2,696 Lakh to the gross block comprising of ₹ 5 Lakh in Plant & Equipments, ₹ 4 Lakh in Electrical Installations, ₹ 2,648 Lakh in Computer Equipments, ₹ 23 Lakh in Furniture & Fixtures and ₹ 16 Lakh in Office Equipment.

Deductions from Gross Block - Standalone: During the year the Company disposed of various assets with a gross block of ₹ 53 Lakh as compared to ₹ 534 Lakh during the previous year.

Deductions from Gross Block - Consolidated: During the year the Company disposed of various assets with a gross block of ₹ 53 Lakh as compared to ₹ 536 Lakh during the previous year.

Goodwill and Other Intangible Assets - Standalone: During the year, the Company capitalised ₹ 2,243 Lakh in Software as compared to ₹ 528 Lakh in previous year.

Goodwill and Other Intangible Assets - Consolidated: The carrying value of Goodwill was unchanged at ₹ 3,742 Lakh as at March 31, 2021 as compared to previous year. During the year, the Company capitalised ₹ 2,220 Lakh in Software as compared to ₹ 854 Lakh during previous year.

Capital Work in Progress and Intangible under development (CWIP) - Standalone: The carrying value of CWIP was ₹ 380 Lakh as at March 31, 2021 as compared to ₹ 2,316 Lakh as at March 31, 2020.

Capital Work in Progress and Intangible under development (CWIP) - Consolidated: The carrying value of CWIP was ₹ 379 Lakh as at March 31, 2021 as compared to ₹ 2,187 Lakh as at March 31, 2020.

Capital Expenditure Commitments: The estimated value of contracts remaining to be executed on capital account and not provided for are mentioned in below table:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:			
a)	Towards Tangible assets	**545**	1,929
b)	Towards Intangible assets	**72**	309
	Total	**617**	2,238
Consolidated:			
a)	Towards Tangible assets	**641**	2,114
b)	Towards Intangible assets	**72**	309
	Total	**713**	2,423

II. Financial Assets:

Investments:

Investment in Subsidiaries and associate:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:			
a)	Investment in Subsidiaries	**71,505**	68,850
b)	Investment in Associates	**4,723**	4,723
	Total	**76,228**	73,573
Consolidated:			
a)	Investment in Subsidiaries	**2**	2
b)	Investment in Associates	**42,202**	38,622
	Total	**42,204**	38,624

During the year, the company infused further equity in to the following subsidiaries:

Sr. No.	Name of Subsidiary	Amount of additional investment during FY 21
1	BSE Investments Limited	**600**
2	India International Exchange (IFSC) Limited	**2,055**
	Total investments in subsidiaries during FY 21	**2,655**

During the previous year the Company had further divested its 4% stake in its associate company CDSL through "Offer for Sale" route. The profit on divestment amounting to ₹ 9,158 Lakh is reflected as an "Exceptional Item" in the standalone statement of profit and loss for the year ended March 31, 2020 and profit of ₹ 3,204 Lakh is reflected as an "Exceptional Item" in the consolidated statement of profit and loss for the year ended March 31, 2020.

Other Investments:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:			
i.	Bonds and Non-Convertible Debentures	**3,202**	3,200
ii.	Exchange traded funds through asset management company	**1,047**	3,699
iii.	Dividend oriented debt schemes of mutual funds	**-**	4,344
iv.	Growth oriented debt schemes of mutual funds	**1,11,274**	1,26,873
v.	Less: Provision for diminution	**(1,700)**	(1,705)
vi.	Earmarked Investments	**7,648**	6,045
vii.	Accrued Interest	**64**	1
	Total	**1,21,535**	1,42,457
Consolidated:			
i.	Investment in Equity	**60**	-
ii.	Bonds; Non-Convertible Debentures; and G Sec	**5,227**	5,225
iii.	Exchange traded funds through asset management company	**1,047**	3,699
iv.	Dividend oriented debt schemes of mutual funds	**2,514**	7,112
v.	Growth oriented debt schemes of mutual funds	**1,14,864**	1,30,518
vi.	Less: Provision for diminution	**(1,700)**	(1,705)
vii.	Interest accrued	**467**	322
viii.	Earmarked Investments	**19,714**	29,405
	Total	**1,42,193**	1,74,576

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

Trade Receivables: On a standalone basis, trade receivables amounted to ₹ 5,575 Lakh as at March 31, 2021 as compared to ₹ 5,195 Lakh as at March 31, 2020. Average collection period was 46.37 days as compared to 44.86 days in the previous year.

On a consolidated basis, trade receivables amounted to ₹ 8,757 Lakh as at March 31, 2021 as compared to ₹ 6,999 Lakh as at March 31, 2020. Average collection period was 41.46 days as compared to 48.21 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. 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	As at March 31, 2021	As at March 31, 2020
Standalone:		
Opening Balance of Impairment Loss	**3,447**	1,698
Additional Provision during the Year	**1,706**	1,749
Closing Balance of Impairment Loss	**5,153**	3,447
Consolidated:		
Opening Balance of Impairment Loss	**3,503**	1,763
Additional Provision during the Year	**1,715**	1,740
Closing Balance of Impairment Loss	**5,218**	3,503

Cash and Cash equivalents and other bank balances: On a standalone basis, balance in current accounts and deposit accounts including accrued interest stood at ₹ 50,808 Lakh as at March 31, 2021, as compared to ₹ 20,387 Lakh as at March 31, 2020. On a consolidated basis, balance in current accounts and deposit accounts including accrued interest stood at ₹ 1,92,687 Lakh as at March 31, 2021, as compared to ₹ 1,60,918 Lakh as at March 31, 2020.

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:		
In Current Accounts – Own	**1,200**	2,713
In Deposit Accounts – Own	**25,910**	1,205
Total Cash and Bank Balance (Own)	**27,110**	3,918
In Current Accounts – Earmarked	**3,246**	2,055
In Deposit Accounts – Earmarked	**20,452**	14,414
Total Cash and Bank Balance (Earmarked)	**23,698**	16,469
Total Cash and Bank Balance	**50,808**	20,387

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Consolidated:		
In Current Accounts – Own	**3,441**	3,369
In Deposit Accounts – Own including Interest accrued	**35,760**	14,381
Total Cash and Bank Balance (Own)	**39,201**	17,750
In Current Accounts – Earmarked	**19,875**	21,824
In Deposit Accounts – Earmarked including Interest accrued	**1,33,611**	1,21,344
Total Cash and Bank Balance (Earmarked)	**1,53,486**	1,43,168
Total Cash and Bank Balance	**1,92,687**	1,60,918

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)

Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:		
Deposit with public bodies and others	**208**	209
Loan to staff	**58**	73
Bank deposits incl. accrued interest (> 1Year maturity) – Own	**4,052**	3,187
Bank deposits incl. accrued interest (> 1Year maturity) – Earmarked	**4,251**	5,431
Due from subsidiaries	**104**	172
Receivable from Mutual funds	**5,116**	-
Receivable from portfolio management account	**2**	99
Total	**13,791**	9,171
Consolidated:		
Deposit with public bodies and others	**1,547**	1,200
Loan to staff	**75**	99
Receivable from Portfolio Management Account and Mutual Fund	**5,118**	99
Expenses recoverable from subsidiaries	**47**	57
Bank deposits incl accrued interest (> 1Year maturity) – Own	**11,665**	5,176
Bank deposits incl accrued interest (> 1Year maturity) – Earmarked	**12,490**	14,922
Receivable towards incentive scheme	**29**	30
Others	**-**	10
Total	**30,971**	21,593

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 other bank balances. Accrued interest is the interest accrued but not due on the fixed deposits. The amount receivable from portfolio management account represents, the amount remaining to be invested by the portfolio management professionals.

Other Assets:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:		
Gratuity Asset (Net)	**278**	4
Prepaid Expenses	**291**	276
Advance to Creditors	**192**	282
Input Credit Receivable	**541**	288
Total	**1,302**	850
Consolidated:		
Gratuity Asset (Net)	**285**	4
Prepaid Expenses	**793**	578
Advances Recoverable in Cash or in Kind or for value to be received	**15**	49
Advance to Creditors	**197**	287
Core SGF	**174**	-
Input Tax Credit Receivable	**1,229**	1,194
Total	**2,693**	2,112

Input Tax Credit receivable 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.

III. Financial Liabilities:

Trade Payables:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:		
Trade Payables – MSME	**5**	16
Trade Payables – Others	**8,973**	6,756
Total	**8,978**	6,772
Consolidated:		
Trade Payables – MSME	**5**	16
Trade Payables – Others	**9,812**	7,568
Total	**9,817**	7,584

Other Financial Liabilities:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:		
Accrued employee benefit expenses	**3,386**	2,939
Deposits received	**14,743**	14,445
Payable towards Additional Contribution to ISF and IPF	**-**	1,861
Unpaid dividends	**143**	128
Due to subsidiaries	**1,273**	704
Payables on purchase of fixed assets	**-**	463
Earmarked Liabilities	**25,569**	19,822
Total	**45,114**	40,362
Consolidated:		
Accrued employee benefit expenses	**4,211**	3,703
Deposits and margin received	**16,885**	16,322
Payable towards Additional Contribution to ISF and IPF	**-**	1,861
Unpaid dividends	**143**	128
Payables on purchase of fixed assets	**-**	463
Lease obligations	**3**	3
Other Liabilities	**1**	-
Earmarked Liabilities	**25,569**	19,822
Clearing and Settlement	**69,918**	89,240
Total	**1,16,730**	1,31,542

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 which are based on guidelines issued by SEBI. Lease obligations are liabilities which are at a fixed rate of interest having an original repayment period of 5 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 trading platform of the exchanges pending settlement, deposits received from clearing banks and margin money/deposits received from members.

Provisions

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:		
Compensated Absence	**1,325**	1,114
Total	**1,325**	1,114
Consolidated:		
Provision for Gratuity	**270**	281
Compensated Absence	**1,948**	1,722
Total	**2,218**	2,003

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

Income Tax Assets and Liabilities:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:		
Deferred Tax Assets – A	**13,418**	13,165
Deferred Tax Liabilities – B	**2,228**	2,361
Deferred Tax Net (A-B)	**11,190**	10,804
Income Tax Assets – C	**6,707**	5,634
Income Tax Liabilities – D	**944**	944
Income Tax Net (C-D)	**5,763**	4,690
Consolidated:		
Deferred Tax Assets – E	**16,810**	16,881
Deferred Tax Liabilities – F	**2,274**	4,118
Deferred Tax Net (E-F)	**14,536**	12,763
Income Tax Assets – G	**9,904**	8,794
Income Tax Liabilities – H	**944**	993
Income Tax Net (G-H)	**8,960**	7,801

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)

Particulars	As at March 31, 2021	As at March 31, 2020
Standalone:		
Income received in advance	**252**	387
Advance from customers	**3,169**	1,304
Statutory remittances	**11,182**	6,992
Other liabilities	**9,605**	7,853
Total	**24,208**	16,536
Consolidated:		
Income received in advance	**625**	955
Advance from customers	**3,170**	1,306
Statutory remittances	**12,598**	7,349
Other liabilities	**9,615**	7,857
Contribution payable to IPF – Earmarked	**21**	16
Unamortised portion of Capital Subsidy	**46**	68
Total	**26,075**	17,551

Statutory remittances include dues payable to statutory bodies, which have been paid off subsequently before the applicable due dates. Other liabilities include 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 schedule 19 of standalone and consolidated financial statements).

IV. Financial Results:

Standalone Performance:

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20	Variance (%)
A. Income			
Securities services	**16,504**	13,516	22%
Services to corporates	**22,552**	21,195	6%
Data dissemination fees	**3,336**	3,152	6%
Revenue from operations	**42,392**	37,863	12%
Investment income	**11,356**	13,956	(19%)
Other income	**2,757**	2,394	15%
Total income	**56,505**	54,213	4%
B. Expenses			
Employee benefits expense	**8,914**	9,390	(5%)
Computer technology related expenses	**11,482**	13,090	(12%)
Administration and other expenses	**16,011**	18,795	(15%)
Liquidity enhancement scheme expenses	**1,910**	219	772%
Total expenses	**38,317**	41,494	(8%)
C. EBITDA	**18,188**	12,719	43%
EBITDA Margin	**32%**	23%	
Finance Costs	**33**	-	NA
Depreciation and amortisation expense	**5,103**	4,355	17%
D. Profit before exceptional items and tax	**13,052**	8,364	56%
Exceptional items	**(1,453)**	9,158	(116%)
E. Profit before tax	**11,599**	17,522	(34%)
Tax expenses	**1,873**	155	1,108%
F. Net profit after tax	**9,726**	17,367	(44%)
Net margin	**17%**	32%	
Effective tax rate	**16%**	1%	
G. Other comprehensive income	**277**	(25)	1,208%
H. Total comprehensive income for the year	**10,003**	17,342	(42%)

Standalone Income:

(₹ in Lakh)

Particulars	FY 2020-21	% of Total Income	% Growth	FY 2019-20	% of Total Income
Securities Services	**16,504**	29%	22%	13,516	25%
Services to Corporates	**22,552**	40%	6%	21,195	39%
Data Dissemination Fees	**3,336**	6%	6%	3,152	6%
Investment Income	**11,356**	20%	(19%)	13,956	26%
Other Income	**2,757**	5%	15%	2,394	4%
Total Income	**56,505**	100%	4%	54,213	100%

The Total Income for the year was higher by ₹ 2,292 Lakh at ₹ 56,505 Lakh (up 4%). The income from securities services for FY 21 has increased by 22% at ₹ 16,504 Lakh as compared to ₹ 13,516 Lakh for FY 20. This is mainly due to increase in average daily turnover of equity cash segment to ₹ 4,197 crore in FY 21 as compared to ₹ 2,676 crore in FY 20. The average daily number of chargeable orders received for mutual fund segment has also increased from 193485 in FY 20 to 303665 in FY 21. The income from services to corporate for FY 21 has increased by 6% at ₹ 22,552 Lakh as compared to ₹ 21,195 Lakh for FY 20. The increase is mainly due to increase in book building software charges by ₹ 1,632 Lakh to ₹ 3,450 Lakh in FY 21 as compared to ₹ 1,818 Lakh in FY 20. The income from data dissemination for FY 21 has increased by 6% at ₹ 3,336 Lakh as compared to ₹ 3,152 Lakh for FY 20. The increase in income is offset by decrease in investment income by 19% to ₹ 11,356 Lakh in FY 21 as compared to ₹ 13,956 Lakh in FY 20.

Standalone Expenses:

(₹ in Lakh)

Particulars	FY 2020-21	% of Total Income	% Growth	FY 2019-20	% of Total Income
Employee Benefit Expenses	**8,914**	16%	(5%)	9,390	17%
Computer Technology Related Expenses	**11,482**	20%	(12%)	13,090	24%
Regulatory Fees	**4,652**	8%	(32%)	6,861	13%
Legal Fees	**360**	1%	(59%)	872	2%
Professional Fees	**1,357**	2%	17%	1,159	2%
Electricity Charges	**837**	2%	(15%)	988	2%
Repairs & Maintenance	**793**	1%	(7%)	851	2%

(₹ in Lakh)

Particulars	FY 2020-21	% of Total Income	% Growth	FY 2019-20	% of Total Income
Travelling Expenses	**351**	1%	(9%)	385	1%
Operating lease expenses	**73**	0%	3%	71	0%
Impairment loss allowance on trade receivable and financial assets	**1,723**	3%	(32%)	2,540	5%
Clearing house expenses	**3,858**	7%	124%	1,723	3%
Others	**2,007**	4%	(40%)	3,345	6%
Depreciation and Finance Costs	**5,136**	9%	18%	4,355	8%
Liquidity enhancement scheme expenses	**1,910**	3%	772%	219	0%
Total	**43,453**	77%	(5%)	45,849	85%

The Total Expenses for the year were lower by ₹ 2,396 Lakh at ₹ 43,453 Lakh (down 5%). The decrease in expenses is mainly due to decrease in in regulatory cost by ₹ 2,209 Lakh from ₹ 6,861 Lakh in FY 20 to ₹ 4,652 Lakh in FY 21. This was mainly due to provision for additional contribution to ISF and IPF of ₹ 1,861 Lakh in FY 20. Computer technology related expenses reduced by 12% to ₹ 11,482 Lakh in FY 21 from ₹ 13,090 Lakh in FY 20. Legal expenses reduced by 59% to ₹ 360 Lakh in FY 21 from ₹ 872 Lakh in FY 20. The decrease in expenses is mainly offset by increase in clearing and settlement expenses by 124% to ₹ 3,858 Lakh in FY 21 from ₹ 1,723 Lakh in FY 20. The liquidity enhance scheme was introduced in the last quarter of FY 20 and hence there was an increase in the expenses by ₹ 1,691 Lakh to ₹ 1,910 Lakh in FY 21.

Exceptional items:

(₹ in Lakh)

Particulars	FY 2020-21	% of Total Income	% Growth	FY 2019-20	% of Total Income
Net gain on partial disposal of investment in associate measured at cost	**-**	NA	-100%	9,158	17%
Provision for Arbitration expenses	**(1,453)**	(3%)	NA	-	NA
Total	**(1,453)**	(3%)		9,158	17%

S & P Dow Jones Indices LLC and SPDJ Singapore Pte Ltd (hereinafter collectively called as "SPDJ") had filed arbitration proceedings against BSE under Singapore International Arbitration Center's rules, inter alia, challenging the termination of index licensing arrangement by BSE Limited. The final award passed by the Arbitrator Tribunal dated September 17, 2020 inter-alia, held that the termination of the agreements by BSE is invalid, the agreement continues to remain in force and the costs of arbitration, legal and other costs incurred by SPDJ shall be borne by the BSE. Accordingly, an amount of ₹ 1,453 Lakh is payable by BSE to SPDJ with interest upto the date of payment. The said amount has been provided in books of accounts and has been disclosed as an "Exceptional item" for the year ended March 31, 2021. During the FY 20, the Company had further divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through "Offer for Sale" route. The profit on divestment amounting to ₹ 9,158 Lakh is reflected as an "Exceptional Items" in the standalone statement of profit and loss for the year ended March 31, 2020.

Consolidated Performance:

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20	Variance (%)
A. Income			
Securities Services	**21,944**	16,897	30%
Services to Corporate	**22,576**	21,215	6%
Data Dissemination Fees	**3,336**	3,152	6%
Training Institute	**1,300**	2,182	(40%)
IT Services	**981**	1,605	(39%)
Revenue from Operations	**50,137**	45,051	11%
Investment Income	**12,908**	15,866	(19%)
Other Income	**2,420**	2,083	16%
Total Income	**65,465**	63,000	4%
B. Expenses			
Employee Benefit Expense	**14,868**	15,120	(2%)
Computer Technology Related Expenses	**9,479**	11,760	(19%)
Administration & Other Expenses	**18,541**	21,318	(13%)
Liquidity enhancement scheme	**3,365**	1,781	89%
Total Expenses	**46,253**	49,979	(7%)
C. EBITDA	**19,212**	13,021	48%
EBITDA Margin	**29%**	21%	
Depreciation and Amortization Expenses	**5,787**	5,104	13%
Finance Costs	**1,030**	237	335%

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20	Variance (%)
D. Profit before Exceptional Items and Tax	**12,395**	7,680	61%
Exceptional Items [income/ (expenses)]	**(1,453)**	3,204	(145%)
E. Profit before tax and share of net profits of investments accounted for using equity method	**10,942**	10,884	1%
Share of profit of associates	**4,315**	2,665	62%
F. Profit before tax	**15,257**	13,549	13%
Tax Expenses	**1,087**	1,488	(27%)
G. Net Profit for the year	**14,170**	12,061	17%
Net Profit attributable to the shareholders of the Company	**14,490**	12,227	19%
Net Profit attributable to the non-controlling interest	**(320)**	(166)	93%
Net Margin	**22%**	19%	
Effective Tax Rate	**7%**	11%	
H. Other Comprehensive Income	**(23)**	1,102	(102%)
I. Total comprehensive	**14,147**	13,163	7%
Total comprehensive income attributable to the shareholders of the Company	**14,497**	13,230	10%
Total comprehensive income attributable to the non-controlling interest	**(350)**	(67)	422%

Consolidated Income:

(₹ in Lakh)

Particulars	FY 2020-21	% of Total Income	% Growth	FY 2019-20	% of Total Income
Securities Services	**21,944**	34%	30%	16,897	27%
Services to Corporates	**22,576**	34%	6%	21,215	34%
Data Dissemination Fees	**3,336**	5%	6%	3,152	5%
Training Institute	**1,300**	2%	(40%)	2,182	3%
Sale of Software Licenses, Development, Customisation & Maintenance of Software	**981**	1%	(39%)	1,605	3%
Investment Income	**12,908**	20%	(19%)	15,866	25%
Other Income	**2,420**	4%	16%	2,083	3%
Total Income	**65,465**	100%	4%	63,000	100%

The Total Income for the year was higher by ₹ 2,465 Lakh at ₹ 65,465 Lakh (up 4%). The income from securities services for FY 21 has increased by 30% at ₹ 21,944 Lakh as compared to ₹ 16,897 Lakh for FY 20. This is mainly due to increase in average daily turnover of equity cash segment to ₹ 4,197 crore in FY 21 as compared to ₹ 2,676 crore in FY 20. The average daily number of chargeable orders received for mutual fund segment has also increased from 193485 in FY 20 to 303665 in FY 21. The income from services to corporate for FY 21 has increased by 6% at ₹ 22,576 Lakh as compared to ₹ 21,215 Lakh for FY 20. The increase is mainly due to increase in book building software charges by ₹ 1,632 Lakh to ₹ 3,450 Lakh in FY 21 as compared to ₹ 1,818 Lakh in FY 20. The income from data dissemination for FY 21 has increased by 6% at ₹ 3,336 Lakh as compared to ₹ 3,152 Lakh for FY 20. The increase in income is offset by decrease in investment income by 19% to ₹ 12,908 Lakh in FY 21 as compared to ₹ 15,866 Lakh in FY 20. The income from training for FY 21 has decreased by 40% at ₹ 1,300 Lakh as compared to ₹ 2,182 Lakh for FY 20. The income from sale of software licenses for FY 21 has decreased by 39% at ₹ 981 Lakh as compared to ₹ 1,605 Lakh for FY 20.

Consolidated Expenses:

(₹ in Lakh)

Particulars	FY 2020-21	% of Total Income	% Growth	FY 2019-20	% of Total Income
Employee Benefit Expenses	**14,868**	23%	(2%)	15,120	24%
Computer Technology Related Expenses	**9,479**	15%	(19%)	11,760	19%
Regulatory Fees	**5,375**	8%	(24%)	7,031	11%
Legal Fees	**388**	1%	(56%)	877	1%
Professional Fees	**2,076**	3%	1%	2,046	3%
Electricity Charges	**914**	1%	(15%)	1,077	2%
Repairs & Maintenance	**873**	1%	(7%)	942	2%
Travelling Expenses	**461**	1%	(31%)	668	1%
Operating lease expenses	**214**	0%	(20%)	269	0%

(₹ in Lakh)

Particulars	FY 2020-21	% of Total Income	% Growth	FY 2019-20	% of Total Income
Impairment loss allowance on trade receivable and financial assets	**1,614**	3%	(36%)	2,531	4%
Clearing house expenses	**2,637**	4%	229%	802	1%
Others	**3,989**	6%	(21%)	5,075	8%
Depreciation & Finance Costs	**6,817**	10%	28%	5,341	9%
Liquidity enhancement scheme expenses	**3,365**	5%	89%	1,781	3%
Total	**53,070**	81%	(4%)	55,320	88%

The Total Expenses for the year were lower by ₹ 2,250 Lakh at ₹ 53,070 Lakh (down 4%). The decrease in expenses is mainly due to decrease in computer technology related expenses by 19% to ₹ 9,479 Lakh in FY 21 as compared to ₹ 11,760 Lakh in FY 20. Legal expenses reduced by 56% to ₹ 388 Lakh in FY 21 from ₹ 877 Lakh in FY 20. The liquidity enhance scheme increased by 89% to ₹ 3,365 Lakh in FY 21 from ₹ 1,781 Lakh in FY 20.

Exceptional items:

(₹ in Lakh)

Particulars	FY 2020-21	% of Total Income	% Growth	FY 2019-20	% of Total Income
Provision for Arbitration expenses	**(1,453)**	(2%)	NA	-	0%
Net gain on partial disposal of investment in subsidiary/associate measured at cost	**-**	0%	NA	3,204	5%
Total	**(1,453)**	(2%)		3,204	5%

S & P Dow Jones Indices LLC and SPDJ Singapore Pte Ltd (hereinafter collectively called as "SPDJ") had filed arbitration proceedings against BSE under Singapore International Arbitration Center's rules, inter alia, challenging the termination of index licensing arrangement by BSE Limited. The final award passed by the Arbitrator Tribunal dated September 17, 2020 inter-alia, held that the termination of the agreements by BSE is invalid, the agreement continues to remain in force and the costs of arbitration, legal and other costs incurred by SPDJ shall be borne by the BSE. Accordingly, an amount of ₹ 1,453 Lakh is payable by BSE to SPDJ with interest upto the date of payment. The said amount has been provided in books of accounts and has been disclosed as an "Exceptional item" for the year ended March 31, 2021. During the FY 2019-20, the Company had further divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through "Offer for Sale" route. The profit on divestment amounting to ₹ 3,204 Lakh is reflected as an "Exceptional Items" in the consolidated statement of profit and loss for the year ended March 31, 2020.

V. Cash Flow

Standalone:

Summary of standalone cash flow statement is given below:

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Operating activities	**6,520**	6,608
Investing activities	**9,819**	58,038
Financing activities	**(7,787)**	(63,463)
Net increase in cash and cash equivalents	**8,552**	1,183
Cash and cash equivalents at the beginning of the year	**3,011**	1,828
Cash and cash equivalents at the end of the year	**11,563**	3,011

In FY 21, there was a cash inflow from operating activities amounting to ₹ 6,520 Lakh as compared to cash inflow of ₹ 6,608 Lakh in FY 20.

There was cash inflow from investing activities amounting to ₹ 9,819 Lakh in FY 21 as compared to cash inflow of ₹ 58,038 Lakh in FY 20.

The cash outflow from financing activities was lower in FY 21 at ₹ 7,787 Lakh as compared to cash outflow of ₹ 63,463 Lakh in FY 20.

Consolidated:

Summary of consolidated cash flow statement is given below:

(₹ in Lakh)

Particulars	FY 2020-21	FY 2019-20
Operating activities	**(6,787)**	39,671
Investing activities	**(18,939)**	47,029
Financing activities	**(5,525)**	(61,777)
Net increase / (decrease) in cash and cash equivalents	**(31,251)**	24,923
Cash and cash equivalents at the end of the year	**41,615**	72,866
Cash and cash equivalents at the beginning of the year	**72,866**	47,943

In FY 21, there was a cash outflow from operating activities amounting to ₹ 6,787 Lakh as compared to cash inflow of ₹ 39,671 Lakh in FY 20.

There was cash outflow from investing activities amounting to ₹ 18,939 Lakh in FY 21 as compared to cash inflow of ₹ 47,029 lakh in FY 20.

The cash outflow from financing activities was lower in FY 21 at ₹ 5,5,25 Lakh as compared to cash outflow of ₹ 61,777 Lakh in FY 20.

Earnings per Share (EPS)

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

Particulars	FY 2020-21	FY 2019-20	% Increase
Standalone:			
Basic and diluted EPS before exceptional items (INR)	**23.30**	16.72	39%
Basic and diluted EPS after exceptional item (INR)	**21.23**	35.37	(40%)
Consolidated:			
Basic and diluted EPS before exceptional items (INR)	**33.00**	18.04	83%
Basic and diluted EPS after exceptional item (INR)	**30.94**	24.57	26%

VI. Segment-wise reporting - Consolidated

The Company operated in one reportable business segment viz: Stock Exchange Operations i.e., Facilitating Trading in Securities and other related ancillary Services as at the reporting date, and therefore has only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments".

VII. Material developments after balance sheet date

No major developments to be reported.

Corporate Governance Report

The Corporate Governance Report for Financial Year ("FY") 2020-21, which forms part of Boards' Report, is prepared pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

BSE Limited ("the Company" or "BSE" or "Exchange") is in compliance with all the requirements stipulated under Listing Regulations and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations").

1. PHILOSOPHY

BSE believes in adopting the best Corporate Governance practices since its inception. The philosophy of the Company on Corporate Governance is to ensure transparency, accountability, integrity and equity in all its operations, provide disclosures, and enhance stakeholder value without compromising in any way on compliance with the applicable laws and regulations. Thus, for BSE, Corporate Governance is not merely about compliance with legislations but also about commitment to values, principles, ethical business conduct and transparency by ensuring honest and professional business practices and establishing an environment of trust and confidence among stakeholders.

BSE's Corporate Governance reflects its value system encompassing its culture, policies, and relationships with its stakeholders. The Company believes that good governance brings sustained corporate growth and long-term benefits for all its stakeholders. BSE as an organization is committed to do things in a right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislation in true letter and spirit. Apart from being, the first Universal and listed Exchange of the country, BSE is the oldest Exchange in Asia as well as the fastest and largest Exchange in the world in terms of equity stocks listed. BSE has been demonstrating the highest standards of Corporate Governance principles and is striving to improve them continually by setting its standard in line with the best Corporate Governance practices in the world.

The Corporate Governance philosophy of BSE has been further strengthened with the adoption of the Code of Conduct and Code of Ethics for Board of Directors and Senior Management including Key Managerial Personnel and its entire management cadre. BSE has also devised a Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

2. BOARD OF DIRECTORS

BSE actively seeks to adopt best global practices and believes in having a diverse Board of Directors ("Board") to allow better Corporate Governance. Hence, the Board of BSE is an ideal mix of knowledge, professionalism and experience, and discharges its responsibilities providing effective leadership to business. The Board of BSE, being at the core of the Corporate Governance practices, plays a pivotal role in overseeing the management in serving and protecting the long-term interests of all its stakeholders.

The Managing Director & CEO ("MD & CEO") is responsible for the day-to-day management of the Company, subject to the supervision, direction and control of the Board, and ensures to apprise them at every meeting on the performance of the Company. He is ably assisted by the Executive Management Committee for implementing the decisions and strategic policies of the Board for effective execution.

Being a Recognized Stock Exchange, appointment of all the categories of Directors of the Company have been approved by Securities and Exchange Board of India ("SEBI").

A. COMPOSITION OF THE BOARD

As per Regulations 23(1) and 23(3) of SECC Regulations, the Board of the Company shall comprise of Public Interest Directors, Shareholder Directors and Managing Director, and the number of Public Interest Directors shall not be lesser than the number of Shareholder Directors of the Company. Further, Regulation 23(4) of SECC Regulations prescribes that the Managing Director shall be included in the category of Shareholder Directors.

As per Regulation 2(1)(o) of SECC Regulations, Public Interest Director has been defined 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. Further, as per Regulation 2(1)(t) of SECC Regulations, Shareholder director has been defined as a director who represents the interest of shareholders and elected or nominated by such shareholders who are not trading members or clearing members, as the case may be, or their associates and agents.

Pursuant to Regulation 20 of SECC Regulations, all the Directors of the Company ensured to be fit and proper persons.

As on March 31, 2021, the Board consisted of eight Directors, out of which six were Public Interest Directors and two were Shareholder Directors (including Shri Ashishkumar Chauhan, MD & CEO of the Company), all being professionals having experience in diverse areas. The said composition of the Board was in compliance with the Companies Act, 2013 ("the Act"), Listing Regulations and SECC Regulations.

CHANGES IN COMPOSITION DURING THE YEAR:

Smt. Usha Sangwan retired as the Shareholder Director of the Company at the 15th Annual General Meeting held on July 30, 2020. In the said Annual General Meeting Shareholders approved the appointment of Shri T. C. Suseel Kumar as Shareholder Director, subject to SEBI approval. Post receipt of SEBI approval, Shri T. C. Suseel Kumar was appointed as Shareholder Director of the Company w.e.f. October 22, 2020.

SEBI approved the extension of tenure of Shri S. S. Mundra and Shri David Wright as Public Interest Directors for a further period of three years w.e.f. January 17, 2021 and March 16, 2021, respectively.

B. DETAILS OF DIRECTORS, BOARD MEETINGS, ATTENDANCE RECORDS OF BOARD AND OTHER DIRECTORSHIP(S)

During the FY 2020-21, seven Board Meetings were held on May 21, 2020, June 9, 2020, August 3, 2020, November 7, 2020, December 5, 2020, February 11, 2021 and February 22, 2021, and not more than one hundred and twenty days elapsed between any two meetings.

The necessary quorum was present for all the meetings with the presence of maximum Public Interest Directors as required under SECC Regulations. Due to COVID-19 pandemic prevailing all over the world, all the Board meetings were enabled to be attended through video conferencing to facilitate Directors to participate virtually thereby ensuring their safety.

