

Date: June 17, 2019

To,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Symbol: BSE

ISIN: INE118H01025

Sub: Annual Report 2018-19 including Notice of Fourteenth Annual General Meeting (14th AGM) of the Company.

Dear Sir/Madam,

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that the 'Fourteenth Annual General Meeting' of the Members of the Company will be held on Monday, July 15, 2019 at 11:30 A.M. at Sir Dinshaw Petit International Convention Hall, 1st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001 ('the Meeting').


In this regard, we would like to submit herewith Notice of the 14th AGM and Annual Report for the financial year 2018-19 of the Company.

Further, the Annual Report of the Company along with the Notice of the Meeting will also be available on website of the Company: www.bseindia.com.

This is for your information and record.

Thanking you,
Yours faithfully,
For BSE Limited



 **Prajakta Powle**
Company Secretary and Compliance Officer

Encl: a/a

**“IN A GENTLE WAY,
YOU CAN SHAKE THE WORLD.”**

—MAHATMA GANDHI

ANNUAL REPORT

2018–19



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

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



Ms. Jayshree Vyas
Public Interest Director



Smt. Usha Sangwan
Shareholder Director



Smt. Rajeshree Sabnavis
Shareholder Director



Shri Ashishkumar Chauhan, MD & CEO, BSE, presenting the BSE Coffee Table Book to Hon'ble Pravin Kumar Jugnauth, Prime Minister of the Republic of Mauritius during his visit to BSE on 25th January, 2019.



(L-R) Shri Ajay Tyagi, Chairman, SEBI; Shri K P Bakshi, Chairman, Maharashtra Water Resources Regulatory Authority, Government of Maharashtra; Shri S Ravi, Former Chairman, BSE; Shri Vijay Sampla, Hon'ble Union MoS for Social Justice and Empowerment, Government of India; Shri Ashikumar Chauhan, MD & CEO, BSE; Shri Anil Singhvi, Managing Editor, Zee Business and Shri Suresh Prabhu, Former Minister of Commerce & Industry and Civil Aviation, Government of India at the BSE Bull Run on 13th January, 2019.



Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Nitin Gadkari, Hon'ble Minister of Road Transport & Highways, Micro, Small & Medium Enterprises, Government of India at the Launch of the Special Issue of RPKN – Routes of Prosperity on 17th November, 2018.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the BSE Coffee Table book to Shri Piyush Goyal, Hon'ble Minister of Railways and Commerce & Industry, Government of India at the Post Interim Budget Interaction event held on 8th February, 2019.

COMPOSITION OF COMMITTEES OF THE COMPANY

Sr. No. COMMITTEE

1. Audit Committee

Shri Sumit Bose - Chairperson

Shri S. S. Mundra - Member

Shri Umakant Jayaram - Member

Ms. Jayshree Vyas - Member

Smt. Usha Sangwan - Member

2. Stakeholder Relationship / Share Allotment Committee

Smt. Usha Sangwan - Chairperson

Shri S. S. Mundra - Member

Ms. Jayshree Vyas - Member

Shri Ashishkumar Chauhan - Member

3. Corporate Social Responsibility Committee

Ms. Jayshree Vyas - Chairperson

Shri Ashishkumar Chauhan - Member

Shri Umakant Jayaram - Member

Smt. Rajeshree Sabnavis - Member

4. Public Interest Directors / Independent Directors

Justice Vikramajit Sen - Chairperson

Shri Sumit Bose - Member

Shri S. S. Mundra - Member

Shri David Wright - Member

Shri Umakant Jayaram - Member

Ms. Jayshree Vyas - Member

5. Nomination & Remuneration Committee

Shri S. S. Mundra - Chairperson

Shri David Wright - Member

Shri Umakant Jayaram - Member

Ms. Jayshree Vyas - Member

6. Risk Management Committee

Shri David Wright - Chairperson

Shri S. S. Mundra - Member

Justice Vikramajit Sen - Member

Shri Sumit Bose - Member

Shri Umakant Jayaram - Member

Ms. Jayshree Vyas - Member

Shri Sanjay Banerji - Member

Sr. No. COMMITTEE

7. Member Selection Committee

Justice Vikramajit Sen - Chairperson

Shri S. S. Mundra - Member

Shri Sumit Bose - Member

Shri Umakant Jayaram - Member

Ms. Jayshree Vyas - Member

Shri Ashishkumar Chauhan - Member

8. Regulatory Oversight Committee

Shri S. S. Mundra - Chairperson

Shri Sumit Bose - Member

Justice Vikramajit Sen - Member

Shri David Wright - Member

Shri Umakant Jayaram - Member

Ms. Jayshree Vyas - Member

Dr. R. K. Kakkar - Member

9. Standing Committee on Technology

Shri David Wright - Chairperson

Shri Sumit Bose - Member

Justice Vikramajit Sen - Member

Prof Sivakumar G - Member

Shri Pravir Vohra - Member

Executive Management Committee

Shri Ashishkumar Chauhan - Managing Director & CEO

Shri Nehal Vora - Chief Regulatory Officer

Shri Nayan Mehta - Chief Financial Officer

Shri Kersi Tavadia - Chief Information Officer

Shri Neeraj Kulshrestha - Chief Business Officer

Statutory Auditor

S.R. Batliboi & Co. LLP

Chartered Accountants

Registrar and Transfer Agents

Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot No 31 & 32

Gachibowli, Financial District,

Nanakramguda, Serilingampally

Hyderabad - 500 032

E-Mail: einward.ris@karvy.com

Tel. No.: 91-40-6716 1509/1624/1623

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AGM Notice

NOTICE is hereby given that the Fourteenth Annual General Meeting of BSE Limited will be held on Monday, July 15, 2019 at 11.30 A.M. at Sir Dinshaw Petit International Convention Hall, 1st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the Financial Year ended March 31, 2019.

SPECIAL BUSINESS

3. To consider and approve retirement of Smt. Rajeshree Sabnavis from post of Shareholder Director of the Company.

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

“RESOLVED THAT Smt. Rajeshree Sabnavis (DIN:06731853), Shareholder Director, liable to retire by rotation, who does not offer herself for re-appointment, be not re-appointed as a Director of the Company and the vacancy, so caused on the Board of the Company, be not filled up.”

4. To consider and approve buyback of equity shares of the Company.

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

“RESOLVED THAT pursuant to Article 23 of the Articles of Association of the Company and in accordance with the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (**“Companies Act”**) read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 and other relevant Rules made thereunder, each as amended from time to time and the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**“SEBI Buyback Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (**“SEBI Listing Regulations”**) (including statutory amendment(s), modification(s) or re-enactment of the Companies Act or the rules made thereunder or the SEBI Buyback Regulations or the SEBI Listing Regulations) and subject to such

other approvals, permissions, consents, sanctions and exemptions of Securities and Exchange Board of India (**“SEBI”**), Reserve Bank of India (**“RBI”**) and/ or other authorities, institutions or bodies (together with SEBI and RBI, the **“Appropriate Authorities”**), as may be necessary, and subject to such conditions, alterations, amendments and modifications as may be prescribed or imposed by them while granting such approvals, permissions, consents, sanctions and exemptions which may be agreed by the board of directors of the Company (**“Board”**, which term shall be deemed to include any committee of the Board and/ or officials, which the Board may constitute/ authorise to exercise its powers, including the powers conferred by this resolution), the consent of the shareholders be and is hereby accorded for the buyback by the Company of its fully paid-up equity shares having a face value of ₹ 2/- (Rupees Two only) each (**“Equity Shares”**), not exceeding 67,64,705 Equity Shares (representing 13.06% of the total number of Equity Shares in the total paid-up equity capital of the Company) at a price of ₹ 680/- (Rupees Six Hundred and Eighty only) per Equity Share (**“Buyback Offer Price”**) payable in cash for an aggregate maximum amount of ₹ 460 Crore (Rupees Four Hundred and Sixty Crore only), excluding any expenses incurred or to be incurred for the buyback viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges (**“Transaction Costs”**) (such maximum amount hereinafter referred to as the **“Buyback Offer Size”**) which represents 24.73% of the aggregate of the Company's paid-up capital and free reserves as per the standalone audited financial statements of the Company for the year ended as on March 31, 2019 from the shareholders/ beneficial owners of the Equity Shares of the Company as on a record date to be subsequently decided by the Board, through the “tender offer” route, on a proportionate basis as prescribed under the SEBI Buyback Regulations (hereinafter referred to as the **“Buyback”**).

RESOLVED FURTHER THAT as required under Regulation 6 of the SEBI Buyback Regulations, the Company may buyback Equity Shares from the existing equity shareholders as on record date, on a proportionate basis, provided that 15% of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as defined in the SEBI Buyback Regulations.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “Mechanism for acquisition of shares

through Stock Exchange" notified by SEBI vide circular CIR/CFD/ POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI's circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, or such other circulars or notifications, as may be applicable and the Company shall approach National Stock Exchange of India Limited ("NSE"), as may be required, for facilitating the same.

RESOLVED FURTHER THAT the Board be and is hereby authorized to give effect to the aforesaid resolutions and may delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Director(s)/ Officer(s)/ Authorised Representative(s)/ Committee ("**Buyback Committee**") of the Company in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of Buyback including the mechanism for the Buyback, the schedule of activities including the dates of opening and closing of the Buyback, record date, entitlement ratio, the timeframe for completion of the Buyback; appointment of designated stock exchange and other intermediaries/ agencies, as may be required, for the implementation of the Buyback; preparation, signing and filing of the public announcement, the draft letter of offer, letter of offer and post-completion announcement with the SEBI, NSE and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI, RBI under the Foreign Exchange Management Act, 1999, as amended and the rules, regulations framed thereunder; and to initiate all necessary actions for preparation and issue of various documents including letter of offer, opening, operation and closure of necessary accounts including escrow account with a bank, entering into agreement(s), release of public announcement, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishment of Equity Shares bought back by the Company, and such other undertakings, agreements, papers, documents and correspondence, under the common seal of the Company, as may be required to be filed in connection with the Buyback with the SEBI, RBI, NSE, Registrar of Companies, Depositories and/ or other regulators and statutory authorities as may be required from time to time.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholder to offer and / or confer any obligation on the Company or the Board or the Buyback Committee to buy back any equity shares or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if permitted by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and / or the Buyback Committee be and are hereby jointly and/or severally empowered and authorised

on behalf of the Company to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and / or any person authorised by the Board may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board

Prajakta Powle

Company Secretary and Compliance Officer

Mumbai, May 7, 2019

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business under Item Nos. 3 and 4 of the notice to be transacted at the Annual General Meeting ("Meeting") is annexed hereto and forms part of the notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Act, a person can act as a Proxy on behalf of not more than fifty Members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Member(s) holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Report. Proxy forms submitted on behalf of limited companies or any other entity, etc., must be supported by a certified true copy of resolution / letter of authority, as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.
3. Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant resolution together with the specimen signature(s) of the authorised representative(s) under the said resolution to attend and vote on their behalf at the Meeting.

4. Members/ Proxies/ Authorised Representatives are requested to bring duly filled in Attendance Slip to the Meeting.
5. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. 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.
7. The Board of Directors has recommended Final Dividend of ₹ 25 per equity share for the Financial Year ended March 31, 2019 that is proposed to be paid on or before Tuesday, August 13, 2019, to those Members whose name appears in the Register of Members of the Company as on June 28, 2019 (close of business hours of record date) subject to the approval of the Shareholders at the ensuing Meeting. The Interim dividend of ₹ 5 per equity share was paid on December 15, 2018.
8. The Company's Registrar and Share Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Fintech Private Limited (Karvy), having their office at Karvy Selenium Tower, B-Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.
9. Pursuant to Regulation 46 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the securities of a Recognised Stock Exchange are required to be maintained in demat mode. Further, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in demat form w.e.f. April 1, 2019. In view of the above, Members are advised to dematerialise the shares held in physical form.
10. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of Dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Member. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate, immediately to their Depository Participants.
11. Members holding shares in demat form are requested to intimate all changes pertaining to their bank account details, email address, nominations, power of attorney, change of name, change of address, PIN code etc., only to their Depository Participants and not to the Registrar and Share Transfer Agents of the Company.
12. 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 ₹ 72,900/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend for Financial Year 2010-11 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 www.bseindia.com. Members who have not encashed Final Dividend for the Financial Year 2011-12 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.
13. 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, 223 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 August 31, 2018, were transferred during the Financial Year 2018-19 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 2011-12 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.
14. The physical copy of Annual Report 2018-19, the Notice of the Meeting and instructions for e-voting along with the Attendance Slip and Proxy form, are being sent to those Members whose e-mail addresses are not registered with the Company and by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless a member has requested for a physical copy of the documents. All the above documents are also available on the website of the Company i.e. www.bseindia.com.
15. To support the 'Green initiative', the Members who have not registered their e-mail addresses, are requested to register the same with their Depository Participant(s).
16. Relevant documents referred to in the Notice are open for inspection by the Members at the Registered Office of the Company on all

working days (i.e., except Saturdays, Sundays and Public Holidays) during business hours upto the date of the Meeting.

17. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements maintained under Section 189 of the Act will be available for inspection at the Meeting.
18. The term 'Members' has been used to denote Shareholders of BSE Limited.
19. Shri N. L. Bhatia, (FCS 1176/CP No. 422) Partner, N. L. Bhatia and Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

VOTING OPTIONS

VOTING THROUGH ELECTRONIC MEANS

20. In compliance with Section 108 of the Act and the rules framed thereunder, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their votes again.
21. The instructions for Shareholders voting electronically are as under:
 - i. The e-voting period commences on Friday, July 12, 2019 (9.00 A.M. IST) and ends on Sunday, July 14, 2019 (5.00 P.M. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on July 8, 2019 i.e. **"Cut-off date"**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast vote again.
 - ii. Log on to the e-voting website www.evotingindia.com.
 - iii. Click on Shareholders/ Members.
 - iv. Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID.
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

- v. Enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- vii. Fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab;
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- xi. Click on the EVSN of BSE Limited.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option “YES” or “NO” as desired. The option “YES” implies that you assent to the Resolution and option “NO” implies that you dissent to the Resolution;
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote;
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take printout of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on “Forgot Password” & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodians
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk. evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or Contact: Mr. Rakesh Dalvi Telephone no.:1800225533 Email:helpdesk.evoting@cdslindia.com

VOTING AT THE AGM

22. Pursuant to the provisions of Rule 20 of Companies (Management and Administration) Rules 2014, as substituted by the Companies (Management and Administration) (Amendment) Rules, 2015, the Company is also offering the facility for voting through Tablet at the Meeting.
23. The facility for voting through Tablet, will be made available at the Meeting and the Members attending the Meeting who have not cast their votes by remote e-voting shall be able to exercise their right to vote at the Meeting through Tablet.