The details of Board including the category, attendance of the Directors at the aforesaid Board Meetings and the last Annual General Meeting ("AGM") along with the number of Directorship(s) and Committee membership(s) in other companies of Directors are as follows:

Name of the Director (DIN) & Category	Attendance at the Board Meetings	Attendance at last AGM held on July 30, 2020	Other Directorship*	Committee position**		Name of listed entity and Category of Directorship (Executive/ Non-Executive) ***
				Chairperson	Member	
Public Interest Directors						
Justice Vikramajit Sen (DIN 00866743)	7/7	Yes	1	-	1	• DCM Shriram Limited
Shri Sumit Bose (DIN 03340616)	7/7	Yes	5	4	6	• Coromandel International Limited • HDFC Life Insurance Company Limited • J B Chemicals and Pharmaceuticals Limited
Shri S. S. Mundra[1] (DIN 00979731)	7/7	Yes	5	1	4	• Indiabulls Housing Finance Limited • PTC India Limited • Havells India Limited
Shri David Wright[2] (DIN 08064288)	7/7	Yes	-	-	1	Nil
Shri Umakant Jayaram (DIN 08334815)	7/7	Yes	-	-	1	Nil
Sushri Jayshree Vyas (DIN 00584392)	7/7	Yes	2	-	2	• Equitas Holdings Limited
Shareholders Directors						
Shri T. C. Suseelkumar[3] (DIN 06453310)	4/4	Not Applicable	2	1	2	• Lakshmi Machine Works Limited • Axis Bank Limited
Smt. Usha Sangwan[4] (DIN 02609263)	1/2	No	3	-	-	Not Applicable
Shri Ashishkumar Chauhan (MD & CEO) (DIN 00898469)	7/7	Yes	5	-	1	Nil

1. Re-appointed as Public Interest Director w.e.f. January 17, 2021

2. Re-appointed as Public Interest Director w.e.f. March 16, 2021

3. Appointed as Shareholder Director w.e.f October 22, 2020

4. Retired as Shareholder Director w.e.f July 30, 2020

**While calculation of number of other Directorships, BSE Limited and other Companies i.e. private limited companies, foreign companies and Section 8 companies under the Act are not considered.*

***For purpose of determination of committee position, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.*

****All Directors are non-executive directors in other listed Companies.*

All Directors, excluding Shri Ashishkumar Chauhan, MD & CEO, are Non–Executive Directors. None of the Directors of your Company are inter-se related to each other. None of the Directors hold any equity shares of the Company. Further, the Company has not issued any convertible instrument.

C. CONFIRMATION OF INDEPENDENCE

In terms of Regulation 25(8) of the Listing Regulations, Public Interest Directors ("Independent Directors") have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Public Interest Directors, the Board of Directors has confirmed that they meet the criteria as mentioned under Section 149(6) of the Act and under Regulation 16(1)(b) and 25(8) of the Listing Regulations and they are independent of the management.

D. 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 at 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 2020-21 and is attached as **Annexure A**.

The Company being a Recognized Stock Exchange, 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.

E. FAMILIARIZATION PROGRAMMES

Pursuant to Regulation 25(7) of the Listing Regulations, the management conducts familiarization programmes for its Directors which includes discussion on industry outlook and updates on various matters viz. Regulatory, Business, Trading Operations, Finance, Internal Control, Information Technology etc.

The details of programmes for familiarization of Directors is available on the Company's website at https://www.bseindia.com/downloads1/Familiarisation_Programme_for_Independent_Directors.pdf.

F. MATRIX SETTING OUT SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:

Names of Directors	Areas of Expertise							
	Technology	Legal & Administrative	Stakeholder relationship	Strategy development	Finance	Corporate Governance	Leadership	Capital Market Understanding
Justice Vikramajit Sen (Public Interest Director)	✓	✓	✓	✓	-	✓	✓	✓
Shri Ashishkumar Chauhan (MD & CEO)	✓	✓	✓	✓	✓	✓	✓	✓
Shri Sumit Bose (Public Interest Director)	✓	✓	✓	✓	✓	✓	✓	✓

Names of Directors	Areas of Expertise							
	Technology	Legal & Administrative	Stakeholder relationship	Strategy development	Finance	Corporate Governance	Leadership	Capital Market Understanding
Shri S. S. Mundra (Public Interest Director)	-	✓	-	✓	✓	✓	✓	✓
Shri David Wright (Public Interest Director)	✓	-	-	-	-	✓	✓	✓
Shri Umakant Jayaram (Public Interest Director)	✓	-	-	-	✓	✓	✓	✓
Sushri Jayshree Vyas (Public Interest Director)	-	✓	✓	-	✓	✓	✓	✓
Shri T. C. Suseelkumar (Shareholder Director)	✓	✓	✓	✓	✓	✓	✓	✓

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes.

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

The Audit Committee meetings are attended by Statutory Auditors, Internal Auditors and other officials from the Finance function of the Company. The minutes of the meetings of the Committee are placed before the Board for noting. Smt. Prajakta Powle, Company Secretary & Compliance Officer, functions as Secretary of the 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) Modified opinion(s) 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 utilization 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. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances / investments existing as on the date of coming into force of this provision.
25. Reviewing the compliances under SEBI (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
26. Carrying out any other function as is mentioned in the terms of reference of the Committee.

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.

Review of Information

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Committee.
6. Statement of deviations:
   a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

II. Composition and Attendance

During the FY 2020-21, four Audit Committee meetings were held on May 21, 2020, August 3, 2020, November 7, 2020 and February 11, 2021. The gap between any two meetings did not exceed one hundred and twenty days.

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

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Member	Category	Nature of membership	No. of meetings	
			Held	Attended
Shri Sumit Bose	Public Interest Director	Chairman	4	4
Shri S. S. Mundra	Public Interest Director	Member	4	4
Shri Umakant Jayaram	Public Interest Director	Member	4	4
Sushri Jayshree Vyas	Public Interest Director	Member	4	4
Justice Vikramajit Sen[1]	Public Interest Director	Member	1	1
Shri T.C. Suseel Kumar[1]	Shareholder Director	Member	1	1
Smt. Usha Sangwan[2]	Shareholder Director	Member	1	0

1. Justice Vikramajit Sen and Shri T. C. Suseel Kumar were appointed as Members w.e.f. November 26, 2020

2. Smt. Usha Sangwan retired as Shareholder Director with effect from July 30, 2020

The previous AGM of the Company was held on July 30, 2020 with presence of the Chairperson of the Audit Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company has complied with the requirements of Section 178 of the Act, Regulation 19 of the Listing Regulations and Regulation 29 of SECC Regulations, applicable in relation to composition of the Nomination and Remuneration Committee.

The Committee is vested with all the necessary powers and authority to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out evaluation of every Director's performance.

The Committee meetings are also attended by such Company officials, as may be considered appropriate. The minutes of the meetings of the Committee are placed before the Board for noting. Smt. Prajakta Powle, Company Secretary & Compliance Officer, functions as Secretary of the Committee.

I. Terms of Reference

1. Identification and nomination of suitable candidates for the Board's approval in relation to appointment and removal of Directors and Key Managerial Personnel and Senior Management.
2. 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.
3. Making recommendations to the Board in relation to the remuneration payable to the Directors and Key Managerial Personnel and Senior Management, in terms of the policy of the Company.
4. Determining the tenure of Key Management Personnel other than a Director, posted in a regulatory department.
5. Selecting the Managing Director.
6. Formulating criteria for evaluation of performance of the Board of Directors and Independent Directors.
7. Devising a policy on Board diversity.
8. Laying out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.
9. 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.
10. Framing & Reviewing the performance review policy to carry out evaluation of every Director's performance including that of Public Interest Director.
11. Recommend to the Board, all remuneration in whatever form, payable to senior management.
12. Recommending whether to extend the tenure of appointment of the Public Interest Director on the basis of internal and external performance evaluation; and
13. Carrying out such other functions as may be specified by the Board from time to time.

    As per Section 178(4) of the Act, the Nomination and Remuneration Committee shall, while formulating the policy under sub section (3) ensure that:

    1. 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.
    2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    3. 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.

II. Composition and Attendance

During the FY 2020-21, four Nomination and Remuneration Committee meetings were held on May 18, 2020, June 5, 2020, October 27, 2020 and November 7, 2020.

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

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Member	Category	Nature of membership	No. of meetings	
			Held	Attended
Shri S. S. Mundra	Public Interest Director	Chairman	4	4
Shri David Wright	Public Interest Director	Member	4	4
Shri Umakant Jayaram	Public Interest Director	Member	4	4
Sushri Jayshree Vyas	Public Interest Director	Member	4	4
Shri Sumit Bose[1]	Public Interest Director	Member	NA	NA

1. Shri Sumit Bose was appointed as Member w.e.f. November 26, 2020

The previous AGM of the Company was held on July 30, 2020 with presence of the Chairperson of the Nomination and Remuneration Committee.

III. Performance Evaluation criteria of the Board

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee, adopted board evaluation policy to comply with the various provisions of the Act, Listing Regulations, SECC Regulations, SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation ("SEBI Guidance Note") and SEBI circular dated February 5, 2019.

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 of: (i) individual Directors (including the Chairperson and Public Interest Directors); (ii) the Board as a whole; and (iii) various committees of the Board, on an annual basis.

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

- **Internal 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 are considered for evaluation. Additionally, timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., are also taken into account.

- **External Evaluation of Public Interest Directors**
  As per SECC Regulations, Public Interest Directors can be nominated by SEBI on the Board of a Recognized Stock Exchange for an initial term of three years, extendable by another term of three years subject to performance review prescribed by SEBI. SEBI vide its circular dated February 5, 2019, has mandated that the Public Interest Directors shall also be subject to an external evaluation during the last year of their term by a management or a human resource consulting firm.

- **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 inter-alia, includes 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 performances of the Committees are evaluated based on following parameters:
  - Mandate and composition
  - Effectiveness of the Committees
  - Structure of the Committees and their meetings
  - Independence of the Committees from the Board
  - Contribution to the 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.

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 Stakeholders' Relationship/ Share Allotment Committee.

I. Composition and Attendance

During the FY 2020-21, one Stakeholders Relationship Committee meeting was held on February 11, 2021.The necessary quorum was present for the meeting. The composition of the Committee along with the details of the meeting held and attended during the aforesaid period is detailed below:

Name of Member	Category	Nature of membership	No. of meetings	
			Held	Attended
Shri T.C. Suseel Kumar[1]	Shareholder Director	Chairman	1	1
Shri S. S. Mundra	Public Interest Director	Member	1	1
Sushri Jayshree Vyas	Public Interest Director	Member	1	1
Shri David Wright[1]	Public Interest Director	Member	1	1
Shri Ashishkumar Chauhan	MD & CEO	Member	1	1
Smt. Usha Sangwan[2]	Shareholder Director	Chairperson	NA	NA

1. Shri T.C. Suseel Kumar and Shri David Wright were appointed w.e.f. November 26, 2020

2. Smt. Usha Sangwan retired as Shareholder Director w.e.f. July 30, 2020

Smt. Prajakta Powle, Company Secretary & Compliance Officer, functions as Secretary of the Committee.

II. Status Report of Investor Complaints for the year ended March 31, 2021

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	7	7	0

All complaints were resolved to the satisfaction of shareholders of the Company.

The previous AGM of the Company was held on July 30, 2020 and Smt. Usha Sangwan, Shareholder Director and Chairperson of Stakeholders' Relationship/ Share Allotment Committee had authorized MD& CEO to attend the meeting and respond to Shareholders queries.

D. PUBLIC INTEREST DIRECTORS MEETINGS

The Company has complied with Regulation 26 read with part A of schedule II of SECC Regulations. As per the aforesaid Regulations, Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues. Smt. Prajakta Powle, Company Secretary & Compliance Officer, facilitates conduct of Public Interest Directors Meetings.

I. Composition and Attendance:

During the FY 2020-21, four Public Interest Directors meetings were held on May 18, 2020, July 29, 2020, October 30, 2020 and February 2, 2021. The necessary quorum was present for the meetings. The details of the meetings held and attended during the aforesaid period is tabled below:

Name of Member	Category	Nature of membership	No. of meetings	
			Held	Attended
Justice Vikramajit Sen	Public Interest Director	Chairman	4	4
Shri S. S. Mundra	Public Interest Director	Member	4	4
Shri Sumit Bose	Public Interest Director	Member	4	4
Shri David Wright	Public Interest Director	Member	4	4
Shri Umakant Jayaram	Public Interest Director	Member	4	4
Sushri Jayshree Vyas	Public Interest Director	Member	4	4

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

I. Composition and Attendance:

During the FY 2020-21, one Corporate Social Responsibility Committee meeting was held on February 2, 2021. The necessary quorum was present for the meeting. The composition of the Committee along with the details of the meeting held and attended during the aforesaid period is detailed below:

Name of Member	Category	Nature of membership	No. of meetings	
			Held	Attended
Sushri Jayshree Vyas	Public Interest Director	Chairperson	1	1
Shri Ashishkumar Chauhan	MD & CEO	Member	1	1
Shri Umakant Jayaram	Public Interest Director	Member	1	1
Justice Vikramajit Sen[1]	Public Interest Director	Member	1	1
Shri David Wright[1]	Public Interest Director	Member	1	1
Shri T.C. Suseel Kumar[1]	Public Interest Director	Member	1	1

1. Justice Vikramajit Sen, Shri David Wright and Shri T.C. Suseel Kumar were appointed as members w.e.f. November 26, 2020

F. RISK MANAGEMENT COMMITTEE

The Company has complied with the requirements of Regulation 21 of the Listing Regulations, Regulation 29 of SECC Regulations and the Act, applicable in relation to composition of the Risk Management Committee.

I. Terms of Reference

1. Review and oversight with regards to identification, evaluation, and mitigation of the strategic, operational, technology, cyber risk, and compliance risks.
2. Reviewing and approving risk related disclosures.
3. Monitoring and approving the risk management framework and associated practices of the Company.

II. Composition and Attendance

During the FY 2020-21, five Risk Management Committee meetings were held on May 18, 2020, June 16, 2020, July 29, 2020, October 27, 2020 and February 13, 2021. The necessary quorum was present for all the meetings.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Member	Category	Nature of membership	No. of meetings	
			Held	Attended
Shri David Wright	Public Interest Director	Chairman	5	5
Shri S. S. Mundra	Public Interest Director	Member	5	5
Justice Vikramajit Sen	Public Interest Director	Member	5	5
Shri Sumit Bose	Public Interest Director	Member	5	5
Shri Umakant Jayaram	Public Interest Director	Member	5	5
Sushri Jayshree Vyas	Public Interest Director	Member	5	5
Shri Sanjay Banerji	Independent External Person	Member	5	5

4. REMUNERATION OF DIRECTORS

A. PECUNIARY RELATIONSHIPS OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS

All Directors, excluding Shri Ashishkumar Chauhan, MD & CEO, are Non–Executive Directors. None of the Non-Executive Directors had any other pecuniary relationship or transactions with the Company during FY 2020-21.

B. CRITERIA/DETAILS OF REMUNERATION TO NON-EXECUTIVE DIRECTORS

As per Regulation 24(9) of SECC Regulations, Public Interest Directors shall be remunerated only by way of sitting fees. The following table sets out the details of sitting fees paid to the Directors for FY 2020–21:

Sr. No.	Names of Non-Executive Directors	Sitting Fees (₹)
1	Justice Vikramajit Sen	22,00,000
2	Shri Sumit Bose	22,30,000
3	Shri S. S. Mundra	21,50,000
4	Shri David Wright	18,30,000
5	Shri Umakant Jayaram	23,10,000
6	Sushri Jayshree Vyas	19,80,000
7	Shri T. C. Suseel Kumar[1]	7,40,000
8	Smt. Usha Sangwan[2]	1,00,000

1. Shri T. C. Suseel Kumar was appointed w.e.f. October 22, 2020

2. Smt. Usha Sangwan retired as Shareholder Director w.e.f. July 30, 2020

None of the Directors were in receipt of any Commission from the Company or any remuneration from its subsidiaries.

DETAILS OF REMUNERATION PAID TO MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

The details of remuneration paid to MD & CEO during the FY 2020-21 are tabled below:

Particulars	Amount (₹)
Basic Salary	1,80,00,000
Allowances & Perquisites	4,48,60,371
Variable Pay based on performance	1,91,70,307
PF Contribution	21,60,000
Total[1]	**8,41,90,678**

1. Total remuneration stated above is excluding 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 2020-21 as per the SECC Regulations

- As per SECC Regulations, Managing Director being a Key Management Personnel of the Exchange is not entitled to any stock options.
- Appointment of MD & CEO is governed by a service contract.

5. GENERAL BODY MEETINGS

A. THE DETAILS OF THE LAST THREE ANNUAL GENERAL MEETING AND SPECIAL RESOLUTIONS PASSED (IF ANY)

Details of General Meetings	Date and Time	Venue	Description of Special Resolution
13th Annual General Meeting (2017-18)	Thursday, August 2, 2018 at 11.00 a.m.	Sir Dinshaw Petit International Convention Hall, 1st Floor, P. J. Towers, Dalal Street, Mumbai - 400 001.	-
14th Annual General Meeting (2018-19)	Monday, July 15, 2019 at 11.30 a.m.		Approval for buyback of equity shares of the Company
15th Annual General Meeting (2019-20)	Thursday, July 30, 2020 at 3.00 p.m.	Meeting held through Video Conferencing/Other Audio-Visual Means	-

B. DETAILS OF POSTAL BALLOT

During the year under review, the Company had not proposed any resolution through postal ballot.

6. MEANS OF COMMUNICATIONS WITH SHAREHOLDERS

The quarterly and annual financial results of the Company are published in Financial Express, English newspaper having nationwide circulation and in Navshakti, a Marathi vernacular newspaper.

The results are available on the website of the Company at https://www.bseindia.com/index.html. The website also contains link to official news releases, investor presentations along with all material information pertaining to the Company. Meetings with Institutional Investors/ Analysts organized by the Company are also hosted on the website of 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. The quarterly results, shareholding pattern and all other corporate communication are also available on the website of National Stock Exchange of India Limited ("NSE"), where the Company is listed.

7. GENERAL SHAREHOLDER INFORMATION

A. SIXTEENTH ANNUAL GENERAL MEETING

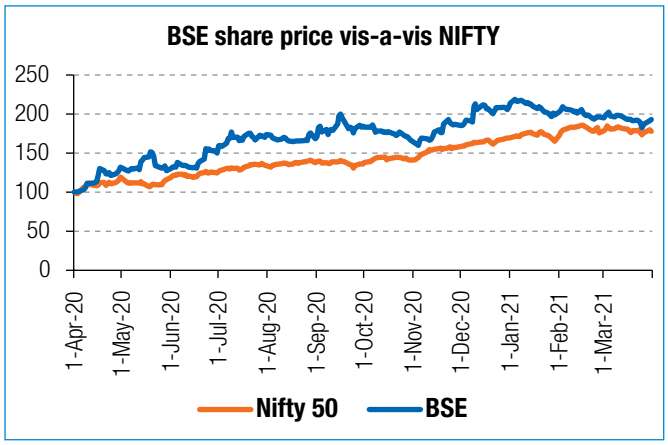
Day and Date	Tuesday, August 24, 2021
Time	3:00 P.M.
Venue	The Company is conducting meeting through Video Conferencing /Other Audio/Visual Means pursuant to the MCA Circular dated January 13, 2021, read with MCA Circular dated May 5, 2020. For details please refer to the Notice of this AGM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company , which shall be the deemed venue of AGM.
Financial year	April 1, 2020 to March 31, 2021
Dividend Payment date and record date for such dividend	Dividend, if declared at the AGM will be paid on or before Wednesday, September 22, 2021 to those Shareholders whose names appear in the Register of Members of the Company as on Friday, August 6, 2021 (close of business hours of Record date).
Listed on Stock Exchange	Equity Shares National Stock Exchange of India Limited, "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
Annual Listing Fees	The Company hereby confirms that Annual Listing Fees for FY2020-21 is paid to NSE.
Stock Code/Symbol	BSE
ISIN	INE118H01025

B. STOCK MARKET PRICE DATA MONTH WISE

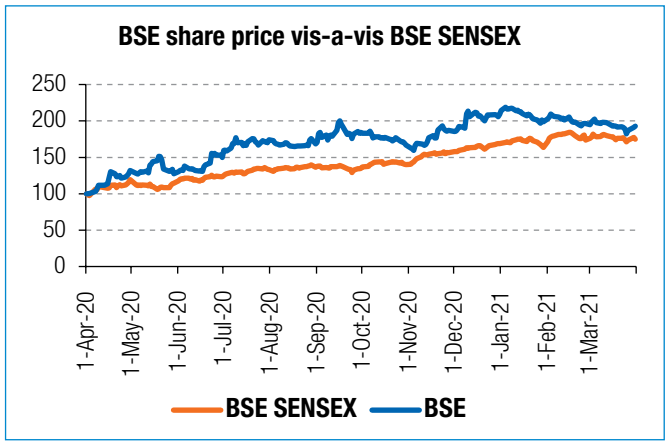
Month	Stock Market price of BSE on NSE		
	High Price (in ₹)	Low Price (in ₹)	Volume (No. of equity shares)
April 2020	408	288.9	40,67,770
May 2020	462.9	371.6	46,72,594
June 2020	504.8	380.2	53,32,267
July 2020	558.7	440.5	98,86,083
August 2020	528.7	481.55	54,31,481
September 2020	608	491.8	1,63,75,113
October 2020	555.95	491	36,26,321
November 2020	588	466	76,43,548
December 2020	649.4	544.55	1,80,87,654
January 2021	658	576.2	78,00,046
February 2021	631	571	83,10,234
March 2021	608.75	535.5	60,30,116

Source: NSE data

Performance of BSE share price vis-à-vis Nifty 50 and BSE SENSEX Index



Note: BASE = 100 (April 1, 2020)



Note: BASE = 100 (April 1, 2020)

C. SHARE TRANSFER SYSTEM

99.78% 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 Recognized Stock Exchange shall be in demat mode only. Further, as per provision of Regulation 40 of Listing Regulations, requests for effecting transfer of securities shall not be processed unless the securities are held in demat mode with a depository. Also, SEBI vide its circular, had emphasized on dematerialized shares, in cases where shares of a listed entity, have been held in physical mode. Therefore, shareholders holding shares in physical mode are instructed to get the same dematerialized by making an application to their respective Depository Participant(s).

D. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021:

Range of Equity Shares held	No. of Shareholders/ Accounts	Percentage of Shareholders/ Accounts (%)	No. of Shares held	Percentage of Shares held (%)
1-5000	2,01,403	99.37	1,43,18,431	31.80
5001-10000	511	0.25	18,60,917	4.13
10001-20000	273	0.13	19,50,779	4.33
20001-30000	105	0.05	13,01,771	2.89
30001-40000	69	0.03	12,31,006	2.73
40001-50000	56	0.03	12,69,160	2.82
50001-100000	140	0.07	48,14,742	10.69
100001 and above	113	0.06	1,82,77,491	40.59
Total	**2,02,670**	**100.00**	**4,50,24,297**	**100.00**

E. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in demat mode on NSE. Bifurcation of the category of shares in physical and demat mode as on March 31, 2021 is given below:

Category	No. of Shareholders	No. of Shares held	Percentage of Shares held (%)
PHYSICAL	5	97,526	0.22
NSDL	1,00,962	2,92,76,067	65.02
CDSL	1,01,703	1,56,50,704	34.76
Total:	**2,02,670**	**4,50,24,297**	**100.00**

F. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY: Not Applicable

G. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES: Not Applicable

H. PLANT LOCATIONS: Not Applicable

I. ADDRESS FOR CORRESPONDENCE:

BSE Limited:
Smt. Prajakta Powle
Company Secretary and Compliance Officer
25th Floor, P. J. Towers, Dalal Street, Mumbai, Maharashtra- 400 001.
Tel. 022-22721233
E-mail: bse.shareholders@bseindia.com

The Company is registered on SEBI Complaints Redressal System ("SCORES"). The investors can send their complaints through SCORES by visiting https://www.scores.gov.in.

Registrar and Transfer Agents:
Unit: BSE Limited
KFin Technologies Pvt. Ltd
Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032
Email: einward.ris@kfintech.com
Website: https://www.kfintech.com
Toll Free No: 1800-309-4001

J. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTING ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD: Not Applicable

K. CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2021

Category	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares	Percentage of Shares (%)
Resident Individuals	1,91,064	94.27	2,26,92,162	50.40
Bodies Corporate	1,055	0.52	85,62,128	19.02
HUF	7,940	3.92	10,47,024	2.33
Trust	5	0.00	1,720	0.00
Banks/Financial Institutions	16	0.01	4,64,325	1.03
Non-Resident Indians	2,350	1.16	25,55,328	5.68
Foreign Bodies Corporate	2	0.00	8,43,858	1.87
Foreign Institutional Investor	-	-	-	-
Foreign Portfolio Investor	71	0.04	49,29,643	10.95
Insurance Company	7	0.00	29,59,991	6.57
Mutual Funds	5	0.00	5,20,206	1.16
NBFC	6	0.00	14,717	0.03
Alternate Investor Fund	7	0.00	2,17,075	0.48
IEPF	1	0.00	1,058	0.00
CM Pool Position	141	0.07	2,15,062	0.48
Total	**2,02,670**	**100.00**	**4,50,24,297**	**100.00**

L. LIST OF TOP 10 SHAREHOLDERS AS ON MARCH 31, 2021

Sr. No.	Name of Shareholder	No. of Shares held	Percentage of Shareholders (%)
1	Life Insurance Corporation of India	25,25,500	5.61
2	Siddharth Balachandran	13,42,500	2.98
3	Zerodha Broking	9,73,604	2.16
4	Acacia Banyan Partners Limited	7,85,417	1.74
5	Akshay Vasantlal Mehta	7,62,000	1.69
6	Jupiter India Fund	6,96,561	1.55
7	Acacia Conservation Fund LP	6,18,176	1.37
8	Mspl Limited	5,99,378	1.33
9	S Gopalakrishnan	5,30,835	1.18
10	Morgan Stanley Asia (Singapore) PTE. - ODI	4,84,049	1.08

8. OTHER DISCLOSURES

A. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF COMPANY AT LARGE

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2020-21 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

The Company complies with the disclosure requirements as prescribed in Regulation 23 of Listing Regulations pertaining to Related Party Transactions ("RPT") and follows Ind AS - 24 issued by Institute of Chartered Accountants of India ("ICAI"). For details on material RPT's please refer the section 'Related Party Transaction' as mentioned in the Boards' Report.

B. DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED BY STOCK EXCHANGE, SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO THE CAPITAL MARKETS DURING THE LAST THREE YEARS – Not Applicable

C. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

Please refer section 'Whistle Blower Policy / Vigil Mechanism' as mentioned under the Boards' Report.

D. COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements as prescribed under the Listing Regulations.

E. THE COMPANY HAS COMPLIED WITH THE FOLLOWING NON-MANDATORY AND DISCRETIONARY REQUIREMENTS AS PER SCHEDULE II PART E OF THE LISTING REGULATIONS

- Chairperson's office is maintained at Company's expense and all reimbursements are allowed to the Chairperson in performance of his duties.
- The quarterly and half-yearly financial performance are published in the newspaper and are also posted on the website of the Company and hence, it is not being sent to the Shareholders.
- The Company's financial statement for FY 2020-21 does not contain any audit qualification. The Company's audited financial statements are accompanied with unmodified opinion from the statutory auditor of the Company.
- The Company has separate posts of Chairman and Managing Director & CEO.
- The Internal Auditors of the Company make presentation to the Audit Committee on their reports and directly report to the Audit Committee.

F. POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

Please refer Boards' Report for this policy.

G. POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Please refer Boards' Report for this policy.

H. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES – Nil

I. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A) – Not applicable

J. PRACTICING COMPANY SECRETARY CERTIFICATION:

A certificate from practicing company secretary confirming that none of the Directors on the Board of the Company were debarred or disqualified from being appointed or re-appointed under retirement by rotation and/or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities is attached as **Annexure B.**

K. DETAILS OF FEES PAID TO STATUTORY AUDITOR:

Network Entity

Ernst & Young LLP: ₹ 8.00 Lakh
PDS Legal: ₹ 9.53 Lakh

Statutory Auditor S.R Batliboi & Co. LLP

Payment to Auditors		Amount (₹ in Lakhs)
a)	Statutory audit fee	53
b)	Tax audit fee	5
c)	Other services	21
d)	Out of pocket	-
Total		**79**

L. DETAILS OF SEXUAL HARASSMENT COMPLAINTS RECEIVED AND REDRESSED:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

9. 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 Regulation 46 (2) of the Listing Regulations, to the extent as applicable, with regards to Corporate Governance.

10. CEO/CFO CERTIFICATE

In terms of Regulation 17(8) of the Listing Regulations, the MD & CEO and the CFO made a certification to the Board of Directors in the prescribed format for the year at the review, which has been reviewed by the Audit Committee and taken on record by the Board. The same is attached as **Annexure C**.

11. COMPLIANCE CERTIFICATE

Certificate from Dhrumil Shah & Co., Practicing Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached as **Annexure D**.

12. EQUITY SHARES IN THE SUSPENSE ACCOUNT: Nil

13. DIVIDEND

The Company provides the facility of direct credit of dividend to the Member's bank account. Listing Regulations also mandate Companies to credit the dividend to the members electronically. Members holding shares in Demat/Physical mode whose Bank details for receiving dividend are not registered/ updated are requested to register/update the same by following the procedure as mentioned in the Notice of the AGM. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their Bank account. Please refer Boards' Report for the link of the Dividend Distribution policy.

If the Company is unable to pay the dividend to any Member by electronic mode due to non-registration of bank account, the Company shall dispatch the dividend warrant / cheque to such Members at the earliest.

14. ANNUAL REPORT

Annual Report containing, inter alia, Audited Accounts, Auditors' Report, Boards' Report, Corporate Governance Report, Business Responsibility Report and other material and related matters / information is circulated by email to the Shareholders and others entitled thereto. The copy of Annual Report is also available on Company's website at www.bseindia.com, www.nseindia.com (where the Company is listed) and www.evotingindia.com (agency providing e-voting facility).

ANNEXURE 'A' TO CORPORATE GOVERNANCE REPORT

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 2020-21.

Place: Mumbai
Date: May 10, 2021

Ashishkumar Chauhan
Managing Director & Chief Executive Officer

ANNEXURE 'B' TO CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C sub-clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
BSE LIMITED
25th Floor, P.J. Towers
Dalal Street, Fort,
Mumbai -400 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **BSE Limited** having CIN **L67120MH2005PLC155188** and having registered office at 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai -400001(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub- clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications *(including Directors Identification Number (DIN) status at the portal www.mca.gov.in)* as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Names of Directors	DIN	Date of appointment in Company
1.	Justice Vikramajit Sen	00866743	May 19, 2016
2.	Shri Sumit Bose	03340616	May 19, 2016
3.	Shri Subhash Sheoratan Mundra	00979731	January 17, 2018
4.	Shri David Jeremy Wright	08064288	March 16, 2018
5.	Shri Umakant Jayaram	08334815	February 4, 2019
6.	Shri Tharavanat Chandrasekharan Suseelkumar[1]	06453310	October 22, 2020
7.	Smt. Usha Sangwan[2]	02609263	September 4, 2015
8.	Sushri. Jayshree Vyas	00584392	April 25, 2019
9.	Shri Ashishkumar Chauhan	00898469	November 2, 2012

1. Appointment as Shareholder Director w.e.f. October 22, 2020

2. Retired from the designation of Shareholder Director w.e.f. July 30, 2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dhrumil M Shah & Co.
UDIN. F008021C000297376

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No. 995/2020

Place: Mumbai
Date: May 13, 2021

ANNEXURE 'C' TO CORPORATE GOVERNANCE REPORT

CEO/ CFO COMPLIANCE CERTIFICATE

The Board of Directors
BSE LIMITED
25th 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 the financial statements and cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021, which are fraudulent, illegal or violate the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

D. We have indicated to the auditors and the Audit Committee that:

   i. there is no significant changes in internal control over financial reporting during the year;

   ii. there is no significant changes in accounting policies during the year; and

   iii. there are no instances of significant fraud of which we have become aware.

Place: Mumbai
Date: May 13, 2021

Ashishkumar Chauhan
Managing Director & CEO

Nayan Mehta
Chief Financial Officer

ANNEXURE 'D' TO CORPORATE GOVERNANCE REPORT

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined all the relevant records of BSE Limited ('the Company') for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in terms of Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations") for the financial year ended March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the said Listing Regulations and SECC Regulations.

I 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 Dhrumil M Shah & Co.
UDIN. F008021C000297420

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No 995/2020

Place: Mumbai
Date: May 13, 2021

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	25th Floor, P J Towers, Dalal Street, Fort, Mumbai 400001
4	Website	www.bseindia.com
5.	Email	bse.shareholders@bseindia.com
6.	Financial year reported	2020-2021
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)	• Trading platform for Securities • Financial Services Distribution • Listing of Securities
9.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations	None
	b. Number of National Locations	31
10.	Markets served by the Company	National

SECTION B: FINANCIAL DETAILS

	Particulars	Company information
1.	Paid up Capital as on 31.03.2021 (Amount In Lakhs)	INR 900
2.	Total Income (Amount In Lakhs)	INR 56,505
3.	a) Profit after Tax (Amount In Lakhs)	INR 9,726
	b) Adjusted profit for last 3 years (Amount in Lakhs)	INR 11,199
4.	Total Spending on Corporate Social Responsibility (CSR)	
	a) in Rupees (Amount in Lakhs)	INR 224
	b) As a percentage of average net profits of the Company made during the three immediately preceding financial years as per CSR requirement (%)	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 15 Subsidiary Companies (direct and indirect), 1 Joint Venture and 8 Associate Companies as on March 31, 2021 names of which are given below:-

Subsidiaries:

1) BFSI Sector Skill Council of India (Section 8 Company)
2) BIL – Ryerson Technology Startup Incubator Foundation (Section 8 Company)
3) BSE Investments Limited
4) BSE Sammaan CSR Limited

5) BSE CSR Integrated Foundation (Section 8 Company)
6) BSE Institute Limited
7) BSE Technologies Private Limited
8) BSE Tech Infra Services Private Limited
9) India INX Global Access IFSC Limited
10) BSE Institute of Research Development & Innovation (Section 8 Company)
11) BSE E-Agricultural Markets Limited (Incorporated on December 1, 2020)
12) BSE Administration & Supervision Limited (Incorporated on March 5, 2021)
13) India International Exchange (IFSC) Limited
14) India International Clearing Corporation (IFSC) Limited
15) Indian Clearing Corporation Limited

Joint Ventures:

1) Asia Index Private Limited

Associate Companies:

1) Central Depository Services (India) Limited
2) CDSL Ventures Limited
3) CDSL Insurance Repository Limited
4) CDSL Commodity Repository Limited
5) CDSL IFSC Limited (Incorporated on March 30, 2021)
6) BSE EBIX Insurance Broking Private Limited
7) Marketplace EBIX Technology Services Private Limited
8) Pranurja Solutions Limited

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(IES)

➢ Currently below two subsidiary companies, one joint venture and two associate companies qualify for CSR activity under Section 135 of the Companies Act.