Other Instructions

24. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on Cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through Tablet.
25. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, would count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
26. The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the Meeting date subject to receipt of the requisite number of votes in favor of the resolutions.

27. The results of voting declared along with Scrutinizer's Report(s) will be published on the website of the Company (www.bseindia.com) and on the website of CDSL e-Voting www.evotingindia.com within 48 hours from the conclusion of the Meeting and the same shall also be simultaneously communicated to the National Stock Exchange of India Limited.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS TRANSACTED UNDER ITEM NOS. 3 AND 4.

ITEM NO. 3

To consider and approve retirement of Smt. Rajeshree Sabnavis from post of Shareholder Director of the Company

Pursuant to the provisions of Section 152(6) of the Act and in accordance with the Articles of Association of the Company, Smt. Rajeshree Sabnavis (DIN: 06731853), Shareholder Director, is liable to retire by rotation at the Fourteenth Annual General Meeting. Smt. Rajeshree Sabnavis has indicated to the Company that she proposes to retire and is not seeking re-appointment at the Fourteenth Annual General Meeting of the Company.

Smt. Rajeshree Sabnavis was appointed as a Shareholder Director of the Company after taking requisite approvals including approval of Securities and Exchange Board of India which was effective from September 4, 2015.

The Board of Directors of the Company ("Board") at its meeting held on May 7, 2019 placed on record the appreciation for the invaluable support and contribution rendered by Smt. Rajeshree Sabnavis as a Shareholder Director and accordingly, the Board does not propose to fill the vacancy caused due to her retirement.

Accordingly, the Board recommends the ordinary resolution as set out in Item No. 3 of the Notice for approval of the Members.

Except, Smt. Rajeshree Sabnavis, none of the other Directors of the Company and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO. 4

To consider and approve buyback of equity shares of the Company

1. The Board of Directors of the Company ("Board") at its meeting held on May 7, 2019 ("Board Meeting") has, subject to the approval of the shareholders of the Company by way of a special resolution and subject to approval of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the buyback by the Company of its fully paid-up equity shares of having a face value ₹ 2/- (Rupees Two only) each of the Company ("Equity Shares"), not exceeding 67,64,705 Equity Shares (representing 13.06% of the total number of Equity Shares in the total paid-up equity capital of the Company) at a price of ₹ 680/-

(Rupees Six Hundred and Eighty only) per Equity Share ("**Buyback Offer Price**"), payable in cash, for an aggregate maximum amount not exceeding ₹ 460 Crore (Rupees Four Hundred and Sixty Crore only), excluding any expenses incurred or to be incurred for the buyback viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges ("**Transaction Costs**") (such maximum amount hereinafter referred to as the "**Buyback Offer Size**") from the shareholders/ Beneficial owners of the Equity Shares of the Company, as on a record date, as may be decided by the Board, on a proportionate basis through the "tender offer" route in accordance with the Companies Act, and rules made thereunder, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, (the "**SEBI Buyback Regulations**"), as amended from time to time, read with SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and such other circulars or notifications, as may be applicable (hereinafter referred to as the "**Buyback**").

As per the relevant and other applicable provisions of Companies Act and SEBI Buyback Regulations, this Explanatory Statement contains relevant and material information to enable the shareholders holding Equity Shares of the Company to consider and approve the special resolution for the Buyback of the Company's Equity Shares.

Compliance with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations")

Pursuant to Regulation 17 read with Regulation 19 of the SECC Regulations, all shareholders of the Company shall be responsible for adhering to the limits on their shareholding, whether held directly or indirectly, either individually or together with persons acting in concert, and for obtaining any approvals from SEBI, including as specified below, and shall comply with the 'fit and proper person' requirement as set out in Regulation 20 of the SECC Regulations:

- (i) for any person who acquires equity shares or voting rights in the Company, directly or indirectly, either individually or together with persons acting in concert, that entitles the person(s) so acquiring to exercise any voting rights in the range of 2% to 5%, shall seek approval of SEBI within 15 days of such acquisition. If approval is not granted by SEBI, such person shall forthwith divest his entire shareholding in the Company.
- (ii) for stock exchanges, depositories, banking companies, insurance companies and public financial institutions directly or indirectly, either individually or together with

persons acting in concert, upto 15% of the paid-up equity share capital of the Company subject to obtaining the approval of SEBI before crossing 5% of the paid-up equity share capital of the Company.

- (iii) for foreign stock exchanges, foreign depositories, foreign banking companies, foreign insurance companies, foreign commodity derivatives exchanges and bilateral or multilateral financial institutions approved by the central government directly or indirectly, either individually or together with persons acting in concert, upto 15% of the paid-up equity share capital of the Company subject to obtaining the approval of SEBI before crossing 5% of the paid-up equity share capital of the Company.

Any application for seeking any of the aforesaid approvals shall be made to SEBI, in the manner as specified under Regulation 19(4) of the SECC Regulations, through the Company. Further, the 5% threshold, as indicated in paragraphs (b) and (c) above, will be determined based on the post-buyback equity share capital of the Company, assuming the Company buys back all the Equity Shares as proposed to be bought back i.e. 67,64,705 Equity Shares. However, please note that the actual post-buyback equity share capital of the Company may differ upon the number of Equity Shares bought back by the Company pursuant to the Buyback.

Since, the Buyback is more than 10% of the total paid-up capital and free reserves of the Company, in terms of Section 68(2)(b) of the Companies Act, it is necessary to obtain consent of the shareholders of the Company, for the Buyback, by way of a special resolution. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the Resolution. Requisite details relating to the Buyback are given below:

2. Necessity for the Buyback

The Board at its meeting held on May 7, 2019, considered the accumulated free reserves as well as the cash liquidity reflected in the last standalone audited financial statements as on March 31, 2019 and considering these, the Board decided to allocate up to ₹ 460 Crore (Rupees Four Hundred and Sixty Crore only) excluding the Transaction Costs for distributing to the shareholders holding Equity Shares of the Company through the Buyback. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback of Equity Shares at a price of ₹ 680/- (Rupees

Six Hundred and Eighty only) per Equity Share for an aggregate maximum amount of ₹ 460 Crore (Rupees Four Hundred and Sixty Crore only). Buyback is being undertaken, inter-alia, for the following reasons:

- (i) The Buyback will help the Company to return surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- (ii) The Buyback, which is being implemented through the tender offer route as prescribed under the SEBI Buyback Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back whichever is higher, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder” as per Regulation 2(i)(n) of the SEBI Buyback Regulations;
- (iii) The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- (iv) The Buyback gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

3. Maximum number of Equity Shares that the Company proposes to Buyback

The Company proposes to Buyback not exceeding 67,64,705 Equity Shares of the Company, representing 13.06% of the total number of Equity Shares in the total paid-up equity capital of the Company.

4. Maximum price at which the Equity Shares are proposed to be bought back and the basis of arriving at the price of the Buyback

The Equity Shares of the Company are proposed to be bought back at a price of ₹ 680/- (Rupees Six Hundred and Eighty only) per Equity Share. The Buyback Offer Price has been arrived at, after considering various factors including, but not limited to the trends in the volume weighted average prices of the Equity Shares on the National Stock Exchange of India Limited (“NSE”) where the Equity Shares are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Equity Share.

The Buyback Offer Price represents:

- (i) Premium of 14.80 % over the volume weighted average market price of the Equity Shares on NSE, during the three months preceding February 19, 2019, being the date of intimation to NSE for the Board Meeting to consider the proposal of the Buyback ("**Intimation Date**").
- (ii) Premium of 19.87 % over the volume weighted average market price of the Equity Shares on NSE for two weeks preceding the Intimation Date.
- (iii) Premium of 24.45 % over the closing price of the Equity Shares on NSE as on the Intimation Date.

5. Maximum amount required for Buyback, its percentage of the total paid-up capital and free reserves and source of funds from which Buyback would be financed

The maximum amount required for Buyback will not exceed ₹ 460 Crore (Rupees Four Hundred and Sixty Crore only) excluding Transaction Costs, being 24.73% of the total paid-up capital and free reserves which is not exceeding 25% of the aggregate of the total paid-up capital and free reserves of the Company as per the standalone audited financial statements of the Company as on March 31, 2019.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company (including securities premium account) or such other source as may be permitted by the SEBI Buyback Regulations or the Companies Act.

6. Method to be adopted for the Buyback

The Buyback shall be on a proportionate basis from all the Shareholders holding Equity Shares of the Company as on the record date as may be decided by the Board through the "tender offer" route, as prescribed under the SEBI Buyback Regulations, to the extent permissible, as prescribed under the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI's circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016. The Buyback will be implemented in accordance with the Companies Act to the extent applicable, and the SEBI Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As per the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI's press releases dated December 3, 2018, and March 27, 2019, effective from April 1, 2019, transfers of securities shall not be processed unless the securities are held in the dematerialized

form with a depository ("**LODR Amendment**"). In light of the LODR Amendment, any of the Members who are desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized. Such shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

As required under the SEBI Buyback Regulations, the Company will announce a record date (the "**Record Date**") for determining the names of the shareholders holding Equity Shares of the Company who will be eligible to participate in the Buyback.

In due course, each shareholder as on the Record Date will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback.

The Equity Shares to be bought back as a part of the Buyback is divided in two categories:

- (i) Reserved category for small Shareholders; and
- (ii) General category for all other Shareholders.

As defined in Regulation 2(i)(n) of the SEBI Buyback Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on stock exchanges in which the highest trading volume in respect of such Equity Shares as on Record Date, is not more than ₹ 2 Lakh (Rupees Two Lakh only).

In accordance with the proviso to Regulation 6 of the SEBI Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder".

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Shareholders holding Equity Shares of the Company also have the option of tendering additional shares

(over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the shareholders holding Equity Shares of the Company as on the Record Date.

7. Time limit for completing the Buyback

The Buyback is proposed to be completed within 12 months from the date of special resolution approving the proposed Buyback.

8. Compliance with Section 68(2)(c) of the Companies Act

The aggregate paid-up capital and free reserves as per the standalone audited financial statements of the Company as on March 31, 2019 is ₹ 1860.18 Crore (Rupees One Thousand Eight Hundred Sixty Crore and Eighteen Lakh only). Under the provisions of the Companies Act, the Buyback shall be 25% or less of the aggregate of the paid-up capital and free reserves of the Company as per the last audited standalone financial statements of the Company as on March 31, 2019 (the latest standalone audited financial statements available as on the date of Board meeting recommending the proposal of the Buyback). The maximum amount proposed to be utilized for the Buyback, is not exceeding ₹ 460 Crore (Rupees Four Hundred and Sixty Crore only) and is therefore within the above-mentioned limit.

Further, under the Companies Act, the number of Equity Shares that can be bought back in any financial year shall not exceed 25% of the total number of Equity Shares in the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 1,29,47,250 Equity Shares. Since the Company proposes to buy back up to 67,64,705 Equity Shares, the same is within the aforesaid 25% limit.

9. Details of holding and transactions in the Equity Shares of the Company

The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosures as required as per paragraph (vii) of the Schedule I of the SEBI Buyback Regulations is not applicable.

None of the directors of the Company (“**Directors**”) or Key Managerial Personnel of the Company (“**KMPs**”) hold any Equity Shares in the Company, as on the date of this Notice for Buyback. Further, none of the Directors or KMPs of the Company purchased or sold (either through

the stock exchanges or off market transactions) any Equity Shares of the Company during a period of twelve months preceding the date of the Board Meeting and date of this Notice for Buyback.

10. Intention of Promoter and Promoter Group to participate

The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosure of intention of the promoter, promoter group and persons in control to tender Equity Shares in the Buyback is not applicable.

11. Confirmations from the Company and Board of Directors as per the provisions of SEBI Buyback Regulations and Companies Act

- (i) all Equity Shares of the Company are fully paid-up;
- (ii) the Company shall not issue any shares or other securities including by way of bonus issue till the expiry of the buyback period i.e. the date on which the payment of consideration to shareholders who have accepted the buyback offer is made in accordance with the Companies Act and the SEBI Buyback Regulations;
- (iii) as per Regulation 24(i)(f) of the SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the expiry of the buyback period i.e. the date on which the payment of consideration to Shareholders who have accepted the buyback offer is made except in discharge of subsisting obligations which is including but not limited to the allotment of 7,80,000 Equity Shares which are kept in abeyance pursuant to a notification issued by SEBI dated May 20, 2005 under the Securities Contracts (Regulation) Act, 1956, thereby approving the BSE (Corporatisation and Demutualisation) Scheme, 2005 submitted by the Company;
- (iv) the Company shall not buyback its Equity Shares or other specified securities from any person through negotiated deal whether on or off the stock exchange or through spot transactions or through any private arrangement in the implementation of the Buyback;
- (v) the aggregate maximum amount of the Buyback i.e. ₹ 460 Crore (Rupees Four Hundred and Sixty Crore only) does not exceed 25% of the aggregate of the paid-up capital and free reserves as per the latest standalone audited financial statements of the Company as on March 31, 2019;
- (vi) the number of Equity Shares proposed to be purchased under the Buyback i.e. 67,64,705 (Sixty Seven Lakh Sixty Four Thousand Seven Hundred and Five only) Equity Shares does not exceed 25% of the total number of Equity Shares in the total paid-up equity capital of the Company.

- (vii) there are no pending schemes of amalgamation or compromise or arrangement pursuant to the Companies Act (“**Scheme**”) involving the Company, and no public announcement of the Buyback shall be made during pendency of any such Scheme;
- (viii) the Company shall not make any further offer of buyback within a period of one year reckoned from the expiry of the buyback period i.e. the date on which the payment of consideration to shareholders who have accepted the buyback offer is made;
- (ix) since the Company does not have any promoter, promoter group or persons in control, the confirmation pertaining to public shareholding holding post buyback not failing below the minimum level required as per Regulation 38 of the SEBI Listing Regulations is not applicable to the Company;
- (x) the Company shall not withdraw the Buyback offer after the draft letter of offer is filed with the SEBI or the public announcement of the offer of the Buyback is made;
- (xi) the Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Companies Act and/or the SEBI Buyback Regulations and any other applicable laws;
- (xii) the Company shall not utilize any money borrowed from banks or financial institutions for the purpose of buying back its shares;
- (xiii) the Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies, if any or through any investment company or group of investment companies;
- (xiv) the Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act;
- (xv) there are no defaults (either in the past or subsisting) in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;
- (xvi) the Company will not buyback Equity Shares which are locked-in or non-transferable, until the pendency of

such lock-in, or until the time the Equity Shares become transferable, as applicable;

- (xvii) the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice its paid-up capital and free reserves;
- (xviii) the Company shall transfer from its free reserves or securities premium account and/ or such sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements;
- (xix) the Buyback shall not result in delisting of the Equity Shares from NSE.