Subsidiary Companies

1. Indian Clearing Corporation Limited (ICCL)
2. BSE Technologies Private Limited

Joint Venture

1. Asia Index Private Limited

Associate Companies

1. Central Depository Services (India) Limited
2. CDSL Ventures Limited

Above companies 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
4.	Telephone number	022-22728001/8147
5.	e-mail id	shankar.jadhav@bseindia.com

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##	Y##	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.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P2	P3	P4	P5	P6	P7	P8	P9
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 once 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 2020-21 which can be viewed on the website of the Company at 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
		0	1	1	0

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	The Company is cognizant of its role in promoting inclusive growth and equitable development while contributing to environmental sustainability a) The Company has launched three indices based on the theme of Sustainability called S&P BSE 100 ESG INDEX, S&P BSE CARBONEX and S&P BSE GREENEX which drives both issuers as well as investors to augment sustainability of the environment and complete echo system 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. Since 2015, INR 5,717 crores (about USD 800 million) worth of green bonds have been raised at BSE debt platform which also includes bonds raised by Municipal corporations. c) In 2019, India INX, a subsidiary of BSE unveiled its Green listing and trading platform - GSM Green, established as per ICMA's Green Bond Principles and Climate Bonds Initiative which provides an ideal platform for global investors to invest. India INX is committed to facilitate fund raising for green financial projects and promotes ESG standards through GSM Green Platform. As of March 31, 2021, GSM Green of India Inx has witnessed listing of Green Bonds worth USD 1,750 million. d) The Company has introduced Corporate Announcement Filing System (CAFS) to the equity listed companies. This is paperless submission. CAFS ensures that critical information / disclosures are available to the investors on real time basis without exchange intervention. e) Based on the ongoing MOU, between Global Reporting Initiative ("GRI") and BSE, the company continues to work collaboratively as well as supports various Listed Corporates in establishing 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. f) 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 actively contributes to this group by guiding and encouraging the companies of listed arena to adapt integrated thinking, sustainable business portfolio, value innovation and integrated reporting. g) BSE's StAR MF, a mutual fund distribution business with around 78 lakh paperless transactions per month is a fully digitalised and a sustainable business model. For FY21, BSE net inflow was INR 22,444 crores as compared to industry total of INR –25,965 crores. Distributor empanelment is also paperless and done online without requirement of physical travel of distributors. BSE encourages Webinars for distributors over physical seminars resulting in reduction of carbon footprint.

2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	
	a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain	Not Applicable
	b) Reduction during usage by consumers (energy, water) has been achieved since the previous year	Not Applicable
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 procurement processes have been laid out and followed for procurements. The 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
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Since our products/services are virtual in nature, no waste is generated and hence there is no such requirement of recycling products and waste. Computers, Servers etc are used to provide our virtual products/services to our customers. The e waste generated out of these systems are recycled by our certified vendor.

Principle 3: Businesses should promote the wellbeing of all employees

1	Please indicate the Total number of employees (including trainees and associates) as on March 31, 2019	386 Officers + 108 Staff = 494
2	Please indicate the total number of employees hired on temporary / contractual / casual basis	517
3	Please indicate the number of permanent women employees	126 Officers + 13 Staff = 139
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	22

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

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	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	**Sr. No.**	**Category**	**% of employees given skill upgradation training**	**% of employees given safety training**
		1	Permanent Employees	95	30
		2	Permanent Women Employees	21	29
		3	Casual/Temporary/ Contractual Employees	100	40
		4	Employees with Disabilities	100	NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

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	1. BSE being falling under essential services category, was operational during the lockdown period. BSE management implemented and encouraged Work from Home policy (WFH) thereby reducing the risk of infections during such critical times. Computer systems and access via Virtual Private Network (VPN) were provided to its employees by BSE at no additional cost. 2. In view of COVID-19 outbreak, BSE regularly sanitizes all the office areas and have installed hand sanitizer dispensers at all the entry points of the BSE buildings/offices. Temperature check of all the people entering BSE premises is done. Social distancing markings are done in the lobby areas, lifts and canteen thereby reducing the risk of infection. 3. BSE provided bus / car services during and post lockdown period for its employees, market participants like trading members, depository partners, vendors, etc. This service has been helping the people involved in providing essential services travel between home and office safely. 4. Nutritious and hygienic meals were provided by BSE to its employees, IT outsourced staff, security staff and other contractual staff who were attending office during pandemic times. 5. Employees and contractual staff who attended office during pandemic times were recognized and rewarded by BSE. 6. Around 34 various webinars in collaboration with wellness experts on employee health and wellness (healthy mind and body) were conducted by BSE HR which were found to be very helpful by the BSE & its group company employees during stressful pandemic times. 7. An online health form was created to monitor health of BSE and its group company employees. Daily health index is published giving information on the health status of BSE & its group company employees. All necessary support if required is provided to sick employees by BSE. 8. COVID-19 testing camps were arranged for BSE & its group company employees, contractual staff and broker staff. Till date around 4 camps have been organized. A total of almost 2300 persons got tested in the camps. All the camps were free of cost & BMC officials deployed professional medical staff to conduct the said camps who also ensured employees who tested positive were consulted for further course of treatment.

		9. BSE HR team extended continuous support to all its employees during this pandemic situation in case of emergency hospitalization of employee or its family members. Checking beds availability, arranging critical equipment's like Oxygen, critical injections like Remdesivir etc are few of the initiatives that HR team took for assisting employees wherever possible. Financial support to some of the employees was also extended towards their hospital expenses. 10. BSE tied-up with Bombay Hospital & few other private hospitals wherein all its employees and their immediate family members can vaccinate themselves as per the guidelines of Government. Costing of said vaccination would be reimbursed by the BSE. 11. A special lift is used for senior and disabled stake holders for reaching upper floors in the BSE building. 12. 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	• BSE does not use one-time use plastic material. Water Jugs and Paper Cups are being used in place of onetime use plastic water bottle. Employees are encouraged to use their own reusable water bottles. Thus BSE contributes to sustainable use of resources. • BSE communicates with its stake holders including employees to conserve water, paper and electricity through various means such as posters in various places, screen savers, email foot notes etc.

		• BSE has applied cool coating on its terrace area which is a high-performance heat reflective cool coating. The application of cool coating on the rooftop aims to provide a low ambient temperature at the interiors of the confined space. This helps minimize power consumption towards air conditioning of the confined space. • The Company has introduced Corporate Announcement Filing System (CAFS) to the equity listed companies. This is paperless submission. • Paperless SIP: Wherein the link for payment is created for 1st Installment as well as subsequent Installment which is only available with BSE. • Digital and real time investor's registration. • Digital filing and document submissions. • E-waste management.
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	Yes, we are the member of various associations. Major ones are as under: • Federation of Indian Chambers of Commerce and Industry • Confederation of Indian Industry • Indo-German Chamber of Commerce • Bombay Chamber of Commerce and Industry • The Associated Chamber of Commerce and Industry of India (ASSOCHAM) • IMC Chamber of Commerce and Industry	
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	**Name of Association**	**Area of Advocacy**
		Federation of Indian Chambers of Commerce and Industry	1. Advancement of best practices in Capital Markets. 2. Policy Recommendations 3. Economic Research 4. Economic Forums
		Confederation of Indian Industry	1. Advancement of Capital Markets 2. Publishing Research 3. Promoting Public Policy
		Indo-German Chamber of Commerce	Promote economic co-operation between India and Germany. Corporate and cultural understanding.
		Bombay Chambers of Commerce and Industry	Promotion and protection of trade and other objectives. Communication between regulatory bodies, society and corporate.
		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: • Innovation and entrepreneurship programs/workshops • Since 2014, 422 startups have been supported through different initiatives. • Supporting technology entrepreneurs • Supporting women entrepreneurs for running technology businesses • Tech community building
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 (quarterly & yearly) for effectiveness of the initiative
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Refer Annexure 'C' to Board's Report
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: **Empower 2020 –** 49 women entrepreneurs - selected from the pool of 1000+ applicants and provided with 6-week acceleration support & Access to Finance. Conducted in partnership with TiE Women, the cohort got a chance to pitch in front of a global jury and won the top two prizes. **VIP-WE –** A first of its kind, virtual incubation program was launched by Zone Startups India in collaboration with Startup India. 19 early-stage startups were selected from a pool of over 100 applications for India's first online incubator program for Women entrepreneurs. After 3 months of incubation, the startups got a chance to pitch in front of 35 investors and corporates and 5 deals have already been struck. **ZSI Incubator –** One of India's leading Technology incubators, ZSI Incubator has incubated 130+ startups in the last 7 years. We currently are incubating 11 startups including Electric scooters, Water deflouridification, Home Loans for blue collar workers and 8 more. **Industry Sessions, Peer-to-peer learning sessions, Workshops, Industry Demo, Bootcamp –** Over 150 startups benefited from the online capacity building activities hosted at Zone Startups India, including a series for founders called **Zoneacademy.**

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

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 2019-2020**	**Fresh Complaints received in FY 2020-21**	**Complaints resolved in FY 2020-21**	**Complaints un-resolved in FY 2020-21**
		Shareholders	0	7	7	0
		Investors	645	2994	2946	693
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 31st March 2021, there are no pending cases filed by a stake holder 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 Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of BSE Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (together referred to as "the Group") and its associates comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Valuation of investments and its impairment (as described in note 32 of the consolidated Ind AS financial statements)	
The Group has various investments in mutual funds, bonds and debentures of corporates. These investments represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,84,397 Lakhs represented 40% of total assets of the Company as at March 31, 2021. Investment in bonds are valued at amortised cost and are required to be assess for the expected credit loss in accordance with Ind AS 109.	Our audit procedures included the following: • We assessed the design and implementation of controls over valuation and existence of investments. • For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value. • We traced the quantity held from the independent third party confirmations. • We tested the valuation of the quoted and unquoted investments to independent pricing sources.

Key audit matters	How our audit addressed the key audit matter
High degree of management's judgement is involved in estimation of the recoverable amount on these investments and there is inherent uncertainty relating to the assumptions supporting such estimates and risk that the fair value of investments is not determined appropriately, and hence valuation of investments and its impairment is considered as a key audit matter.	• We assessed appropriateness and arithmetical accuracy of fair value disclosures pertaining to investments (as described in note 32 of the consolidated Ind AS financial statements)
Information Technology (IT) systems and controls	
As a stock exchange, IT systems are an integral part of the business operations of the Group. Since large volume of securities trading transactions are processed by the Group through its trading platform, it is imperative that the IT systems and controls process data as and when expected. Further, it is also essential that any changes to the IT applications are made only after necessary authorizations (Program Change Management) and only authorized personnel have necessary access to the Group's IT systems (User Access Management). In addition to the smooth functioning of the Group's business operations, the IT infrastructure is equally critical for timely and accurate financial reporting process. Due to the pervasive nature and complexity of the IT environment and large volume of transactions we have considered IT systems and controls as a key audit matter	Our audit procedures included the following: • Assessed the information systems used by the Company for IT General Controls (ITGC) and Application controls; • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs; - to understand the design and test the operating effectiveness of such controls in the system; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
Provisions for litigation and claims (as described in note 36 of the consolidated Ind AS financial statements)	
There are certain demands raised by regulatory authorities, employees and others against the Group which have been disputed by the Group giving rise to pending litigations at various appellate and judicial forums. In order to assess the impact of such pending litigations against the Group on the its financial statements, the management is required to exercise significant judgement to determine whether an obligation exists as at reporting date requiring a provision and / or disclosure in the financial statements in accordance with the criteria set under IND AS 37 - Provisions, Contingent Liabilities and Contingent Assets. This involves an estimation, by the management, of the outflow of economic resources to settle the present obligation. Considering the high degree of judgement involved in estimation of the impact and in view of the significance of the pending litigations to the overall financial statements, this area is considered as a key audit matter.	• We obtained and evaluated the Group accounting policy in relation to accounting, assessing and disclosure of claims against the Group. • We understood the design and tested the operating effectiveness of the Group's key controls over the identification, estimation, monitoring and disclosure of provisions for litigations and claims. • We examined the relevant correspondence with regulators to assess developments in key areas and litigation reports to identify potentially material cases. • Obtained independent confirmations from lawyers in respect of material cases outstanding. • We reviewed the Board and other board level committee meeting minutes to assess the effectiveness of management's review controls and conclusions reached. • For the significant provisions made, we understood, and assessed the provisioning methodology. We tested the underlying data and assumptions used in the determination of the provisions recorded, including expected claim rates. • For cases where a provision was not recognized, we evaluated the adequacy of disclosure made in the Consolidated Ind AS financial statements.

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

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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.

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

Those respective Board of Directors of the companies included in the Group and its associates are also responsible for overseeing the financial reporting process of the respective entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of seven subsidiaries, whose Ind AS financial statements include total assets of ₹ 198,230 lakhs as at March 31, 2021, and total revenues of ₹ 16,102 lakhs and net cash outflows of ₹ 37,401 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's 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 our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

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, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid 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, the Consolidated Statement of Profit and Loss including the 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 Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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, none of the directors of the Group companies and its associate incorporated in India, is disqualified as on March 31, 2021 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 with reference to these consolidated Ind AS financial statements of the Holding Company, its subsidiary companies and associate companies, incorporated in India, refer to our separate Report in Annexure 1 to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 36 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

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, 2021.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADX4121

Place of Signature: Mumbai
Date: May 13, 2021

Re: BSE Limited
ANNEXURE 1 referred to in paragraph (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 with reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associates, which are incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

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 with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to all seven subsidiary companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such subsidiary companies.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADX4121

Place of Signature: Mumbai
Date: May 13, 2021

Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakh)

PARTICULARS	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	**11,076**	12,001
b. Capital work-in-progress		**23**	827
c. Investment property	4	**334**	353
d. Goodwill	5	**3,742**	3,742
e. Other intangible assets	6	**3,232**	2,915
f. Intangible assets under development		**356**	1,360
g. Financial assets			
i. Investments			
a. Investments in subsidiaries	7	**2**	2
b. Investments in associates	8	**42,202**	38,622
c. Other investments	9	**37,510**	53,539
ii. Other financial assets	11	**24,525**	20,477
h. Income tax assets (net)	21	**9,904**	8,794
i. Deferred tax assets (net)	18	**14,536**	12,763
j. Other assets	13	**179**	18
Total non-current assets		1,47,621	1,55,413
2 Current assets			
a. Financial assets			
i. Investments	9	**1,04,683**	1,21,037
ii. Trade receivables	10	**8,757**	6,999
iii. Cash and cash equivalents	12	**41,615**	72,866
iv. Bank balances other than (iii) above	12	**1,51,072**	88,052
v. Other financial assets	11	**6,446**	1,116
b. Other assets	13	**2,514**	2,094
Total current assets		3,15,087	2,92,164
Total assets (1+2)		4,62,708	4,47,577
EQUITY AND LIABILITIES			
3 Equity			
a. Equity share capital	14	**900**	900
b. Other equity	15	**2,48,342**	2,41,610
Equity attributable to shareholders of the Company		**2,49,242**	2,42,510
Non controlling interest	44	**2,351**	1,856
Total equity		2,51,593	2,44,366
4 Share Application Money Pending Allotment		**1,417**	-
5 Core settlement guarantee fund		**53,914**	43,538
Liabilities			
6 Non-current liabilities			
a. Financial liabilities			
Other financial liabilities	16	**941**	739
b. Provisions	17	**254**	240
c. Other liabilities	19	**43**	135
Total non-current liabilities		1,238	1,114
7 Current liabilities			
a. Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	**5**	16
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	**9,812**	7,568
ii. Other financial liabilities	16	**1,15,789**	1,30,803
b. Provisions	17	**1,964**	1,763
c. Income tax liabilities (Net)	21	**944**	993
d. Other liabilities	19	**26,032**	17,416
Total current liabilities		1,54,546	1,58,559
Total equity and liabilities (3+4+5+6+7)		4,62,708	4,47,577
Significant accounting policy	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 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakh)

	PARTICULARS	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Revenue from operations**			
	Securities services	22	**21,944**	16,897
	Services to corporates	23	**22,576**	21,215
	Data dissemination fees		**3,336**	3,152
	Training institute		**1,300**	2,182
	Sale of Software Licenses, Development, Customisation & Maintenance of Software		**981**	1,605
	Revenue from operations		**50,137**	45,051
2	Investment income	24	**12,908**	15,866
3	Other income	25	**2,420**	2,083
4	**Total income (1+2+3)**		**65,465**	63,000
5	**Expenses**			
	Employee benefits expense	26	**14,868**	15,120
	Finance costs		**1,030**	237
	Depreciation and amortisation expense	3&4&6	**5,787**	5,104
	Computer Technology Related Expenses	27	**9,479**	11,760
	Administration and other expenses	28	**18,541**	21,318
	Liquidity enhancement scheme expenses	49 &15.4	**3,365**	1,781
	Total expenses		**53,070**	55,320
6	**Profit before exceptional items and tax (4-5)**		**12,395**	7,680
7	**Exceptional items [income/(expenses)]:**			
	Provision for Arbitration expenses	43.2	**(1,453)**	-
	Net gain on partial disposal of investment in associate measured at cost	43.1	**-**	3,204
	Total exceptional items		**(1,453)**	3,204
8	**Profit before tax and share of net profits of investments accounted for using equity method (6+7)**		**10,942**	10,884
9	**Share of net profits of investments accounted for using equity method**			
	Share of profit of associates		**4,315**	2,665
10	**Profit before tax (8+9)**		**15,257**	13,549
11	**Tax expense:**	29		
	Current tax		**3,063**	3,982
	Current tax of earlier years		**(46)**	-
	Deferred tax		**(1,930)**	(2,494)
	Total tax expenses		**1,087**	1,488
12	**Net profit for the year (10-11)**		**14,170**	12,061
	Net Profit attributable to the shareholders of the Company		**14,490**	12,227
	Net Profit attributable to the non controlling interest		**(320)**	(166)
13	**Other comprehensive income**			
	Items that will not be subsequently reclassified to statement of profit or loss			
	i. Remeasurements loss on the defined employee benefit plans;		**464**	(88)
	ii. Income tax on above		**155**	(23)
	Items that will be subsequently reclassified to profit or loss			
	iii. Foreign Currency Translation reserve		**(332)**	1,167
	Total other comprehensive income for the year (i - ii + iii)		**(23)**	1,102
14	**Total comprehensive income for the year (12+13)**		**14,147**	13,163
	Total comprehensive income attributable to the shareholders of the Company		**14,497**	13,230
	Total comprehensive income attributable to the non controlling interest		**(350)**	(67)
15	**Earnings per equity share :**	30		
	Basic and diluted before exceptional items (₹)		**33.00**	18.04
	Basic and diluted after exceptional items (₹)		**30.94**	24.57
	Face value of share (₹)		**2**	2
	Weighted average number of equity shares (Nos.)		**4,58,04,297**	4,90,94,235
	Significant accounting policy	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 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2021

(₹ in Lakh)

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	**14,170**	12,061
	Adjustments for		
	Income tax expenses recognised in profit and loss	**1,087**	1,488
	Share of profit of associates	**(4,315)**	(2,665)
	Foreign currency translation reserve	**(332)**	1,167
	Depreciation and amortisation expense	**5,787**	5,104
	Net (gain)/loss on disposal of property, plant and equipment	**3**	(10)
	Impairment loss on financial assets	**1,758**	2,544
	Net gain on partial disposal of investment in associates	**-**	(3,204)
	Finance cost	**-**	237
	Contribution to core settlement guarantee fund	**619**	74
	Contribution received from other clearing coropration	**5,630**	-
	Investment income on core settlement guarantee fund	**2,789**	3,042
	Penalties / contribution received towards settlement guarantee fund	**1,360**	146
	Net gain arising on financial assets measured at FVTPL	**(9,975)**	(11,830)
	Interest income	**(2,902)**	(2,734)
	Dividend income	**(31)**	(1,302)
	Provision for compensated absences	**1,043**	981
	Operating Cash Flow before working capital changes	**16,691**	5,099
	Movements in working capital		
	Decrease / (Increase) in trade receivables	**(3,516)**	(4,640)
	Increase / (Decrease) in trade payables	**2,233**	3,395
	Increase / (Decrease) in provision	**201**	247
	Decrease / (Increase) in other assets and other financial assets	**(5,970)**	(208)
	Increase / (decrease) in other liabilities and other financial liabilities	**(12,262)**	40,685
	Cash generated from / (used in) operations	**(2,623)**	44,578
	Direct taxes paid - net of refunds	**(4,164)**	(4,907)
	Net cash generated from / (used in) operating activities	**(6,787)**	39,671
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Fixed Assets		
	Purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances	**(3,819)**	(3,785)
	Proceeds from sale of property, plant and equipment	**1**	23
	Investments		
	Net decrease in investment in equity and debt instruments	**43,443**	34,247
	Investment in Government Securities	**-**	(3,408)
	Investment in bonds and non-convertible debentures	**(1,502)**	-
	Proceeds from bonds and non-convertible debentures	**1,500**	2,500
	Proceeds on partial sale of investment in associate	**-**	10,102
	Investments in Associates	**(203)**	(1,048)
	Investment in fixed deposits	**(56,047)**	(70,088)
	Proceeds from fixed deposits	**(4,832)**	73,552
	Interest received	**2,489**	3,632
	Dividend received	**31**	1,302
	Net cash generated from / (used in) investing activities	**(18,939)**	47,029

Consolidated Cash Flow Statement for the year ended March 31, 2021 (Contd.)..

(₹ in Lakh)

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Finance cost	**-**	(237)
	Dividend and taxes paid thereon	**(7,787)**	(15,843)
	Issue of share by subsidiary	**845**	1,923
	Share Application Money Pending allotment	**1,417**	-
	Payment towards buyback including transaction cost	**-**	(47,620)
	Net cash used in financing activities	**(5,525)**	(61,777)
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**(31,251)**	24,923
	Cash and cash equivalents at the beginning of the year	**72,866**	47,943
	Cash and cash equivalents at the end of the year *	**41,615**	72,866
	Balances with banks including earmarked balances		
	In current accounts	**20,070**	23,138
	In deposit accounts with original maturity of 3 months	**21,545**	49,728
	*** Cash and cash equivalents at the end of the year comprises (refer note 12)**	**41,615**	72,866

The accompanying notes form an integral part of the financial statements

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".

2. Movement in earmarked liabilities and assets of parent company are not considered.

3. 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

Per Jayesh Gandhi
Partner
Membership No.: 037924

Date: May 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Balance as at April 1, 2019	1,036
Changes in equity share capital during the year	
- Shares extinguished during the year	(136)
Balance as at March 31, 2020	900
Changes in equity share capital during the year	
- Shares extinguished during the year	-
Balance as at March 31, 2021	900

B. OTHER EQUITY

(₹ in Lakh)

Particulars	Share application money pending allotment	Reserves and Surplus								Other comprehensive income		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	Other Reserve	Capital Redemption Reserve	Remeasurements gain / (loss) on the defined employee benefit plans	Foreign Currency Translation Reserve			
Balance as at April 1, 2019	1	66,179	10,530	22,526	70,470	1,22,032	8	-	40	(204)	238	2,91,820	-	2,91,820
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-	-	1,923	1,923
Profit for the year pertaining to equity shareholders	-	-	-	-	-	12,227	-	-	-	-	-	12,227	(166)	12,061
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	-	-	-	-	(164)	-	(164)	99	(65)
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	-	-	-	1,167	1,167	-	1,167
Liquidity enhancement scheme (LES) reserve	-	-	-	-	-	(1,593)	1,593	-	-	-	-	-	-	-
LES expenditure during the year	-	-	-	-	-	1,562	(1,562)	-	-	-	-	-	-	-
Amount paid upon buyback	-	-	-	(22,526)	(23,338)	-	-	-	-	-	-	(45,864)	-	(45,864)
Amount transferred to capital redemption reserve upon Buyback and buyback expenses	-	-	-	-	(1,620)	(136)	-	-	136	-	-	(1,620)	-	(1,620)
Payment of Dividend	-	-	-	-	-	(13,142)	-	-	-	-	-	(13,142)	-	(13,142)
Payment of Dividend Distribution Tax	-	-	-	-	-	(2,701)	-	-	-	-	-	(2,701)	-	(2,701)
Transfer to Core Settlement Guarantee Fund	-	-	-	-	-	(46)	-	-	-	-	(67)	(113)	-	(113)
Balance as at March 31, 2020	1	66,179	10,530	-	45,512	1,18,203	39	-	176	(368)	1,338	2,41,610	1,856	2,43,466
Issue of share capital	-	-	-	-	-	-	-	-	-			-	845	845
Profit for the year pertaining to equity shareholders	-	-	-	-	-	14,490	-	-	-			14,490	(320)	14,170
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	-	-	-	-	339		339	(30)	309
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	-	-	-	(332)	(332)	-	(332)
Liquidity enhancement scheme (LES) reserve	-	-	-	-	-	(1,438)	1,438	-	-	-	-	-	-	-
LES expenditure during the year	-	-	-	-	-	1,455	(1,455)	-	-	-	-	-	-	-
Payment of Dividend	-	-	-	-	-	(7,135)	-	-	-	-	-	(7,135)	-	(7,135)
Payments of Tax on Dividend	-	-	-	-	-	(652)	-	-	-	-	-	(652)	-	(652)
Transfer to Core Settlement Guarantee Fund	-	-	-	-	-	22	-	-	-	-	-	22	-	22
Balance as at March 31, 2021	**1**	**66,179**	**10,530**	**-**	**45,512**	**1,24,945**	**22**	**-**	**176**	(29)	1,006	**2,48,342**	**2,351**	**2,50,693**

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 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

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, 2021
(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 Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. Over the past 146 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 13, 2021.

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, 2021 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:

a) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

b) potential voting rights held by the Company, other vote holders or other parties;

c) rights arising from other contractual arrangements; and

d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Profit or Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Particulars of subsidiaries and associate:

NAME OF THE COMPANY	Principal Activity	Country of Incorporation	Percentage of Voting Power as at March 31, 2021	Percentage of Voting Power as at March 31, 2020
I. Subsidiary Companies				
- Direct				
a) Indian Clearing Corporation Limited (ICCL)	Clearing and Settlement	India	**100**	100
b) BSE Technologies Private Limited (BPTL) (formerly known as Marketplace Technologies Private Limited)	IT Support Services	India	**100**	100
c) BSE Institute Limited (BIL)	Training	India	**100**	100
d) BSE Investments Limited	Investment	India	**100**	100
e) BSE Sammaan CSR Limited	Platform for CSR Activities	India	**100**	100
f) BSE CSR Integrated Foundation (Not considered for consolidation considering not meeting control criterion in terms of Ind AS 110)	CSR Activities	India	**100**	100
g) India International Exchange (IFSC) Limited*	Stock Exchange	India	**90.72**	92.29
h) India International Clearing Corporation (IFSC) Limited*	Clearing and Settlement	India	**90.10**	90.10
i) BSE Administration & Supervision Limited (w.e.f March 5, 2021)	Administration and Supervision of SEBI registered investment advisers	India	**100**	-
- Indirect				
a) BSE Tech Infra Services Private Limited (formerly known as Marketplace Tech Infra Services Private Limited)	IT Support Services	India	**100**	100
b) BFSI Sector Skill Council of India**	Training	India	**51.22**	51.22
c) BIL-Ryerson Technology Start-up Incubator Foundation**	Training	India	**51**	51
d) India INX Global Access IFSC Limited*	Intermediary for trading in overseas Exchanges	India	**90.72**	92.29
e) BSE Institute of Research Development & Innovation (w.e.f December 5, 2019)**	Training	India	**100**	100
f) BSE E-Agricultural Markets Limited (w.e.f December 1, 2020)	Electronic spot platform for agricultural commodities	India	**60**	-
II. Associate				
a) Central Depository Services (India) Limited (CDSL)	Depository Services	India	**20**	20
b) CDSL Ventures Limited	Depository related Services	India	**20**	20
c) CDSL Insurance Repository Limited	Repository Services	India	**20**	20
d) CDSL Commodity Repository Limited	Repository Services	India	**34.40**	34.40
e) Asia Index Private Limited	Index Services	India	**50**	50
f) BSE EBIX Insurance Broking Private Limited	Insurance Broking	India	**40**	40
g) Marketplace EBIX Technology Services Private Limited	IT Support Services	India	**40**	40
h) Pranurja Solutions Limited (subsidiary w.e.f. April 24, 2018 upto May 6, 2019) (Associate w.e.f. May 7, 2019)	Power Exchange	India	**22.62**	41.08
i) CDSL IFSC Limited (w.e.f March 30, 2021)*	Depository related services	India	**20**	-

* Based out of Gift City Gandhinagar Gujarat, India.

** Not considered for consolidation considering not meeting control criterion in terms of Ind AS 110

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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.

However, in case of three subsidiaries i.e., India International Exchange (IFSC) Limited, India International Clearing Corporation (IFSC) Limited and India INX Global Access IFSC Limited, United State Dollar (USD) is the functional currency and the currency of the primary economic environment in which these companies operate. The financial statements are presented in Indian Rupees. The presentation currency is different from functional currency to comply with Income tax and other statutory law.

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.

(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 a 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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(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 is made.

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.

(iii) Investment in subsidiaries (not consolidated)

Investment in subsidiaries not consolidated is measured at cost less provision for impairment loss, if any. 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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: financial assets comprising amortised cost, financial assets (debt instruments) at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI and fair value through profit and loss account (FVTPL), financial liabilities at amortised cost or FVTPL.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset, and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets

(a) Financial assets (debt instrument) at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

(b) Financial asset (debt Instrument) at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative 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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(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.

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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(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. Further, subsidiary companies India International Exchange (IFSC) Limited, India International Clearing Corporation (IFSC) Limited and India INX Global Access IFSC Limited depreciates property, plant and equipment over the estimated useful life on a Straight Line method basis from the date the assets are ready for intended use. 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	3-8 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.

(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. Further, intangible assets of subsidiary companies India International Exchange (IFSC) Limited, India International Clearing Corporation (IFSC) Limited, India INX Global Access IFSC Limited, BSE Technologies Private Limited and BSE Tech Infra Services Private Limited are amortized over their respective estimated useful lives on a straight-line 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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(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 softwares	3-6 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

As a Lessee:

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

1. the contract involves the use of an identified asset;

2. the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and

3. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

As a Lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(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 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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(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 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(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 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.

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 liabilities are recognized when economic outflow is probable and disclosed when economic outflow is possible. Contingent assets are not disclosed but recognized when economic inflow is certain.

(xii) Revenue

The Group has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is assessed at the date of initial application (i.e., April 1, 2018). There was no impact on the adoption of the standard on the financial statements of the Group.

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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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 financial assets measured at FVTPL and amortised cost.

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.

(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.

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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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. Deferred tax liabilities are also recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

(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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income over the periods and in the proportions in which depreciation expense on those assets is recognised.

(xviii) 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 fulfil 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) and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments (ICCL) is credited to the respective contributor's funds. Penalties and fines levied by the Clearing Corporation (ICCL) are directly transferred to Core SGF as Other Contributions.

3. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Freehold land	Buildings	Leasehold Buildings	Plant and equipments	Electrical installations	Computers		Furniture & fixtures	Office equipments	Motor vehicles	Total
						Hardware and networking equipments - owned	Hardware and networking equipments - on lease				
Cost or deemed cost											
Balance as at April 1, 2019	1,057	3,877	1,197	1,720	3,322	12,915	130	936	1,570	49	26,773
Additions during the year	-	-	-	5	4	2,648	-	23	16	-	2,696
Deductions / adjustments	-	-	-	18	4	474	-	18	2	20	536
Foreign currency translation adjustments	-	-	107	-	29	139	-	6	27	2	310
Balance as at March 31, 2020	1,057	3,877	1,304	1,707	3,351	15,228	130	947	1,611	31	29,243
Balance as at April 1, 2020	1,057	3,877	1,304	1,707	3,351	15,228	130	947	1,611	31	29,243
Additions during the year	-	-	16	213	205	2,545	-	4	20	-	3,003
Deductions / adjustments	-	-	-	-	7	39	-	-	7	-	53
Foreign currency translation adjustments	-	-	(32)	(1)	(9)	(45)	-	(2)	(8)	(1)	(98)
Balance as at March 31, 2021	**1,057**	**3,877**	**1,288**	**1,919**	**3,540**	**17,689**	**130**	**949**	**1,616**	**30**	**32,095**
Accumulated depreciation											
Balance as at April 1, 2019	-	1,226	92	932	2,131	8,045	117	559	1,172	23	14,297
Depreciation for the year	-	249	42	151	283	2,348	13	99	176	3	3,364
Deductions / Adjustments	-	-	-	18	2	468	-	17	2	16	523
Foreign currency translation adjustments	-	-	10	-	8	68	-	2	15	1	104
Balance as at March 31, 2020	-	1,475	144	1,065	2,420	9,993	130	643	1,361	11	17,242
Balance as at April 1, 2020	-	1,475	144	1,065	2,420	9,993	130	643	1,361	11	17,242
Depreciation for the year	-	212	43	149	267	2,966	-	78	149	3	3,867
Deductions / Adjustments	-	-	-	-	3	39	-	-	7	-	49
Foreign currency translation adjustments	-	-	(4)	-	(3)	(27)	-	(1)	(6)	-	(41)
Balance as at March 31, 2021	**-**	**1,687**	**183**	**1,214**	**2,681**	**12,893**	**130**	**720**	**1,497**	**14**	**21,019**
Net book value											
As at March 31, 2021	**1,057**	**2,190**	**1,105**	**705**	**859**	**4,796**	**-**	**229**	**119**	**16**	**11,076**
As at March 31, 2020	1,057	2,402	1,160	642	931	5,235	-	304	250	20	12,001

Notes:

1 The Group's obligations under leases are secured by the lessors' title to the leased assets.

2 The carrying value of land & building as on 31st March, 2021 is ₹ 4,352 (₹ 4,619 as on 31st March, 2020) shown under the head "Property Plant and Equipment" in the books of accounts. Out of which, the land and building having a carrying amount of ₹ 466 (₹ 579 as at March 31, 2020), includes two properties for which title deeds are not available and for the remaining two properties, the title deeds are in the name of erstwhile legal entity. Further, the process for transfer of the same in the name of BSE is currently under process.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

4. INVESTMENT PROPERTY

PARTICULARS	Freehold Land	Buildings	Total
Cost or deemed cost			
Balance as at April 1, 2019	9	446	455
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2020	**9**	**446**	**455**
Balance as at April 1, 2020	9	446	455
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2021	**9**	**446**	**455**

PARTICULARS	Freehold Land	Buildings	Total
Accumulated depreciation			
Balance as at April 1, 2019	-	83	83
Depreciation for the year	-	19	19
Deductions / Adjustments	-	-	-
Balance as at March 31, 2020	**-**	**102**	**102**
Balance as at April 1, 2020	-	102	102
Depreciation for the year	-	19	19
Deductions / Adjustments	-	-	-
Balance as at March 31, 2021	**-**	**121**	**121**

PARTICULARS	Freehold Land	Buildings	Total
Net book value			
As at March 31, 2021	**9**	**325**	**334**
As at March 31, 2020	9	344	353

Notes:

1 The fair value of the Group's investment properties as at March 31, 2021 and March 31, 2020 are based on annual evaluation performed by the management.

2 Details of the Group's investment properties and information about the fair value hierarchy as at March 31, 2021 and March 31, 2020 are as follows:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Fair value of Building	**28,948**	28,948
Fair value hierarchy	**Level 3**	Level 3

3 Amount recognised in Statement of Profit and Loss in respect of Investment Property

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Rental income derived from investment properties	**1,489**	1,627
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	**172**	248

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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(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 investments properties are as follows:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Not later than 1 year	**125**	64
Later than 1 year and not longer than 5 years	**411**	-
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
Cost or deemed cost			
Balance as at April 1, 2019	3,742	785	4,527
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2020	**3,742**	**785**	**4,527**
Balance as at April 1, 2020	3,742	785	4,527
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2021	**3,742**	**785**	**4,527**

PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Accumulated impairment			
Balance as at April 1, 2019	-	785	785
Impairment for the year	-	-	-
Deductions / Adjustments	-	-	-
Balance as at March 31, 2020	**-**	**785**	**785**
Balance as at April 1, 2020	-	785	785
Impairment for the year	-	-	-
Deductions / Adjustments	-	-	-
Balance as at March 31, 2021	**-**	**785**	**785**

PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Net book value			
As at March 31, 2021	**3,742**	**-**	**3,742**
As at March 31, 2020	3,742	-	3,742

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, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

6. OTHER INTANGIBLE ASSETS

PARTICULARS	Software	Total
Cost or deemed cost		
Balance as at April 1, 2019	8,319	8,319
Additions during the year	854	854
Deductions / adjustments	-	-
Foreign currency translation adjustments	25	25
Balance as at March 31, 2020	**9,198**	**9,198**
Balance as at April 1, 2020	9,198	9,198
Additions during the year	2,220	2,220
Deductions / adjustments	-	-
Foreign currency translation adjustments	(8)	(8)
Balance as at March 31, 2021	**11,410**	**11,410**

PARTICULARS	Software	Total
Accumulated amortisation		
Balance as at April 1, 2019	4,552	4,552
Amortisation for the year	1,720	1,720
Deductions / Adjustments	-	-
Foreign currency translation adjustments	11	11
Balance as at March 31, 2020	**6,283**	**6,283**
Balance as at April 1, 2020	6,283	6,283
Amortisation for the year	1,901	1,901
Deductions / Adjustments	-	-
Foreign currency translation adjustments	(6)	(6)
Balance as at March 31, 2021	**8,178**	**8,178**

PARTICULARS	Software	Total
Net Book Value		
As at March 31, 2021	**3,232**	**3,232**
As at March 31, 2020	2,915	2,915

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

7. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2021		As at March 31, 2020	
Non-current Investments	**Quantity**	**Amount**	Quantity	Amount
Un-quoted Investments (all fully paid)				
Investment in Equity Instruments at cost				
- BFSI Sector Skill Council of India	**1,05,00,000**	**105**	1,05,00,000	105
(Equity shares of ₹ 1 each)				
- BSE CSR Integrated Foundation	**50,000**	**5**	50,000	5
(Equity shares of ₹ 10 each)				
- BIL - Ryerson Technology Startup Incubator Foundation	**51,000**	**1**	51,000	1
(Equity shares of ₹ 1 each)				
- BSE Institute of Research Development & Innovation	**10,000**	**1**	10,000	1
(Equity shares of ₹ 10 each)				
Less : Provision for diminution in value investment		**(110)**		(110)
Total		**2**		2
Aggregate carrying value of un-quoted investments		**112**		112
Aggregate amount of impairment in value of investments in subsidiaries		**110**		110

8. INVESTMENTS IN ASSOCIATES

PARTICULARS	As at March 31, 2021		As at March 31, 2020	
	Quantity	**Amount**	Quantity	Amount
Non-current Investments				
Associates measured at cost				
Un-quoted Investments (all fully paid)				
Investment in Equity Instruments				
- Asia Index Private Limited	**5,000**	**1,137**	5,000	798
(Equity shares of ₹ 10 each)				
- CDSL Commodity Repository Limited	**1,20,00,000**	**1,244**	1,20,00,000	1,235
(Equity shares of ₹ 10 each)				
- Marketplace EBIX Technology Services Private Limited	**4,000**	**(1)**	4,000	(2)
(Equity shares of ₹ 10 each)				
- BSE EBIX Insurance Broking Private Limited	**20,04,000**	**180**	20,04,000	203
(Equity shares of ₹ 10 each)				
- Pranurja Solutions Limited	**12,50,00,000**	**1,233**	10,47,46,100	1,043
(Equity shares of ₹ 1 each)				
Total - (A)		**3,793**		3,277

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (Contd.)..

PARTICULARS	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
Investment in Preference Share Capital				
- Marketplace EBIX Technology Services Private Limited (0.01% Non-cumulative compulsarily convertible Preference Share of ₹ 10 each)	**14,00,000**	**140**	14,00,000	140
Total - (B)		**140**		140
Associates measured at cost				
Quoted Investments (all fully paid)				
Investment in Equity Instruments				
- Central Depository Services (India) Limited (Equity shares of ₹ 10 each)	**2,09,00,000**	**38,269**	2,09,00,000	35,205
Total - (B)		**38,269**		35,205
Total - (A+B)		**42,202**		38,622
Aggregate carrying value of quoted investments		**38,269**		35,205
Aggregate market value of quoted investments		**1,37,114**		44,810
Aggregate carrying value of un-quoted investments		**3,933**		3,417
Aggregate amount of impairment in value of investments in associates		**-**		-

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Associates		
Asia Index Private Limited		
Opening Balance	**798**	548
Share of profit and loss for the year	**334**	251
Share of Other comprehensive income for the year	**5**	(1)
Closing Balance	**1,137**	798
CDSL Commodity Repository Limited		
Opening Balance	**1,235**	1,230
Share of profit and loss for the year	**9**	5
Closing Balance	**1,244**	1,235
Marketplace EBIX Technology Services Private Limited		
Opening Balance	**(2)**	(1)
Share of profit and loss for the year	**1**	(1)
Closing Balance	**(1)**	(2)

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (Contd.)..

PARTICULARS	As at March 31, 2021	As at March 31, 2020
BSE EBIX Insurance Broking Private Limited		
Opening Balance	**203**	196
Share of profit and loss for the year	**(23)**	7
Closing Balance	**180**	203
Pranurja Solutions Limited		
Opening Balance	**1,043**	-
Investment made during the year	**203**	1,047
Share of profit and loss for the year	**(13)**	(4)
Closing Balance	**1,233**	1,043
Central Depository Services (India) Limited		
Opening Balance	**35,205**	40,904
Share of profit and loss for the year	**4,007**	2,406
Share of Other comprehensive income for the year	**(2)**	2
Dividend received during the year (including dividend distribution tax)	**(941)**	(1,209)
Adjustment on account of partial sale	**-**	(6,898)
Closing Balance	**38,269**	35,205

Note: The Group has not made any commitments with respect to its interests in associates at the reporting date.

9. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non-current Investments		
Un-quoted Investments (all fully paid)		
Investment in Equity Instruments at FVTPL		
- Calcutta Stock Exchange Limited	**-**	-
(Equity share of ₹ 1 each)		
- Afrinex Ltd- Mauritius	**60**	-
(69563 Equity Shares of USD 1/- Each Fully Paid Up)		
Total Investment in Equity Instruments at FVTPL	**60**	-

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Quoted Investments		
Investments in Bonds, Debentures and G Sec measured at amortised cost		
Owned		
- Bonds	**2,025**	2,025
- Non-Convertible Debentures	**1,502**	-
Earmarked		
- G Sec	**11,383**	11,348
	14,910	13,373
Investments in Mutual Funds measured at FVTPL		
Owned		
- Units of Growth Oriented Debt Schemes of Mutual Funds	**22,540**	40,166
	22,540	40,166
Less : Provision for diminution	**-**	-
Total Non-current Investments	**37,510**	53,539
Aggregate amount of quoted investments	**37,450**	53,539
Aggregate market value of quoted investments	**38,312**	54,554
Current Investments		
Quoted Investments		
Investments in Mutual Funds measured at FVTPL		
Owned Fund		
- Units of Dividend Oriented Debt Schemes of Mutual Funds	**2,514**	7,112
- Units of Growth Oriented Debt Schemes of Mutual Funds	**92,324**	90,352
- Investment in exchange traded funds through asset management company	**1,047**	3,699
	95,885	1,01,163
Earmarked Fund		
- Units of Dividend Oriented Debt Schemes of Mutual Funds	**484**	18,057
- Units of Growth Oriented Debt Schemes of Mutual Funds	**7,847**	-
	8,331	18,057
Current Investments	**1,04,216**	1,19,220

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Current Portion of Long Term Investments		
Un-quoted investments		
Investments in Debentures measured at amortised cost		
Owned Fund		
- Non-Convertible Debentures	**1,700**	3,200
Current Portion of Long Term Investments	**1,700**	3,200
Accrued interest	**467**	322
Less : Provision for diminution	**1,700**	1,705
Total Current Investments	**1,04,683**	1,21,037
Aggregate amount of quoted investments	**1,06,383**	1,22,742
Aggregate market value of quoted investments	**1,04,683**	1,22,775
Aggregate amount of unquoted investments	**-**	-
Aggregate market value of unquoted investments	**-**	-
Aggregate amount of impairment in value of investments	**1,700**	1,705

Sr. No.	COMPANY NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		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	-
2	Afrinex Ltd- Mauritius OF USD 1/-	**69,563**	**60**	-	-
	Total		**60**		-

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
Investments in Bonds, Debentures and G Sec (Quoted)					
(a)	**Own Funds**				
Bonds					
1	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	**2,500**	**25**	2,500	25
2	8.41%-India Infrastructure Finance Company Limited - 22Jan2024 - Tax Free	**1,00,000**	**1,000**	1,00,000	1,000
3	7.74% State Bank of India-09SEP2025	**150**	**1,502**	-	-
4	8.23%-Indian Railway Finance Corporation Limited - 18Feb2024 - Tax Free	**1,00,000**	**1,000**	1,00,000	1,000
	Total		**3,527**		2,025
(b)	**Earmarked Funds**				
Government Securities					
1	6.84% Govt Sec 19-Dec-2022	**20,00,000**	**1,967**	20,00,000	1,950
2	7.37% Govt Sec 16-Apr-2023	**15,00,000**	**1,501**	15,00,000	1,502
3	7.17% Govt Sec 08-Jan-2028	**15,00,000**	**1,502**	15,00,000	1,502
4	7.32% Govt Sec 28-Jan-2024	**10,00,000**	**1,025**	10,00,000	1,033
5	6.84% Govt Sec 19-Dec-2022	**20,00,000**	**1,963**	20,00,000	1,945
6	7.17% Govt Sec 08-Jan-2028	**35,00,000**	**3,425**	35,00,000	3,416
	Total		**11,383**		11,348
Investments in Mutual Funds measured at FVTPL					
(a)	**Own Funds**				
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)					
1	Aditya Birla Sun Life Fixed Term Plan Series PU 1463 Days Direct - Growth	**1,00,00,000**	**1,307**	1,00,00,000	1,203
2	Aditya Birla Sun Life Fixed Term Plan Series PV 1462 Days Direct-Growth	**1,00,00,000**	**1,309**	1,00,00,000	1,204
3	Aditya Birla Sun Life Fixed Term Plan - Series RC (1295 days) Direct - Growth	**2,00,00,000**	**2,512**	2,00,00,000	2,333
4	Aditya Birla Sun Life Fixed Term Plan - Series RL (1254 days) Direct Growth	**40,00,000**	**498**	40,00,000	463
5	HDFC Fixed Maturity Plan 1274D October 2018 Direct Growth	**1,00,00,000**	**1,268**	1,00,00,000	1,170
6	ICICI Prudential Fixed Maturity Plan - Series 84 1286 Days - Plan F - Direct Growth	**50,00,000**	**635**	50,00,000	585
7	ICICI Prudential Fixed Maturity Plan - Series 84 1275 Days - Plan K - Direct Growth	**1,00,00,000**	**1,267**	1,00,00,000	1,166

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
8	Invesco India Fixed Maturity Plan Series 31-Plan D-1468D-Direct Growth	**1,00,00,000**	**1,307**	1,00,00,000	1,197
9	Kotak Fixed Maturity Plan Series 226 - 1470D - Direct - Growth	**1,00,00,000**	**1,308**	1,00,00,000	1,202
10	Kotak Fixed Maturity Plan Series 248 - 1300 Days Direct Growth	**1,00,00,000**	**1,276**	1,00,00,000	1,172
11	Kotak Fixed Maturity Plan Series 250 - 1314 Days Direct Growth	**1,00,00,000**	**1,269**	1,00,00,000	1,166
12	Nippon IndiaFixed Horizon Fund XXXVIII Series 6 - 1119D - Dir - Growth	**1,00,00,000**	**1,251**	1,00,00,000	1,150
13	Nippon IndiaFixed Horizon Fund XXXIX Series 4 - 1323 Days - Direct - Growth	**1,00,00,000**	**1,292**	1,00,00,000	1,184
14	Nippon IndiaFixed Horizon Fund XXXIX Series 6 - 1316 Days - Direct - Growth	**1,00,00,000**	**1,287**	1,00,00,000	1,180
15	Nippon IndiaFixed Horizon Fund XXXIX Series 9 - 1296 Days - Direct - Growth	**1,00,00,000**	**1,275**	1,00,00,000	1,170
16	Nippon IndiaFixed Horizon Fund XXXIX Series 14 - 1275 Days - Direct - Growth	**1,20,00,000**	**1,517**	1,20,00,000	1,401
17	UTI Fixed Term Income Fund Series XXX - VIII (1286 days) Direct Growth	**50,00,000**	**637**	50,00,000	586
18	UTI Fixed Term Income Fund Series XXX - X (1267 days) Direct Growth	**50,00,000**	**632**	50,00,000	581
19	Aditya Birla SL FTP Series PR 1134 Days - Direct - Growth	-	-	1,50,00,000	1,766
20	Canara Robeco Fixed Maturity Plan Series-8(1103 Days) Direct Growth	-	-	30,00,000	347
21	DSP BlackRock Fixed Maturity Plan Series 232 - 36M - Direct - Growth	-	-	1,00,00,000	1,180
22	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224D - Direct - Growth Plan	-	-	1,00,00,000	1,188
23	HDFC Fixed Maturity Plan 1115D Sep 2018 Plan Direct Growth	-	-	1,00,00,000	1,168
24	ICICI Prudential - Fixed Maturity Plan - Series 82 Plan A - 1236 Days - Direct - Growth Plan	-	-	1,00,00,000	1,195
25	IDFC Fixed Term Plan Series 156 - 1103D - Direct - Growth	-	-	50,00,000	585
26	Kotak - Fixed Maturity Plan - Series 212 -1260D -Direct - Growth	-	-	50,00,000	596
27	Kotak - Fixed Maturity Plan - Series 213 -1230D -Direct - Growth	-	-	50,00,000	596
28	Kotak Fixed Maturity Plan Series 245 - 1140 D - Direct-Growth	-	-	1,00,00,000	1,160
29	L&T Fixed Maturity Plan Series XVIII 1104 Days Direct Growth	-	-	50,00,000	578
30	Nippon India- Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	-	-	50,00,000	598
31	Nippon India- Fixed Horizon Fund - XXXV Series 6 -1263 Days - Direct - Growth Plan	-	-	1,00,00,000	1,198

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
32	Nippon India- Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	-	-	1,00,00,000	1,174
33	Nippon India Fixed Horizon Fund XXXVII-Series 5-Direct Growth(1105 D)	-	-	1,00,00,000	1,181
34	Nippon India Fixed Horizon Fund XXXVII Series 6 - 1417D - Dir - Growth	-	-	1,00,00,000	1,206
35	Invesco India Fixed Maturity Plan Sr. 32 Plan E (1099 Days)- Direct Growth	-	-	1,00,00,000	1,167
36	Sundaram Fixed Term Plan - IK - 1098 days -Direct - Growth	-	-	50,00,000	586
37	UTI Fixed Term Income Fund - XXX-V - 1135D - Dir - Growth	-	-	1,00,00,000	1,167
38	ICICI Prudential - Fixed Maturity Plan - Series 82 - 1185 Days - Plan M	**25,00,000**	**316**	25,00,000	297
39	Aditya Birla Sun Life - Fixed Term Plan - 1190 Days - Series PB - Direct - Growth Plan	**20,00,000**	**253**	20,00,000	238
40	Aditya Birla Sun Life - Fixed Term Plan - 1100 Days - Series RI - Direct - Growth Plan	-	-	15,00,000	171
41	ICICI Prudential - Fixed Maturity Plan - Series 84 - 1101 Days Plan A	**10,00,000**	**124**	10,00,000	116
42	HSBC - Fixed Term Plan - Series 130 (HFTS 130)	-	-	25,00,000	297
43	KOTAK NFO Fixed Maturity Plan 11	-	-	25,00,000	298
	Total		**22,540**		40,166
	Current Investments				
	Investment in Mutual Funds				
	(a) Own Funds				
	Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)				
1	HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	-	-	9,588	102
2	HDFC Liquid Fund Direct Plan	**91,361**	**932**	32,201	328
3	SBI Liquid Fund - Direct - Daily Dividend Reinvestment	**1,14,006**	**1,582**	1,14,006	1,185
4	ICICI Prudential Overnight Fund - Direct - Daily Dividend Reinvestment	-	-	4,326	4
5	Nippon India Overnight Fund - Direct -Daily Dividend Reinvestment	-	-	19,99,929	2,000
6	Sundaram Overnight Fund - Direct - Daily Dividend Reinvestment	-	-	2,34,003	2,340
7	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment	-	-	84,041	904
8	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(I) - Direct - Growth Plan	-	-	20,00,000	249
	Total		**2,514**		7,112

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
(a)	**Own Funds**				
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)					
1	IDFC Super Saver Income Fund Medium Term	**10,78,579**	**394**	10,78,579	368
2	HDFC Corporate Debt Opportunities Fund	**9,22,944**	**168**	9,22,944	154
3	IDFC Corporate Bond Fund - Direct - Growth Plan	**46,98,504**	**717**	46,98,504	656
4	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(I) - Direct - Growth Plan	**-**	**-**	20,01,215	249
5	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	**-**	**-**	30,00,000	372
6	HSBC Fixed Term Series 130 (HFTS 130)	**25,00,000**	**313**	-	-
7	Kotak FMP Direct Growth Series 213	**25,00,000**	**316**	-	-
8	Baroda Liquid Fund Dir Growth	**499**	**12**	-	-
9	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment	**15,499**	**339**	-	-
10	Aditya Birla Sun Life - Fixed Term Plan - 1100 Days - Series RI - Direct - Growth Plan	**15,00,000**	**183**	-	-
11	ICICI Prudential Equity Arbitrage Fund - Direct Plan	**7,78,292**	**218**	7,78,292	210
12	L&T Triple Ace Bond Fund – Direct – Growth	**3,96,959**	**237**	3,96,959	219
13	Aditya Birla Sun Life Short Term Fund - Direct -Growth Plan	**-**	**-**	31,11,334	2,454
14	DSP BR Banking and PSU Debt Fund - Direct - Growth Plan	**-**	**-**	69,74,911	1,235
15	DSP BR Short Term Fund - Direct - Growth Plan	**-**	**-**	67,79,661	2,436
16	HDFC Corporate Bond Fund - Direct - Growth	**2,67,71,755**	**6,742**	2,67,71,755	6,180
17	IDFC Corporate Bond Fund - Direct - Growth Plan	**6,07,20,257**	**9,271**	6,07,20,257	8,478
18	L&T Triple Ace Bond Fund - Direct - Growth Plan	**1,23,86,929**	**7,387**	1,23,86,929	6,846
19	Sundaram Banking and PSU Debt Fund - Direct - Growth Plan	**-**	**-**	1,13,65,057	3,642
20	L&T Short Term Bond Fund Direct - Growth Plan	**-**	**-**	1,11,72,248	2,250
21	Nippon IndiaNivesh Lakshya Fund Direct - Growth Plan	**7,16,88,726**	**9,966**	7,16,88,726	9,376
22	Nippon IndiaBanking & PSU Debt Fund Direct - Growth Plan	**-**	**-**	3,01,30,692	4,545
23	Sundaram Corporate Bond Fund Direct - Growth Plan	**38,89,628**	**1,246**	38,89,628	1,143
24	Kotak Banking & PSU Debt Fund - Direct Growth Plan	**-**	**-**	35,82,363	1,707
25	Invesco India Corporate Bond Fund Direct - Growth Plan	**70,730**	**1,850**	70,730	1,703
26	HDFC Liquid Fund - Direct - Growth Plan	**1,17,104**	**4,737**	22,295	870
27	ICICI Prudential Liquid Fund - Growth	**20,064**	**61**	-	-
28	Sundaram Money Fund - Direct Plan - Growth	**94,49,246**	**4,101**	-	-
29	Edelweiss Liquid Fund - Direct -Growth	**1,13,059**	**3,000**	-	-

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
30	Tata Liquid Fund- Direct - Growth	**1,07,776**	**3,500**	-	-
31	Axis Corporate Debt Fund - Direct - Growth	**2,23,50,205**	**3,032**	-	-
32	IDFC Banking & PSU Debt Fund - Direct - Growth	**1,09,72,612**	**2,144**	-	-
33	Invesco India Treasury Advantage Fund - Direct - Growth	**17,060**	**521**	-	-
34	Kotak Bond Fund - Direct - Growth	**24,70,598**	**1,600**	-	-
35	Kotak Corporate Bond Fund - Direct - Growth	**50,255**	**1,500**	-	-
36	L&T Ultra Short Term Fund-Direct Plan - Growth	**59,50,681**	**2,088**	-	-
37	LIC MF Bond Fund- Direct -Growth	**8,53,219**	**507**	-	-
38	UTI Corporate Bond Fund - Direct - Growth	**1,20,55,240**	**1,544**	-	-
39	Edelweiss Arbitrage Fund Direct Growth Plan	**36,54,677**	**576**	36,54,677	553
40	IDFC Arbitrage Fund Direct Growth Plan	**21,66,444**	**580**	21,66,444	557
41	L&T Arbitrage Opportunities Fund Direct Growth Plan	**37,31,343**	**581**	37,31,343	557
42	Tata Arbitrage Fund Direct Growth	**2,61,53,880**	**3,000**	-	-
43	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	**-**	**-**	50,00,000	621
44	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	**-**	**-**	3,00,00,000	3,725
45	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	**-**	**-**	50,00,000	622
46	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	**-**	**-**	1,00,00,000	1,203
47	Aditya Birla SL FTP Series PR 1134 Days - Direct - Growth	**1,50,00,000**	**1,879**	-	-
48	Canara Robeco Fixed Maturity Plan Series-8(1103 Days) Direct Growth	**30,00,000**	**373**	-	-
49	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	**-**	**-**	2,00,000	2,415
50	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	**-**	**-**	90,000	1,116
51	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	**-**	**-**	50,000	623
52	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	**-**	**-**	50,00,000	620
53	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	**-**	**-**	30,00,000	370
54	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	**-**	**-**	50,00,000	620

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
55	DSP BlackRock Fixed Maturity Plan Series 232 - 36M - Direct - Growth	**1,00,00,000**	**1,257**	-	-
56	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224D - Direct - Growth Plan	**1,00,00,000**	**1,262**	-	-
57	HDFC - Fixed Maturity Plan - 1150D - Series 37(I) - Direct - Growth Plan	**-**	**-**	50,00,000	621
58	HDFC Fixed Maturity Plan 1115D Sep 2018 Plan Direct Growth	**1,00,00,000**	**1,251**	-	-
59	ICICI Prudential - Fixed Maturity Plan - Series 82 Plan A - 1236 Days - Direct - Growth Plan	**1,00,00,000**	**1,264**	-	-
60	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1231 D - Direct - Growth Plan	**-**	**-**	50,00,000	626
61	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J - 1253 Days - Direct - Growth Plan	**-**	**-**	50,00,000	624
62	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	**-**	**-**	1,00,00,000	1,249
63	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan T - 1225 Days - Direct - Growth Plan	**-**	**-**	50,00,000	623
64	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	**-**	**-**	20,00,000	248
65	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	**-**	**-**	50,00,000	620
66	IDFC Fixed Term Plan Series 156 - 1103D - Direct - Growth	**50,00,000**	**627**	-	-
67	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	**-**	**-**	1,00,00,000	1,242
68	Invesco India Fixed Maturity Plan Sr. 32 Plan E (1099 Days)- Direct Growth	**1,00,00,000**	**1,257**	-	-
69	Kotak - Fixed Maturity Plan - Series 200 - 1158 D - Direct - Growth Plan	**-**	**-**	50,00,000	621
70	Kotak - Fixed Maturity Plan - Series 202 - 1144D - Direct - Growth Plan	**-**	**-**	1,00,00,000	1,237
71	Kotak - Fixed Maturity Plan - Series 204 - 1141D - Direct - Growth Plan	**-**	**-**	50,00,000	614
72	Kotak - Fixed Maturity Plan - Series 211 - 1105D - Direct - Growth Plan	**-**	**-**	50,00,000	596
73	Kotak - Fixed Maturity Plan - Series 212 -1260D -Direct - Growth	**50,00,000**	**632**	-	-
74	Kotak - Fixed Maturity Plan - Series 213 -1230D -Direct - Growth	**50,00,000**	**633**	-	-
75	Kotak Fixed Maturity Plan Series 245 - 1140 D - Direct-Growth	**1,00,00,000**	**1,243**	-	-

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
76	L&T Fixed Maturity Plan Series XVIII 1104 Days Direct Growth	**50,00,000**	**619**	-	-
77	Nippon India- Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	**-**	**-**	50,00,000	627
78	Nippon India- Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	**-**	**-**	50,00,000	626
79	Nippon India- Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	**-**	**-**	1,00,00,000	1,252
80	Nippon India- Fixed Horizon Fund - XXXIII Series 6 - 1201D - Direct - Growth Plan	**-**	**-**	3,00,00,000	3,736
81	Nippon India- Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	**-**	**-**	50,00,000	613
82	Nippon India- Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	**-**	**-**	1,50,00,000	1,823
83	Nippon India- Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	**-**	**-**	1,20,00,000	1,452
84	Nippon India- Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	**-**	**-**	80,00,000	995
85	Nippon India- Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	**50,00,000**	**634**	-	-
86	Nippon India- Fixed Horizon Fund - XXXV Series 6 -1263 Days - Direct - Growth Plan	**1,00,00,000**	**1,268**	-	-
87	Nippon India- Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	**1,00,00,000**	**1,250**	-	-
88	Nippon India Fixed Horizon Fund XXXVII-Series 5-Direct Growth(1105 D)	**1,00,00,000**	**1,252**	-	-
89	Nippon India Fixed Horizon Fund XXXVII Series 6 - 1417D - Dir - Growth	**1,00,00,000**	**1,312**	-	-
90	Sundaram Fixed Term Plan - IK - 1098 days -Direct - Growth	**50,00,000**	**626**	-	-
91	UTI Fixed Term Income Fund - XXX-V - 1135D - Dir - Growth	**1,00,00,000**	**1,254**	-	-
92	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	**-**	**-**	30,00,000	370
93	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	**-**	**-**	1,00,00,000	1,242
	Total		**92,324**		90,352

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
(a)	**Own Funds**				
Investment in Exchange Traded Funds (Quoted)					
1	ICICI Prudential Sensex Iwin - Exchange Traded Fund	**1,08,259**	**578**	1,26,759	412
2	HDFC Sensex - Exchange Traded Fund	**60,000**	**320**	1,02,000	3,287
3	ICICI Prudential Midcap Select- Exchange Traded Fund	**1,15,500**	**99**	-	-
4	ICICI Prudential MF-BHARAT 22 - Exchange Traded Fund	**1,40,000**	**50**	-	-
	Total		**1,047**		3,699
(b)	**Earmarked Funds**				
Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)					
1	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - Investor Services Fund	**-**	**-**	5,60,834	6,034
2	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - (Commodity)	**-**	**-**	1,066	11
3	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - (SEBI Regulatory Fees)	**-**	**-**	27	-
4	Sundaram Money Fund Direct DDR	**-**	**-**	4,49,75,173	4,544
5	Nippon India Overnight Fund-Dir-DDR	**-**	**-**	29,99,894	3,000
6	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment	**22,396**	**484**	-	-
7	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment	**-**	**-**	4,15,299	4,468
	Total		**484**		18,057
Units Of Growth Oriented Debt Schemes Of Mutual Funds (Quoted)					
1	Mirae Asset Cash Management Fund Direct -Growth - Investor Services Fund	**3,51,582**	**7,634**	-	-
2	Mirae Asset Cash Management Fund Direct -Growth - (Commodity)	**590**	**13**	-	-
3	Mirae Asset Cash Management Fund Direct -Growth - (SEBI Regulatory Fees)	**35**	**1**	-	-
4	Baroda Liquid Fund Dir Growth	**8,413**	**199**	-	-
	Total		**7,847**		-

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
Investments in Debentures (Quoted)					
Own Funds					
Non Convertible Debentures					
1	8.90%-IL&FS Financial Services Limited-21Mar2019	**20,000**	**200**	20,000	200
2	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	**1,00,000**	**1,000**	1,00,000	1,000
3	8.60%-LIC Housing Finance Limited-28Dec2020	**-**	**-**	150	1,500
4	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	**50,000**	**500**	50,000	500
	Total		**1,700**		3,200

10. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Current		
Trade Receivables		
- Secured, considered good	**3,909**	425
- Unsecured, considered good	**4,848**	6,574
- Doubtful	**5,218**	3,503
- Allowance for doubtful debts	**(5,218)**	(3,503)
Total	**8,757**	6,999

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The Normal credit period allowed by the Group ranges from 0 to 60 days.
3. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.
4. There are no dues from directors or other officers of the Parent Company or any of them either severally or jointly with any other person or debts due from firms or private companies respectively in which any director is a partner or a director or a member.
5. Movement in expected credit loss allowance

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	**3,503**	1,763
Impairment loss allowance during the year	**1,715**	1,740
Balance at the end of the year	**5,218**	3,503

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non-current		
(Unsecured, considered good, unless otherwise stated)		
a Security deposits;		
Deposit with public bodies and others	**307**	303
b Loans, advances and others receivables		
Loan to staff	**63**	76
c Bank deposits with more than 12 months maturity		
Owned fund		
- In deposit accounts	**11,414**	5,079
Earmarked - Others		
- In deposit accounts	**4,812**	10,297
Earmarked - SGF		
- In deposit accounts	**7,446**	4,244
d Accrued interest		
Owned		
- On deposits	**251**	97
Earmarked - Others		
- On deposits	**232**	381
(Unsecured and considered doubtful)		
Receivable from Punjab & Sindh bank	**316**	316
Less: Impairment loss on receivable from Punjab & Sindh bank	**(316)**	(316)
Total	**24,525**	20,477
Current		
(Unsecured, considered good, unless otherwise stated)		
a Loan		
Loan to staff	**12**	23
b Others		
- Expenses recoverable from subsidiaries	**47**	57
- Receivable from Mutual funds	**5,116**	-
- Receivable from Portfolio Management Account	**2**	99
- Deposit with public bodies and others	**975**	737
- Receivable towards incentive scheme	**29**	30
- Others	**-**	10
c Deposits with financial institution	**265**	160
(Unsecured and considered doubtful)		
a Deposit made under protest for property tax and claim pending with court	**785**	785
b Others receivable from defaulter member	**-**	104
Less: Provision for Doubtful Advances	**(785)**	(889)
Total	**6,446**	1,116

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(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, 2021	As at March 31, 2020
Balance with Banks		
Owned fund		
- In Current Accounts	**3,441**	3,369
- In Deposit Accounts original maturity less than 90 days	**11,065**	2,860
Earmarked - Others		
- In Current Accounts	**16,540**	19,743
- In Deposit Accounts original maturity less than 90 days	**10,480**	44,404
Earmarked - SGF		
- In Current Accounts	**86**	25
- In Deposit Accounts original maturity less than 90 days	**-**	2,464
Earmarked - IPF		
- In Current Accounts	**3**	1
Total	**41,615**	72,866
Bank balance other than above		
Balance with banks		
Owned fund		
- In Deposit Accounts	**24,284**	11,379
Earmarked - Others		
- In Current Accounts (unpaid dividend) (refer note 12.1)	**1,647**	1,522
- In Current Accounts (refer note 12.1)	**1,599**	533
- In Deposit Accounts	**63,406**	28,058
Earmarked - SGF		
- In Deposit Accounts	**59,049**	45,874
Earmarked - IPF		
- In Deposit Accounts	**-**	15
Accrued interest		
Owned		
- On deposits	**411**	142
Earmarked - Others		
- On deposits	**666**	524
Earmarked - SGF		
- On deposits	**10**	5
Total	**1,51,072**	88,052

Note:

12.1. 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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

13. OTHER ASSETS

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non Current		
Gratuity asset (net) (refer note 42)	**2**	-
Prepaid Expenses	**3**	18
Others - Core SGF	**174**	-
Total	**179**	18
Current		
Gratuity asset (net) (refer note 42)	**283**	4
Prepaid Expenses	**790**	560
Advances Recoverable in Cash or in Kind or for value to be received	**15**	49
Advance to Creditors	**197**	287
CENVAT Credit Receivable	**1,229**	1,194
Total	**2,514**	2,094

14. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
150,00,00,000 (150,00,00,000 as at March 31, 2020) equity shares of ₹ 2/- each	**30,000**	30,000
Issued share capital:		
4,58,04,297 (4,58,04,297 equity shares as at March 31, 2020) equity shares of ₹ 2/- each	**916**	916
Subscribed and Paid-up share capital		
4,50,24,297 (4,50,24,297 equity shares as at March 31, 2020) equity shares of ₹ 2/- each fully paid-up.		
Outstanding share capital	**900**	900
Total	**900**	900

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

PARTICULARS	As at March 31, 2021	As at March 31, 2020
No. of shares at the beginning of the year	**4,50,24,297**	5,17,89,002
Additions during the year	**-**	-
Shares bought back and extinguished during the year	**-**	(67,64,705)
No. of shares at the end of the year	**4,50,24,297**	4,50,24,297

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

14. EQUITY SHARE CAPITAL (Contd.)..

Aggregate number and class of shares allotted as fully paid up by way of bonus shares.