12. Confirmation from the Board

As required by clause (x) of Schedule I in accordance with Regulation 5(iv)(b) of the SEBI Buyback Regulations, the Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- (i) immediately following the date of this resolution and the date on which the results of the Shareholders' resolution in the ensuing annual general meeting of the Company with regard to the proposed Buyback are declared (“**Special Resolution**”), there will be no grounds on which the Company can be found unable to pay its debts.
- (ii) as regards the Company's prospects for the year immediately following the date of this resolution and for the year immediately following the Special Resolution, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this resolution as well as from the date of the Special Resolution.
- (iii) in forming the aforesaid opinion, the Board has taken into account the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code 2016 (to the extent notified).

13. Report addressed to the Board by the Company's Auditors on the permissible capital payment and the opinion formed by Board regarding insolvency

The text of the report dated May 7, 2019 received from the Company's Auditors ("**Auditor's Report**") addressed to the Board of the Company is reproduced below:

Quote

Independent Auditor's Report on the proposed buy back of equity shares pursuant to the requirements of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

The Board of Directors
BSE Limited
25th Floor, P J Towers, Dalal Street,
Mumbai, Maharashtra
Mumbai

1. This Report is issued in accordance with the terms of our service scope letter dated May 2, 2019 with BSE Limited (hereinafter the "**Company**").
2. In connection with the proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68 of the Companies Act, 2013, as amended ("**the Companies Act**") and the rules made thereunder, and the regulations as specified in the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "**SEBI Buyback Regulations**"). We have been engaged by the Company to perform a reasonable assurance engagement on the accompanying statement for determination of the amount of permissible capital payment (the "**Statement**"), which we have initialed for identification purposes only.

Board of Directors Responsibility for the Statement

3. The preparation of the Statement for determination of the amount of permissible capital payment for the buyback is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the

date of meeting of the Board of Directors approving the buyback of its equity shares i.e. May 7, 2019 (hereinafter referred as the "**date of the Board meeting**") and the date on which the results of the Shareholders' resolution in the ensuing annual general meeting with regard to the proposed buyback are declared.

5. The Board of Directors are responsible to ensure compliance of the Companies Act and the regulations as specified in the SEBI Buyback Regulations.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
 - (i) Whether we have inquired into the state of affairs of the Company;
 - (ii) Whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations;
 - (iii) Whether the Board of Directors has formed the opinion, as specified in Clause (X) of Schedule I to the SEBI Buyback Regulations, on a reasonable ground that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of the Board meeting i.e. May 7, 2019 and the date on which the results of the Shareholders' resolution in the ensuing annual general meeting with regard to the proposed buyback are declared;
 - (iv) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the solvency declaration as to any of the matters mentioned in the said declaration is unreasonable in circumstances as at the date of declaration.
7. We have also been informed that proposed buy back of shares is through the tender offer and is subject to the approval of Shareholders of the Company by special resolution at the ensuing annual general meeting.
8. The financial statements as of and for the financial year ended March 31, 2019 were audited by us, on which we issued an unmodified audit opinion vide our report dated May 7, 2019. Our audit of these financial statements was conducted in accordance with the Standards on Auditing

and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.
11. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria as mentioned in paragraph 6 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - (i) We have inquired into the state of affairs of the Company in relation to its latest audited financial statements for the year ended March 31, 2019;
 - (ii) Examined authorization for buyback from the Articles of Association of the Company;
 - (iii) Examined that the amount of capital payment for the buy-back as detailed in Statement is within permissible limit computed in accordance with section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations;
 - (iv) Agreed the amounts of Paid up equity share capital, securities premium account, general reserve and Retained earnings as at March 31, 2019 as disclosed in the accompanying Statement, with the audited standalone financial statements of the Company for the year ended March 31, 2019;
 - (v) Examined that the ratio of debt, if any, owned by the Company is not more than twice the capital and its free reserve after such buy-back;

- (vi) Examined that all shares for buyback are fully paid-up;
- (vii) Examined resolutions passed in the meetings of the Board of Directors i.e., on May 7, 2019;
- (viii) Examined Director's declarations dated May 7, 2019 in respect of the buy back and solvency of the Company; and
- (ix) Obtained necessary representations from the management of the Company.

Opinion

12. Based on our examination as above, and the information and explanations given to us, we state that we have inquired in to the state of affairs of the Company and in our opinion,
 - (i) the permissible capital payment towards buyback of equity shares, as stated in the Statement, is in our view properly determined in accordance with Section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations; and
 - (ii) the Board of Directors, in their meeting held on May 7, 2019, have formed the opinion, as specified in clause (x) of Schedule I of the SEBI Buyback Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of Board meeting i.e., May 7, 2019 and the date on which the results of the Shareholders' resolution at the ensuing annual general meeting with regard to the proposed buyback are declared and we are not aware of anything to indicate that the opinion expressed by the Directors in the solvency declaration as to any of the matters mentioned in the said declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

13. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the SEBI Buyback Regulations and the Companies Act solely to enable them to include it in (a) the explanatory statement to be included to the notice for special resolution, the public announcement, draft letter of offer and letter of offer to be sent to the Shareholders of the Company or filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the SEBI Buyback Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited and may

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be submitted to the authorized dealer and / or manager for the said buyback, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Jayesh Gandhi

Partner

Membership Number: 37924

Mumbai

May 7, 2019

Statement of computation of amount of permissible capital payment ("the Statement") towards buy back of equity shares of BSE Limited in accordance with Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and Section 68(2)(c) of the Companies Act, 2013, as amended based on the standalone audited financial statements for the year ended March 31, 2019:

Computation of permissible capital payment:

Particulars		Amount (₹ in lakh)
Paid-up Equity Share Capital as at March 31, 2019# (5,17,89,002 equity shares of ₹ 2/- each fully paid-up)	(A)	1,036
Free reserves as at March 31, 2019*#		
Securities premium account		22,526
General reserve		69,415
Retained earnings		93,041
Total free reserves	(B)	1,84,982
Total paid-up Equity Share Capital and free reserves as at March 31, 2019	C= (A)+(B)	1,86,018

Particulars		Amount (₹ in lakh)
Permissible capital payment in accordance with Section 68(2)(c) of the Companies Act, 2013, as amended and Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (25% of the total paid-up Equity Share Capital and free reserves)		46,505
Maximum amount permitted by Board resolution dated May 7, 2019 approving buyback, based on the standalone audited financial statements for the year ended March 31, 2019		46,000
Buy back size as a percentage of total paid-up Equity Share Capital and free reserves		24.73%

* Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation II provided in Section 68 of the Companies Act, 2013, as amended.

The above calculation of the total paid-up Equity Share Capital and free reserves as at March 31, 2019 for buy-back of equity shares is based on the amounts appearing in the audited standalone financial statements of the Company for the year ended March 31, 2019. These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rules made thereunder, each as amended from time to time.

For and on behalf of BSE Limited

Sd/-

Ashishkumar Chauhan
Managing Director & CEO

DIN: 00898469

Date: May 7, 2019

Sd/-

Nayan Mehta
Chief Financial Officer

Date: May 7, 2019

Unquote

For any clarifications related to the Buyback process, shareholders holding equity shares of the Company may contact Smt. Prajakta Powle, Company Secretary & Compliance Officer, at Telephone No.: +91 22 2272 8297; Email Id: bse.shareholders@bseindia.com.

All the material documents referred to in the Explanatory Statement such as the Memorandum and Articles of Association of the Company, relevant Board resolution for the Buyback, the Auditor's Report dated May 7, 2019

and the last audited financial statements of the Company as on March 31, 2019 are available for inspection by the shareholders of the Company at its registered office on any working day between 10:00 A.M. and 5:00 P.M. IST up to the date of fourteenth annual general meeting i.e. July 15, 2019.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its shareholders holding Equity Shares of the Company. The Board, therefore, recommends passing of the special resolution as set out in the accompanying Notice.

None of the Directors or any KMPs of the Company or their respective relatives are in anyway, concerned or interested financially or otherwise, either directly or indirectly in passing of the said resolution, save and except to the extent of their respective interest as shareholders of the Company, as applicable.

By Order of the Board

Prajakta Powle
Company Secretary and Compliance Officer

Mumbai, May 7, 2019

Registered Office:

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

Mumbai - 400 001

Corporate Identification Number -

L67120MH2005PLC155188

Tel: +91 22 22721233/34

Email: bse.shareholders@bseindia.com

Website: www.bseindia.com

Boards' Report

To the Members of BSE Limited,

Your Directors are pleased to present the Fourteenth Annual Report along with the audited financial statements of your Company for the Financial Year (FY) ended March 31, 2019.

1. STATE OF AFFAIRS

A. Financial summary and highlights:

₹ in Lakh

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Revenue	61,239	65,107	68,744	69,892
Total Expenses	39,846	35,254	48,563	44,602
Profit before exceptional items & tax	21,393	29,853	20,181	25,290
Exceptional items	457	31,556	1,352	260
Profit before tax and share of profits of associates	21,850	61,409	18,829	25,030
Share of Profits of associates	-	-	2,923	1,990
Profit Before Tax	21,850	61,409	21,752	27,020
Tax Expenses	1,745	5,014	2,335	5,545
Net Profit for the year from Continuing operations	20,105	56,395	19,417	21,475
Net Profit from Discontinued Operation	-	-	511	48,722
Net Profit for the year from Total operations	20,105	56,395	19,928	70,197
Net profit attributable to the shareholders of the Company	20,105	56,395	19,928	68,872
Net profit attributable to the non-controlling interest	-	-	-	1,325
Other comprehensive income	(71)	(68)	699	13
Total comprehensive income for the year from total operation	20,034	56,327	20,627	70,210
Total comprehensive income attributable to the shareholders of the Company	20,034	56,327	20,627	68,885
Basic and diluted EPS before exceptional items (₹) – Continuing Operations	37.18	45.51	38.45	39.68
Basic and diluted before discontinued operation after exceptional items	38.08	103.40	36.78	39.37
Basic and diluted EPS after exceptional item (₹) – Total Operations	38.08	103.40	37.75	126.27

I. Consolidated Results

The Total Income of the Company during FY 2018-19 on a consolidated basis was ₹ 68,744 Lakh reflecting a decrease of ₹ 1,148 Lakh (down 2%) over previous Financial Year. During FY 2018-19, the decrease in Total Income was mainly on account of decrease in Income from Securities Services which was lower by ₹ 5,854 Lakh which was significantly offset by increase in Investment income and Other Income to the extent of ₹ 4,542 Lakh.

The Total Expenses for the year were higher by ₹ 3,961 Lakh (up 9%) at ₹ 48,563 Lakh. The said expenses include a non-operating charge of ₹ 1,371 Lakh mainly towards impairment of investments made in secured debt instruments of IL& FS Ltd. and IL&FS Financial Services Ltd. for FY 2018-19. The total expenses (other than non-operating charge and depreciation) for the FY 2018-19 have increased by ₹ 2,078 Lakh (up 5%) to ₹ 42,084 Lakh as compared to ₹ 40,006 Lakh for the FY 2017-18.

India INX incurred an exceptional expense of ₹ 1,298 Lakh towards Liquidity Enhancement Scheme in the FY 2018-19 as compared to ₹ 213 Lakh in FY 2017-18.

The profit for the FY 2018-19 has also decreased by ₹ 48,211 Lakh mainly due to partial sale of equity stake held by the Company in Central Depository Services (India) Ltd. during the FY 2017-18 which has been reflected under Net Profit from Discontinued Operations.

Thus, the Net Profit from continuing operations for the FY 2018-19 is lower by ₹ 2,058 Lakh to ₹ 19,417 Lakh as against ₹ 21,475 Lakh in FY 2017-18 mainly due to impairment of investments made in IL&FS group entities and exceptional expenses in the nature of LES incurred by India INX.

The earnings before interest, taxation, depreciation and exceptional items on operating revenues on consolidated basis for the FY 2018-19 was ₹ 3,033 Lakh.

II. Standalone results

The Total Income of the Company during the Financial Year 2018-19 on a standalone basis was ₹ 61,239 Lakh reflecting a marginal decrease of ₹ 3,868 Lakh (down 6%) over previous Financial Year. During FY 2018-19, the decrease in Total Income was mainly on account of decrease in Income from Securities Services which was lower by ₹ 5,055 Lakh which was mainly offset by increase in Other Income to the extent of ₹ 1,417 Lakh.

The Total Expenses for the year were higher by ₹ 4,592 Lakh at ₹ 39,846 Lakh (up 13%). The said expenses include a non-operating charge of ₹ 1,420 Lakh mainly towards impairment of investments made in secured debt instruments of IL&FS Ltd. and IL&FS Financial Services Ltd. for FY 2018-19. The total expenses (other than non-operating charge and depreciation) for the FY 2018-19 have increased by ₹ 2,806 Lakh (up 9%) to ₹ 34,024 Lakh as compared to ₹ 31,218 Lakh for the FY 2017-18.

The profit for the FY 2018-19 has also decreased by ₹ 31,092 Lakh due to partial sale of equity stake held by the Company in Central Depository Services (India) Ltd. during the FY 2017-18 which has been reflected under Exceptional items.

The net profit after tax (excluding exceptional income on partial sale of equity stake in Central Depository Services (India) Ltd.) was lower by ₹ 5,198 Lakh (down by 21%) to ₹ 19,594 Lakh as against ₹ 24,792 Lakh in the previous Financial Year.

The earnings before interest, taxation, depreciation and amortization on operating revenues on standalone basis for the FY 2018-19 was ₹ 3,952 Lakh.

B. Transfer to reserves

There is no amount proposed to be transferred to the General Reserve out of amount available for appropriations.

C. Dividend

The Board of Directors of the Company, in its meeting held on May 7, 2019, has recommended a final dividend of ₹ 25 per equity share of the face value of ₹ 2/- each, fully paid up for the Financial Year ended March 31, 2019, subject to the approval of the Shareholders at the Fourteenth Annual General Meeting taking the total dividend for the Financial Year ended March 31, 2019, to ₹ 30 per equity share of the face value of ₹ 2/- each, fully paid up after considering the interim dividend of ₹ 5 per equity share of the face value of ₹ 2/- each, fully paid up in the month of December 2018.

The final dividend, if approved, would result in a cash outflow of approximately ₹ 15,844 Lakh, including corporate dividend distribution tax. The total dividend on equity shares including dividend tax for FY 2018-19 would aggregate to ₹ 19,012 Lakh, resulting in a payout of 97% of the standalone profits of the Company.

Under Clause 5.3 of the BSE (Corporatisation and Demutualisation) Scheme, 2005 (the Scheme), the allotment of equity shares to 12 Trading Members of the erstwhile BSE has been kept in abeyance for various reasons as on March 31, 2019. Meanwhile, all corporate

benefits including dividend as may be declared by the Company from time to time are being provided for and would be payable on the allotment of these shares.