PARTICULARS	As at March 31, 2021	As at March 31, 2020
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
Total	**4,80,86,664**	4,80,86,664

(*) Represent allotment of shares held in abeyance including bonus entitlements on such shares.

(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/- (including 4,41,00,000 bonus shares of ₹ 2/- each) issuable to the card based Members, the Exchange has allotted 4,69,95,000 equity shares (4,69,95,000 equity shares as on March 31, 2020) 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, 2020) 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 13th November, 2006, and further amendments thereto on 23rd December, 2008, had issued shares to Deutsche Boerse AG (DBAG) and Singapore Exchange Limited (SGX).

(e) i) The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders."

(f) Shareholder holds more than 5 % of the Share Capital of the Company is as below.

NAME OF THE SHAREHOLDERS	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Percentage holding	No. of shares	Percentage holding
LIC Corporation of India Limited	**25,25,500**	**5.61%**	25,25,500	5.61%

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS

PARTICULARS	As at March 31, 2021	As at March 31, 2020
General Reserve	**45,512**	45,512
Capital Reserve	**66,179**	66,179
Capital Reserve on business combination	**10,530**	10,530
Retained earnings	**1,24,916**	1,17,835
Foreign Currency Translation Reserve	**1,006**	1,338
Share application money pending allotment	**1**	1
Capital redemption reserve	**176**	176
Liquidity enhancement scheme (LES) reserve	**22**	39
Total	**2,48,342**	2,41,610

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 19th August, 2005 as appearing in the Exchange are transferred to Capital Reserve being reserves which shall not be used for purposes other than the operations of the Exchange.

15.3 Retained earnings

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance at the beginning of the year	**1,17,835**	1,21,828
Corpus transferred to/from Core Settlement Guarantee Fund (Equity Segment)	**22**	(46)
Liquidity enhancement scheme (LES) reserve	**(1,438)**	(1,593)
LES expenditure during the year	**1,455**	1,562
Transferred to Capital Redemption Reserve	**-**	(136)
Profit attibuatable to owners of the company	**14,490**	12,227
Other Comprehensive Income/(loss) arising from remeasurement of defined benefit obligation (net of income tax).	**339**	(164)
Appropriations		
- Dividend paid	**(7,135)**	(13,142)
- Tax on Dividend	**(652)**	(2,701)
	1,24,916	**1,17,835**

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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS (Contd.)..

The Board of Directors, in its meeting on May 13, 2021, have proposed a final dividend of ₹ 21/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2021. 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 ₹ 9,619.

15.4 Liquidity Enhancement Scheme (LES) Reserve

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 derivatives contracts traded. LES was launched on November 01, 2017 and which was further extended and amended from time to time. An expense of ₹ 1,455 (Previous year: ₹ 1,562) has been incurred towards the Scheme for the year ended March 31, 2021.

Further Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2021, India INX has created additional LES reserve of ₹ 1,438 and incurred an expense of ₹ 1,455 during the year ended March 31, 2021, accordingly LES reserve balance as on March 31, 2021 is ₹ 22 (as on March 31, 2020: ₹ 39). The LES reserve as on March 31, 2021 will not form part of net worth.

16. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non-current		
Accrued employee benefit expenses (refer note 16.5)	**834**	736
Lease obligations (refer note 16.1 below)	**3**	3
Other deposits	**104**	-
Total	**941**	739
Current		
Owned :		
Deposits received from trading members	**9,321**	9,613
Other deposits received from members	**5,087**	4,469
Other deposits	**1,449**	1,568
Margin from Clients	**924**	672
Accrued employee benefit expenses (refer note 16.5)	**3,377**	2,967
Unpaid dividends (refer note 16.3)	**143**	128
Payables on purchase of fixed assets	**-**	463
Payable towards Additional Contribution to ISF and IPF	**-**	1,861
Other Liabilities	**1**	-
Total (A)	**20,302**	21,741

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

16. OTHER FINANCIAL LIABILITIES (Contd.)..

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Earmarked :		
Deposits from companies - 1% of their public issue (refer note 16.2)	**11,782**	8,441
Defaulters' liabilities (refer note 16.2)	**2,804**	2,697
Withheld liabilities (refer note 16.2)	**3,491**	4,926
Other Deposits from Companies (refer note 16.2)	**664**	-
Recovery expense fund (refer note 16.2)	**2,208**	-
Others (refer note 16.4)	**4,620**	3,758
Total (B)	**25,569**	19,822
Clearing and Settlement		
Deposit from Clearing banks	**13,802**	13,811
Deposit and Margins from Members	**42,671**	56,795
Settlement Obligation payable	**6,690**	1,192
Others	**6,755**	17,442
Total (C)	**69,918**	89,240
Total (A+B+C)	**1,15,789**	1,30,803

16.1 Secured by lease asset. 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 Income earned on earmarked funds.

16.5 Bank deposits of ₹ 619 (₹ 511 as at March 31, 2020) and accrued interest of ₹ 66 (₹ 54 as at March 31, 2020) have been earmarked against these liabilities.

17. PROVISIONS

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non-current		
Employee benefits		
Provision for gratuity (refer note 42)	**254**	240
Total	**254**	240
Current		
Employee benefits		
Compensated absences (refer note 42)	**1,948**	1,722
Provision for gratuity (refer note 42)	**16**	41
Total	**1,964**	1,763

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (net)		
Deferred tax assets	**16,810**	16,881
Deferred tax liabilities	**2,274**	4,118
Deferred tax assets (net)	**14,536**	12,763

Details of Deferred tax assets and liabilities are given below:

PARTICULARS	Opening balance as at April 1, 2019	Recognised in Profit or loss (continuing operation)	Recognised in other comprehensive income	Closing balance as at March 31, 2020	Recognised in Profit or loss (continuing operation)	Recognised in other comprehensive income	**Closing balance as at March 31, 2021**
Deferred tax assets							
MAT Credit entitlement	10,590	(3,593)	-	14,183	837	-	**13,346**
Impairment of financials assets	1,030	(875)	-	1,905	(579)	-	**2,484**
Expenses allowed on payment basis	355	5	(23)	373	(264)	155	**482**
Voluntary Retirement Scheme	25	7	-	18	7	-	**11**
Property, Plant and Equipment, Intangible assets and goodwill	276	(126)	-	402	(85)	-	**487**
Total - A	12,276	(4,582)	(23)	16,881	(84)	155	**16,810**
Deferred tax liabilities							
Others (Mainly on mutual fund fair valuation)	2,029	(2,089)	-	4,118	1,844	-	**2,274**
Total - B	2,029	(2,089)	-	4,118	1,844	-	**2,274**
Net - (A-B)	10,247	(2,493)	(23)	12,763	(1,928)	155	**14,536**

Notes:

1. Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
- Tax losses (revenue in nature)	**13,597**	11,066
- Tax losses (capital in nature)	**-**	4,527
Total	**13,597**	15,593

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSET AND LIABILITIES (Contd.)..

Note: The unrecognised tax credits will expire in following years

PARTICULARS	As at March 31, 2021	As at March 31, 2020
2019-20 - Capital in Nature	-	-
2020-21 - Capital in Nature	-	4,428
2021-22 - Capital in Nature	-	47
2023-24 - Revenue in Nature	-	-
2024-25 - Revenue in Nature	-	4
2024-25 - Capital in Nature	-	52
2025-26 - Revenue in Nature	1,143	1,193
2026-27 - Revenue in Nature	2,248	2,301
2027-28 - Revenue in Nature	3,407	3,466
2028-29 - Revenue in Nature	3,314	3,906
2029-30 - Revenue in Nature	3,485	-
Unabsorbed Depreciation	-	196

2. The management expects the Company to pay normal tax and benefit associated with MAT credit will flow to the Group within permissible time limit stipulated under Income Tax Act, 1961 to the extent MAT asset recognised.

19. OTHER LIABILITIES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non Current		
Income received in advance	20	88
Unamortised portion of Capital Subsidy	23	47
Total	43	135
Current		
Owned :		
Income received in advance	605	867
Advance from customers	3,170	1,306
Statutory remittances	12,598	7,349
Other liabilities (refer note below)	9,615	7,857
Unamortised portion of Capital Subsidy	23	21
Earmarked :		
Contribution payable to IPF	21	16
Total	26,032	17,416

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

19. OTHER LIABILITIES (Contd.)..

Note: Other liabilities includes :

a) Investors' Services Fund (ISF):

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Annual listing fees received for the year	**14,449**	15,650
20% of the above (Amount to be contributed annually)*	**2,920**	3,130
Investment income accrued to ISF	**267**	254
Expenses incurred on behalf of ISF	**1,748**	1,886
Cumulative balance as at end of year**	**7,276**	5,837

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Fund.

*Amount for the year ended March 31, 2021 includes additional contribution of ₹ 30 in respect of Commodity ISF.

**Investments in Mutual Funds have been earmarked against these liabilities.

b) Other liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Cumulative balance as at end of year (refer note 16.3)	**1,504**	1,394

20. TRADE PAYABLES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Current		
A) Total outstanding due of Micro & Small Enterprises		
Payable to service providers	**5**	16
B) Total outstanding due of Creditors other than Micro & Small Enterprises		
Payable to service providers	**9,812**	7,568
Total	**9,817**	7,584

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2021	As at March 31, 2020
(a) Principal amount and interest thereon remaining unpaid at the end of year.	**5**	16
(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	**-**	-

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

21. INCOME TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non Current tax assets		
Advance tax (net of provisions)	**9,904**	8,794
Total	**9,904**	8,794
Current tax liabilities		
Income tax provision (net of advance tax)	**944**	993
Total	**944**	993

22. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Transaction charges	**13,888**	11,306
Other charges	**1,666**	1,594
Annual subscription and admission fees	**765**	515
Processing fees	**385**	269
Treasury Income from Clearing and Settlement Funds	**3,012**	2,293
Clearing and Settlement Charges	**2,173**	867
Auction Charges	**55**	53
Total	**21,944**	16,897

23. INCOME FROM SERVICES TO CORPORATES

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Listing fees	**18,578**	18,821
Book building software charges	**3,450**	1,818
Company reinstatement fees	**222**	405
Other fees	**326**	171
Total	**22,576**	21,215

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

24. INVESTMENT INCOME

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	**Interest income earned on financial assets that are not designated as at fair value through profit or loss**		
	Bank deposits (at amortised cost)	**2,147**	1,983
	Investments in debt instruments (at amortised cost)	**755**	751
b)	**Dividend income**		
	Dividends from investment in equity shares (designated at cost)		
	Dividend income from others	**-**	6
	Dividends from investment in mutual funds (designated at FVTPL)		
	Dividend income	**31**	1,296
c)	**Other gains or losses:**		
	Net gains / (loss) arising on financial assets measured at FVTPL	**9,975**	11,830
Total		**12,908**	15,866

25. OTHER INCOME

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental income	**1,489**	1,627
Website income	**89**	91
Net gain on disposal of property, plant and equipment	**(3)**	10
Net foreign exchange gain / (loss)	**7**	(32)
Interest on income tax refunds	**57**	18
Miscellaneous income	**143**	313
Incentives from Government authorities	**43**	52
Excess Provision written back	**-**	4
Recovery towards Investors service fund of earlier years (refer note 50)	**595**	-
Total	**2,420**	2,083

26. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, allowances and bonus	**12,865**	13,029
Contribution to provident and other Funds	**659**	688
Staff welfare expenses	**301**	422
Compensated absences	**1,043**	981
Total	**14,868**	15,120

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

27. COMPUTER TECHNOLOGY RELATED EXPENSES

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Computer technology related expenses	**7,982**	8,164
Technology programmes	**1,497**	3,596
Total	**9,479**	11,760

28. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertising and marketing expenses	**277**	981
Bad debts written off	**144**	13
Building repairs and maintenance expenses	**711**	792
Clearing House Expenses	**2,637**	802
Contribution to investors service fund	**2,920**	3,130
Contribution to investors' protection fund	**144**	156
Contribution to core settlement guarantee fund	**619**	74
Contribution to SEBI	**1,445**	1,565
Contribution to corporate social responsibility (refer note below 28.1)	**288**	409
Data entry charges	**275**	276
Datafeed expenses	**665**	475
Directors' sitting fees	**68**	51
Provision for Additional Contribution to ISF and IPF (refer note 50)	**-**	1,861
Settlement of service tax matter (refer note 47)	**-**	366
Electricity charges (net of recoveries)	**914**	1,077
Insurance	**343**	306
Impairment loss allowance on trade receivables	**1,715**	1,740
Impairment loss on financial assets carried at cost	**(101)**	791
Legal fees	**388**	877
Miscellaneous expenses	**1,469**	1,577
Payment to auditors		
a) Statutory audit fee	**71**	71
b) Tax audit fee	**6**	6
c) Other services	**6**	3
d) Out of Pocket	**-**	3
Professional fees	**2,076**	2,046
Postage and telephone expenses	**130**	204
Printing and stationery	**23**	106
Property taxes (net of recoveries)	**224**	228
Operating lease expenses	**214**	269
Repairs to other assets	**162**	150
SEBI regulatory fees	**247**	245
Travelling expenses	**461**	668
Total	**18,541**	21,318

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

28. ADMINISTRATION AND OTHER EXPENSES (Contd.)..

28.1 CSR Expenditure

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	The gross amount required to be spent by the Group during the year	**288**	409
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.		

29. TAX EXPENSE

(a) Income tax expenses

The major components of income tax expenses for the year ended March 31, 2021.

(i) Profit or loss section

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax expense	**3,063**	3,982
Current tax expense of earlier years	**(46)**	-
Deferred tax	**(1,930)**	(2,494)
Total income tax expense recognised in Profit or Loss	**1,087**	1,488

29.a Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance") on September 20, 2019 has amended the Income Tax Act, 1961 and Finance (No. 2) Act, 2019, by which the option has been provided for the lower tax regime without any incentives for the domestic companies. Under the revised tax regime, accumulated Minimum Alternate Tax (MAT) credit is not allowed. Considering the substantial accumulated MAT credit, the company and certain subsidiaries have assessed that it is beneficial not to opt for the option of availing revised income tax rate for certain period of time. The tax liability for the current year and previous year has been accordingly calculated. For the remaining subsidiaries the tax liability has been made, applying the revised tax rate.

29.b The Holding Company has been creating deferred tax liability in its consolidated financial statements on undistributed profits of Central Depository Services (India) Limited ("CDSL") to the extent of its investment in the associate. During the year ended March 31, 2020, the company sold 4% of its stake in CDSL, due to which dividend distribution tax will no longer be payable in future to the extent of 4% and hence deferred tax liability was reversed to the extent of ₹ 151 for the year ended March 31, 2020.

29.c As per the Accounting standard applicable to the company, deferred tax liability was provided in the Consolidated Financial statements in respect of undistributed profits of associates. With the abolition of Dividend Distribution Tax (DDT) and introduction of Section 80 M of the Income Tax Act, 1961 in the Finance Act, 2020, Dividend from associates will no longer be taxed in the hands of the Company. Accordingly, an amount of ₹ 1,812 provided in earlier years as tax on undistributed profits of associates has been rendered excess and has been written back from the tax expenses for the year ended March 31, 2021.

(ii) Other comprehensive income section

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurements of the defined benefit plans	**155**	(23)
Total income tax expense recognised in other comprehensive income	**155**	(23)

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

29. TAX EXPENSE (Contd.)..

(b) Reconciliation of effective tax rate

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
(A)	Income before income tax	**10,942**	10,884
(B)	Enacted tax rate in india	**34.944%**	34.944%
(C)	Expected tax expenses (A*B)	**3,824**	3,803
(D)	Other than temporary differences		
	Tax difference on account of lower enacted rate for subsidiaries	**(1,947)**	(247)
	Investment Income	**(4,379)**	(2,915)
	Income from House Property and Related expenditure	**(102)**	(91)
	Capital Gains	**1,942**	-
	FVTPL adjustments pertaining to MF	**603**	-
	Expenses disallowed / (allowed)	**92**	301
	Total	**(3,791)**	(2,952)
(E)	Temporary difference on which deferred tax assets not recognised		
	Business Loss Carried Forward	**1,100**	637
	Total	**1,100**	637
(F)	Net adjustments (D+E)	**(2,691)**	(2,315)
(G)	Current tax expense of earlier years	**(46)**	-
(H)	Tax expense recognised in profit and loss (C+F+G)	**1,087**	1,488

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, 2021	For the year ended March 31, 2020
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	**4,58,04,297**	4,90,94,235
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	**4,58,04,297**	4,90,94,235
Face Value per Share	**₹ 2 each**	₹ 2 each
Profit after tax before exceptional items (net of tax)	**15,115**	8,857
Profit after tax after exceptional items	**14,170**	12,061
Basic and Diluted EPS before exceptional items	**33.00**	18.04
Basic and Diluted EPS after exceptional items	**30.94**	24.57

31. LEASE

As per the assessment of management, there are no lease contracts for which IND AS 116 – Leases is required to be applied.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(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, 2021 and March 31, 2020 is as follows:

PARTICULARS		Carrying Value		Fair Value	
		March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
i)	**Financial assets**				
a)	**Amortised Cost**				
	Investment in debt instruments	**15,377**	15,190	**16,239**	16,238
	Trade receivable	**8,757**	6,999	**8,757**	6,999
	Cash and cash equivalents	**41,615**	72,866	**41,615**	72,866
	Bank balances other cash and cash equivalents	**1,51,072**	88,052	**1,51,072**	88,052
	Other financial assets	**30,971**	21,593	**30,971**	21,593
	Total	**2,47,792**	2,04,700	**2,48,654**	2,05,748
b)	**FVTPL**				
	Investment in equity instruments	**60**	-	**60**	-
	Investment in Exchange Traded Funds	**1,047**	3,699	**1,047**	3,699
	Investment in mutual funds	**1,25,709**	1,55,687	**1,25,709**	1,55,687
	Total	**1,26,816**	1,59,386	**1,26,816**	1,59,386
c)	**Others**				
	Investment in subsidiaries and associates	**42,204**	38,624	**1,41,049**	48,229
ii)	**Financial liabilities**				
a)	**Amortised Cost**				
	Trade payables	**9,817**	7,584	**9,817**	7,584
	Other financial liabilities	**1,16,730**	1,31,542	**1,16,730**	1,31,542
	Total	**1,26,547**	1,39,126	**1,26,547**	1,39,126

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(a) 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.

(b) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
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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 financial assets (other than subsidiaries) and liabilities:

PARTICULARS		Fair values As at March 31, 2021	Fair values As at March 31, 2020	Fair Value Hierarchy (Level)
i)	**Financial assets**			
a)	**Amortised Cost**			
	Investment in debt instruments (quoted)	**16,239**	16,238	Level 1
	Investment in debt instruments (unquoted)	**-**	-	
	Total	**16,239**	16,238	
b)	**FVTPL**			
	Investment in equity instruments	**60**	-	Level 3
	Investment in Exchange Traded Funds	**1,047**	3,699	Level 1
	Investment in mutual funds	**1,25,709**	1,55,687	Level 1
	Total	**1,26,816**	1,59,386	
c)	**Others**			
	Investment in equity instruments of associates	**1,37,114**	44,810	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 of trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

It is the Group's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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32. FINANCIAL INSTRUMENTS (Contd.)..

- **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 provided the collaterals and other securities for trading done on its platform), hence the Group operates with large number of customers portfolio and its revenue is not concentrated on small number of customers.

  None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2021 and March 31, 2020.

- **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, other than losses which are provided, 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:

a. Mark to Market Margin payments: Open positions in futures are settled at least daily. ICCL has to ensure that sufficient funds are available to fulfil their obligations.

b. Market disruptions: Such as unusual market volatility driving large margin movements; liquidity squeezes in the cash or securities markets and central bank action.

c. Failed settlements: Arise when a member fails to deliver funds or securities, leaving ICCL short of funds or 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 Risk committee.

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. 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

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
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33. FINANCIAL RISK MANAGEMENT (Contd.)..

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 defense to the margining and risk management systems, ICCL has subscribed to the Insurance policy. As per the default waterfall, in the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk. The magnitude of potential loss due to default that a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the networth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL remains committed to the safety of investors and members and to further add to this security, ICCL has subscribed to a unique Insurance Policy 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 ₹ 600 Crore, 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 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 which would hypothetically cause the highest loss. In addition, ICCL has lines of credit with various commercial banks in excess of its entire average daily funds pay-out, to build redundancy in case of one or more banks being unable to provide the liquidity support. The investments made in liquid resources are based on ICCL's investment policy, which is periodically reviewed by its investment committee and duly approved by its audit committee and the board of directors. The investment policy specifies the quality as well as exposure limits for each type of the qualified liquid resources.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Trade payable		
< 1 year	**9,817**	7,584
1-5 years	**-**	-
> 5 years	**-**	-
Total	**9,817**	7,584
Other financial liabilities		
< 1 year	**1,15,789**	1,30,803
1-5 years	**938**	736
> 5 years	**3**	3
Total	**1,16,730**	1,31,542
Total	**1,26,547**	1,39,126

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33. FINANCIAL RISK MANAGEMENT (Contd.)..

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2021 and March 31, 2020:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Investments*		
< 1 year	**1,04,683**	1,21,037
1-5 years	**37,510**	53,539
> 5 years	**-**	-
Total	**1,42,193**	1,74,576
Other financial assets		
< 1 year	**6,446**	1,116
1-5 years	**24,525**	20,477
> 5 years	**-**	-
Total	**30,971**	21,593
Trade receivables		
< 1 year	**8,757**	6,999
1-5 years	**-**	-
> 5 years	**-**	-
Total	**8,757**	6,999
Cash and cash equivalents		
< 1 year	**41,615**	72,866
1-5 years	**-**	-
> 5 years	**-**	-
Total	**41,615**	72,866
Bank balances other than cash and cash equivalents		
< 1 year	**1,51,072**	88,052
1-5 years	**-**	-
> 5 years	**-**	-
Total	**1,51,072**	88,052
Total	**3,74,608**	3,64,086

* Investment does not include investment in equity investment of subsidiaries and associates.

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.

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33. FINANCIAL RISK MANAGEMENT (Contd.)..

- **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 lessor 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 have licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange, setting up an SME platform and trading in government securities. Some of these approvals are required to be renewed from time to time. The Group's operations are subject to continued review and the governing regulations may change. The Group's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary Indian Clearing Corporation Limited (ICCL). ICCL guarantees the settlement of trade executed on the Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

Clearing Corporations (CCPs) have been the focus of the Global as well as Indian Regulators. SEBI introduced the guidelines on stress testing, Core Settlement Guarantee Fund ("Core SGF") and Default Waterfall, to ensure that Indian CCPs are compliant with International benchmarks and regulations, including the Principles for Financial Market Infrastructures ("PFMI") issued by the Committee on Payments and Market Infrastructures ("CPMI") and the International Organisation of Securities Commissions ("IOSCO") and the European Market Infrastructure Regulation ("EMIR"). IOSCO has issued discussion papers on Recovery and Resolution and Cyber Risk, areas which are expected to witness regulatory guidance in the next few years. 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 PFMIs 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. ICCL has also received temporary recognition pursuant to the UK Statutory Instrument the Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 ("the SI"). The Temporary Recognition Regime ("TRR") enables ICCL to provide clearing services and activities in the UK for up to three years from the commencement of the TRR, extendable by HM Treasury in increments of twelve months.

The 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.

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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, 2018, the 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 be mandated to build up to prescribed networth of ₹ 300 Crore over a period of three years from the date of notification. As per SECC Regulations 2018, "Every recognized clearing corporation shall maintain, at all times, a minimum net worth of one hundred crore rupees or capital as determined under regulation 14(3)(a) and 14(3)(b), whichever is higher." Minimum requirement of net worth is maintained throughout the period from effective date of notification. ICCL has been compliant with the capital requirement since the date of notification.

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 the SEBI (International Financial Services Centre) Guidelines, 2015, the Subsidiary Company India International Clearing Corporation (IFSC) Limited shall have a minimum net worth equivalent of rupees fifty crores initially and it shall enhance its net worth to a minimum equivalent of rupees one hundred crores or risk based capital whichever is higher, over the period of three years from commencement of operations, i.e., by January 15, 2020. Further, SEBI has relaxed the net-worth requirement of rupees one hundred crores or risk based capital whichever is higher for a period of one year, i.e., till January 15, 2021, vide its letter dated July 3, 2019, subject to maintenance of minimum net-worth of rupees fifty crores or risk based capital whichever is higher at all times. Further IFSCA vide its letter dated December 16, 2020, has relaxed the networth requirement from ₹ 100 crore or risk-based capital whichever is higher to ₹ 50 crore or risk-based capital whichever is higher for a further period of one year i.e., till January 16, 2022 subject to maintenance of minimum net worth of ₹ 50 Crores at all times. Further as per Notification No. IFSCA/2021-22/GN/REG011 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulation, 2021 dated April 12, 2021, A recognized clearing corporation shall have net worth of at least USD 3 million at all times. The said notification will come into force on thirtieth day of its publication in the official Gazette.

In accordance with SEBI (International Financial Services Centre) Guidelines, 2015, the Subsidiary Company India International Exchange (IFSC) Limited shall a minimum net worth equivalent of twenty five crore rupees initially and it shall enhance its net worth to a minimum equivalent of one hundred crore rupees over the period of three years from the date of approval i.e., December 28, 2019. Further SEBI has relaxed the net-worth requirement of ₹ 100 crores for India International Exchange (IFSC) Limited for 1 year i.e., December 28, 2020 subject to maintenance of minimum net-worth of ₹ 25 crores at all times as mandated under SEBI (International Financial Services Centre) Guidelines, 2015.

- Further on December 14, 2020 IFSCA has relaxed the net-worth requirement of ₹100 crore for India INX for 1 year i.e., December 28, 2021 subject to maintenance of the minimum net-worth of ₹25 Crores at all times as mandated under Clause 5 (1) of SEBI (IFSC) guideline 2015.
- In view of above, net worth requirement of ₹ 100 crores need to achieve by December 28,2021 subject to maintenance of minimum net worth of ₹ 25 crores at all times. The Subsidiary Company India International Exchange (IFSC) has maintained the Net worth at all times as per the relaxation granted by SEBI.
- Further as per Notification No. IFSCA/2021-22/GN/REG011 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulation,2021 dated 12th April,2021, A recognized Exchange shall have net worth of at least USD 3 million at all times. The said notification will come into force on thirtieth day of its publication in the official Gazette.

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35. RELATED PARTY TRANSACTIONS

Sr.	CONTROL	ENTITIES
a.	**Subsidiary Companies (not consolidated)**	BSE CSR Integrated Foundation BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation BSE Institute of Research Development & Innovation (w.e.f December 5, 2019)
b.	**Trusts set-up by the Group**	BSE Investors' Protection Fund (Formerly known as "The Stock Exchange Investors' Protection Fund Trust") 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 India International Exchange (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Employee Gratuity Fund) India International Clearing Corporation (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme
c.	**Associate**	Central Depository Services (India) Limited CDSL Ventures Limited CDSL Insurance Repository Limited CDSL Commodity Repository Limited Asia Index Private Limited BSE EBIX Insurance Broking Private Limited Marketplace EBIX Technology Services Private Limited Pranurja Solutions Limited (w.e.f. May 7, 2019) CDSL IFSC Limited (w.e.f March 30, 2021)
d.	**Key Management Personnel and their relatives (KMP)**	Justice Vikramajit Sen - Chairman (with effect from May 22, 2019) and Public Interest Director Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer Shri Sumit Bose - Public Interest Director Shri S S Mundra - Public Interest Director Shri David Wright - Public Interest Director Shri Umakant Jayaram - Public Interest Director Sushree Jayshree Vyas - Public Interest Director (with effect from April 25, 2019) Shri T C Suseel Kumar - Shareholder Director (with effect from October 22, 2020) Smt. Usha Sangwan - Shareholder Director (upto July 30, 2020) Smt. Rajeshree Sabnavis - Shareholder Director (Upto July 15, 2019) Shri Nayan Mehta - Chief Financial Officer Smt Prajakta Powle - Company Secretary

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35. RELATED PARTY TRANSACTIONS (Contd.)..

Following are the transactions with related parties and the year-end balances:

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Subsidiary Companies		
Income		
BFSI Sector Skill Council of India		
Rent and Infrastructure Charges	**20**	51
Administrative and Other Expenses (Recoveries)	**1**	0^
Expenditure		
BSE CSR Integrated Foundation		
Contribution to corporate social responsibility	**287**	395
Trusts set-up by the Company		
Income		
BSE Investors' Protection Fund		
Administrative and Other Expenses (Recoveries)	**294**	231
Rent	**13**	14
Expenditure		
Contribution to IPF (a proportion of listing fee)	**144**	156
Rent	**69**	67
Associate		
Income		
Asia Index Private Limited		
Rent and Infrastructure Charges	**170**	144
Administrative and Other Expenses (Recoveries)	**23**	27
Central Depository Services (India) Limited		
Rent and Infrastructure Charge	**1**	1
Miscellaneous Income	**18**	17
Other charges	**52**	38
BSE EBIX Insurance Broking Private Limited		
Rent and Infrastructure Charges	**2**	2
Administrative and Other Expenses (Recoveries)	**1**	0^
Pranurja Solutions Limited (w.e.f May 7, 2019)		
Rent and Infrastructure Charges	**2**	2
Administrative and Other Expenses (Recoveries)	**0^**	0^
Expenditure		
Central Depository Services (India) Limited		
Administrative and Other Expenses	**343**	103
Other Transactions		
BSE EBIX Insurance Broking Private Limited		
Transfer of Compensated absence liabilities to BSE Ebix	**7**	-
Transfer of Gratuity liabilities to BSE Ebix	**3**	-
KMP		
Expenditure		
Salaries, Allowances and Bonus *		
Short term Employee benefits		
Shri Ashishkumar Chauhan	**842**	764
Shri. Nayan Mehta	**170**	160
Smt. Prajakta Powle	**34**	32

*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 (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2018.

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35. RELATED PARTY TRANSACTIONS (Contd.)..

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.

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Subsidiary		
Assets		
Investments		
BSE CSR Integrated foundation	**5**	5
BFSI Sector Skill Council of India	**105**	105
BIL - Ryerson Technology Startup Incubator Foundation	**1**	1
BSE Institute of Research Development & Innovation	**1**	1
Receivable		
BFSI Sector Skill Council of India	**-**	24
Payable		
BFSI Sector Skill Council of India	**0^**	-
Trusts set-up by the Group		
Assets		
Receivable		
BSE Investors' Protection Fund	**70**	58
Net defined benefit assets		
BSE Employee's Gratuity Fund	**2,800**	2,680
ICCL Employee's Gratuity Fund	**184**	164
Liabilities		
Deposit		
BSE Investors' Protection Fund	**6**	6
Direct Associates		
Assets		
Investments		
Asia Index Private Limited	**1**	1
Central Depository Services (India) Limited	**31,141**	31,141
Receivable		
Asia Index Private Limited	**30**	18
Liabilities		
Deposit		
Asia Index Private Limited	**92**	92
Payable		
Central Depository Services (India) Limited	**261**	45
Indirect Associates		
Assets		
Receivable		
BSE EBIX Insurance Broking Private Limited	**1**	2
Pranurja Solutions Limited (w.e.f May 7, 2019)	**1**	2

^ Less than ₹ 50,000/-

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36. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2021	As at March 31, 2020
a)	Claims against the Group not acknowledged as debts in respect of:		
	i) Income tax matters	**7,897**	7,695
	ii) Service tax matters	**2,155**	405
	iii) Claims not acknowledged as debts	**10,352**	16,778
	iv) Out of 'iii' above, in the opinion of the Management are remote	**10,351**	16,777
b)	Guarantees given by the Group	**100,219**	50,192

Notes:

1. During the previous year, The Company has received SEBI Directives on BSE towards Cyber Security Audit and in response to the above, the company has submitted its reply to SEBI for reconsideration and to the extent the amount of ₹ 70 is considered as contingent liability.

2. The Group's pending litigations comprise of claims against the Group primarily by the customers/ vendors and proceedings pending with Tax and Other Regulatory 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, 2021.

37. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are ₹ 713 as at March 31, 2021 (₹ 2,423 as at March 31, 2020).

38. The MD & 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 Group's performance and allocates resources.

38.1 The Group 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 geographic areas

38.2.1 Revenues from external customers

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Within India	**62,512**	60,300
Outside India	**2,953**	2,700
Total	**65,465**	63,000

38.2.2 The Group does not have non-current assets outside India.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

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, 2021		March 31, 2020	
	Net assets, i.e., total assets minus total liabilities			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
The Company	57%	142,215	58%	1,40,868
Indian Subsidiaries				
Indian Clearing Corporation Limited	15%	38,052	15%	35,740
BSE Technologies Private Limited (formerly known as Marketplace Technologies Private Limited)	1%	3,524	2%	3,770
BSE Institute Limited	3%	6,920	3%	6,819
BSE Investments Limited	2%	4,806	2%	3,851
BSE Sammaan CSR Limited	0%	25	0%	52
India International Exchange (IFSC) Limited	2%	4,094	2%	4,874
India International Clearing Corporation (IFSC) Limited	3%	7,544	3%	8,054
Indian Associates (Investment as per equity method)				
Central Depository Services (India) Limited	15%	38,269	14%	35,205
Asia Index Private Limited	0%	1,137	0%	798
CDSL Commodity Repository Limited	1%	1,244	1%	1,235
BSE EBIX Insurance Broking Private Limited	0%	180	0%	203
Marketplace EBIX Technology Services Private Limited	0%	(1)	0%	(2)
Pranurja Solutions Limited	0%	1,233	0%	1,043
Total	100%	2,49,242	100%	2,42,510

NAME OF THE ENTITY	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Share in profit or loss			
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
The Company	98%	14,200	96%	11,748
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	12%	1,686	19%	2,331
BSE Technologies Private Limited (formerly known as Marketplace Technologies Private Limited)	(22%)	(3,158)	(19%)	(2,364)
BSE Institute Limited	4%	590	8%	927
BSE Investments Limited	(0%)	(19)	0%	46
BSE Sammaan CSR Limited	(0%)	(18)	(0%)	(36)
India International Exchange (IFSC) Limited	(22%)	(3,168)	(26%)	(3,136)
India International Clearing Corporation (IFSC) Limited	(2%)	(258)	(1%)	(120)
Share of Non-controlling Interest in all Subsidiaries	2%	320	1%	166

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. (Contd.)..

NAME OF THE ENTITY	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Share in profit or loss			
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
Indian Associates				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	**28%**	**4,007**	18%	2,406
Asia Index Private Limited	**2%**	**334**	2%	251
CDSL Commodity Repository Limited	**0%**	**9**	0%	5
BSE EBIX Insurance Broking Private Limited	**(0%)**	**(23)**	0%	7
Marketplace EBIX Technology Services Private Limited	**0%**	**1**	(0%)	(1)
Pranurja Solutions Limited	**(0%)**	**(13)**	(0%)	(3)
Total	**100%**	**14,490**	100%	12,227

NAME OF THE ENTITY	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Share in Other Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
The Company	**3957%**	**277**	(2%)	(25)
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	**43%**	**3**	(0%)	(4)
BSE Technologies Private Limited (formerly known as Marketplace Technologies Private Limited)	**3%**	**19**	(3%)	(26)
BSE Institute Limited	**(0%)**	**(3)**	(0%)	(1)
India International Exchange (IFSC) Limited	**(1457%)**	**(102)**	44%	441
India International Clearing Corporation (IFSC) Limited	**(3143%)**	**(220)**	71%	716
Share of Non-controlling Interest in all Subsidiaries	**429%**	**30**	(10)	(99)
Indian Associate				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	**4%**	**1**	0%	2
Asia Index Private Limited	**9%**	**2**	(0%)	(1)
Total	**(100%)**	**(23)**	100%	1,003

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. (Contd.)..

NAME OF THE ENTITY	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Share in Total Comprehensive Income			
	As % of consolidated net Total Comprehensive Income	Amount	As % of consolidated net Total Comprehensive Income	Amount
The Company	**102%**	**14,472**	89%	11,723
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	**12%**	**1,689**	18%	2,327
BSE Technologies Private Limited (formerly known as Marketplace Technologies Private Limited)	**(22%)**	**(3,139)**	(18%)	(2,390)
BSE Institute Limited	**4.15%**	**587**	7%	926
BSE Investments Limited	**(0%)**	**(14)**	0%	46
BSE Sammaan CSR Limited	**(0%)**	**(18)**	(0%)	(36)
India International Exchange (IFSC) Limited	**(23%)**	**(3,270)**	(20%)	(2,695)
India International Clearing Corporation (IFSC) Limited	**(3%)**	**(478)**	5%	596
Share of Non-controlling Interest in all Subsidiaries	**2%**	**350**	1%	67
Indian Associate				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	**28%**	**4,009**	18%	2,408
Asia Index Private Limited	**2%**	**335**	2%	250
CDSL Commodity Repository Limited	**0%**	**9**	0%	5
BSE EBIX Insurance Broking Private Limited	**(0%)**	**(23)**	0%	7
Marketplace EBIX Technology Services Private Limited	**0%**	**1**	(0%)	(1)
Pranurja Solutions Limited	**(0%)**	**(13)**	(0%)	(3)
Total	**100%**	**14,497**	100%	13,230

Note: Above information has been prepared based on consolidated financials of Subsidiaries wherever applicable.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

40. 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) to guarantee the settlement of trades executed in respective segment. Accordingly, an amount ₹ 28,443 as at March 31, 2021 (₹ 26,111 as at March 31, 2020) has been contributed 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 ₹ 14,488 as at March 31, 2021 (₹ 15,072 as at March 31, 2020) 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. The contribution made by NSE to said Core SGF amounts to ₹ 7,102 as at March 31, 2021 (Nil as at March 31, 2020) including income earned thereon and also the contribution made by MSEI to said Core SGF amounts to ₹ 76 as at March 31, 2021 (Nil as at March 31, 2020) including income earned thereon. Further, Other Contribution represent an amount ₹ 2,935 as at March 31, 2021 (₹ 1,477 as at March 31, 2020) includes

(i) amount received under the Scheme of amalgamation between United Stock Exchange of India Limited and BSE Ltd,

(ii) as per SEBI direction, BSE has transferred the penalty collected from the client to Core SGF of Currency Derivative and Equity Derivative segment respectively,

(iii) fines & penalties collected from members by ICCL, and income earned thereon.

PARTICULARS	BSE	ICCL	NSE	MSEL	Other	Total
Equity Segment	5,400	17,524	4,398	-	1,747	29,069
Equity Derivative Segment	553	1,667	445	-	285	2,950
Currency Derivative Segment	6,560	8,278	2,259	76	874	18,047
Commodity Derivative Segment	805	804	-	-	29	1,638
Debt	-	170	-	-	-	170
Others	1,170	-	-	-	-	1,170
Grand Total	**14,488**	**28,443**	**7,102**	**76**	**2,935**	**53,044**

41. 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, before commencement of operations, i.e., on January 10, 2017, a Core Settlement Guarantee Fund (Default Fund) of ₹ 596 has been created through earmarking investments. Default Fund size as on March 31, 2020 is ₹ 870. Further India ICC had applied to Central Board of Direct Tax for the purpose of issuance of notification notifying the Core Settlement Guarantee Fund (Core SGF – Default Fund) set up by the Company u/s 10 (23EE) of the Income Tax Act 1961 and approval of the same is awaited.

Further as per Notification No. IFSCA/2021-22/GN/REG011 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulation,2021 dated 12th April,2021, The fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher. The said notification will come into force on thirtieth day of its publication in the official Gazette.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS:

42.1 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.

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, 2021 and March 31, 2020:

PARTICULARS	March 31, 2021	March 31, 2020
Change in benefit obligation		
Benefit obligations at the beginning	**3,214**	2,833
Service cost	**227**	200
Interest expense	**171**	193
Benefits paid	**(99)**	(159)
Liabilities settled on transfer	**7**	(5)
Remeasurements – Actuarial (gains)/ losses	**(421)**	151
Benefit obligations at the end	**3,099**	3,213
Change in Plan assets		
Fair value of plan assets at the beginning	**2,937**	2,708
Interest income	**163**	188
Contribution by employer	**68**	140
Remeasurements – Actuarial (gains)/ losses	**44**	65
Benefits paid	**(91)**	(153)
Assets settled on transfer	**(2)**	(11)
Fair value of plan assets at the end	**3,119**	2,937
Funded status	**3,119**	2,937
Prepaid / (payable) gratuity benefit	**20**	(276)
Prepaid / (payable) gratuity benefit (unfunded)	**(1)**	(1)

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)..

Amount for the year ended March 31, 2021 and year ended March 31, 2020 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2021	March 31, 2020
Continuing operations		
Service cost	**227**	200
Net interest on the net defined benefit liability/asset	**2**	4
Net gratuity cost	**229**	204

Amount for the year ended March 31, 2021 and year ended March 31, 2020 recognised in the other comprehensive income:

PARTICULARS	March 31, 2021	March 31, 2020
Remeasurements of the net defined benefits liability / asset		
Experience adjustments	**(149)**	40
(Gain)/loss from change in financial assumptions and actual return on plan assets less interest on plan asset	**(345)**	49
Changes in demographic assumptions	**33**	0
Amount recognised in OCI	**(462)**	89

The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2021 and year ended March 31, 2020:

PARTICULARS	March 31, 2021	March 31, 2020
Discount rate	**5.60 - 6.90%**	5.75 - 6.90%
Increase in compensation levels	**6.00 - 9.80%**	6.00 - 9.80%

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, 2021	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	**(77)**	**70**
Impact of decrease in 50 bps on defined benefit obligation	**83**	**(76)**

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.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)..

Composition of Plan Assets

PARTICULARS	March 31, 2021	March 31, 2020
Government of India Securities	**13%**	15%
State Government Securities	**-**	6%
Insurer Managed assets	**87%**	75%
Others	**-**	4%

Actual return on the assets for the year ended March 31, 2021 and March 31, 2020 were ₹ 211 and ₹ 253 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 ₹ 189.

Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2021
Expected benefits for year 1-3	**1,361**
Expected benefits for year 4-5	**743**
Expected benefits for year 6-10	**1,156**
Expected benefits for above year 10	**1,056**

The weighted average duration to the payment of these cash flows is 5.47 years.

- **Discount Rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

42.2 Defined Contribution Plan- Provident fund, Pension Fund and New pension Scheme:

These are plans in which the 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. There is no provision for diminution in value of investment except provision for accrued interest.

The Group recognised charge for the year ended March 31, 2021 and March 31, 2020 of ₹ 318 and ₹ 399 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, 2021 and March 31, 2020 of ₹ 76 and ₹ 100 respectively for New National Pension Scheme contribution in the statement of Profit or Loss under continuing operations.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)..

42.3 Compensated Absences

The Group recognised charge for the year ended March 31, 2021 and for the year ended March 31, 2020 of ₹ 1,043 and ₹ 981 respectively for Compensated Absences in the statement of Profit or Loss.

43.1 During the previous year, the Holding Company had divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through offer for sale. The profit on divestment amounting to ₹ 3,204 was reflected as an "Exceptional Item" in the Consolidated Financial Statement for the year ended March 31, 2020.

43.2 S & P Dow Jones Indices LLC and SPDJ Singapore Pte Ltd (hereinafter collectively called as "SPDJ") had filed arbitration proceedings against BSE under Singapore International Arbitration Center's rules, inter alia, challenging the termination of index licensing arrangement by BSE Limited. The Final Award passed by the Arbitrator Tribunal dated September 17, 2020 inter-alia, held that the termination of the Agreements by BSE is invalid, the Agreement continue to remain in force and the costs of arbitration, legal and other costs incurred by SPDJ shall be borne by BSE. Accordingly, an amount of ₹ 1,453 is paid by BSE to SPDJ with interest upto the date of payment. The said amount has been paid and has been disclosed as an "Exceptional item" for the year ended March 31, 2021. Interest paid to SPDJ of ₹ 17 has also been disclosed as finance cost for the year ended March 31, 2021.

44. NON-CONTROLLING INTEREST RECONCILIATION

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	**1,856**	-
Add: Share capital issued during the year	**845**	1,923
Add: Share of profit		
Profit/(loss) for the year	**(320)**	(166)
Other comprehensive income for the year	**(30)**	99
Closing Balance	**2,351**	1,856

45. Interoperability among clearing corporations was implemented from June 2019. After implementation of interoperability, the members have the option to choose the clearing corporation to clear their trades. Based on their selection, the trades of BSE are cleared by respective clearing corporations.

As per the requirement arising out of August 27, 2014 SEBI Circular on CIR\MRD\DRMNP\25\2014, for contribution by exchange to Core SGF, BSE needs to contribute to Core SGFs of all the Clearing corporations through which its trades are cleared.

BSE has already contributed ₹ 14,488 to Indian Clearing Corporation Ltd., which is in excess by ₹ 11,777 as compared to the requirement, as of March 31, 2021. Based on the transactions executed on BSE and which are cleared by other Clearing Corporations, requirement of Core SGF is ₹ 1,599 as on March 31, 2021, which has been duly paid.

Based on representation made by the Company, SEBI allowed transfer of excess contribution made by the Stock Exchanges from Core SGF of one Clearing Corporation to the Core Settlement Guarantee fund (Core SGF) of another Clearing Corporation and hence there is no additional charge to profit and loss account in this regard.

46. The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of the country, governments have introduced a variety of measures to contain the spread of the virus, including lockdowns and restrictions on movement of people and goods across different geographies.

Certain establishments including securities market intermediaries are permitted to operate and continue to remain exempted from restrictions. In case there is disruption in the functioning of the capital markets, the business of the Group may be affected.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

46. (Contd.)..

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Group. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Group and the carrying value of its assets and liabilities is minimal.

47. The Company has opted for the Sabka Vishwas (Legacy Dispute Resolution) scheme, 2019 for the settlement of service tax matter of earlier years. Accordingly, an amount of ₹ 366 was paid under the said scheme, which was charged to the statement of profit and loss for the year ended March 31, 2020.

48. One of the subsidiary, BSE Samman CSR Limited ("BSE Sammaan") has accumulated losses amounting to ₹ 236, (previous year ₹ 211) which has resulted in significant decrease in net-worth. BSE Sammaan has in its Board Meeting held on January 27, 2021 discussed and formed the opinion that the process of winding up of the BSE Sammaan must be initiated with required procedure to be followed. All these developments reinstates the inability of BSE Sammaan to continue as going concern. Hence the books of accounts are not prepared on going concern basis but on liquidation basis.

49. Pursuant to SEBI Circular CIR/MRD/DP/14/2014 dated April 23,2014 and BSE Notice no-20190805-10, 20190925-31, 20191108-25, with effect from November 25, 2019, the Holding Company has introduced the Liquidity Enhancement Scheme (LES) in derivatives. An expense of ₹ 1,910 and ₹ 219 has been incurred towards the scheme for year ended March 31, 2021 and year ended March 31, 2020 respectively.

50. The Holding Company had earlier received observations from SEBI in respect of inspection conducted for the period 2005 – 2017, in which the Company was asked to plough back certain amount to Investors' Services Fund ("ISF") and BSE Investors Protection Fund Trust ("IPF") in respect of expenses charged in the earlier years to these funds. On the basis of response submitted by the Company, in the year ended March 2020, SEBI concluded and instructed the Holding Company to plough back an amount of ₹ 1,037 along with interest to the said funds. Consequently, an expense of ₹ 1,385 was charged to the profit and loss account for the year ended March 31, 2020 along with expense of ₹ 476 for the year ended March 31, 2018. Accordingly, an amount aggregating to ₹ 1,861 was disclosed as "Provision for Additional Contribution to ISF and IPF" for the year ended March 31, 2020. Subsequently, based on final amount arrived by SEBI, the Holding Company had reassessed amount chargeable to the fund for earlier years and has written back ₹ 595 to "Other income" in the year ended March 31, 2021.

51. The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

52. 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 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of BSE Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of BSE Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Valuation of investments and its impairment (as described in note 32 of the standalone Ind AS financial statements)	
The Company has investments in various unlisted subsidiaries along with investments in associates, mutual funds, bonds and debentures of corporates. These investments represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,97,763 Lakhs represented approx. 66% of total assets of the Company as at March 31, 2021. Investment in subsidiaries are valued at cost and are required to be assessed for impairment in accordance with Ind AS 36, when any indicators of impairment are observed. Investment in bonds are valued at amortised cost and are required to be assessed for the expected credit loss in accordance with Ind AS 109. High degree of management's judgement is involved in estimation of the recoverable amount on these investments and there is inherent uncertainty relating to the assumptions supporting such estimates and risk that the fair value of investments is not determined appropriately and hence valuation of investments and its impairment is considered as a key audit matter.	Our audit procedures included the following: • We assessed the design and implementation of controls over valuation and existence of investments. • For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value. • We traced the quantity held from the independent third party confirmations. • We tested the valuation of the quoted and unquoted investments to independent pricing sources. • We assessed and tested the management procedures for performing impairment analysis of investments under Ind AS 36, including likely impact of Covid-19 on value of investments due to volatility in the capital markets. • We assessed appropriateness and arithmetical accuracy of fair value disclosures pertaining to investments (as described in note 32 of the standalone Ind AS financial statements)

Key audit matters	How our audit addressed the key audit matter
Information Technology (IT) systems and controls	
As a stock exchange, IT systems are an integral part of the business operations of the Company. Since large volume of securities trading transactions are processed by the Company through its trading platform, it is imperative that the IT systems and controls process data as and when expected. Further, it is also essential that any changes to the IT applications are made only after necessary authorizations (Program Change Management) and only authorized personnel have necessary access to the Company's IT systems (User Access Management). In addition to the smooth functioning of the Company's business operations, the IT infrastructure is equally critical for timely and accurate financial reporting process. Due to the pervasive nature and complexity of the IT environment and large volume of transactions, we have considered IT systems and controls as a key audit matter.	Our audit procedures included the following: • Assessed the information systems used by the Company for IT General Controls (ITGC) and Application controls; • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs; - to understand the design and test the operating effectiveness of such controls in the system; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
Provisions for litigation and claims (as described in note 36 of the standalone Ind AS financial statements)	
There are certain demands raised by regulatory authorities, employees and others against the Company which have been disputed by the Company giving rise to pending litigations at various appellate and judicial forums. In order to assess the impact of such pending litigations against the Company on the its financial statements, the management is required to exercise significant judgement to determine whether an obligation exists as at reporting date requiring a provision and / or disclosure in the financial statements in accordance with the criteria set under IND AS 37 - Provisions, Contingent Liabilities and Contingent Assets. This involves an estimation, by the management, of the outflow of economic resources to settle the present obligation. Considering the high degree of judgement involved in estimation of the impact and in view of the significance of the pending litigations to the overall financial statements, this area is considered as a key audit matter.	• We obtained and evaluated the Company's accounting policy in relation to accounting, assessing and disclosure of claims against the Company. • We understood the design and tested the operating effectiveness of the Company's key controls over the identification, estimation, monitoring and disclosure of provisions for litigations and claims. • We examined the relevant correspondence with regulators to assess developments in key areas and litigation reports to identify potentially material cases. • Obtained independent confirmations from lawyers in respect of material cases outstanding. • We reviewed the Board and other board level committee meeting minutes to assess the effectiveness of management's review controls and conclusions reached. • For the significant provisions made, we understood, and assessed the provisioning methodology. We tested the underlying data and assumptions used in the determination of the provisions recorded. • For cases where a provision was not recognized, we evaluated the adequacy of disclosure made in the Ind AS financial statements.

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

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive

income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the 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 the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its 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;

      iii. During the year, 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
UDIN: 21037924AAAADW1159

Place of Signature: Mumbai
Date: May 13, 2021

Re: BSE Limited

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and 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 with net carrying value of ₹ 430 lakhs as at the balance sheet date viz. P.J. Towers and Rotunda Building situated at Dalal Street, Fort, Mumbai, 400 001 for which title deeds are not available. Further, for the other two Properties with net carrying value of ₹ 34 lakhs as at the balance sheet date viz. Machinery House situated at 11, Bharucha Marg, Mumbai 400 023 and Cama Building situated at 24/26 Dalal street, Fort, Mumbai 400 001, title deeds are held in the name of BSE Trustees, the erstwhile legal entity.

(ii) The Company's nature of business does not require holding of any 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 of the Companies Act 2013 are applicable. According to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect investments made by the Company.

(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. As informed, 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. As informed, 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 records of the Company, the dues to income-tax, service tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Demands	567.77	AY 2010-11	High Court
		303.74	AY 2011-12	Income Tax Appellate Tribunal (ITAT)
Finance Act, 1994 (Service Tax)	Service Tax Demand	127.43	FY 2005-06 to 2008-09	Customs Excise and Service Tax Appellate Tribunal (CESTAT)

(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. The provisions of clause 3(xii) of the order are, therefore, 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 the 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 the 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
UDIN: 21037924AAAADW1159

Place of Signature: Mumbai
Date: May 13, 2021

Re: BSE Limited

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

We have audited the internal financial controls with reference to financial statements of BSE Limited ("the Company") as of March 31, 2021, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to these standalone Ind AS financial statements 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, both issued by ICAI"). 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 With Reference to these Standalone Ind AS Financial Statements

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

Opinion

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

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 21037924AAAADW1159

Place of Signature: Mumbai
Date: May 13, 2021

Balance Sheet as at March 31, 2021

(₹ in Lakh)

PARTICULARS	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	**8,527**	9,096
b. Capital work-in-progress		**20**	827
c. Investment properties	4	**392**	412
d. Goodwill	5	**-**	-
e. Intangible assets	6	**2,851**	2,334
f. Intangible assets under development		**360**	1,489
g. Financial assets			
i. Investments			
a. Investments in subsidiaries	7	**71,505**	68,850
b. Investments in associates	8	**4,723**	4,723
c. Other investments	9	**23,349**	38,749
ii. Other financial assets	11	**8,536**	8,856
h. Deferred tax assets (net)	18	**11,190**	10,804
i. Income tax assets (net)	21	**6,707**	5,634
j. Other assets	13	**2**	14
Total non-current assets		**1,38,162**	1,51,788
2 Current assets			
a. Financial assets			
i. Investments	9	**98,186**	1,03,708
ii. Trade receivables	10	**5,575**	5,195
iii. Cash and cash equivalents	12	**11,563**	3,011
iv. Bank balances other than (iii) above	12	**39,245**	17,376
v. Other financial assets	11	**5,255**	315
b. Other assets	13	**1,300**	836
Total current assets		**1,61,124**	1,30,441
Total assets (1+2)		**2,99,286**	2,82,229
EQUITY AND LIABILITIES			
3 Equity			
a. Equity share capital	14	**900**	900
b. Other equity	15	**2,17,817**	2,15,601
Total equity		**2,18,717**	2,16,501
Liabilities			
4 Non-current liabilities			
a. Financial liabilities			
Other financial liabilities	16	**868**	676
b. Other liabilities	19	**20**	88
Total non-current liabilities		**888**	764
5 Current liabilities			
a. Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	**5**	16
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	**8,973**	6,756
ii. Other financial liabilities	16	**44,246**	39,686
b. Provisions	17	**1,325**	1,114
c. Income tax liabilities (net)	21	**944**	944
d. Other liabilities	19	**24,188**	16,448
Total current liabilities		**79,681**	64,964
Total equity and liabilities (3+4+5)		**2,99,286**	2,82,229
Significant accounting policies	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 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakh)

	PARTICULARS	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
1	**Revenue from operations**			
	Securities services	22	**16,504**	13,516
	Services to corporates	23	**22,552**	21,195
	Data dissemination fees		**3,336**	3,152
	Revenue from operations		**42,392**	37,863
2	Investment income	24	**11,356**	13,956
3	Other income	25	**2,757**	2,394
4	**Total revenue (1+2+3)**		**56,505**	54,213
5	**Expenses**			
	Employee benefits expense	26	**8,914**	9,390
	Finance costs	40	**33**	-
	Depreciation and amortisation expense	3&4&6	**5,103**	4,355
	Computer technology related expenses	27	**11,482**	13,090
	Administration and other expenses	28	**16,011**	18,795
	Liquidity enhancement incentive program scheme	43	**1,910**	219
	Total expenses		**43,453**	45,849
6	**Profit before exceptional items and tax (4-5)**		**13,052**	8,364
7	**Exceptional items [income/(expenses)]:**			
	Net gain on partial disposal of investment in associate measured at cost	40 (a)	**-**	9,158
	Provision for Arbitration expenses	40 (b)	**(1,453)**	-
	Total exceptional items		**(1,453)**	9,158
8	**Profit before tax (6+7)**		**11,599**	17,522
9	**Tax expense:**	29		
	Current tax		**2,408**	3,177
	Deferred tax		**(535)**	(3,022)
	Total tax expenses		**1,873**	155
10	**Profit for the year (8-9)**		**9,726**	17,367
11	**Other comprehensive income**			
	Items that will not be reclassified subsequently to statement of profit or loss			
	i. Remeasurements loss on the defined employee benefit plans;		**426**	(38)
	ii. Income tax on above	29	**(149)**	13
	Total other comprehensive income for the year (i+ii)		**277**	(25)
12	**Total comprehensive income for the year (10+11)**		**10,003**	17,342
13	**Earning per equity share :**	30		
	Basic and diluted before exceptional items (₹)		**23.30**	16.72
	Basic and diluted after exceptional items (₹)		**21.23**	35.37
	Face value of share (₹)		**2**	2
	Weighted average number of equity shares (Nos.)		**4,58,04,297**	4,90,94,235
	Significant accounting policies	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 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Cash Flow Statement for the year ended March 31, 2021

(₹ in Lakh)

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	**9,726**	17,367
	Adjustments for		
	Income tax expenses recognised in profit and loss	**1,873**	155
	Depreciation and amortisation expenses	**5,103**	4,355
	Impairment loss on financial assets carried at cost	**3**	791
	Net gain on disposal of property, plant and equipment and intangible assets	**3**	(10)
	Impairment loss on financial assets and bad debts write off	**1,720**	1,749
	Net gain on partial disposal of investment in subsidiary measured at cost	**-**	(9,158)
	Net gain arising on financial assets measured at FVTPL	**(9,620)**	(11,529)
	Interest income	**(793)**	(403)
	Dividend income	**(943)**	(2,024)
	Provision for compensated absences	**611**	497
	Operating Cash Flow before working capital changes	**7,683**	1,790
	Movements in working capital		
	(Increase) / decrease in trade receivables	**(2,100)**	(2,831)
	Increase/ (decrease) in trade payables	**2,206**	3,180
	Increase/ (decrease) in provisions	**211**	76
	(Increase) / decrease in other financial assets and other assets	**(4,839)**	(407)
	Increase / (decrease) in other financial liabilities and other liabilities	**6,830**	8,302
	Cash generated from operations	**9,991**	10,110
	Direct taxes paid - net of refunds	**(3,471)**	(3,502)
	Net cash generated from operating activities	**6,520**	6,608
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Fixed assets		
	Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	**(3,562)**	(2,981)
	Proceeds from sale of fixed assets	**1**	15
	Investments		
	Net decrease in investment in mutual funds	**30,541**	47,910
	Investment in bonds and non-convertible debentures	**(1,502)**	-
	Proceeds received from bonds and non-convertible debentures	**1,500**	2,500
	Investment in fixed deposits	**(19,167)**	(41,422)
	Proceeds received from fixed deposits	**3,349**	39,298
	Investment in subsidiaries	**(2,655)**	-
	Proceeds received on partial sale of investment in associate	**-**	10,102
	Interest received	**371**	592
	Dividend received from Associates and Mutual Fund	**943**	2,024
	Net cash generated from investing activities	**9,819**	58,038

Cash Flow Statement for the year ended March 31, 2021 (Contd.)...

(₹ in Lakh)

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Payment towards buyback including transaction cost	-	(47,620)
	Dividend and taxes paid thereon	(7,787)	(15,843)
	Net cash used in financing activities	(7,787)	(63,463)
	Net increase in cash and cash equivalents (A+B+C)	8,552	1,183
	Cash and cash equivalents at the beginning of the year	3,011	1,828
	Cash and cash equivalents at the end of the year *	11,563	3,011
	Balances with banks		
	In current accounts	1,200	2,713
	In deposit accounts with original maturity of 3 months	10,363	298
	*** Cash and cash equivalents at the end of the year comprises (Refer note 12)**	11,563	3,011

The accompanying notes form an integral part of the financial statements

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".

2. Movement in earmarked liabilities and assets are not considered.

3. 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

Per Jayesh Gandhi
Partner
Membership No.: 037924

Date: May 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

A. Equity Share Capital

(₹ in Lakh)

Balance as at April 1, 2019	**1,036**
Changes in equity share capital during the year	
- Shares extinguished during the year	(136)
Balance as at March 31, 2020	**900**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**900**

B. Other Equity

(₹ in Lakh)

PARTICULARS	Share application money pending allotment	Reserves and Surplus						Other comprehensive income	Total
		Capital Reserve	Capital Reserve on Business Combination	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Remeasurements gain/(loss) on the defined employee benefit plans	
Balance as at April 1, 2019	1	66,179	10,530	22,526	69,415	93,041	40	(146)	2,61,586
Profit for the year	-	-	-	-	-	17,367	-	-	17,367
Other comprehensive income for the year	-	-	-	-	-	-	-	(25)	(25)
Amount paid upon buyback	-	-	-	(22,526)	(23,338)	-	-	-	(45,864)
Transaction costs related to buyback	-	-	-	-	(1,620)	-	-	-	(1,620)
Amount transferred to capital redemption reserve upon Buyback (refer note 41)	-	-	-	-	-	(136)	136	-	-
Payments of Dividends	-	-	-	-	-	(13,142)	-	-	(13,142)
Payments of Dividend Distribution Tax	-	-	-	-	-	(2,701)	-	-	(2,701)
Balance as at March 31, 2020	1	66,179	10,530	-	44,457	94,429	176	(171)	2,15,601
Profit for the year	-	-	-	-	-	9,726	-	-	9,726
Other comprehensive income for the year	-	-	-	-	-	-	-	277	277
Payments of Dividends	-	-	-	-	-	(7,135)	-	-	(7,135)
Payments of Tax on Dividend	-	-	-	-	-	(652)	-	-	(652)
Balance as at March 31, 2021	1	66,179	10,530	-	44,457	96,368	176	106	2,17,817

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 13, 2021
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For and on behalf of the Board of Directors

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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, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

1. COMPANY OVERVIEW

BSE Limited (Formerly known as Bombay Stock Exchange Limited) herein after referred to as the "Exchange" or "the Company" was established in 1875 and is Asia's first Stock Exchange and one of India's leading exchange groups. The registered office of the Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. Over the past 146 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 13, 2021.

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, 2021 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 the recognition and measurement principles of 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 uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(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 Company will pay normal income tax. 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 is made.

(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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit or Loss in the period in which the property is derecognised.

(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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(b) Financial asset (debt Instrument) at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in Other Comprehensive Income ("OCI"). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Currently the Company has not classified any interest bearing debt instrument under this category.

(c) Equity instruments at FVTOCI and FVTPL

All equity instruments are measured at fair value other than investment in subsidiaries, joint venture and associate. Equity instruments held for trading are 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 less provision for impairment loss, if any.

(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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(b) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration that are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity Instruments (Share capital)

Ordinary shares: - Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares 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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(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.

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:

As a Lessee:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. the contract involves the use of an identified asset;

2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

3. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(viii) Impairment

(a) Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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, 2021
(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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are recognized when economic outflow is probable and disclosed when economic outflow is possible. Contingent assets are not disclosed but recognized when economic inflow is certain.

(xi) Revenue

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). There was no impact on the adoption of the standard on the financial statements of the Company.

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 financial assets measured at FVTPL and amortised cost.

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

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

(b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

(xiv) Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted 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:

(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

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date

(e) All other assets are classified as non-current.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or

(c) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(d) All other liabilities are classified as non-current.