The Board of Directors of your Company has approved and adopted the dividend distribution policy of the Company and dividend declared/recommended during the year are in accordance with the said policy.

The Policy is appended as **Annexure A** and forms part of this Report and can also be accessed on the Company's website at the web-link https://www.bseindia.com/downloads1/BSE_Dividend_Distribution_Policy.pdf.

During the year, an amount of ₹ 72,900/- being the unclaimed/unpaid dividend of the Company for the Financial Year ended March 31, 2011, was transferred in September, 2018 to the Investor Education and Protection Fund Authority.

2. MAJOR EVENTS OCCURRED DURING THE YEAR

A. Change in nature of business

The Company has not undergone any change in the nature of the business during the Financial Year.

B. Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

C. Intellectual Property Rights BSE Building

The Company has received a trade mark certificate for BSE building structure from the Registrar of Trademark under Indian Trademarks Act, 1999 on May 25, 2018.



(L-R) Shri Suresh Prabhu, Former Minister of Commerce & Industry and Civil Aviation, Government of India; Shri Jayant Sinha, Former Minister of State, Ministry of Civil Aviation, Government of India; Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra; Shri Sarbananda Sonowal, Hon'ble Chief Minister, Assam and Shri Ashishkumar Chauhan, MD & CEO, BSE at the India Economic Summit held on 27th April, 2018.

This registration is only second of its kind in India after the Taj Mahal Palace Hotel, Mumbai.

SENSEX

During the year under review, registration of SENSEX was renewed for a further period of ten years From 19th September, 2018 to 19th September, 2028.

3. CAPITAL STRUCTURE

Share capital

Change in paid-up share capital

The Company has bought back 20,19,170 equity shares from the shareholders during the earlier buyback period due to which the revised paid-up equity share capital of the Company stood at ₹ 10,35,78,004/- (Rupees Ten Crore Thirty Five Lakh Seventy Eight Thousand and Four Only) consisting of 5,17,89,002 equity shares of face value of ₹ 2/- each as on March 31, 2019.

4. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

A. Details of the transfer/s to the IEPF made during the year as mentioned below:

I. Amount of unclaimed/unpaid dividend and the corresponding shares:

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 ₹72,900/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend for Financial Year 2010-11 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 www.bseindia.com.

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, 223 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 August 31, 2018, were transferred during the Financial Year 2018-19 to the IEPF Account, after following the prescribed procedure.

II. 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

III. Year wise amount of unpaid/unclaimed dividend lying in the unpaid account upto the Year 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 which Dividend amount is unpaid	Amount Unpaid as on 31.03.2019 (₹)	Due date of transfer of unpaid and unclaimed Dividend to IEPF
1.	7 th Final & Special Dividend FY 2011-12 – AGM held on 31/08/2012	200	78,762	4,72,572	30/10/2019
2.	8 th final Dividend FY 2012-13 – AGM held on 30/07/2013	222	1,30,767	5,23,068	01/10/2020
3.	9 th Final Dividend FY 2013-14 – AGM held on 01/08/2014	196	37,451	1,49,804	03/09/2021
4.	10 th Final Dividend FY 2014 -15 – AGM held on 25/09/2015	288	2,47,534	12,37,670	27/10/2022
5.	Interim Dividend FY 2015-16 – Board Meeting held on 03/02/2016	370	3,78,116	13,23,406	07/03/2023
6.	11 th Final Dividend FY 2015-16 – AGM held on 24/06/2016	305	3,04,946	12,19,784	24/07/2023
7.	Interim Dividend FY 2016-17 – Board Meeting held on 14/02/2017	2,159	91,686	4,58,430	16/03/2024
8.	12 th Final Dividend FY 2016-17 – AGM held on 04/09/2017	2,253	89,711	20,63,353	05/10/2024
9.	Interim Dividend FY 2017-18 – Board Meeting held on 02/02/2018	3,153	1,96,765	9,83,825	06/03/2025
10.	13 th Final Dividend FY 2017-18 – AGM held on 02/08/2018	2,254	90,372	28,01,532	03/09/2025
11.	Interim Dividend FY 2018-19 – Board Meeting held on 30/11/2018	2,633	1,39,522	6,97,610	30/12/2026

B. Details of Nodal Officer

The Company has designated Shri Chakrapani Vasudevan as a Nodal Officer for the purpose of IEPF.

5. MANAGEMENT

A. Directors and Key Managerial Personnel ("KMP")

Shri Roland Schwinn and Dr. Sriprakash Kothari resigned as Shareholder Directors w.e.f. April 2, 2018 and February 28, 2019 respectively.

The Board places on record its appreciation for valuable contribution made by Shri Roland Schwinn and Dr. Sriprakash Kothari during their tenure as Shareholder Directors of the Company.

Shri S. Ravi, Public Interest Director and Non – Executive Chairman of the Company completed his tenure as Public Interest Director of the Company on February 4, 2019. The Board places on record its appreciation and gratitude towards the valuable contributions made by Shri S. Ravi during his tenure as Public Interest Director and Chairman of the Company.

SEBI has nominated Shri Umakant Jayaram as Public Interest Director of the Company for a period of three years w.e.f. February 4, 2019, based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company.

On the basis of internal and external performance evaluation and based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, SEBI approved re-appointment of both Justice Vikramajit Sen and Shri Sumit Bose for second term w.e.f. May 19, 2019 as Public Interest Directors of the Company.

In accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ('the Act'), read with the applicable rules, as amended, Smt. Rajeshree Sabnavis, Shareholder Director retires by rotation at the ensuing Annual General Meeting and has not offered herself for re-appointment.

B. Declarations by Public Interest Directors ('PIDs')

The Company has received declarations from all the Public Interest Directors, 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 of SEBI (Listing Obligations 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.

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the Company's website: https://www.bseindia.com/downloads1/Code_of_Conduct_for_Directors_and_Senior_Management.pdf. The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis.

C. Declaration by the Company

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2019.

D. Meetings of the Board

During the FY 2018-19, seven meetings of the Board of Directors were held. For details of meetings of the Board, please refer to the Corporate Governance Report, forming part of this report.

Separate meetings of the Public Interest Directors were held on May 4, 2018 and November 1, 2018.

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 (CSR) Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year has been enumerated in Corporate Governance report.



Shri Ashishkumar Chauhan, MD & CEO, BSE interacting with Shri Shaurya Doval, Director, India Foundation during his visit to BSE.



(L-R) Shri Vipin Anand, Managing Director, LIC; Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Shiv Pratap Shukla, Hon'ble Minister of State for Finance, Government of India and Shri Ramkishor Trivedi, Editor, Do Baje Dopahar at the Dopahar Insurance Summit 2018 on 15th June, 2018.

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

F. Audit Committee Recommendations

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

G. Board Evaluation

The Board of Directors of the Company carried out annual evaluation of its own performance, Committees of the Board and individual Directors pursuant to various provisions under the Act, Regulation 17, 19 and Schedule II of the Listing Regulations, SECC Regulations, the SEBI circular dated January 5, 2017, circular dated January 10, 2019, which provides further clarity on the process of Board Evaluation ("SEBI Guidance Note") and SEBI circular dated February 5, 2019.

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

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

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 B**.

I. Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors 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 at the end of the Financial Year and of the profit of the Company for that period;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- 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
- 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 are 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, 2019, based on the criteria established in COSO Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 (COSO Framework).

K. Details in respect of frauds reported by auditors under sub section (12) of section 143 other than those which reportable to the Central Government

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

6. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

A list of body corporates which are subsidiaries / associates of your Company are provided as a part of the notes to consolidated financial statements.

During the year under review, Pranurja Solutions Limited was incorporated as a subsidiary of the Company with effect from April 24, 2018.

Further, Marketplace EBIX Technology Services Private Limited was incorporated as an associate of the Company with effect from April 3, 2018.

A separate statement containing the salient features of the financial statements of all subsidiaries and associate Companies of the Company (i.e. Form AOC - 1) forms part of the consolidated financial statements. The financial statements of the subsidiary Companies and related information are uploaded on the website of the Company and can be accessed using the web-link https://www.bseindia.com/static/investor_relations/annualreport.html and the same are available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays, Sundays and Public Holidays up to the date of the Fourteenth Annual General Meeting ("14th AGM"), as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office Address.

The Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the web-link https://www.bseindia.com/downloads1/Policy_on_Material_Subsiidiaries.pdf. As per the said Policy, the Company did not have a material subsidiary as on March 31, 2019.

7. DEPOSITS

The Company has not accepted any public deposits during the Financial Year ended March 31, 2019 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Details of deposits not in compliance with the requirements of the Act

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2019, there has been no non-compliance with the requirements of the Act.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under Section 186 of the Act, are given in notes to the standalone financial statements of the Company.

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

The Company has formulated a Policy on Related Party Transactions. The same is available on Company's website at web-link http://www.bseindia.com/downloads1/Related_Party_Transaction_Policy.pdf.

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All the Related Party Transactions entered in the Ordinary Course of Business and at Arm's Length were reviewed and approved by the Audit Committee. All Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Act and Listing Regulations.

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

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:

The Company has applied special coating on its terrace area which is a high-performance heat reflective cool coating. The



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Vijay Sampla, MoS for Social Justice & Empowerment, Government of India posing with the BSE Bull during his visit to BSE on 8th May, 2018.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Shri Subhash Desai, Hon'ble Minister of Industries and Mining, Government of Maharashtra posing with the BSE Bull during his visit to BSE on 22nd December, 2018.

application of cool coating on the rooftop aims to provide a low ambient temperature in the interiors of the confined space. This helps minimizing power consumption towards air conditioning of the confined space.

We regularly replace high energy consuming electrical equipment with modern efficient devices such as replacing the induction ballasts with electronic ballasts and the fluorescent lights with LED lights. We conserve energy by switching off lights & other equipment when they are not required using sensing technology where feasible. Our offices are painted in brighter colors to maximize lighting efficiency besides using natural light in most places. We have coated the glass windows to reduce the heat entering the building which reduces the air-conditioning load. The Company continuously strives to optimize its energy usage and efficiency.

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

Our building has glass windows all around and we also use the ambient light for lighting purposes as much as possible. This reduces the electricity consumption due to lesser need of lighting during the day.

III. The capital investment on energy conservation equipment: NIL

B. Technology Absorption

At the outset, the Company is happy to mention that the uptime of Trading system was 100% and there were no outages. With continuous and sustain efforts, the Company maintained the uptime of the Trading system.

I. Launch of Commodity segment

On October 1, 2018, the Company became the first Universal Exchange with launch of trading in Commodity Derivatives. The Company became the first Exchange to provide trading on single platform across different segments i.e. Equity, Equity Derivatives, Commodity Derivatives, Currency Derivatives, Interest Rate Futures, Debt instruments and others.

As a part of the preparatory work, since April 2018, the simulation setup was made available to Trading members for their testing. The simulation setup also helped the company to perform end to end testings. Few weeks, prior to go-live, every Saturday, mock trading was scheduled on production setup to make Trading members acquaint with the new segment.

Infrastructure changes were implemented. Major systems that underwent changes were, BOLTPlus Trading system, Realtime Risk Management System (RTRMS), Surveillance System (EBOSS), Price and Index Calculation (EPIC), Market Operations (SMOPS), Clearing & Settlement System (CLASS), Compliance Management System (BEFS) and others. On the other hand, member facing applications were made live by maintaining existing look-n-feel for ease of operations. BSE provided trading terminal i.e. BOLTPlus on Web (BOW) was also rolled out to facilitate trading.

Operations team was geared-up to manage operations post 11.30 P.M.

The DR setup of these systems/ applications were also configured and tested by conducting mock drills.

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

The current version of Trading system OS is 6.X, which is 5 years old. The Company now plans to upgrade the OS version to higher version 7.X. as part of its roadmap and to utilise the enhancements provided by the service provider.

Upgrading the OS version is a major activity, as there are third party dependencies, inter-process dependencies, etc. All the associated dependencies need to re-align with the upgraded version, in the process, certain components may get added, while some may get removed. Effectively, the system will be re-architected.

To ensure smooth upgrade and testing of all components, the company has created a lab setup to simulate production like environment. The lab setup will help provide performance figures, compatibility with existing application and identify bottlenecks, if any.

The setup being complex and large, the go-live will be gradual and both old and new versions will co-exist for some time in the Production environment. The migration is expected to be completed by March 2020.

III. Big Data Enhancements & Security

The momentum of Big Data implementation continued this year too, with newer technologies and its application in functional areas.

The Company has implemented the Big Data capabilities for its real time surveillance and rumors detection. Extending the scope of surveillance beyond the traditional means, the Company has effectively implemented the Social Media analytics using Artificial Intelligence and Machine Learning. The company is also entering into the area of Audio to text and Video to text conversion, to predict rumors and verification of news floating in the market on BSE listed companies and its impact on the stock market.

With the use of Artificial intelligence and Machine Learning, the Company has taken social media analytics to the next level. This has helped us make our processes and people more efficient and productive. Both artificial intelligence and machine learning nest under the umbrella of BigData, whose purpose is to extract insights from data. BigData analyzes large amounts of data and helped the Company to deliver value and give businesses a competitive edge. So far, BSE has used the Artificial Intelligence and Machine Learning capabilities in speech recognition, Indian regional language translation, computer vision and more.

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

Data security is the vital and integral part of our Big Data implementation success. The Company can meet ever-evolving security requirements imposed by regulating agencies, governments, industries, and the general public. The Datawarehouse ecosystem are protected from a variety of threats to ensure the confidentiality, integrity and availability of all the cluster's services and data.

IV. Newer & Enhanced initiatives using Open Source Technologies

The company continued with its adoption of using Open Source Technologies in newer areas, also increasing the scope in the areas already implemented.

i. Unified Experience – Identity and Access Management

Single Sign-on (SSO) is now extended to Trading members. Last year, when the SSO was implemented, initially it was integrated with internal applications such as HR and related functions accessed by internal users. With SSO extended to Trading members, maintaining of multiple credentials has been done away with. Trading member maintain single credential for multiple applications for his trading and associated activities with the Company. It also facilitates single window concept of user creation, setting profile. All the applications are linked with the central authentication mechanism. The user

management, password policies are now uniform across all users of Trading members. Most importantly, the market participants can now access all application on a single portal and do not have to remember multiple URL's, user names, passwords, etc. This uniform policy has helped Trading members to reduce the overhead of maintain and managing multiple credentials.

ii. Business Intelligence tool (BI)

The Company during the year has implemented a Business Intelligence tool. This tool is robust and based on contemporary technology which satisfies all the traditional BI needs. It has a wide offering of analytical features and user-friendly interface. One of the advantage of this tool is that it not only supports strategic businesses but also at the departmental decision-making levels.

This tool has advance capability of reporting using innovative charts, Reporting Services, Real Time Dashboards, Custom Reports, etc. The company has integrated this BI software to monitor its infrastructure SLAs and generate MIS.

iii. Log management and analysis system

The effectiveness of cloud infrastructure depends on how it is monitored and managed. The performance of virtual machines in the cloud can greatly fluctuate based on the specific loads, infrastructure servers, environments, and number of active users. In cloud-based infrastructures, performance isolation is extremely difficult to reach particularly whenever systems are heavily loaded. As the Company is managing heterogenous environment, it was imperative to have single solution for Log management and monitoring of infrastructure. For this, the Company has implemented one of the leading and best available open source solution.



Shri Sudhir Mungantiwar, Hon'ble Minister of Finance, Planning and Forests, Government of Maharashtra along with Shri Ashishkumar Chauhan, MD & CEO, BSE and other delegates at the lamp lighting ceremony of the Bamboo Investment Summit on 18th February, 2019 at BSE.



(L-R) Dr. Rajiv Kumar, Vice Chairman, NITI Aayog; Shri Jayant Sinha, Former Minister of State, Ministry of Civil Aviation, Government of India; Shri Shashi Shanker, Chairman and Managing Director, ONGC and Shri Vijay Shekhar Sharma, Chairman and Managing Director, One97 Communications Ltd. during their visit to BSE on 28th April, 2018.

The solution is used for log analysis, application and infrastructure monitoring, security, compliance and business intelligence. The key of this solution is that it supports all types of logs across different environments. To start with the implementation has been done with few select applications. It has helped the Company to provide insights into application performance, lead to most visited pages and user behaviours, segregated between real users and automated bots. The dashboards are customised to the needs of IT Operations, Functional operations team, Security team.

All the newer open source technologies are implemented by the Company's Inhouse Information Technology team. By continuous education, awareness and training, the team has gained the knowledge and ability to implement and maintain these technologies.

V. Cloud Initiatives

The Hybrid Cloud is now an integral part of infrastructure for the Company. Since its inception last year, there has been extensive use of cloud setup for all of its infrastructure requirements. The Company has observed substantial improvement in turn-around time for servicing infrastructure requirements. Few of the important direct benefits that Company has observed are;

- 1) Scalable. Flexibility of instant scalability. Reduces need of investing in high-end infrastructure
- 2) High Availability
- 3) Reduced deployment time and faster roll-out of applications

Another major initiative taken by the Company is migrating one of its critical application on cloud i.e. office communication, documentation & email management system. As part of the package, multiple collaboration tools are available to the Company for its use. One of the biggest advantages of these advanced tool is that it can be accessed from anywhere and anytime. It is no longer dependant on end-user workstation.

VI. Implementation of Software Defined Network

The company during the year has deployed one of the contemporary technologies by introducing Software Defined Network (SDN). Compared to traditional networks that are required to be managed independently, SDN provides the network administrator with a single control panel to manage the entire network, and maintain, supervise and update all network components without the need to change the hardware. SDN provides the flexibility of business requirements roll-out compared to legacy network which required management of network changes independently. In the phased manner, legacy network has been integrated with SDN to minimise the impact on businesses. Subsequently, over a period, this legacy network will be phased out.

SDN implementation helped us in following ways: -

1. Datacentre upgraded for 10Gbps server uplink provisioning. Backbone network upgraded to 40 Gbps.
2. Reduced cabling complexity within datacentre as multiple subnets now logically mapped to same server uplinks.
3. Reduced network provisioning time from a week to end of day as no fresh patching is required. This is achieved by using centralised automation tools, avoiding human intervention at each provisioning activity.
4. Seamless movement of virtual servers between different physical servers in datacentre. This helped to maintain server uptimes and also facilitate compute facilities on demand.
5. Seamless movement of virtual servers from private cloud within datacentre to public cloud and vice versa.
6. Facilitated core infrastructure to take Software Defined Wide Area Links (SDWAN) links on demand.

VII. Point-of-Presence (PoP) to Multiprotocol Label Switching (MPLS) migration

PoP infrastructure at four metros – Delhi, Kolkata, Ahmedabad and Chennai were migrated to MPLS setup as PoP hardware was nearing end of support and commercially MPLS links were available at lower costs than PoPs. Ahmedabad, Chennai POPs were closed before March 2018. However, Delhi and Kolkata POP were taken up later and shut down by July 2018.

VIII. Solutions developed by internal IT team

The company continued its efforts to develop more and more applications by its internal Information Technology team, to leverage the knowledge of business and IT. Further, many enhancements were implemented to keep the products competitive.

Service Desk/ Ticketing system

Taking lead from the last year's successful implementation of HRMS and Financial Accounting system, during the year, the Company developed indigenously its Service Desk/ Ticketing system. The earlier tool lacked flexibility of customisation and enhancements timelines.

The new Service Desk/ Ticketing system was developed to meet the Company requirements. The system is able to collate service requests, automation of approval process and assignment, single view for all stakeholders, ease of creating and managing workflows, email alerts, SLA MIS.

IX. Unified Trading Interface

BOLTPlus on Web (BOW) & BEST

Foreseeing the competitive business environment, the Company continued to introduce new products and enhancements in its trading interface. The same was well received by the customers. BOW and BEST has become the key differentiator in the customer trading interface field. BOW and BEST have become de-facto trading terminal for ease of doing trading with the Company. BOW and BEST provides a consistent and seamless experience of trading across all segment of different exchanges.

Few of the notable changes implemented during the year are;

- Introduction of New Market Segment like BSE/NSE Commodities, Repo Market in BOW Application.
- Release of BOW API for developing customized Trading Front end – exe, web based and Mobile Application for Trading on multiple segments of BSE, NSE, MCX and NCDEX.

Key Features of BOW API are :-

- Single Interface for trading in Multi Exchange segments (BSE, NSE, MCX & NCDEX)
- Develop your Own Customized Trading Front end
- Exchange changes are Buffered at API Level
- Front End can connect to the advanced Hosted BOW Order routing system (ORS)/ Order management system(OMS).
- Seamless Market data experience with the user defined interface.
- Real Time Market Data

- Order and Trade Management
 - Risk Management through BOW Admin
 - Report Management
- c. Risk Management related enhancements like Spread benefits in MCX, Display of Position Limits Alerts on BOW Front-End Terminals.

X. Quality Assurance and Source Code Review

Source Code Review is an integral part of Quality Assurance testing. Quality assurance testing focusses on performing the functional testing and identify software weaknesses to assure required software functionality. The Quality Assurance team is been equipped with necessary tools including the automation to perform the said testing. This approach helps as development activities are more agile and continuous.

XI. Vulnerability Assessment and Management

For details please refer to the Management Discussion and Analysis, forming part of this report.

XII. Technology Refresh

This year the Company is planning to replace some of the servers that are nearing its life-cycle due to end-of-support by the service providers and replacing it with new assets that are better in technology. The Company is following the technology refresh cycle by balancing it on cost v/s benefit to its maximum.

By making use of advanced technologies, the Company plans to reduce the investment on new servers by distributing the applications across cluster of servers as against dedicated servers which was the case few years back.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the BSE Coffee Table Book to Shri Rajeev Kumar, Secretary DFS, Ministry of Finance, India in presence of Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra during his visit to BSE.



Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs, Ministry of Finance, Government of India along with Shri Ashishkumar Chauhan, MD & CEO, BSE ringing the BSE bell during his visit to BSE on 24th October, 2018.

XIII. Cyber Security

i. Next Generation Cyber Security Operations Centre 24*7 ("CSOC")

BSE has implemented state of the art next generation cyber security operations Centre (SOC) which operates on 24*7*365. The SOC consists of multiple high-end cyber security technologies. The Next Gen SOC comprises of various cyber security technologies that work at end point, network, application and system level as a well-defined integrated and robust security framework. For monitoring, all logs are fetched centrally, analyzed and alerts are raised for any suspicious activity. The project has brought more control in operational areas, monitoring area and thus facilitating in better information to the decision makers. This in turn is also bringing better governance and control based near real time data for mitigating Cyber Security threat.

As a part of this project we have implemented niche and advanced cyber security solutions in a fully integrated manner. The focus in this year has been on below mentioned technologies

1. Artificial Intelligence ("AI") and Machine Learning – AI enables BSE Next Gen SOC services with advisory services based on cognitive analysis making use of Machine Learning techniques. These technologies focus on detecting threats in the earlier stages of attack implementation. These solutions assist businesses in unearthing hidden risks and availing insights. AI is vital in cybersecurity because with its assistance the response time for cyber-attacks is shrinking drastically.
2. Anti-Advance Persistent Threat ("APT") & Endpoint Detection and Response ("EDR") - Anti APT is a technology

that focuses on detecting, investigating, and mitigating suspicious activities and issues on network, hosts and endpoints. Anti-APT provides visibility into a variety of events, including: Application access and activity, Operating system activity, All data interactions (creation, modification, transmission, duplication, etc.) & User access to sensitive data Memory usage. EDR helps to combat APT and targeted attacks which Anti-malware and other endpoint solutions are usually unable to detect.

3. Data Loss prevention ("DLP") – BSE has set up Enterprise Data Leakage Prevention Solution across the group of Companies. DLP is a strategy for making sure that end users do not send sensitive or critical information outside the corporate network. Adoption of DLP is being driven by insider threats.
4. User and Entity Behavior Analytics ("UEBA") – BSE has implemented UEBA Solutions for BSE Group Companies. UEBA is the process of baselining user activity and behavior, combined with peer group analysis, to detect potential intrusions and malicious activity. UEBA has become a focal point for identifying anomalous user activity in order to prevent all avenues of breaches.

ii. Member Broker Security Operations Centre Project

With the increase in cyber-crime and the financial sector being the prime target due to monetary, reputational and business loss, the regulatory governing body, SEBI vide its circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated 3rd December 2018 has shared a framework on Cyber Security and Cyber Resilience that is required to be complied by all Stock Brokers and Depository Participants registered with SEBI to protect the integrity of data and guard against breaches of privacy. SEBI has empowered Bombay Stock Exchange (BSE) to setup a community Security Operations Centre which will cater to the cyber security technologies, monitoring and reporting of cyber security incidents. Member Premises will have minimal technology – limited to agents, only emergency onsite support, pay per use model, monthly fixed charging. The offering will be an easy and effective model for member brokers to onboard and address the cyber security and regulatory concerns.

XIV. ISO 22301:2012 Business Continuity Management System Certification (BCMS) for BSE

BSE has been successfully certified for its business continuity management system with (ISO:22301:2012) certification. It is a attestation on our commitment of providing our customers and members with BSE's ability of responding to and recovering from disruption or disaster. BSE has deployed the BCMS controls and plans in a manner that they align with our strategic and operational objectives. At BSE business continuity is part of our culture, our services with our personnel identified as critical

assets. We recognize the criticality of the services we provide and have taken a proactive step towards minimization of the risks associated with its downtime.

XV. Disclosures

i. The efforts made towards technology absorption:

Technology is the key driver of all initiatives undertaken by your Company. Due to continuous efforts, your Company has been able to deliver best in class innovative products and solutions to cater to all market participants. The implementation of Cyber Security infrastructure and solution has gained the immense confidence of investing community in your Company. This coupled with state-of-the-art Data Center, Software Defined Network (SDN), has created a super-highway to reaffirm of being the fastest Exchange of the World. Your Company has setup efficient systems including automation to support operations, use of Artificial Intelligence (AI) and Machine Learning (ML) in its surveillance function. 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;

Your company continued to push its emblem to enhance the expectations from the market participants by continuously providing uninterrupted trading facility year on to year. All the market participants are the beneficiary of technology upgrade in your Company, by use of enhanced products, multiple options to do business with your Company, reduction in cost due to hosted solutions by your Company and inducing service as a model.

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 Earnings and Outgo

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

Foreign Exchange Earning: ₹ 2,613 Lakh (Previous Year: ₹ 2,347 Lakh)

Foreign Exchange Outgo: ₹ 2,155 Lakh (Previous Year: ₹ 981 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 and compliance risks to achieve key business objectives. Through the ERM framework, we seek to minimise the adverse impact of risks, thereby 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. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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 operating 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



(L-R) Shri Nayan Mehta, Chief Financial Officer, BSE; Shri Nehal Vora, Chief Regulatory Officer, BSE and Shri Anand Mohan Bajaj, Joint secretary Financial Market, Dept. of Economic Affairs, Ministry of Finance, India posing with the BSE Bull during his visit to BSE on 19th March, 2019.



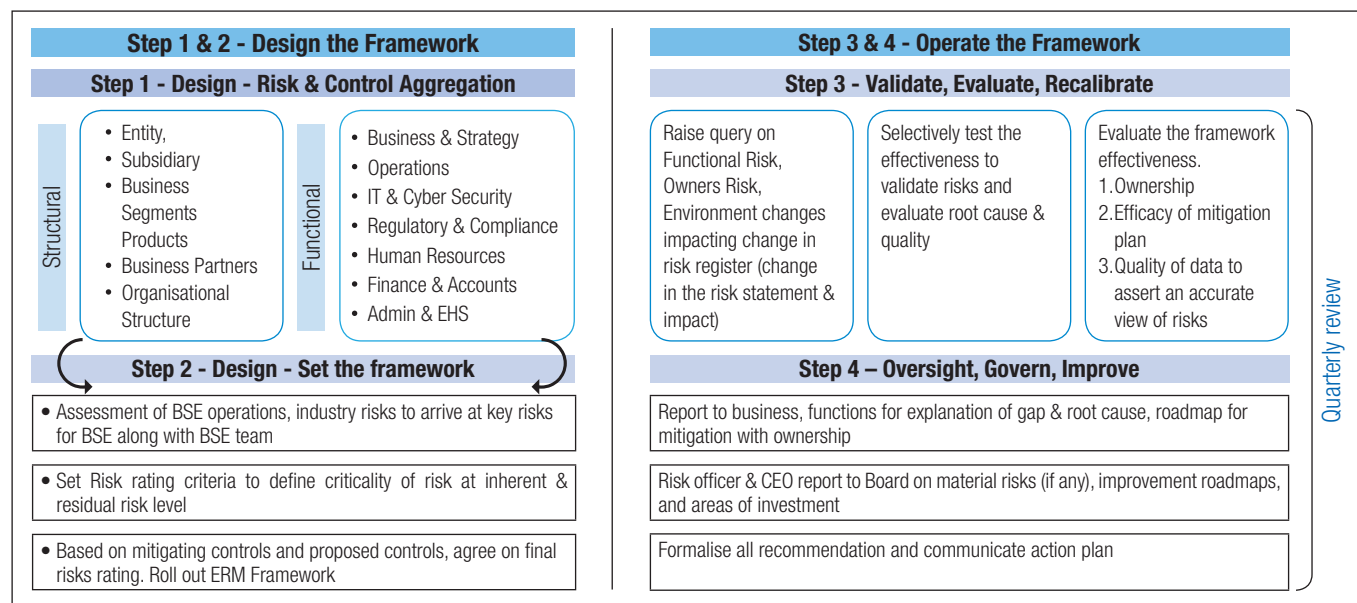
Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri S. Ravindran, Executive Director, SEBI at the Launch of BSE Oman Crude Oil Futures Contract on 26th October, 2018.