(e) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Freehold land	Buildings	Plant and equipments	Electrical installations	Computers		Furniture and fixtures	Office equipments	Motor vehicles	Total
					Hardware and networking equipments - owned	Hardware and networking equipments - on lease				
Cost										
Balance as at April 1, 2019	1,056	3,417	1,720	3,007	11,211	130	796	1,211	20	22,568
Additions during the year	-	-	5	2	2,365	-	21	14	-	2,407
Deductions / adjustments	-	-	18	4	474	-	18	-	20	534
Balance as at March 31, 2020	**1,056**	**3,417**	**1,707**	**3,005**	**13,102**	**130**	**799**	**1,225**	**-**	**24,441**
Balance as at April 1, 2020	1,056	3,417	1,707	3,005	13,102	130	799	1,225	-	24,441
Additions during the year	-	-	171	196	2,408	-	1	16	-	2,792
Deductions / adjustments	-	-	-	7	39	-	-	7	-	53
Balance as at March 31, 2021	**1,056**	**3,417**	**1,878**	**3,194**	**15,471**	**130**	**800**	**1,234**	**-**	**27,180**
Accumulated depreciation										
Balance as at April 1, 2019	-	1,121	932	2,063	7,307	117	497	998	15	13,050
Depreciation for the year	-	223	151	251	1,983	13	84	109	1	2,815
Deductions / adjustments	-	-	17	2	468	-	17	-	16	520
Balance as at March 31, 2020	**-**	**1,344**	**1,066**	**2,312**	**8,822**	**130**	**564**	**1,107**	**-**	**15,345**
Balance as at April 1, 2020	-	1,344	1,066	2,312	8,822	130	564	1,107	-	15,345
Depreciation for the year	-	189	148	233	2,640	-	65	82	-	3,357
Deductions / adjustments	-	-	-	3	39	-	-	7	-	49
Balance as at March 31, 2021	**-**	**1,533**	**1,214**	**2,542**	**11,423**	**130**	**629**	**1,182**	**-**	**18,653**
Net Book Value										
As at March 31, 2021	**1,056**	**1,884**	**664**	**652**	**4,048**	**-**	**171**	**52**	**-**	**8,527**
As at March 31, 2020	1,056	2,073	641	693	4,280	-	235	118	-	9,096

Note:

The carrying value of land & building as on 31st March, 2021 is ₹ 2,940 (₹ 3,129 as on 31st March, 2020) shown under the head "Property Plant and Equipment" in the books of accounts. Out of which, the land and building having a carrying amount of ₹ 466 (₹ 579 as at March 31, 2020), includes two properties for which title deeds are not available and for the remaining two properties , the title deeds are in the name of erstwhile legal entity. Further, the process for transfer of the same in the name of BSE is currently under process.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

4. INVESTMENT PROPERTIES

PARTICULARS	Freehold Land	Buildings	Total
Cost			
Balance as at April 1, 2019	10	516	526
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2020	**10**	**516**	**526**
Balance as at April 1, 2020	10	516	526
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2021	**10**	**516**	**526**

PARTICULARS	Freehold Land	Buildings	Total
Accumulated depreciation and impairment			
Balance as at April 1, 2019	-	94	94
Depreciation for the year	-	20	20
Deductions / adjustments	-	-	-
Balance as at March 31, 2020	**-**	**114**	**114**
Balance as at April 1, 2020	-	114	114
Depreciation for the year	-	20	20
Deductions / adjustments	-	-	-
Balance as at March 31, 2021	**-**	**134**	**134**

PARTICULARS	Freehold Land	Buildings	Total
Net Book Value			
As at March 31, 2021	**10**	**382**	**392**
As at March 31, 2020	10	402	412

Notes:

1 The fair value of the Company's investment properties as at March 31, 2021 and March 31, 2020 are based on annual evaluation performed by the management.

2 Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2021 and March 31, 2020 are as follows:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Fair value of Building	**32,045**	32,045
Fair value hierarchy	**Level 3**	Level 3

3 Amount recognised in Statement of Profit and Loss for Investment Property

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Rental income derived from investment properties	**1,519**	1,658
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year)	**175**	253

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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

4. INVESTMENT PROPERTIES (Contd.)..

5 Minimum lease payments receivable under non-cancellable operating lease of investments properties are as follows:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Not later than 1 year	**125**	64
Later than 1 year and not longer than 5 years	**411**	-
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, 2021	As at March 31, 2020
Cost or deemed cost	**785**	785
Accumulated impairment losses	**785**	785
Net Book value	**-**	-

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Cost or deemed cost		
Balance at the beginning of the year	**785**	785
Balance at the end of the year	**785**	785
Accumulated Impairment loses		
Balance at the beginning of the year	**785**	785
Impairment loss recognised during the year	**-**	-
Balance at the end of the year	**785**	785

6. INTANGIBLE ASSETS

PARTICULARS	Software	Total
Cost		
Balance as at April 1, 2019	7,421	7,421
Additions during the year	528	528
Deductions / adjustments	-	-
Balance as at March 31, 2020	**7,949**	**7,949**
Balance as at April 1, 2020	7,949	7,949
Additions during the year	2,243	2,243
Deductions / adjustments	-	-
Balance as at March 31, 2021	**10,192**	**10,192**

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

6. OTHER INTANGIBLE ASSETS (Contd.)..

PARTICULARS	Software	Total
Accumulated amortisation		
Balance as at April 1, 2019	4,096	4,096
Amortisation for the year	1,519	1,519
Deductions / Adjustments	-	-
Balance as at March 31, 2020	**5,615**	**5,615**
Balance as at April 1, 2020	5,615	5,615
Amortisation for the year	1,726	1,726
Deductions / adjustments	-	-
Balance as at March 31, 2021	**7,341**	**7,341**

PARTICULARS	Software	Total
Net Book Value		
As at March 31, 2021	**2,851**	**2,851**
As at March 31, 2020	2,334	2,334

7. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
Non-current Investments				
Un-quoted Investments (all fully paid)				
Investment in Equity Instruments at Cost				
Wholly owned subsidiaries				
- Indian Clearing Corporation Limited (Equity shares of ₹ 1 each)	**3,54,00,00,000**	**35,400**	3,54,00,00,000	35,400
- BSE Technologies Private Limited (Formerly known as Marketplace Technologies Private Limited) (Equity shares of ₹ 1 each)	**25,00,00,000**	**4,250**	5,00,00,000	4,250
- BSE Institute Limited (Equity shares of ₹ 1 each)	**50,00,00,000**	**5,000**	50,00,00,000	5,000
- BSE Investments Limited (Equity shares of ₹ 1 each)	**43,00,00,000**	**4,300**	37,00,00,000	3,700
- BSE Sammaan CSR Limited (Equity shares of ₹ 10 each)	**26,00,000**	**260**	26,00,000	260
Other subsidiaries				
- India International Exchange (IFSC) Limited (Equity shares of ₹ 1 each)	**1,45,54,50,000**	**14,555**	1,25,00,00,000	12,500
- India International Clearing Corporation (IFSC) Limited (Equity shares of ₹ 1 each)	**80,00,00,000**	**8,000**	80,00,00,000	8,000

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

7. INVESTMENTS IN SUBSIDIARIES (Contd.)..

PARTICULARS	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
- BSE CSR Integrated Foundation (Equity shares of ₹ 10 each) (Voting right - 75%, (March 31, 2020 - 75%))	**37,500**	**4**	37,500	4
- BFSI Sector Skill Council of India (Equity shares of ₹ 1 each) (Voting right - 48.78%, (March 31, 2020 - 48.78%))	**1,00,00,000**	**100**	1,00,00,000	100
		71,869		69,214
Less : Provision for diminution		**(364)**		(364)
Total		**71,505**		68,850
Aggregate carrying value of un-quoted investments		**71,869**		69,214
Aggregate amount of impairment in value of investments in subsidiaries		**364**		364

Note: Principle place of business of all the above investments are based out in India.

8. INVESTMENTS IN ASSOCIATES

PARTICULARS	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
Non-current Investments				
Associate - Investments in equity shares measured at cost				
Un-quoted Investments (all fully paid)				
- Asia Index Private Limited (Equity shares of ₹ 10 each) (Voting right - 50%, (March 31, 2020 - 50%))	**5,000**	**1**	5,000	1
Total (A)		**1**		1
Quoted Investments (all fully paid)				
- Central Depository Services (India) Limited (Equity shares of ₹ 10 each) (Voting right - 20%, (March 31, 2020 - 20%))	**2,09,00,000**	**4,722**	2,09,00,000	4,722
Total (B)		**4,722**		4,722
Total (A+B)		**4,723**		4,723
Aggregate carrying value of quoted investments		**4,722**		4,722
Aggregate market value of quoted investments		**1,37,114**		44,810
Aggregate carrying value of un-quoted investments		**1**		1
Aggregate amount of impairment in value of investments in associate		**-**		-

Note: Principle place of business of all the above investments are based out in India.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non-current investments		
Quoted investments		
Investments in bonds and debentures measured at amortised cost		
Owned		
- Non-convertible debentures	**1,502**	-
	1,502	-
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	**21,847**	38,749
	21,847	38,749
Less : Provision for diminution	**-**	-
Total non-current investments	**23,349**	38,749
Aggregate amount of quoted investments	**23,349**	38,749
Market value of quoted investments	**23,349**	38,749
Aggregate amount of unquoted investments	**-**	-
Aggregate amount of impairment in value of investments	**-**	-
Current investments		
Quoted investments		
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	**89,427**	88,124
- Units of dividend oriented debt schemes of mutual funds	**-**	4,344
- Investment in exchange traded funds through asset management company	**1,047**	3,699
	90,474	96,167
Earmarked		
- Units of dividend oriented debt schemes of mutual funds	**-**	6,045
- Units of growth oriented debt schemes of mutual funds	**7,648**	-
	7,648	6,045
Current portion of non-current investments		
Quoted investments		
Investments in debentures measured at amortised cost		
Owned		
Non-convertible debentures	**1,700**	3,200
	1,700	3,200
Accrued interest	**64**	1
Less : Provision for diminution	**1,700**	1,705
Total current investments	**98,186**	1,03,708
Aggregate amount of quoted investments	**99,886**	1,05,413
Market value of quoted investments	**98,186**	1,05,446
Aggregate amount of unquoted investments	**-**	-
Market value of unquoted investments	**-**	-
Aggregate amount of impairment in value of investments	**1,700**	1,705

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	COMPANY NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Quantity	Amount	Quantity	Amount
Non-Current Investments					
Own Funds					
Trade Investment					
	Investments in Equity Instruments (Own Funds)				
1	Equity Shares of Calcutta Stock Exchange Ltd. of ₹ 1/- each	**30,875**	**-**	30,875	-
	Total		**-**		-

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
(a)	**Own Funds**				
Investments in Debentures (Quoted)					
Non Convertible Debentures					
1	7.74% State Bank of India-09SEP2025	**150**	**1,502**	-	-
	Total		**1,502**		-
Investments in Mutual Funds measured at FVTPL					
Units of Growth Oriented Debt Schemes of Mutual Funds					
1	Aditya Birla Sun Life Fixed Term Plan Series PU 1463 Days Direct - Growth	**1,00,00,000**	**1,307**	1,00,00,000	1,203
2	Aditya Birla Sun Life Fixed Term Plan Series PV 1462 Days Direct- Growth	**1,00,00,000**	**1,309**	1,00,00,000	1,204
3	Aditya Birla Sun Life Fixed Term Plan - Series RC (1295 days) Direct - Growth	**2,00,00,000**	**2,512**	2,00,00,000	2,333
4	Aditya Birla Sun Life Fixed Term Plan - Series RL (1254 days) Direct Growth	**40,00,000**	**498**	40,00,000	463
5	HDFC Fixed Maturity Plan 1274D October 2018 Direct Growth	**1,00,00,000**	**1,268**	1,00,00,000	1,170
6	ICICI Prudential Fixed Maturity Plan - Series 84 1286 Days - Plan F - Direct Growth	**50,00,000**	**635**	50,00,000	585
7	ICICI Prudential Fixed Maturity Plan - Series 84 1275 Days - Plan K - Direct Growth	**1,00,00,000**	**1,267**	1,00,00,000	1,166
8	Invesco India Fixed Maturity Plan Series 31-Plan D-1468D-Direct Growth	**1,00,00,000**	**1,307**	1,00,00,000	1,197
9	Kotak Fixed Maturity Plan Series 226 - 1470D - Direct - Growth	**1,00,00,000**	**1,308**	1,00,00,000	1,202
10	Kotak Fixed Maturity Plan Series 248 - 1300 Days Direct Growth	**1,00,00,000**	**1,276**	1,00,00,000	1,172
11	Kotak Fixed Maturity Plan Series 250 - 1314 Days Direct Growth	**1,00,00,000**	**1,269**	1,00,00,000	1,166
12	Nippon IndiaFixed Horizon Fund XXXVIII Series 6 - 1119D - Dir - Growth	**1,00,00,000**	**1,251**	1,00,00,000	1,150
13	Nippon IndiaFixed Horizon Fund XXXIX Series 4 - 1323 Days - Direct - Growth	**1,00,00,000**	**1,292**	1,00,00,000	1,184
14	Nippon IndiaFixed Horizon Fund XXXIX Series 6 - 1316 Days - Direct - Growth	**1,00,00,000**	**1,287**	1,00,00,000	1,180

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
15	Nippon IndiaFixed Horizon Fund XXXIX Series 9 - 1296 Days - Direct - Growth	**1,00,00,000**	**1,275**	1,00,00,000	1,170
16	Nippon IndiaFixed Horizon Fund XXXIX Series 14 - 1275 Days - Direct - Growth	**1,20,00,000**	**1,517**	1,20,00,000	1,401
17	UTI Fixed Term Income Fund Series XXX - VIII (1286 days) Direct Growth	**50,00,000**	**637**	50,00,000	586
18	UTI Fixed Term Income Fund Series XXX - X (1267 days) Direct Growth	**50,00,000**	**632**	50,00,000	581
19	Aditya Birla SL FTP Series PR 1134 Days - Direct - Growth	-	-	1,50,00,000	1,766
20	Canara Robeco Fixed Maturity Plan Series-8(1103 Days) Direct Growth	-	-	30,00,000	347
21	DSP BlackRock Fixed Maturity Plan Series 232 - 36M - Direct - Growth	-	-	1,00,00,000	1,180
22	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224D - Direct - Growth Plan	-	-	1,00,00,000	1,188
23	HDFC Fixed Maturity Plan 1115D Sep 2018 Plan Direct Growth	-	-	1,00,00,000	1,168
24	ICICI Prudential - Fixed Maturity Plan - Series 82 Plan A - 1236 Days - Direct - Growth Plan	-	-	1,00,00,000	1,195
25	IDFC Fixed Term Plan Series 156 - 1103D - Direct - Growth	-	-	50,00,000	585
26	Kotak - Fixed Maturity Plan - Series 212 -1260D -Direct - Growth	-	-	50,00,000	596
27	Kotak - Fixed Maturity Plan - Series 213 -1230D -Direct - Growth	-	-	50,00,000	596
28	Kotak Fixed Maturity Plan Series 245 - 1140 D - Direct-Growth	-	-	1,00,00,000	1,160
29	L&T Fixed Maturity Plan Series XVIII 1104 Days Direct Growth	-	-	50,00,000	578
30	Nippon India- Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	-	-	50,00,000	598
31	Nippon India- Fixed Horizon Fund - XXXV Series 6 -1263 Days - Direct - Growth Plan	-	-	1,00,00,000	1,198
32	Nippon India- Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	-	-	1,00,00,000	1,174
33	Nippon India Fixed Horizon Fund XXXVII-Series 5-Direct Growth(1105 D)	-	-	1,00,00,000	1,181
34	Nippon India Fixed Horizon Fund XXXVII Series 6 - 1417D - Dir - Growth	-	-	1,00,00,000	1,206
35	Invesco India Fixed Maturity Plan Sr. 32 Plan E (1099 Days)- Direct Growth	-	-	1,00,00,000	1,167
36	Sundaram Fixed Term Plan - IK - 1098 days -Direct - Growth	-	-	50,00,000	586
37	UTI Fixed Term Income Fund - XXX-V - 1135D - Dir - Growth	-	-	1,00,00,000	1,167
	Total		**21,847**		38,749

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
Current Investment					
(a)	**Own Funds**				
Investments in Mutual Funds measured at FVTPL					
Units Of Growth Oriented Debt Schemes Of Mutual Funds					
1	Aditya Birla Sun Life Short Term Fund - Direct -Growth Plan	-	-	31,11,334	2,454
2	DSP BR Banking and PSU Debt Fund - Direct -Growth Plan	-	-	69,74,911	1,235
3	DSP BR Short Term Fund - Direct - Growth Plan	-	-	67,79,661	2,436
4	HDFC Corporate Bond Fund - Direct - Growth	**2,67,71,755**	**6,742**	2,67,71,755	6,180
5	IDFC Corporate Bond Fund - Direct - Growth Plan	**6,07,20,257**	**9,271**	6,07,20,257	8,478
6	L&T Triple Ace Bond Fund - Direct - Growth Plan	**1,23,86,929**	**7,387**	1,23,86,929	6,846
7	Sundaram Banking and PSU Debt Fund - Direct - Growth Plan	-	-	1,13,65,057	3,642
8	L&T Short Term Bond Fund Direct - Growth Plan	-	-	1,11,72,248	2,250
9	Nippon IndiaNivesh Lakshya Fund Direct - Growth Plan	**7,16,88,726**	**9,966**	7,16,88,726	9,376
10	Nippon IndiaBanking & PSU Debt Fund Direct - Growth Plan	-	-	3,01,30,692	4,545
11	Sundaram Corporate Bond Fund Direct - Growth Plan	**38,89,628**	**1,246**	38,89,628	1,143
12	Kotak Banking & PSU Debt Fund - Direct Growth Plan	-	-	35,82,363	1,707
13	Invesco India Corporate Bond Fund Direct - Growth Plan	**70,730**	**1,850**	70,730	1,703
14	HDFC Liquid Fund - Direct - Growth Plan	**1,17,104**	**4,737**	22,295	870
15	ICICI Prudential Liquid Fund - Growth	**20,064**	**61**	-	-
16	Sundaram Money Fund - Direct Plan - Growth	**94,49,246**	**4,101**	-	-
17	Edelweiss Liquid Fund - Direct -Growth	**1,13,059**	**3,000**	-	-
18	Tata Liquid Fund- Direct - Growth	**1,07,776**	**3,500**	-	-
19	Axis Corporate Debt Fund - Direct - Growth	**2,23,50,205**	**3,032**	-	-
20	IDFC Banking & PSU Debt Fund - Direct - Growth	**1,09,72,612**	**2,144**	-	-
21	Invesco India Treasury Advantage Fund - Direct - Growth	**17,060**	**521**	-	-
22	Kotak Bond Fund - Direct - Growth	**24,70,598**	**1,600**	-	-
23	Kotak Corporate Bond Fund - Direct - Growth	**50,255**	**1,500**	-	-
24	L&T Ultra Short Term Fund-Direct Plan - Growth	**59,50,681**	**2,088**	-	-
25	LIC MF Bond Fund- Direct -Growth	**8,53,219**	**507**	-	-
26	UTI Corporate Bond Fund - Direct - Growth	**1,20,55,240**	**1,544**	-	-
27	BOI AXA Arbitrage Fund Direct Growth Plan	-	-	-	-
28	Edelweiss Arbitrage Fund Direct Growth Plan	**36,54,677**	**576**	36,54,677	553
29	IDFC Arbitrage Fund Direct Growth Plan	**21,66,444**	**580**	21,66,444	557
30	L&T Arbitrage Opportunities Fund Direct Growth Plan	**37,31,343**	**581**	37,31,343	557
31	Tata Arbitrage Fund Direct Growth	**2,61,53,880**	**3,000**	-	-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
32	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	-	-	50,00,000	621
33	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	-	-	3,00,00,000	3,725
34	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	-	-	50,00,000	622
35	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	-	-	1,00,00,000	1,203
36	Aditya Birla SL FTP Series PR 1134 Days - Direct - Growth	**1,50,00,000**	**1,879**	-	-
37	Canara Robeco Fixed Maturity Plan Series-8(1103 Days) Direct Growth	**30,00,000**	**373**	-	-
38	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	-	-	2,00,000	2,415
39	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	-	-	90,000	1,116
40	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	-	-	50,000	623
41	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	-	-	50,00,000	620
42	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	-	-	30,00,000	370
43	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	-	-	50,00,000	620
44	DSP BlackRock Fixed Maturity Plan Series 232 - 36M - Direct - Growth	**1,00,00,000**	**1,257**	-	-
45	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224D - Direct - Growth Plan	**1,00,00,000**	**1,262**	-	-
46	HDFC - Fixed Maturity Plan - 1150D - Series 37(I) - Direct - Growth Plan	-	-	50,00,000	621
47	HDFC Fixed Maturity Plan 1115D Sep 2018 Plan Direct Growth	**1,00,00,000**	**1,251**	-	-
48	ICICI Prudential - Fixed Maturity Plan - Series 82 Plan A - 1236 Days - Direct - Growth Plan	**1,00,00,000**	**1,264**	-	-
49	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1231 D - Direct - Growth Plan	-	-	50,00,000	626
50	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J - 1253 Days - Direct - Growth Plan	-	-	50,00,000	624
51	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	-	-	1,00,00,000	1,249
52	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan T - 1225 Days - Direct - Growth Plan	-	-	50,00,000	623
53	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	-	-	20,00,000	248

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
54	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	-	-	50,00,000	620
55	IDFC Fixed Term Plan Series 156 - 1103D - Direct - Growth	**50,00,000**	**627**	-	-
56	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	-	-	1,00,00,000	1,242
57	Invesco India Fixed Maturity Plan Sr. 32 Plan E (1099 Days)- Direct Growth	**1,00,00,000**	**1,257**	-	-
58	Kotak - Fixed Maturity Plan - Series 200 - 1158 D - Direct - Growth Plan	-	-	50,00,000	621
59	Kotak - Fixed Maturity Plan - Series 202 - 1144D - Direct - Growth Plan	-	-	1,00,00,000	1,237
60	Kotak - Fixed Maturity Plan - Series 204 - 1141D - Direct - Growth Plan	-	-	50,00,000	614
61	Kotak - Fixed Maturity Plan - Series 211 - 1105D - Direct - Growth Plan	-	-	50,00,000	596
62	Kotak - Fixed Maturity Plan - Series 212 -1260D -Direct - Growth	**50,00,000**	**632**	-	-
63	Kotak - Fixed Maturity Plan - Series 213 -1230D -Direct - Growth	**50,00,000**	**633**	-	-
64	Kotak Fixed Maturity Plan Series 245 - 1140 D - Direct-Growth	**1,00,00,000**	**1,243**	-	-
65	L&T Fixed Maturity Plan Series XVIII 1104 Days Direct Growth	**50,00,000**	**619**	-	-
66	Nippon India- Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	-	-	50,00,000	627
67	Nippon India- Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	-	-	50,00,000	626
68	Nippon India- Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	-	-	1,00,00,000	1,252
69	Nippon India- Fixed Horizon Fund - XXXIII Series 6 - 1201D - Direct - Growth Plan	-	-	3,00,00,000	3,736
70	Nippon India- Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	-	-	50,00,000	613
71	Nippon India- Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	-	-	1,50,00,000	1,823
72	Nippon India- Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	-	-	1,20,00,000	1,452
73	Nippon India- Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	-	-	80,00,000	995
74	Nippon India- Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	**50,00,000**	**634**	-	-
75	Nippon India- Fixed Horizon Fund - XXXV Series 6 -1263 Days - Direct - Growth Plan	**1,00,00,000**	**1,268**	-	-
76	Nippon India- Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	**1,00,00,000**	**1,250**	-	-
77	Nippon India Fixed Horizon Fund XXXVII-Series 5-Direct Growth(1105 D)	**1,00,00,000**	**1,252**	-	-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
78	Nippon India Fixed Horizon Fund XXXVII Series 6 - 1417D - Dir - Growth	**1,00,00,000**	**1,312**	-	-
79	Sundaram Fixed Term Plan - IK - 1098 days -Direct - Growth	**50,00,000**	**626**	-	-
80	UTI Fixed Term Income Fund - XXX-V - 1135D - Dir - Growth	**1,00,00,000**	**1,254**	-	-
81	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	**-**	**-**	30,00,000	370
82	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	**-**	**-**	1,00,00,000	1,242
	Total		**89,427**		88,124
Units Of Dividend Oriented Debt Schemes Of Mutual Funds					
1	ICICI Prudential Overnight Fund - Direct - Daily Dividend Reinvestment	**-**	**-**	4,326	4
2	Nippon India Overnight Fund - Direct -Daily Dividend Reinvestment	**-**	**-**	19,99,929	2,000
3	Sundaram Overnight Fund - Direct - Daily Dividend Reinvestment	**-**	**-**	2,34,003	2,340
	Total		**-**		4,344
Investment in Exchange Traded Funds through Asset Management Company					
1	ICICI Prudential Sensex Iwin - Exchange Traded Fund	**1,08,259**	**578**	1,26,759	412
2	ICICI Prudential Midcap Select- Exchange Traded Fund	**1,15,500**	**99**	-	-
3	ICICI Prudential MF-BHARAT 22 - Exchange Traded Fund	**1,40,000**	**50**	-	-
4	HDFC Sensex - Exchange Traded Fund	**60,000**	**320**	1,02,000	3,287
	Total		**1,047**		3,699
(b)	**Earmarked Funds**				
Units Of Dividend Oriented Debt Schemes Of Mutual Funds					
1	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - Investor Services Fund	**-**	**-**	5,60,834	6,034
2	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - (Commodity)	**-**	**-**	1,066	11
3	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - (SEBI Regulatory Fees)	**-**	**-**	27	-
	Total		**-**		6,045
Units Of Growth Oriented Debt Schemes Of Mutual Funds					
1	Mirae Asset Cash Management Fund Direct -Growth - Investor Services Fund	**3,51,582**	**7,634**	-	-
2	Mirae Asset Cash Management Fund Direct -Growth - (Commodity)	**590**	**13**	-	-
3	Mirae Asset Cash Management Fund Direct -Growth - (SEBI Regulatory Fees)	**35**	**1**	-	-
	Total		**7,648**		-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2021		Balance as on March 31, 2020	
		Units	Amount	Units	Amount
Current Portion of Long Term Investments					
Own Funds					
Investments in Debentures (Quoted)					
Non Convertible Debentures					
1	8.90%-IL&FS Financial Services Limited-21Mar2019	**20,000**	**200**	20,000	200
2	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	**1,00,000**	**1,000**	1,00,000	1,000
3	8.60%-LIC Housing Finance Limited-28Dec2020	**-**	**-**	150	1,500
4	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	**50,000**	**500**	50,000	500
	Total		**1,700**		3,200

10. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Current		
Trade receivables		
- Secured, considered good	**3,891**	346
- Unsecured, considered good	**1,684**	4,849
- Doubtful	**5,153**	3,447
- Impairment allowance for doubtful debts	**(5,153)**	(3,447)
Total	**5,575**	5,195

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 from 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.
5. Movement in expected credit loss allowance

PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Balance at the beginning of the year	**3,447**	1,698
Impairment loss allowance on trade receivable	**1,706**	1,749
Balance at the end of the year	**5,153**	3,447

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non-current		
(Unsecured, Considered good, unless otherwise stated)		
a Security deposits;		
- Deposit with public bodies and others	**180**	180
b Loan		
- Loan to staff	**53**	58
c Bank deposits with remaining maturity more than 12 months		
Owned fund		
- In deposit accounts	**3,881**	3,125
Earmarked fund		
- In deposit accounts	**4,020**	5,050
d Accrued interest		
Owned		
- On deposits	**171**	62
Earmarked		
- On deposits	**231**	381
Total	**8,536**	8,856
Current		
(Unsecured, Considered good, unless otherwise stated)		
a Loan		
- Loan to staff	**5**	15
b Advances to related parties		
- Due from subsidiaries (refer note 35)	**104**	172
c Others		
- Receivable from Mutual funds	**5,116**	-
- Receivable from portfolio management account	**2**	99
- Deposit with public bodies and others	**28**	29
Unsecured and considered doubtful		
Deposits made under protest for property tax and others	**785**	785
Less: Provision for doubtful advances	**(785)**	(785)
Total	**5,255**	315

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS & OTHER BANK BALANCES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Balance with banks		
Owned fund		
- In current accounts	**1,200**	2,713
- In deposit accounts	**10,363**	298
(Original maturity less than three months)		
Total	**11,563**	3,011
Bank balance other than above		
Balance with banks		
Owned fund		
- In deposit accounts	**15,286**	884
(Remaining maturity less than twelve months)		
Earmarked fund		
- In current accounts (unpaid dividend) (refer note 12.1)	**1,647**	1,522
- In current accounts (refer note 12.1)	**1,599**	533
- In deposit accounts	**19,788**	14,065
Accrued interest		
Owned		
- On deposits	**261**	23
Earmarked		
- On deposits	**664**	349
Total	**39,245**	17,376

Note:

12.1. 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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

13. OTHER ASSETS

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non-current		
Prepaid expenses	**2**	14
Total	**2**	14
Current		
Gratuity asset (net)	**278**	4
Prepaid expenses	**289**	262
Advance to creditors	**192**	282
Input credit receivable	**541**	288
Total	**1,300**	836

14. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
1,500,000,000 (1,500,000,000 as at March 31, 2020) equity shares of ₹ 2/- each	**30,000**	30,000
Issued share capital:		
4,58,04,297 (4,58,04,297 equity shares as at March 31, 2020) equity shares of ₹ 2/- each	**916**	916
Subscribed and paid-up share capital		
4,50,24,297 (4,50,24,297 equity shares as at March 31, 2020) equity shares of ₹ 2/- each fully paid-up.		
Outstanding share capital	**900**	900
Total	**900**	900

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

PARTICULARS	As at March 31, 2021	As at March 31, 2020
No. of shares at the beginning of the year	**4,50,24,297**	5,17,89,002
Additions during the year	**-**	-
Shares bought back and extinguished during the year	**-**	(67,64,705)
No. of shares at the end of the year	**4,50,24,297**	4,50,24,297

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

Aggregate number and class of shares allotted as fully paid up by way of bonus shares.

PARTICULARS	As at March 31, 2021	As at March 31, 2020
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
Total (*)	**4,80,86,664**	4,80,86,664

(*) Represent allotment of shares held in abeyance including bonus entitlements on such shares.

(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/- (including 4,41,00,000 bonus shares of ₹ 2/- each) issuable to the card based Members, the Exchange has allotted 4,69,95,000 equity shares (4,69,95,000 equity shares as on March 31, 2020) 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, 2020) 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 13th November, 2006, and further amendments thereto on 23rd December, 2008, had issued shares to Deutsche Boerse AG (DBAG) and Singapore Exchange Limited (SGX).

(e) i) The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) shareholder holds more than 5 % of the Share Capital of the Company is as below.

NAME OF THE SHAREHOLDERS	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Percentage holding	No. of shares	Percentage holding
LIC Corporation of India Limited	**25,25,500**	**5.61%**	25,25,500	5.61%

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY

PARTICULARS	As at March 31, 2021	As at March 31, 2020
General reserve	**44,457**	44,457
Capital reserve	**66,179**	66,179
Capital reserve on business combination	**10,530**	10,530
Retained earnings	**96,474**	94,258
Share application money pending allotment	**1**	1
Capital redemption reserve	**176**	176
Total	**2,17,817**	2,15,601

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 19th August, 2005 as appearing in the Exchange are transferred to Capital Reserve being reserves which shall not be used for purposes other than the operations of the Exchange.

15.3 Retained earnings

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Opening Balance	**94,258**	92,895
Less: Transferred to Capital Redemption Reserve	**-**	(136)
Profit for the year	**9,726**	17,367
Other Comprehensive Income/ (loss) arising from remeasurement of defined benefit obligation (net of income tax)	**277**	(25)
Appropriations		
- Dividend Paid	**(7,135)**	(13,142)
- Tax on Dividend	**(652)**	(2,701)
Closing balance	**96,474**	**94,258**

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 13, 2021, have proposed a final dividend of ₹ 21/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2021. 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 ₹ 9,619.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

16. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non-current		
Accrued employee benefit expenses (refer note 16.4)	**764**	676
Other deposits	**104**	-
Total	**868**	676
Current		
Owned :		
Unpaid dividends (refer note 16.2)	**143**	128
Deposits received from trading members	**8,205**	8,516
Other deposits received from members	**5,087**	4,469
Other deposits	**1,347**	1,460
Accrued employee benefit expenses (refer note 16.4)	**2,622**	2,263
Due to subsidiaries (refer note 35)	**1,273**	704
Payables on purchase of fixed assets	**-**	463
Payable towards Additional Contribution to ISF and IPF	**-**	1,861
Total (A)	**18,677**	19,864
Earmarked :		
From companies - 1% of their public issue (refer note 16.1)	**11,782**	8,441
Defaulters' liabilities (refer note 16.1)	**2,804**	2,697
Withheld liabilities (refer note 16.1)	**3,491**	4,926
Other Deposits from Companies (refer note 16.1)	**664**	-
Recovery expense fund (refer note 16.1)	**2,208**	-
Others (refer note 16.3)	**4,620**	3,758
Total (B)	**25,569**	19,822
Total (A+B)	**44,246**	39,686

16.1 Bank Balance and Bank Deposits have been earmarked against these liabilities.

16.2 Current accounts have been earmarked against this liability.

16.3 Income earned on earmarked funds.

16.4 Bank deposits of ₹ 619 (₹ 511 as at March 31, 2020) and accrued interest of ₹ 66 (₹ 54 as at March 31, 2020) have been earmarked against these liabilities.

17. PROVISIONS

	As at March 31, 2021	As at March 31, 2020
Current		
Employee benefits		
Compensated absences (refer note 39)	**1,325**	1,114
Total	**1,325**	1,114

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	**13,418**	13,165
Deferred tax liabilities	**2,228**	2,361
Deferred tax balance (net)	**11,190**	10,804

Deferred tax assets and liabilities in relation to:

PARTICULARS	Opening balance as at April 1, 2019	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2020	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	**Closing balance as at March 31, 2021**
Deferred tax assets							
MAT credit entitlement	7,499	(3,179)	-	10,678	498	-	**10,180**
Impairment of financials assets	975	(888)	-	1,863	(602)	-	**2,465**
Expenses allowed on payment basis	313	(18)	-	331	(10)	-	**341**
Voluntary retirement scheme	25	7	-	18	7	-	**11**
Property, plant and equipment , intangible assets and goodwill	190	(86)	-	276	(146)		**422**
Others	-	14	(13)	(1)	(149)	149	**(1)**
Total - A	9,002	(4,150)	(13)	13,165	(402)	149	**13,418**
Deferred tax liabilities							
Financial assets measured at FVTPL & interest income at effective interest rate	1,233	(1,128)	-	2,361	133	-	**2,228**
Total - B	1,233	(1,128)	-	2,361	133	-	**2,228**
Net - (A-B)	7,769	(3,022)	(13)	10,804	(535)	149	**11,190**

Notes:

1. Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

PARTICULARS	As at March 31, 2021	As at March 31, 2020
- Tax losses (revenue in nature)	**-**	548
- Tax losses (capital in nature)	**-**	4,527
Total	**-**	5,075

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(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, 2021	As at March 31, 2020
2020-21 - Capital in nature	-	4,428
2021-22 - Capital in nature	-	47
2024-25 - Capital in nature	-	52
2020-21 - Business Loss	-	548

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, 2021	As at March 31, 2020
Non Current		
Income received in advance	**20**	88
Total	**20**	88
Current		
Income received in advance	**232**	299
Advance from customers	**3,169**	1,304
Statutory remittances	**11,182**	6,992
Other liabilities (refer note below)	**9,605**	7,853
Total	**24,188**	16,448

Note: Other liabilities includes :

a) Investors' services fund (ISF):

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Annual listing fees received for the year	**14,449**	15,650
20% of the above (Amount to be contributed annually)*	**2,920**	3,130
Investment income accrued to Investors' services fund	**267**	254
Expenses incurred on behalf of ISF	**1,748**	1,886
Cumulative balance as at end of year**	**7,276**	5,837

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Fund.