by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. Major

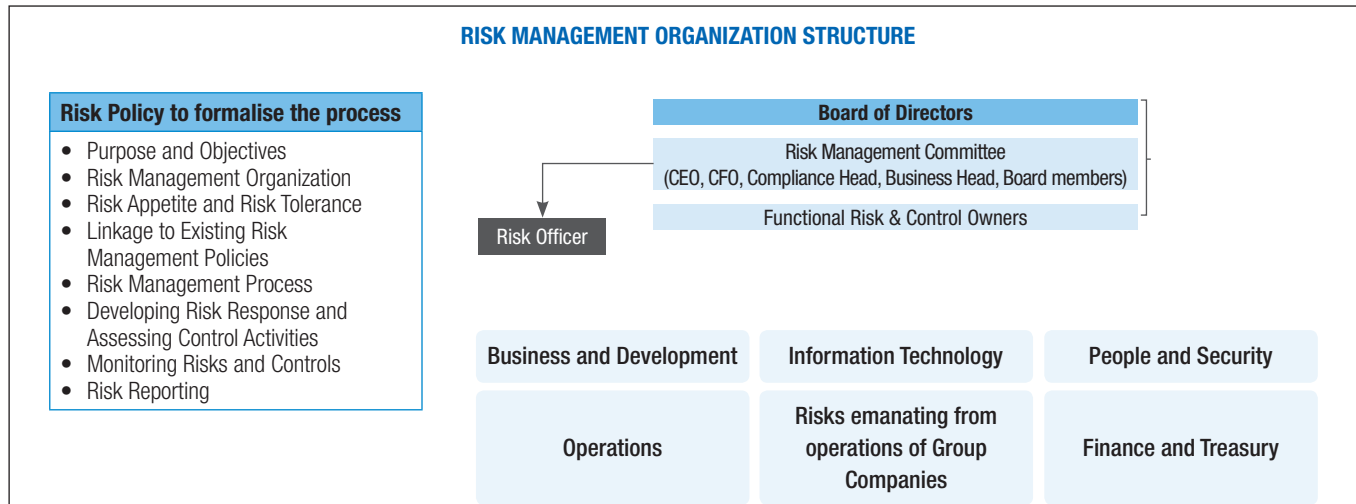
risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Several risks can impact the achievement of a particular business objective. Similarly, a single risk can impact the achievement of several business objectives. The focus of risk management is to assess risks, deploy mitigation measures and review them including risk management policy on a periodic basis along with the top ten 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 are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditor. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's financial risk management policies and systems.

Key component 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	<ul style="list-style-type: none"> ✓ 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	<ul style="list-style-type: none"> ✓ The Committee comprises of six directors and one 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
Role of Risk team	<ul style="list-style-type: none"> ✓ Adhering to the risk management policies and procedures ✓ Implementing prescribed risk mitigations actions ✓ Reporting risk events and incidents in a timely manner

Risk Categories

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

Risks arising out of the choices we have made in defining our business and development strategy and the risks to the successful execution of these strategies are covered in this category – for e.g., risk inherent to our industry and competitiveness are analyzed and mitigated through strategic choices of target markets, the Company's market offerings, business models and talent base. Potential risk to the long term scalability and sustainability of the organization are also analyzed and mitigation plans are actioned. We periodically assess risks to the successful execution of our strategy such as the

effectiveness of strategic programs that are being executed, the momentum in new initiatives, the impact of strategy on financial performance, leveraging of inorganic strategies, effectiveness of organisation structure and processes, retention and development of high performing talent and leadership.

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

Risks arising out of threats posed to our financial, organisational, or reputational standing resulting from violations or non-conformance

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

Risk Management Procedure

Risk Identification

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

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

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

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

Risk Mitigation

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

Risk Reporting

The top risk from the risk registers, its mitigation plans, periodic review of processes and new risks emanating from such reviews, 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 Executive Officer, Chief Financial Officer,

Chief of Business Operations, Chief Information Officer and Chief Regulatory Officer.

Risk Management Framework for the year

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

- a) Reviewed the risk management practices, which were primarily focused on the effectiveness of strategic programs in improving our competitive position and differentiation in market segments.
- b) Reviewed the momentum of new initiatives to achieve our long-term business aspirations, our preparedness to address any incidents that may cause business disruptions to our physical and technological infrastructure, strengthening operational and internal controls to detect fraudulent activity, leadership development and succession, planning and monitoring possible impact of changes in our regulatory environment.
- c) Reviewed information security risks including cyber-attacks and threat intelligence and continue to monitor the progress of mitigation actions. 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 and business continuity management.
- f) Monitoring by regulatory departments the key developments in the regulatory environment.

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. THE DETAILS OF 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.

13. STATUTORY AUDIT AND AUDITORS REPORT

The auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), Mumbai had been appointed in the Twelfth AGM held on September 4, 2017, for a period of five years to hold the office from the conclusion of the twelfth AGM until the conclusion of seventeenth AGM to be held in the year 2022, accordingly they retire at the seventeenth AGM.

The Statutory Auditors report dated May 7, 2019 on the financial statements of the Company for FY 2018-19 is unmodified and does not have reservations, qualifications or adverse remarks.

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

14. SECRETARIAL AUDIT REPORT

The Board appointed M/s. Dhruvil M. Shah & Co., Practicing Company Secretaries to conduct Secretarial Audit of the Company for FY 2018-19.

Secretarial Audit report for the financial year ended March 31, 2019 as provided by M/s. Dhruvil M. Shah & Co., Practicing Company Secretaries is enclosed as **Annexure D**.

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

15. SECRETARIAL STANDARDS

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

16. IMPLEMENTATION OF CORPORATE ACTION

During the year under review, the Company has not failed to implement any Corporate Actions within the specified time limit.

17. ANNUAL RETURN

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

Annual Return i.e. Form MGT-7 can also be accessed on the Company's website at the web-link www.bseindia.com.

18. 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 details of the CSR Policy of the Company, its development and initiatives taken by the Company on CSR during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure F** to this Report.

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

C. Whistle Blower Policy

The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The





Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Manoj Kumar Singh IAS, Principal Secretary, Urban Development Department, Government of UP, Shri Keshav Verma, IAS (Retd.) Advisor to Government of UP, and Smt. Sujatha Srikumar, Consultant to Government of UP during their visit to BSE on 30th January, 2019.

Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

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

19. PARTICULARS RELATING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired 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 year ended March 31, 2019, no complaints pertaining to sexual harassment have been received.

20. 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.

21. 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 departments, details of which are given below, taking care of various critical aspects of regulatory compliances.

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, Regulatory Oversight Committee and Board of Directors, whenever required.

The Company has ensured to make disclosures of various mandatory regulatory requirements alongwith 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, 2019, BSE incurred direct and indirect expenses amounting to ₹ 2,555 Lakh as per activity based accounting methodology towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements.

22. SEBI SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018

SEBI vide its notification dated October 3, 2018, had notified SECC Regulations, 2018. As a result of this SEBI has rescinded the SECC Regulations, 2012 and its certain earlier circulars issued relating to the SECC Regulations, 2012.

The new regulations read with circulars issued thereunder, inter alia, provides for the following:

- The definition of "Associate" amended with reference to control of atleast 20% of the total voting power of the first person in place of erstwhile threshold limit of 15%.
- The definition of Key Management Personnel (KMP) was widened to include more officials of the Company, based on reportings two levels below, the MD & CEO.

- A bilateral or multilateral financial institution approved by the Central Government can acquire or hold directly or indirectly, either individually or together with persons acting in concert, upto fifteen per cent of the paid-up equity share capital.
- Willful defaulter and initiation of recovery proceedings under the SEBI Act, 1992 have been included in the list of criteria for fit and proper person.
- Categorisation of Managing Director as Shareholder Director.
- Voting on a resolution in the meeting of the governing board to be valid only when the number of public interest directors that have cast their vote on such resolution is equal to more than the number of shareholder directors who have cast their vote on such resolution.
- The number of Committees constituted as per above regulations has been reduced from 16 Committees to 7 Committees, as mandated in the erstwhile SECC Regulations, 2012 .

During the year under review, the Company has complied with the applicable provisions of the aforesaid regulations.

23. MARKETING AND COMMUNICATIONS

With the goal of promoting an investment culture in India, the company has been undertaking several initiatives to promote investor awareness and education. The company has been using television, print, on-ground events and social media to reach out to investors spread across India. The company has also been working with various Industry bodies and trade associations in keeping its members abreast of the latest changes in regulations and the new products and services being launched. The initiatives undertaken by the Company got significant coverage in all leading national and regional newspapers and television channels.

The BSE BULL Run, an annual 7 km fun run to promote a healthy market and health of all its stakeholders was organized in association with ZEE Business. The event was inaugurated by Hon'ble Minister of Commerce and Industry, Shri Suresh Prabhu in presence of Shri Ajay Tyagi, SEBI Chairman and other prominent government, and SEBI officials. The run was attended by over 13,000 participants.

The Company hosted more than 240 events ranging from international delegations to educational programs and roundtables on important national and international topics. Some of the significant events were Launch of the Vision Document for Afrinex by Hon'ble Pravind Kumar Jugnauth, Prime Minister of the Republic of Mauritius, India Economic Summit 2018, Post Interim Budget Discussion addressed by Hon'ble Finance Minister of India, Shri Piyush Goyal and Chief Minister of Maharashtra, Shri Devendra Fadnavis.

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

- 1 Hon'ble Pravind Kumar Jugnauth, Prime Minister of the Republic of Mauritius
- 2 Shri Nitin Gadkari, Hon'ble Minister for Road Transport & Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, Govt. of India
- 3 Shri Suresh Prabhu, Hon'ble Minister of Commerce & Industry and Civil Aviation, Govt. of India
- 4 Shri Piyush Goyal, Hon'ble Minister of Railways and Coal, Govt. of India
- 5 Dr. Mohan Bhagwat, Sarsanghachalak, Rashtriya Swayamsevak Sangh (RSS)
- 6 Shri Devendra Fadnavis, Hon'ble Chief Minister, Maharashtra
- 7 Shri Nara Chandrababu Naidu, Hon'ble Chief Minister of Andhra Pradesh
- 8 Shri Sarbananda Sonowal, Hon'ble Chief Minister, Assam
- 9 Shri Jayant Sinha, Hon'ble Minister of State, Ministry of Civil Aviation, Govt. of India
- 10 Shri Hardeep Singh Puri, Minister of State (IC) for Housing & Urban Affairs, Govt. of India
- 11 Shri Shiv Prakash Shukla, Hon'ble Minister of State for Finance, Govt. of India
- 12 Shri Sudhir Mungantiwar, Hon'ble Minister of Finance, Planning and Forests, Govt. of Maharashtra
- 13 Shri Vijay Sampla, Hon'ble Union MoS for Social Justice and Empowerment, Gol
- 14 Shri Ramdas Ahtawale, Hon'ble Minister for Social Justice & Empowerment, Gol



(L-R) Smt. Shamika Ravi, Member of the Economic Advisory Council to Prime Minister of India; Shri Rajan Bharti Mittal, Vice-Chairman and Managing Director, Bharti Enterprises and Shri Amitabh Kant, Chief Executive Officer, NITI Aayog during their visit to BSE.



(L-R) Smt. Latha Venkatesh, Executive Editor, CNBC TV18; Shri Haseeb Drabu, Former Minister of Finance, Government of Jammu and Kashmir and Shri Himanta Biswa Sarma, Hon'ble Minister, Government of Assam at the India Economic Summit held on 28th April, 2018.

- 15 Shri Subhash Desai, Minister for Industries & Mining, Maharashtra
- 16 Shri Himanta Biswa Sarma, Hon'ble Minister, Government of Assam
- 17 Shri Rajiv Kumar, Vice Chairman, NITI Aayog
- 18 Shri Amitabh Kant, Chief Executive Officer, NITI Aayog
- 19 Shri Ajay Tyagi, Chairman, SEBI
- 20 Shri S. Ravindran, ED, SEBI
- 21 Dr. Sarat Kumar Malik, Chief General Manager, SEBI
- 22 Shri Haseeb Drabu, Former Minister of Finance, Government of Jammu and Kashmir
- 23 Shri Raj K. Purohit, MLA, Mumbai, Maharashtra
- 24 Shri Tanaji Mutkule, MLA, Hingoli Maharashtra
- 25 Shri Bonthu Rammohan, Mayor, Hyderabad, GHMC
- 26 Shri Manoj Kumar Singh IAS, Principal Secretary, Urban Development Department, Govt of UP,
- 27 Shri Keshav Verma, IAS (Retd.) Advisor to Govt. Of UP,
- 28 Shri Sunil Barthwal, IAS, Chief PF Commissioner, EPFO
- 29 Shri Sushil Kumar Lohani IAS, Additional Central PF Commissioner, EPFO
- 30 Ms. Shamika Ravi, Member of the Economic Advisory Council, Prime Minister of India
- 31 Shri Sanjeev Sanyal, Principal Economic Adviser, Ministry of Finance, Govt. of India
- 32 Shri Anand Bajaj, Joint secretary Financial Market, Dept. of Economic Affairs, Finance Minister of India
- 33 Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs, Ministry of Finance, Government of India
- 34 Ms Sujatha Srikumar, Consultant to Govt of UP
- 35 Shri Abhishek Trimukhe IPS, DCP, Mumbai Police
- 36 Shri Ranjit Kumar, Commissioner, GST, Patna-I
- 37 Prof. M Thenmozhi, Director, National Institute of Securities Markets (NISM)
- 38 Shri Hemant Jain, Financial Advisor & Chief Accounts Officer, EPFO
- 39 Air Marshal Ravinder Kumar Dhir, Air Officer Commanding-in-Chief South Western Air Command
- 40 Shri Pasha Patel, Chairman, State Agriculture Price Commission
- 41 Shri Rajan Bharti Mittal, Vice-Chairman and Managing Director, Bharti Enterprises
- 42 Shri Abhishek Lodha, Managing Director and CEO, Lodha Group
- 43 Mr. John T Chambers, Chairman Emeritus, Cisco and Founder and CEO of JC2 Ventures
- 44 Shri Shaurya Doval, Director, India Foundation
- 45 Shri Mark Lippert, Vice President, Boeing International
- 46 Shri Adil Zainulbhai, Chairman, Quality Council of India
- 47 Dr. Sudhir Mishra, CEO & MD, BrahMos Aerospace
- 48 Shri Shashi Shanker, Chairman and Managing Director, ONGC
- 49 Shri Vijay Shekhar Sharma, Chairman and Managing Director, One97 Communications Ltd.
- 50 Shri Rashesh Shah, Chairman and Chief Executive Officer, Edelweiss Group
- 51 Shri Raamdeo Agarawal, Joint Managing Director, Oswal Group
- 52 Shri Sanjay Nayar, Member and CEO, KKR India
- 53 Shri Rajiv Lall, Founder MD & CEO, IDFC Bank
- 54 Mr. Les Male, CEO, DGCX
- 55 Mr. Sriram Kalyanaraman, MD&CEO, NhbIndia
- 56 Dr. P. Alli Rani, CMD, Cotton Association of India
- 57 Ms. Sucheta Dalal Trustee Moneylife India Foundation
- 58 Shri Rajeev kumar, Secretary DFS, Ministry of Finance, India
- 59 Mr. K C Li Kwong Wing, Group Chairman, SBM Bank
- 60 Mr. Robin Walker, Deputy, National Intelligence Council
- 61 Ms. Nandini Sukumar, CEO, WFE
- 62 Shri Sujay Banarji, Member, IRDA
- 63 Shri CH. S. S. Mallikarjuna Rao, MD&CEO, Allahabad Bank
- 64 Shri Kaustubh Dhavse, OSD, CMO Maharashtra
- 65 Shri. Khalid Khan, Regional Chairman, FIEO
- 66 Shri Madhu Kannan, Chief Business officer, India & Emerging Markets Uber
- 67 Shri Amit Kumar Jain, Chairman, WIRC
- 68 H. E. Dr Ron Malka, Ambassador of Israel to India
- 69 Mr. Peter Taksoe Jensen, Ambassador of Denmark to India
- 70 Mr. Brain Hahs, Director for Geopolitics, National Intelligence Council
- 71 Ambassador of Kazakhstan to India Mr. H. E. Bulat Sarsenbayev
- 72 Councilor Ms. Julie Flaherty, Hon'ble Lord Mayor of ABC Council, UK
- 73 Mr. Yan Jun, Deputy Director General, SDRC
- 74 Mr. Matthew Chamberlain, Chief Executive, London Metal of Exchange
- 75 Mr. Lei Wei, President, DRC

- 76 Mr. Menno Snel , Hon'ble Minister of Taxation and Customs, Kingdom of Netherlands
- 77 Ms. Zou Jiayi, Vice Minister, Ministry of Finance, P. R. China
- 78 Hon. Minister Pierre Gramegna, Luxembourg Minister of Finance
- 79 Mr. Hubert Fuchs, State Secretary at the Austrian Federal Ministry of Finance
- 80 H. E. Ms. Brigitte Oppinger-Walchshofer, Ambassador of Austria
- 81 Major MD. Emdadul Islam, Director, Chittagong Stock Exchange Limited & M. Shaifur Rahman Mazumdar, MD, Chittagong Stock Exchange Limited
- 82 Shri Sujoy Bose, CEO, National Investment and Infrastructure Fund Ltd.
- 83 Shri Samir Saran, President, ORF
- 84 Mr. Krishna Kumar, Professor, Department of Aerospace Engineering at Ryerson University Canada
- 85 Shri Ganesh V. Sawaleshwarkar, Post Master General, Maharashtra Circle, Mumbai
- 86 Bollywood Actress Ms. Kangana Ranaut
- 87 Bollywood Actress Ms. Ankit Lokhande
- 88 Shri Raza Murad, Bollywood Actor
- 89 Bollywood Actor Shri Anupam P Kher
- 90 Ms. Neetu Chandra , Bollywood Actress
- 91 His Holiness Syedna Taher Fakhruddin Saheb
- 92 His Holiness Kenting Tai Situpa
- 93 His Holiness Acharya Dr. Lokesh Muni
- 94 Bollywood Actor Mr. Saif Ali Khan;
- 95 Bollywood Actress Ms. Radhika Apte
- 96 Bollywood Actress Ms. Chitrangada Singh
- 97 Shri Mandar Apte, Singer

24. AWARDS & RECOGNITION

- Financial Services ICON, CIO Powerlist 2018 – April 2018
- IMC Digital Technology Awards for Excellence in Emerging Technologies for Large Enterprise Category - June 2018
- BIG 50 BFSI Leaders Award to CIO and CISO for recognition of the exemplary IT leadership in BFSI sector - June 2018
- IDC Digital Transformation Awards – August 2018
- CIO 100 , The Digital Architects Honoree - September 2018
- CIO of the Year, Datacenter summit & Awards 2018 - October 2018
- NetApp Innovation Awards 2019 for Artificial Intelligence implemented at BSE Ltd. - March 2019
- NASSCOM-DSCI Excellence Award for Best Security Practices in CII, 2018
- Best SOC project - Finnoviti Awards 2018 by Banking Frontiers
- Top 100 CISO award 2018 IVIZ
- Middle East Security Award- CISO 100 Dubai, 2018

- Cyber Security Strategy Award 2018 by Express Computers
- CISO Of the Year 2018 –Dynamic CISO Summit
- Security summit leader award 2018 by UBS
- Big 50 BFSI leader award by trescon 2018
- Best Cyber Security Project Awards by SKOCH
- Compliance Champion award to CRO by Legasis at the 2018 Compliance 10/10 awards
- Excellent Performer award to CS by Legasis at the 2018 Compliance 10/10 awards

25. OTHER DISCLOSURES

A. Management Discussion & Analysis

In terms of Regulation 34 of Listing regulations, the Management Discussion and Analysis Report forms part of this Annual Report.

B. Business Responsibility report

In terms of Regulation 34 of 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 at March 31, 2019, forms part of this Annual Report. A Certificate from Practicing Company Secretary, Mumbai confirming status of compliances of the conditions of Corporate Governance is annexed to 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 4,827 IAPs during FY 2018-19. Out of



(L-R) Shri Neeraj Kulshrestha, Chief Business Officer, BSE; Shri Sanjeev Sanyal, Principal Economic Advisor, Ministry of Finance, Government of India; Dr. Sudhir Mishra, CEO & MD, BrahMos Aerospace; Shri Adil Zainulbhai, Chairman, Quality Council of India; Shri Mark Lippert, Vice President, Boeing International during their visit to BSE on 28th April, 2018.

which 2,153 IAPs were conducted by IPF itself while 2,674 IAPs were conducted using Investors Services Fund (ISF). During the year, IPF conducted 137 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 has also supported global conferences and seminars that enhance understanding of Indian markets both in India and abroad. IPF is currently managing 27 Investor Service Centers across India covering all the major state capitals, including Mumbai. In order to create Capital Market Awareness with Post Graduate college students, IPF Secretariat has conducted more than 800 programs with Universities and Educational Institutions across India. During FY 2018-19, for the benefit of investors across India, BSE IPF has developed its own website, www.bseipf.com.

Major Initiatives include:

- 1) Under the aegis of IOSCO and SEBI, IPF has participated in 'World Investor Week' celebrations during October 1, 2018 to October 7, 2018. 112 Investor Awareness Programs were conducted across India of which 25 were conducted jointly with SEBI.
- 2) 46th National Convention of Company Secretaries in association with ICSI at Bhubaneshwar during August 30 – September 01, 2018.
- 3) Institute of Chartered Accountants of India (ICAI) Leaders & Business Excellence Awards in Mumbai on January 19, 2019.
- 4) Special Investor Awareness Programs for Government agencies like Central Industrial Security Force (CISF), Central Reserve Police Force (CRPF), Naval officers, and Maharashtra Police.

Research Projects:

IPF supports research projects in the area of Capital Market. During FY 2018-19, IPF has completed following Research Projects:

- 1) Financing Business Growth with Equity Capital - A Guiding Compass for Aspiring SMEs
- 2) An analysis of the Investors' perception about different Asset classes with emphasis on Equity Investments.

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. BSE IPF has understanding with following TV channels in order to spread capital market awareness among masses:

- 1) CNBC TV18 and CNBC Awaaz
- 2) ZEE Business
- 3) Bloomberg TV
- 4) ET Now

E. Green Initiative

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

26. ACKNOWLEDGEMENTS

The Board thanks the Government of India, SEBI, RBI, GIFT City Ltd., the Government of Maharashtra and other State Governments and various government agencies for their continued support, cooperation and advice.

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

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

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

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

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

For and on behalf of the Board of Directors

Date: May 7, 2019
Place: Mumbai

Justice Vikramajit Sen
Chairman

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.

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 2018-19 IS AS FOLLOWS:

Name of Director	Ratio of the Remuneration of Director to median remuneration
Shri Ashishkumar Chauhan ¹	90.59
Shri S. Ravi ²	@
Justice Vikramajit Sen	2.98
Shri Sumit Bose	1.90
Shri S. S. Mundra	2.56
Shri David Wright	1.95
Dr. Sriprakash Kothari ³	@
Shri Umakant Jayaram ⁴	@
Smt. Usha Sangwan	0.78
Smt. Rajeshree Sabnavis	1.25
Shri Roland Schwinn ⁵	@

- 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 2018-19 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
- Ceased to be Public Interest Director w.e.f. February 4, 2019
- Ceased to be Shareholder Director w.e.f. February 28, 2019
- Appointed as Public Interest Director w.e.f. February 4, 2019
- Ceased to be Shareholder Director w.e.f. April 2, 2018

@ Since the remuneration of these Directors is only for part of the year, the ratio of their remuneration to median remuneration is not comparable

B. DETAILS OF PERCENTAGE INCREASE IN THE REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2018-19 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	8%

- 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.
- 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
Justice Vikramajit Sen	99
Shri Sumit Bose	-18
Shri S. S. Mundra	370
Shri David Wright	@
Shri S. Ravi ¹	@
Shri Umakant Jayaram ²	@

1. Ceased to be Public Interest Director w.e.f. February 4, 2019

2. Appointed as Public Interest Director w.e.f. February 4, 2019

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

Remuneration paid to Non-Executive Non Independent Shareholder Directors:

Name	% increase in remuneration in the Financial Year
Smt. Usha Sangwan	44
Smt. Rajeshree Sabnavis	11
Dr. Sriprakash Kothari ¹	@
Shri Roland Schwinn ²	@

1. Ceased to be Shareholder Director w.e.f. February 28, 2019

2. Ceased to be Shareholder Director w.e.f. April 2, 2018

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

Remuneration paid to 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	6%

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 2018-19: 7%

D. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON MARCH 31, 2019: 489

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 9%. The average percentile increase in the salaries of managerial personnel is 8%.

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, 2018 TO MARCH 31, 2019

Sr. No.	Name of Key Management Personnel	Designation	Compensation (amount in ₹)	Ratio of the Compensation of Key Management Personnel to median Compensation
1.	Shri Ashishkumar Chauhan* [@]	MD & CEO	6,64,24,806	90.59
2.	Shri Nehal Vora* [@]	Chief Regulatory Officer	2,21,55,310	30.21
3.	Shri Nayan Mehta* [@]	Chief Financial Officer	1,44,67,208	19.73
4.	Shri Kersi Tavadia* [@]	Chief Information Officer	1,37,84,310	18.80
5.	Shri Neeraj Kulshrestha* [@]	Chief Business Officer	1,16,95,483	15.95
6.	Shri Sameer Patil	Chief General Manager	1,15,46,118	15.75
7.	Shri Girish Joshi	Chief General Manager	97,87,495	13.35
8.	Shri Amit Mahajan	Chief General Manager	90,67,921	12.37
9.	Shri Rajesh Saraf	Chief General Manager	87,71,791	11.96
10.	Shri Gopalkrishnan Iyer	Chief General Manager	80,38,544	10.96
11.	Shri Shankar Jadhav	Senior General Manager	87,19,301	11.89
12.	Shri Rahul Sharma	Senior General Manager	71,95,338	9.81
13.	Shri Khushro Bulsara	Senior General Manager	70,36,170	9.60
14.	Shri Girish Amesara	Senior General Manager	55,48,114	7.57
15.	Shri Ketan Jantre	Senior General Manager	53,87,773	7.35
16.	Shri Vijukumar Pillai	Senior General Manager	52,19,386	7.12
17.	Shri Shivkumar Pandey	General Manager	66,17,283	9.02
18.	Shri Pankaj Sangal	General Manager	63,82,559	8.70
19.	Shri Ajaykumar Thakur	General Manager	62,23,804	8.49
20.	Shri Mahendra Tawde	General Manager	57,04,672	7.78
21.	Shri Vivek Garg	General Manager	53,90,574	7.35
22.	Shri Jayesh Shah	General Manager	47,60,241	6.49
23.	Shri Devendra Kulkarni	Deputy General Manager	44,11,484	6.02
24.	Smt. Prajakta Powle	Deputy General Manager	31,39,679	4.28

* 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 2018-19 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, 2018 TO MARCH 31, 2019

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*@	51	22-Sep-09	6,64,24,806	Managing Director & CEO	B Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta)	28	President and Group Chief Information Officer (CIO) - Reliance Industries Limited.
2.	Shri Nehal Vora*@	45	20-Jul-09	2,21,55,310	Chief Regulatory Officer	B.Com., MMS (Finance)	23	Director - DSP Merrill Lynch Ltd.
3.	Shri Nayan Mehta*@	52	19-Jan-12	1,44,67,208	Chief Financial Officer	B. Com, ACMA, FCA	27	Joint General Manager (Accounts) - Credit Analysis & Research Ltd.
4.	Shri Kersi Tavadia*@	56	25-Oct-10	1,37,84,310	Chief Information Officer	B.Sc, PGDCS, MFM, CISM	36	Chief Technology Office-HSBC Invest Direct Securities.
5.	Shri Neeraj Kulshrestha*@	53	05-May-15	1,16,95,483	Chief of Business Operations	B.Sc. (Computer), MBA (Finance).	31	Executive Director at Morgan Stanley India
6.	Shri Sameer Patil	45	07-Jul-15	1,15,46,118	Chief General Manager	B.Sc., Dip. In Marketing Management	20	Advisor at NCDX
7.	Shri Girish B Joshi#	51	06-Aug-10	97,87,495	Chief General Manager	B. Com, A.C.A, AICWA	28	Asst. General Manager at ICICI Bank
8.	Shri Amit Mahajan	47	07-Jul-10	90,67,921	Chief General Manager	BE (Mech), MMS (Finance)	24	Vice President at Reliance Infosolutions
9.	Shri Rajesh Saraf	49	30-May-11	87,71,791	Chief General Manager	BR (Elect), MMS (Finance)	25	Sr. Consultant at Tata Consultancy Services
10.	Shri Shankar Jadhav	52	15-Nov-12	87,19,301	Senior General Manager	B. Tech (IIT Bombay, PGDM (IIM Ahmedabad)	28	President at Quantum Project Infra

* 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 2018-19 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.