* Amount for the year ended March 31,2021 includes additional contribution of ₹ 30 in respect of Commodity ISF.

**Investments in Mutual Funds have been earmarked against these liabilities

b) Other Liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Cumulative balance as at end of year (refer note 16.2)	**1,504**	1,394

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

20. Trade Payables

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Current		
Total outstanding dues of micro enterprises and small enterprises	**5**	16
Total outstanding dues of creditors other than micro enterprises and small enterprises	**8,973**	6,756
Total	**8,978**	6,772

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2021	As at March 31, 2020
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day during the year	**5**	16
(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 ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Non Current tax assets		
Advance tax (net of provision)	**6,707**	5,634
Total	**6,707**	5,634
Current tax liabilities		
Income tax provision (net of advance tax)	**944**	944
Total	**944**	944

22. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Transaction charges	**13,888**	11,306
Other charges	**1,560**	1,508
Annual subscription and admission fees	**672**	436
Processing fees	**384**	266
Total	**16,504**	13,516

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(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, 2021	For the Year ended March 31, 2020
Listing fees	**18,554**	18,801
Book building software charges	**3,450**	1,818
Company reinstatement fees	**222**	405
Other fees	**326**	171
Total	**22,552**	21,195

24. INVESTMENT INCOME

	PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
a)	**Interest income earned on financial assets that are not designated as at fair value through profit or loss**		
	Bank deposits (at amortised cost)	**623**	215
	Investments in debt instruments (at amortised cost)	**170**	188
b)	**Dividend income**		
	Dividends from investment in equity shares (designated at cost)		
	Dividend income from others	**941**	1,009
	Dividends from investment in mutual funds (designated at FVTPL)		
	Dividend income	**2**	1,015
c)	**Other gains or losses:**		
	Net gains arising on financial assets measured at FVTPL	**9,620**	11,529
Total		**11,356**	13,956

25. OTHER INCOME

PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Other non-operating income		
Rental income	**2,011**	2,182
Website income	**89**	91
Net gain on disposal of property, plant and equipment and intangible assets	**(3)**	10
Net foreign exchange gains / (loss)	**2**	(28)
Interest on income tax refunds	**-**	18
Miscellaneous income	**63**	121
Recovery towards Investors service fund of earlier years (refer note 42)	**595**	-
Total	**2,757**	2,394

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

26. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries, allowances and bonus	**7,702**	8,195
Contribution to provident and other Funds	**385**	420
Staff welfare expenses	**216**	278
Compensated absences	**611**	497
Total	**8,914**	9,390

27. COMPUTER TECHNOLOGY RELATED EXPENSES

PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Computer technology related expenses	**9,985**	9,494
Technology programmes	**1,497**	3,596
Total	**11,482**	13,090

28. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Advertising and marketing expenses	**180**	782
Building repairs and maintenance expenses	**635**	705
Contribution to investors service fund	**2,920**	3,130
Contribution to investors' protection fund	**144**	156
Contribution to SEBI	**1,445**	1,565
Contribution to corporate social responsibility (refer note below 28.1)	**224**	322
Clearing house expenses	**3,858**	1,723
Data entry charges	**275**	276
Datafeed expenses	**510**	444
Directors' sitting fees	**46**	34
Provision for Additional Contribution to ISF and IPF (refer note 42)	**-**	1,861
Settlement of service tax matter (refer note 46)	**-**	366
Electricity charges (net of recoveries)	**837**	988
Insurance	**115**	86
Impairment loss allowance on trade receivable	**1,720**	1,749
Impairment loss on financial assets carried at cost	**3**	791
Legal fees	**360**	872
Miscellaneous expenses	**323**	569
Payment to auditors		
a) Statutory audit fee	**53**	53
b) Tax audit fee	**5**	5
c) Other services	**4**	2
d) Out of pocket	**-**	3

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(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, 2021	For the Year ended March 31, 2020
Professional fees	**1,357**	1,159
Postage and telephone expenses	**54**	126
Printing and stationery	**14**	77
Property taxes (net of recoveries)	**204**	200
Operating lease expenses	**73**	71
Repairs to other assets	**158**	146
SEBI regulatory fees	**143**	149
Travelling expenses	**351**	385
Total	**16,011**	18,795

28.1 CSR Expenditure

	PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
a)	The gross amount required to be spent by the Company during the year	**224**	322
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.		

29. TAXES

(a) Income tax expenses

The major components of income tax expenses for the year ended March 31, 2021

(i) Profit or loss section

PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Current tax expense	**2,408**	3,177
Deferred tax	**(535)**	(3,022)
Total income tax expense recognised in profit or loss	**1,873**	155

29.A Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance") on September 20, 2019 has amended the Income Tax Act, 1961 and Finance (No. 2) Act, 2019, by which the option has been provided for the lower tax regime without any incentives for the domestic companies. Under the revised tax regime, accumulated Minimum Alternate Tax (MAT) credit is not allowed. Considering the substantial accumulated MAT credit, the management has assessed that it is beneficial not to opt for the option of availing revised income tax rate for certain period of time. The tax liability for the current year and previous year has been accordingly calculated.

(ii) Other comprehensive section

PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Remeasurements of the defined benefit plans	**(149)**	13
Total income tax expense recognised in other comprehensive income	**(149)**	13

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

29. TAXES (Contd.)..
(b) Reconciliation of effective tax rate

	PARTICULARS	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(A)	Income before income tax	**11,599**	17,522
(B)	Enacted tax rate in india	**34.944%**	34.944%
(C)	Expected tax expenses (A*B)	**4,053**	6,123
(D)	Other than temporary differences		
	Investment income	**(1,881)**	(6,237)
	Income from house property and related expenditure	**(102)**	(91)
	Expenses disallowed / (allowed)	**(72)**	169
	Total	**(2,055)**	(6,159)
(E)	Temporary difference on which deferred tax assets not recognised		
	Business loss carried forward	**(125)**	191
	Total	**(125)**	191
(F)	Net adjustments (D+E)	**(2,180)**	(5,968)
(G)	Tax expenses / (saving) on net adjustments (F*B)	**(2,180)**	(5,968)
(H)	Tax expenses recognised in Profit or Loss	**1,873**	155

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, 2021	March 31, 2020
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	**4,58,04,297**	4,90,94,235
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	**4,58,04,297**	4,90,94,235
Face Value per Share	**₹ 2 each**	₹ 2 each
Profit after tax before exceptional items (net of tax)	**10,671**	8,209
Profit after tax after exceptional items	**9,726**	17,367
Basic and Diluted EPS before exceptional items (net of tax)	**23.30**	16.72
Basic and Diluted EPS after exceptional items	**21.23**	35.37

31. Lease
As per the assessment of management, there are no lease contracts for which IND AS 116 – Leases is required to be applied.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(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, 2021 and March 31, 2020 is as follows:

PARTICULARS		Carrying Value		Fair Value	
		March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
i)	**Financial assets**				
a)	**Amortised Cost**				
	Investment in debt instruments	**1,566**	1,496	**1,566**	1,529
	Trade receivable	**5,575**	5,195	**5,575**	5,195
	Cash and cash equivalents	**11,563**	3,011	**11,563**	3,011
	Bank balances other cash and cash equivalents	**39,245**	17,376	**39,245**	17,376
	Other financial assets	**13,791**	9,171	**13,791**	9,171
	Total	**71,740**	36,249	**71,740**	36,282
b)	**FVTPL**				
	Investment in equity instruments	**-**	-	**-**	-
	Investment in exchange traded fund	**1,047**	3,699	**1,047**	3,699
	Investment in mutual funds	**1,18,922**	1,37,262	**1,18,922**	1,37,262
	Total	**1,19,969**	1,40,961	**1,19,969**	1,40,961
c)	**At Cost**				
	Investment in subsidiaries and associates	**76,228**	73,573	**2,08,620**	1,13,661
ii)	**Financial liabilities**				
a)	**Amortised Cost**				
	Trade payables	**8,978**	6,772	**8,978**	6,772
	Other financial liabilities	**45,114**	40,362	**45,114**	40,362
	Total	**54,092**	47,134	**54,092**	47,134

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of the quoted bonds and 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.

(b) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(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 financial assets (other than subsidiaries) and liabilities:

	PARTICULARS	Fair values As at March 31, 2021	Fair values As at March 31, 2020	Fair Value Hierarchy (Level)
i)	**Financial assets**			
a)	**Amortised Cost**			
	Investment in debt instruments (Quoted)	**1,566**	1,529	Level 1
	Investment in debt instruments (Unquoted)	**-**	-	Level 2
	Total	**1,566**	1,529	
b)	**FVTPL**			
	Investment in mutual funds	**1,18,922**	1,40,961	Level 1
c)	**At cost**			
	Investment in equity instruments of associates	**1,37,114**	44,810	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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..

- **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.

  The Company provides the stock exchange services to its listed customers and registered members (who have provide the collaterals and other securities for trading done on its platform), hence the Company operates with large number of customers portfolio and its revenue is not concentrated on small number of customers.

  None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2021 and March 31, 2020.

- **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, other than losses which are provided, 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, 2021 and March 31, 2020.

PARTICULARS	As at	
	March 31, 2021	March 31, 2020
Trade payable		
< 1 year	**8,978**	6,772
1 - 5 years	**-**	-
> 5 years	**-**	-
Total	**8,978**	6,772
Other financial liabilities		
< 1 year	**44,246**	39,686
1 - 5 years	**868**	676
> 5 years	**-**	-
Total	**45,114**	40,362
Total	**54,092**	47,134

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(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, 2021 and March 31, 2020.

PARTICULARS	As at	
	March 31, 2021	March 31, 2020
Investments*		
< 1 year	**98,186**	1,03,708
1 - 5 years	**23,349**	38,749
> 5 years	**-**	-
Total	**1,21,535**	1,42,457
Other financial assets		
< 1 year	**5,255**	315
1 - 5 years	**8,536**	8,856
> 5 years	**-**	-
Total	**13,791**	9,171
Trade receivables		
< 1 year	**5,575**	5,195
1 - 5 years	**-**	-
> 5 years	**-**	-
Total	**5,575**	5,195
Cash and cash equivalents		
< 1 year	**11,563**	3,011
1 - 5 years	**-**	-
> 5 years	**-**	-
Total	**11,563**	3,011
Bank balances other than cash and cash equivalents		
< 1 year	**39,245**	17,376
1 - 5 years	**-**	-
> 5 years	**-**	-
Total	**39,245**	17,376
Total	**1,91,709**	1,77,210

* Investment does not include investment in equity investment of subsidiaries, associates.

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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..

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.

- **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 lessor 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 it's components. For example, the Company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange, setting up an SME platform and trading in government securities. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review and the governing regulations may change. The Company's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the 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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

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, 2018, the Company shall have a minimum networth of ₹ 100 Crore at all times.

35. RELATED PARTY TRANSACTIONS

Sr. No.	Control	Entities
a.	**Subsidiary Companies**	
	Direct	Indian Clearing Corporation Limited BSE Technologies Private Limited (formerly known as Marketplace Technologies Private Limited) BSE Institute Limited BSE Investments Limited BSE Sammaan CSR Limited BSE CSR Integrated Foundation India International Exchange (IFSC) Limited India International Clearing Corporation (IFSC) Limited BSE Administration & Supervision Limited (w.e.f March 5, 2021)
	Indirect	BSE Tech Infra Services Private Limited (formerly known as Marketplace Tech Infra Services Private Limited) BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation Pranurja Solutions Limited (w.e.f. April 24, 2018 and upto May 6, 2019) India INX Global Access IFSC Limited BSE Institute of Research Development & Innovation (w.e.f December 5, 2019) BSE E-Agricultural Markets Limited (w.e.f December 1, 2020)
b.	**Trusts set-up by the Company**	BSE Investors' Protection Fund (Formerly known as "The Stock Exchange Investors' Protection Fund Trust") 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

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

Sr. No.	Control	Entities
c.	**Associates**	
	Direct	Central Depository Services (India) Limited Asia Index Private Limited
	Indirect	CDSL Ventures Limited CDSL Insurance Repository Limited CDSL Commodity Repository Limited BSE EBIX Insurance Broking Private Limited Marketplace EBIX Technology Services Private Limited Pranurja Solutions Limited (w.e.f. May 7, 2019) CDSL IFSC Limited (w.e.f March 30, 2021)
d.	**Key Management Personnel and their relatives**	Justice Vikramajit Sen – Chairman (w.e.f. May 22, 2019) & Public Interest Director Shri Ashishkumar Chauhan – Managing Director and Chief Executive Officer Shri Sumit Bose – Public Interest Director Shri S S Mundra – Public Interest Director Shri David Wright – Public Interest Director Shri Umakant Jayaram – Public Interest Director Smt. Usha Sangwan – Shareholder Director (upto July 30, 2020) Sushree Jayshree Vyas – Public Interest Director (w.e.f. April 25, 2019) Ms. Rajeshree Sabnavis – Shareholder Director (upto July 15, 2019) Shri T C Suseel – Shareholder Director (with effect from October 22, 2020) Shri Nayan Mehta - Chief Financial Officer Smt Prajakta Powle- Company Secretary

Following are the transactions with related parties and the year-end balances:

PARTICULARS	For the year ended	
	March 31, 2021	March 31, 2020
Subsidiary Companies		
Income		
Indian Clearing Corporation Limited		
Rent and Infrastructure Charges	**205**	214
Miscellaneous Income	**0^**	0^
Dividend Income	**-**	-
Staff Welfare Expenses	**9**	17
Administrative and Other Expenses (Recoveries)	**75**	148
BSE Technologies Private Limited (formerly known as Marketplace Technologies Private Limited)		
Administrative and Other Expenses (Recoveries)	**-**	-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended	
	March 31, 2021	March 31, 2020
BSE Institute Limited		
Staff Welfare Expenses	**4**	8
Rent and Infrastructure Charges	**371**	393
Administrative and Other Expenses (Recoveries)	**61**	76
BSE Sammaan CSR Limited		
Administrative and Other Expenses (Recoveries)	**1**	1
Rent and Infrastructure Charges	**5**	6
Staff Welfare Expenses	**0^**	1
BSE CSR Integrated Foundation		
Administrative and Other Expenses (Recoveries)	**-**	-
BFSI Sector Skill Council of India		
Rent and Infrastructure Charges	**20**	51
Administrative and Other Expenses (Recoveries)	**1**	0^
India International Exchange (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	**-**	2
Rent and Infrastructure Charges	**35**	35
Staff Welfare Expenses	**2**	4
India International Clearing Corporation (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	**-**	1
Rent and Infrastructure Charges	**16**	16
Staff Welfare Expenses	**1**	2
BSE E-Agricultural Markets Limited (w.e.f December 1, 2020)		
Rent and Infrastructure Charges	**3**	-
Administrative and Other Expenses (Recoveries)	**0^**	-
BSE Administration & Supervision Limited (w.e.f. March 5, 2021)		
Rent and Infrastructure Charges	**1**	-
Administrative and Other Expenses (Recoveries)	**0^**	-
Expenditure		
Indian Clearing Corporation Limited		
Clearing house expenses	**1,230**	938
Administrative and Other Expenses	**11**	11
Other transaction		
Transfer of Compensated absence liabilities from ICCL	**4**	-
Transfer of Gratuity liabilities from ICCL	**10**	-
Transfer of Compensated absence liabilities to ICCL	**-**	10
Transfer of Gratuity liabilities to ICCL	**-**	11

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended	
	March 31, 2021	March 31, 2020
BSE Technologies Private Limited		
Computer Technology Related Expenses (net of recovery)	**2,802**	2,957
Purchase of Intangible Assets	**356**	281
Intangible assets under development	**21**	358
BSE Institute Limited		
Reimbursement of services	**13**	23
BSE Tech Infra Services Private Limited		
Computer Technology Related Expenses (net of recovery)	**700**	-
BSE CSR Integrated Foundation		
Contribution to corporate social responsibility	**224**	322
Others		
Investments		
India International Exchange (IFSC) Limited	**2,055**	-
BSE Investments Limited	**600**	-
Trusts set-up by the Company		
Income		
BSE Investors' Protection Fund		
Administrative and Other Expenses (Recoveries)	**294**	231
Rent	**13**	14
Expenditure		
Contribution to IPF (a proportion of listing fee)	**144**	156
Rent	**69**	67
Associates		
Income		
Asia Index Private Limited		
Rent and Infrastructure Charges	**170**	144
Administrative and Other Expenses (Recoveries)	**23**	27
Central Depository Services (India) Limited		
Rent and Infrastructure Charges	**1**	1
Miscellaneous Income	**18**	17
Other charges	**52**	38
Dividend Income	**941**	1,003
Expenditure		
Central Depository Services (India) Limited		
Administrative and Other Expenses	**343**	103

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended	
	March 31, 2021	March 31, 2020
Indirect Subsidiary		
Income		
Pranurja Solutions Limited (upto May 6, 2019)		
Rent and Infrastructure Charges	-	0^
Administrative and Other Expenses (Recoveries)	-	0^
Indirect Associate		
Income		
BSE EBIX Insurance Broking Private Limited		
Rent and Infrastructure Charges	2	2
Administrative and Other Expenses (Recoveries)	1	0^
Other transaction		
Transfer of Compensated absence liabilities to BSE Ebix	7	-
Transfer of Gratuity liabilities to BSE Ebix	3	-
Income		
Pranurja Solutions Limited (w.e.f May 7, 2019)		
Rent and Infrastructure Charges	2	2
Administrative and Other Expenses (Recoveries)	0^	0^
Key Managerial Personal:		
Expenditure		
Salaries, Allowances and Bonus* (Short term Employee benefits)		
Shri Ashishkumar Chauhan	842	764
Shri. Nayan Mehta	170	160
Smt. Prajakta Powle	34	32

*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 (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2018.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

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, 2021	As at March 31, 2020
Subsidiary		
Assets		
Investments		
Indian Clearing Corporation Limited	**35,400**	35,400
BSE Technologies Private Limited	**4,250**	4,250
BSE Institute Limited	**5,000**	5,000
BSE Investments Limited	**4,300**	3,700
BSE Sammaan CSR Limited	**260**	260
BSE CSR Integrated foundation	**4**	4
BFSI Sector Skill Council of India	**100**	100
India International Exchange (IFSC) Limited	**14,555**	12,500
India International Clearing Corporation (IFSC) Limited	**8,000**	8,000
Receivable (Net)		
BSE Institute Limited	**109**	155
BSE Sammaan CSR Limited	**1**	4
India International Exchange (IFSC) Limited	**3**	8
India International Clearing Corporation (IFSC) Limited	**1**	4
BFSI Sector Skill Council of India	**-**	24
BSE E-Agricultural Markets Limited (w.e.f December 1, 2020)	**3**	-
BSE Administration & Supervision Limited (w.e.f. March 5, 2021)	**1**	-
Liabilities		
Payable (Net)		
BSE Technologies Private Limited	**594**	461
Indian Clearing Corporation Limited	**259**	242
BSE Tech Infra Services Private Limited	**420**	-
BFSI Sector Skill Council of India	**0**	-
Trusts set-up by the Company		
Assets		
Receivable		
BSE Investors' Protection Fund	**70**	58
Net defined benefit assets		
BSE Employee's Gratuity Fund	**2,800**	2,680

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Liabilities		
Deposit		
BSE Investors' Protection Fund	**6**	6
Associates		
Assets		
Investments		
Asia Index Private Limited	**1**	1
Central Depository Services (India) Limited	**4,722**	4,722
Receivable		
Asia Index Private Limited	**30**	18
Liabilities		
Deposit		
Asia Index Private Limited	**92**	92
Payable		
Central Depository Services (India) Limited	**261**	45
Indirect Subsidiary		
Assets		
Receivable		
Pranurja Solutions Limited (Upto May 6, 2019)	**-**	-
Indirect Associates		
Assets		
Receivable		
BSE EBIX Insurance Broking Private Limited	**1**	2
Pranurja Solutions Limited (w.e.f May 7, 2019)	**1**	2

Note : ^ Less than ₹ 50,000/-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

36. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2021	As at March 31, 2020
a)	Claims against the Exchange not acknowledged as debts in respect of:		
	i) Income tax matters	**6,803**	6,601
	ii) Service tax matters	**324**	266
	iii) Others matters	**10,351**	16,777
	iv) Out of 'iii' above in the opinion of the Management unfavorable outcome are remote	**10,351**	16,777
b)	Guarantees given by the Company	**211**	184

Notes:

1. During the previous year, the Company has received SEBI Directives on BSE towards Cyber Security Audit and in response to the above, the Company has submitted its reply to SEBI for reconsideration and to the extent the amount of ₹ 70 is considered as contingent liability.

2. The Company's pending litigations comprise of claims against the Company primarily by the customers/ vendors and proceedings pending with Tax and other regulatory 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, 2021.

37. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are ₹ 617 as at March 31, 2021 (₹ 2,238 as at March 31, 2020)

38. 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.

38.1 The "Company" or the "Exchange" operates only in one Operating Segment i.e. "Facilitating Trading in Securities and other related ancillary Services", hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

38.2 Information about geographical area

38.2.1 The Company revenue from customers

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Within India	**53,552**	51,513
Outside India	**2,953**	2,700
Total Income	**56,505**	54,213

38.2.2 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, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. Employee Benefits:

39.1 Defined Benefit Plan – Gratuity:

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees.

Such plan exposes the Company to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements as at March 31, 2021 and March 31, 2020:

PARTICULARS	March 31, 2021	March 31, 2020
Change in benefit obligation		
Benefit obligations at the beginning	**2,676**	2,409
Service cost	**158**	143
Interest expense	**137**	163
Benefits paid	**(73)**	(121)
Remeasurements – Actuarial (gains)/ losses	**(384)**	103
Liabilities assumed / settled *	**8**	(21)
Benefit obligations at the end	**2,522**	2,676
Change in Plan assets		
Fair value of plan assets at the beginning	**2,680**	2,478
Employer Contribution	**0**	96
Interest income	**152**	173
Remeasurements – Actuarial (gains)/ losses	**43**	65
Assets assumed / settled *	**(2)**	(11)
Benefits paid	**(73)**	(121)
Fair value of plan assets at the end	**2,800**	2,680
Funded status	**2,800**	2,680
Prepaid / (payable) gratuity benefit	**278**	4

* On account of transfer to other trust.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. Employee Benefits: (Contd.)..

Amount for the year ended March 31, 2021 and year ended March 31, 2020 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2021	March 31, 2020
Service cost	**158**	143
Net interest on the net defined benefit liability/asset	**(15)**	(10)
Net gratuity cost	**143**	133

Amount for the year ended March 31, 2021 and year ended March 31, 2020 recognised in the other comprehensive income:

PARTICULARS	March 31, 2021	March 31, 2020
Remeasurements of the net defined benefits liability / (asset)		
Experience adjustments	**(119)**	5
(Gain)/loss from change in financial assumptions & Actual return on plan assets less interest on plan asset	**(340)**	33
Changes in demographic assumptions	**33**	-
Amount recognised in OCI	**(426)**	38

The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2021 and year ended March 31, 2020:

PARTICULARS	March 31, 2021	March 31, 2020
Discount rate	**5.69%**	5.75%
Increase in compensation levels	**7.00%**	9.80%
Withdrawal rate	**16.44%**	18.27%
Rate of return on plan assets	**5.69%**	5.75%

The Company assesses these assumptions 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, 2021	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	**(50)**	**51**
Impact of decrease in 50 bps on defined benefit obligation	**52**	**(49)**

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, 2021	March 31, 2020
Government of India Securities	**15%**	16%
State Government Securities	**0%**	6%
Insurer Managed Assets	**85%**	73%
Others	**0%**	5%

Actual return on the assets for the period ended March 31, 2021 and year ended March 31, 2020 were ₹ 195 and ₹ 238 respectively.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. Employee Benefits: (Contd.)..

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 underfunding 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 ₹ 169.

Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2021
Expected benefits for year 1-3	1,235
Expected benefits for year 4-5	653
Expected benefits for year 6-10	1,010
Expected benefits for above year 10	324

The weighted average duration to the payment of these cash flows is 4.24 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 increase considered takes into account the inflation, seniority, promotion and other relevant factors.

39.2 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. There is no provision for diminution in value of investment except provision for accrued interest.

The Company recognised charge for the year ended March 31, 2021 and for the year ended March 31, 2020 of ₹ 205 and ₹ 231 respectively for provident fund and family pension fund contribution in the Profit or Loss.

The Company recognised charge for the year ended March 31, 2021 and for the year ended March 31, 2020 of ₹ 38 and ₹ 55 respectively for New National pension Scheme contribution in the Profit or Loss.

39.3 Compensated Absences

The Company recognised charge for the year ended March 31, 2021 and for the year ended March 31, 2020 of ₹ 611 and ₹ 497 respectively for Compensated Absences in the Profit or Loss.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

40. a) During the previous year, the Company had divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through offer for sale. The profit on divestment amounting to ₹ 9,158 was reflected as an "Exceptional Item" for the year ended March 31, 2020.

b) S & P Dow Jones Indices LLC and SPDJ Singapore Pte Ltd (hereinafter collectively called as "SPDJ") had filed arbitration proceedings against BSE under Singapore International Arbitration Center's rules, inter alia, challenging the termination of index licensing arrangement by BSE Limited. The Final Award passed by the Arbitrator Tribunal dated September 17, 2020 inter-alia, held that the termination of the Agreements by BSE is invalid, the Agreement continue to remain in force and the costs of arbitration, legal and other costs incurred by SPDJ shall be borne by BSE. Accordingly, an amount of ₹ 1,453 is paid by BSE to SPDJ with interest upto the date of payment. The said amount has been paid and has been disclosed as an "Exceptional item" for the year ended March 31, 2021. Interest paid to SPDJ of ₹ 17 has also been disclosed as finance cost for the year ended March 31, 2021.

41. Interoperability among clearing corporations was implemented from June 2019. After implementation of interoperability, the members have the option to choose the clearing corporation to clear their trades. Based on their selection, the trades of BSE are cleared by respective clearing corporations.

As per the requirement arising out of August 27, 2014 SEBI Circular on CIR\MRD\DRMNP\25\2014, for contribution by exchange to Core Settlement Guarantee Fund ("Core SGF"), BSE needs to contribute to Core SGFs of all the Clearing corporations through which its trades are cleared.

BSE has already contributed ₹ 14,488 to Indian Clearing Corporation Ltd., which is in excess by ₹ 11,777 as compared to the requirement, as of March 31, 2021. Based on the transactions executed on BSE and which are cleared by other Clearing Corporations, requirement of Core SGF is ₹ 1,599 as on March 31, 2021, which has been duly paid.

Based on representation made by the Company, SEBI allowed transfer of excess contribution made by the Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation and hence there is no additional charge to profit and loss account in this regard.

42. The Company had earlier received observations from SEBI in respect of inspection conducted for the period 2005 – 2017, in which the Company was asked to plough back certain amount to Investors' Services Fund ("ISF") and BSE Investors Protection Fund Trust ("IPF") in respect of expenses charged in the earlier years to these funds. On the basis of response submitted by the Company, in the year ended March 2020, SEBI concluded and instructed the Company to plough back an amount of ₹ 1,037 along with interest to the said funds. Consequently, an expense of ₹ 1,385 was charged to the profit and loss account for the year ended March 31, 2020 along with expense of ₹ 476 for the year ended March 31, 2018. Accordingly, an amount aggregating to ₹ 1,861 was disclosed as "Provision for Additional Contribution to ISF and IPF" for the year ended March 31, 2020. Subsequently, based on final amount arrived by SEBI, the Company had reassessed amount chargeable to the fund for earlier years and has written back ₹ 595 to "Other income" in the year ended March 31, 2021.

43. Pursuant to SEBI Circular CIR/MRD/DP/14/2014 dated April 23,2014 and BSE Notice no-20190805-10, 20190925-31, 20191108-25, with effect from November 25, 2019, the Company has introduced the Liquidity Enhancement Scheme (LES) in derivatives. An expense of ₹ 1,910 and ₹ 219 has been incurred towards the scheme for the year ended March 31, 2021 and year ended March 31, 2020 respectively.

44. The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2021
(Rupees in lakhs, except share and per share data, unless otherwise stated)

45. The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of the country, governments have introduced a variety of measures to contain the spread of the virus, including lockdowns and restrictions on movement of people and goods across different geographies.

Certain establishments including securities market intermediaries are permitted to operate and continue to remain exempted from restrictions. In case there is disruption in the functioning of the capital markets, the business of the Company may be affected.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is minimal.

46. The Company has opted for the Sabka Vishwas (Legacy Dispute Resolution) scheme, 2019 for the settlement of service tax matter of earlier years. Accordingly, an amount of ₹ 366 was paid under the said scheme, which was charged to the statement of profit and loss for the year ended March 31, 2020.

47. 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 13, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries - Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(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[1]	BSE Sammaan CSR Limited	BSE Technologies Private Limited	BFSI Sector Skill Council of India[2]	BSE Tech Infra Services Private Limited[3]	BIL-Ryerson Technology Startup Incubator Foundation[4]	BSE Institute of Research Development & Innovation[7]	BSE CSR Integrated Foundation[5]	India International Exchange (IFSC) Limited	India International Clearing Corporation (IFSC) Limited	India INX Global Access IFSC Limited[6]	BSE E-Agricultural Markets Limited[8]
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	5-Nov-15	5-Dec-19	7-Mar-16	12-Sep-16	12-Sep-16	5-Apr-18	1-Dec-20
2	Share capital	35,400	5,000	4,300	260	2,500	205	701	1	1	5	16,044	8,879	1,000	1,000
3	Reserves & surplus	31,306	1,813	171	(236)	1,772	356	362	22	(4)	573	(11,077)	251	(98)	(73)
4	Total assets	161,659	7,645	4,472	26	5,430	822	1,265	633	15	578	6,683	10,625	1,841	961
5	Total Liabilities	94,953	832	1	2	1,158	261	202	610	18	-	1,716	1,495	939	34
6	Investments	12,417	5,424	3,250	-	3,483	259	217	143	-	-	1,077	-	-	465
7	Turnover	8,163	1,880	59	13	4,573	153	983	334	-	301	252	180	34	1
8	Profit before taxation	3,167	152	57	(25)	439	(235)	7	9	(3)	149	(3,104)	(300)	(81)	(73)
9	Provision for taxation	896	4	14	-	124	-	(15)	-	-	-	-	-	-	-
10	Profit after taxation	2,271	148	43	(25)	315	(235)	22	9	(3)	149	(3,104)	(300)	(81)	(73)
11	Proposed Dividend	-	-	-	-	-	-	-	-		-	-	-	-	-
12	% of shareholding	100%	100%	100%	100%	100%	51.22%	100%	51%	100%	100%	90.72%	90.10%	90.72%	60%
		India	India	India	India	India	India	India	India	India	India	India	India	India	India

Note:

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 BSE Technologies Private Limited.

4 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. The numbers are based on management certified accounts as the financials are yet to be audited till the date of approval by Board of BSE

5 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.

6 India INX Global Access IFSC Limited was incorporated on April 5, 2018 and it is a wholly owned subsidiary of India International Exchange (IFSC) Limited.

7 BSE Institute of Research Development & Innovation (Subsidiary of BSE Institute Limited and was incorporated on December 5, 2019) is a Section 8 company under the Companies Act, 2013. Hence, the same has not been considered for consolidation. The numbers are based on management certified accounts as the financials are yet to be audited till the date of approval by Board of BSE.

8 BSE E-Agricultural Markets Limited (subsidiary of BSE Investments Limited) was incorporated on December 1, 2020.

9 BSE Administration & Supervision Limited (wholly owned subsidiary of BSE Limited) was incorporated on March 5, 2021, however payment towards acquisition of shares was made after March 31, 2021.

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	Central Depository Services (India) Limited (CDSL Group)[1]	BSE EBIX Insurance Broking Private Limited	Pranurja Solutions Limited[3]	Marketplace EBIX Technology Services Private Limited[2]
1	Latest audited Balance Sheet Date (Financial year ended)	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
2	Date on which the Associate or Joint Venture was associated or acquired	30-Aug-13	16-Jun-10	15-Mar-18	7-May-19	3-Apr-18
3	Shares of Associate/Joint Ventures held by the company on the year end					
	a. No.of shares	5,000	20,900,000	2,004,000	125,000,000	4,000
	b. Amount of Investment in Associates/Joint Venture (₹)	1	4,722	200	1,250	140
	c. Extent of Holding %	50%	20%	40%	22.62%	40%
4	Description of how there is significant influence	50% Equity Shares Stake	20% Equity Shares Stake	40% Equity Shares Stake	22.62% Equity Shares Stake	40% Equity Shares Stake
5	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet (₹)	2,278	92,000	450	5,474	349
7	Profit / (Loss) for the year					
	i. Considered in Consolidation	334	4,007	(23)	(13)	1
	ii. Not Considered in Consolidation	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Note:

1 CDSL Group consists of:
- a) CDSL Ventures Limited
- b) CDSL Insurance Repository Limited
- c) CDSL Commodity Repository Limited
- d) CDSL IFSC Limited incorporated on March 30, 2021 and yet to commence business

2 Marketplace EBIX Technology Services Private Limited incorporated on April 3, 2018 and it is an associate of BSE Technologies Private Limited.

3 Pranurja Solutions Limited incorporated on April 24, 2018 was subsidiary of BSE Investments Limited upto May 6, 2019 post which it became associate and it is yet to commence the business.

For and on behalf of the Board of Directors

Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

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