Date : May 7, 2019

Place : Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman

Annexure 'C' of Board's Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts / arrangements / transactions	
(c)	Duration of the contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Date: May 7, 2019

Place: Mumbai

Justice Vikramajit Sen

Chairman



Dr. B. Janardhan Reddy, IAS, Commissioner, GHMC sharing his views about his visit to BSE on 13th August, 2018 in presence of Shri Ashishkumar Chauhan, MD & CEO, BSE and Shri Kersi Tavadia, Chief Information Officer, BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the BSE Coffee Table Book to Consul General of the Republic of Turkey, Mr. Ali Tolga Kaya along with Shri Kersi Tavadia, Chief Information Officer, BSE on 3rd Dec, 2018 at BSE.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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,
BSE LIMITED

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, 2019** 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, 2019** according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder 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. 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, 2009; - **Not Applicable**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. 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 notice 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 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.
- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- Board of Directors at their meeting held on January 15, 2018 approved the buyback of equity shares from open market through stock exchange mechanism. The Company has completed buyback of its equity shares on July 11, 2018.
- Shri S. Ravi retired as Public Interest Director and Chairman w.e.f. February 04, 2019.
- Shri Umakant Jayaram was appointed as Public Interest Director w.e.f. February 04, 2019.
- Dr. Sriprakash Kothari, Shareholder Director of the Company resigned from the Board of the Company on February 28, 2019.
- The Company reconstituted various committees in accordance with the SEBI Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018, read with SEBI Circular dated January 10, 2019.

For **Dhrumil M Shah & Co.**

Dhrumil M Shah

Practising Company Secretary
CP 8978; FCS 8021

Place: Mumbai
Date: May 7, 2019

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.**

Place: Mumbai
Date: May 7, 2019

Dhrumil M Shah
Practising Company Secretary
CP 8978; FCS 8021

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS		
i)	CIN	L67120MH2005PLC155188
ii)	Registration Date	August 8, 2005
iii)	Name of the Company	BSE Limited
iv)	Category / Sub-Category of the Company	Company limited by shares Indian Non-Government Company
v)	Address of the Registered office and contact details	25 th Floor, P J Towers, Dalal Street, Mumbai 400 001. Tel. 022-22721233; Fax 022-22721003 E-mail: bse.shareholders@bseindia.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar Transfer Agent, if any	Karvy Fintech Private Limited Unit: BSE Limited, Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Contact Person Ms. Rajitha Cholleti Senior Manager – Corporate Registry Tel: 91-040-6716 2222 Email: - einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10% or more of the total turnover of the company shall be stated: -			
Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Exchange Operation	66110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sr. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Indian Clearing Corporation Limited Address: 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400001	U67120MH2007PLC170358	Wholly Owned Subsidiary	100.00%	2(87)
2	Marketplace Technologies Private Limited Address: 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400001	U72200MH2005PTC152920	Wholly Owned Subsidiary	100.00%	2(87)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sr. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	BSE Institute Limited Address: 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400001	U80903MH2010PLC208335	Wholly Owned Subsidiary	100.00%	2(87)
4	BSE Investments Limited Address: 25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai 400001	U65990MH2014PLC253680	Wholly Owned Subsidiary	100.00%	2(87)
5	BSE Sammaan CSR Limited Address: 25 th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U74999MH2015PLC268298	Wholly Owned Subsidiary	100.00%	2(87)
6	India International Exchange (IFSC) Limited Address: 1 st Floor, Unit No. 101, The Signature Building No.13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY Gandhinagar, Gandhinagar – 382355, Gujarat, India.	U67190GJ2016PLC093684	Wholly Owned Subsidiary	100.00%	2(87)
7	India International Clearing Corporation (IFSC) Limited Address: 1 st Floor, Unit No. 102, The Signature Building, no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY Gandhinagar, Gandhinagar – 382355, Gujarat, India.	U67190GJ2016PLC093683	Wholly Owned Subsidiary	100.00%	2(87)
8	INDIA INX Global Access IFSC Limited Address: 1 st Floor, Unit No. 103, The Signature Building Road 1C, Zone 1, GIFT SEZ, GIFT CITY Gandhinagar, Gandhinagar – 382355, Gujarat, India.	U65999GJ2018PLC101658	Subsidiary (Wholly Owned Subsidiary of India International Exchange (IFSC) Limited, referred to at Sr. no. 6)	-	2(87)
9	Pranurja Solutions Limited Address: 25 th Floor, P. J. Towers, Dalal Street, Mumbai 400001	U74999MH2018PLC308448	Subsidiary (Wholly Owned Subsidiary of BSE Investments Limited, referred to at Sr. no. 4)	-	2(87)
10	BSE CSR Integrated Foundation Address: 25 th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U85191MH2016NPL273997	Subsidiary (additional 25% of shares held by subsidiaries)	75.00%	2(87)
11	Marketplace Tech Infra Services Private Limited Address: 3 rd Floor, B Wing, Aggarwal Trade Centre, Plot No. 62, Sector-11, C. B. D. Belapur, Navi Mumbai 400614	U72900MH2011PTC213218	Subsidiary (Wholly Owned Subsidiary of Marketplace Technologies Private Limited, referred to at Sr. no. 2)	-	2(87)
12	BFSI Sector Skill Council of India Address: 25 th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U80904MH2011NPL222074	Subsidiary (additional 2.44% of shares held by BSE Institute Limited, referred to at Sr. no. 3)	48.78%	2(87)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sr. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
13	BIL – Ryerson Technology Startup Incubator Foundation Address: 18 th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400001.	U80904MH2015NPL269911	Subsidiary (51% of shares held by BSE Institute Limited, referred to at Sr. no. 3)	-	2(87)
14	Central Depository Services (India) Limited Address: Unit No. A-2501, Marathon Futurex, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013.	L67120MH1997PLC112443	Associate	24%	2(6)
15	CDSL Ventures Limited Address: A Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013.	U93090MH2006PLC164885	Associate (Subsidiary of Central Depository Services (India) Limited, referred to at Sr. no. 14)	-	2(6)
16	CDSL Insurance Repository Limited Address: Marathon Futurex, A Wing, 25 th Floor, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013.	U74120MH2011PLC219665	Associate (Subsidiary of Central Depository Services (India) Limited, referred to at Sr. no. 14)	-	2(6)
17	CDSL Commodity Repository Limited Address: A Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013.	U74999MH2017PLC292113	Associate (24% holdings of BSE Investments Limited referred to at Sr. no. 4)	-	2(6)
18	Asia Index Private Limited Address: 14 th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400001.	U74900MH2013PTC247709	Associate	50.00%	2(6)
19	BSE EBIX Insurance Broking Private Limited Address: 25 th Floor, P.J Towers, Dalal Street, Mumbai – 400001.	U66010MH2018PTC306530	Associate (40% holdings of BSE Investments Limited)	-	2(6)
20	Marketplace EBIX Technology Services Private Limited Address: 7 th Floor, Manek Plaza Kalina, CST Road, Kolkalyan, Santacruz (East) Mumbai – 400098.	U72900MH2018PTC307446	Associate (40% holdings of Marketplace Technologies Private Limited)	-	2(6)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding									
Category of Share holders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year		
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian	0	0	0	0.00	0	0	0	0.00	0.00
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	27,03,119	0	27,03,119	5.07	22,84,591	0	22,84,591	4.41	-0.66
b) Banks / FI	49,480	0	49,480	0.09	85,482	0	85,482	0.17	0.07
c) Central Government	0	0	0	0.00	0	0	0	0.00	0
d) State Government (s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	25,29,150	0	25,29,150	4.74	4,27,493	0	4,27,493	0.83	-3.92
g) FIs (including FPI's)	51,01,878	0	51,01,878	9.57	54,73,499	0	54,73,499	10.57	1.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)									
a) FDI	47,30,534	-	47,30,534	8.87	43,30,534	-	43,30,534	8.36	-0.51
b) Alternate Investment Funds	0	0	0	-	97,000	-	97,000	0.19	0.19
Sub-total (B)(1):-	1,51,14,161	-	1,51,14,161	28.35	1,26,98,599	-	1,26,98,599	24.52	-3.83

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding	Category of Share holders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
		Demat	Physical	Total	Demat	Physical	Total		
2. Non-Institutions									
a) Bodies Corp.									
i) Indian		50,28,566	-	50,28,566	34,69,181	-	34,69,181	6.70	-2.73
ii) Overseas		0	0	0	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh		1,27,75,146	26	1,27,75,172	1,32,82,907	26	1,32,82,933	25.65	1.68
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh		5,30,835		5,30,835	18,75,208	-	18,75,208	3.62	2.63
c). Other (Specify)									
i. HUF		7,53,724	-	7,53,724	8,22,025	-	8,22,025	1.59	0.17
ii. Trust		19,685	-	19,685	1,773	-	1,773	0.00	-0.03
iii. Non Resident Indians		19,15,778	-	19,15,778	27,71,747	-	27,71,747	5.35	1.76
iv. NBFC		540	-	540	1,334	-	1,334	0.00	0.00
v. IEPF		225	-	225	448	-	448	0.00	0.00
vii. Foreign Nationals		50	-	50	-	-	-	0.00	0.00
viii. CM Pool Position		-	-	-	66,672	-	66,672	0.13	0.13
Sub-total (B)(2):-		2,10,24,549	26	2,10,24,575	2,22,91,295	26	2,22,91,321	43.04	3.60
Total Public Shareholding (B)= (B)(1)+ (B)(2)		3,61,38,710	26	3,61,38,736	3,49,89,894	26	3,49,89,920	67.56	-0.23
C. Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0.00	0.00
Grand Total (A+B+C)		3,61,38,710	26	3,61,38,736	3,49,89,894	26	3,49,89,920	67.56	-0.23
D. Trading Members & their Associates									
I. Corporate Trading Member		79,70,326	1,56,000	81,26,326	65,83,159	-	65,83,159	12.71	-2.53
II. Individual Trading Member		24,57,578	71,500	25,29,078	19,40,239	-	19,40,239	3.75	-1.00
III. Trading Member BANK		39,69,581	-	39,69,581	18,92,028	-	18,92,028	3.65	-3.79
IV. Notified - Corporate Trading Member		0	0	0	64,000	91,000	1,55,000	0.30	0.30
V. Notified - Individual Trading Member		0	0	0	1,95,000	6,500	2,01,500	0.39	0.39
VI. Associate Trading Member - CORPORATE		6,25,285	-	6,25,285	7,77,301	-	7,77,301	1.50	0.33
VII. Associate Trading Member - INDIVIDUAL		14,04,060	-	14,04,060	15,45,568	-	15,45,568	2.98	0.35
VIII. Associate Trading Member - HUF		82,018	-	82,018	86,549	-	86,549	0.17	0.01
IX. Associate Trading Member - Banks/FII		19,480	-	19,480	19,480	-	19,480	0.04	0.00
X. Associate Trading Member - FDI Banks		58,441	-	58,441	58,441	-	58,441	0.11	0.00
XI. Associate Trading Member - Foreign Portfolio Investors		3,38,089	-	3,38,089	6,37,895	-	6,37,895	1.23	0.60
XII. Associate Trading Member - Insurance Company		0	0	0	28,21,609	-	28,21,609	5.45	5.45
XIII. Associate Trading Member - NBFC		14,158	-	14,158	13,245	-	13,245	0.03	0.00
XIV. Associate Trading Member - Non Resident Indians		-	-	-	2,068	-	2,068	0.00	0.00
XV. Associate Trading Member - Notified Individuals		-	-	-	-	65,000	65,000	0.13	0.13
Sub-total D:		1,69,39,016	2,27,500	1,71,66,516	1,66,36,582	1,62,500	1,67,99,082	32.44	0.23
Grand Total (A+B+C+D)		5,30,77,726	2,27,526	5,33,05,252	5,16,26,476	1,62,526	5,17,89,002	100.00	0.00

Note: The outstanding share capital as on March 31, 2019 is after considering extinguishment of 1516250 equity shares pursuant to buyback.

II) SHAREHOLDING OF PROMOTERS – NOT APPLICABLE								
Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
-	-	-	-	-	-	-	-	-

III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE) – NOT APPLICABLE					
Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ Sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

IV) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)						
Sr. No.	Name of the Shareholder		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company*
1	Deutsche Boerse AG		2549443	4.78	2549443	4.78
	At the end of the year				2549443	4.92
2	Life Insurance Corporation of India		2525500	4.74	2525500	4.74
	At the end of the year				2525500	4.88
3	Siddharth Balachandran		1339215	2.51	1339215	2.51
	13/04/2018	Purchase	6200	0.02	1345415	2.53
	11/05/2018	Purchase	12000	0.04	1357415	2.57
	18/05/2018	Purchase	18200	0.03	1375615	2.60
	25/05/2018	Purchase	24000	0.05	1399615	2.65
	15/06/2018	Purchase	57509	0.13	1457124	2.78
	22/06/2018	Purchase	143377	0.29	1600501	3.07
	13/07/2018	Purchase	51900	0.12	1652401	3.19
	20/07/2018	Purchase	5176	0.01	1657577	3.20
	27/07/2018	Purchase	41637	0.08	1699214	3.28
	03/08/2018	Purchase	25570	0.05	1724784	3.33
	10/08/2018	Purchase	9985	0.02	1734769	3.35
	17/08/2018	Purchase	22345	0.04	1757114	3.39
	24/08/2018	Purchase	16314	0.03	1773428	3.42
	07/09/2018	Purchase	96879	0.19	1870307	3.61

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IV) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)					
Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company*
	07/09/2018 Sale	-96879	-0.19	1773428	3.42
	30/11/2018 Purchase	13207	0.03	1786635	3.45
	07/12/2018 Purchase	44551	0.09	1831186	3.54
	14/12/2018 Purchase	5148	0.01	1836334	3.55
	21/12/2018 Purchase	6236	0.01	1842570	3.56
	28/12/2018 Purchase	39800	0.07	1882370	3.63
	25/01/2019 Purchase	105053	0.21	1987423	3.84
	01/02/2019 Purchase	76840	0.15	2064263	3.99
	08/02/2019 Purchase	35574	0.06	2099837	4.05
	15/02/2019 Purchase	22295	0.05	2122132	4.10
	22/02/2019 Sale	-104715	-0.20	2017417	3.90
	01/03/2019 Sale	-62228	-0.12	1955189	3.78
	08/03/2019 Sale	-22686	-0.05	1932503	3.73
	15/03/2019 Sale	-27673	-0.05	1904830	3.68
	22/03/2019 Sale	-10775	-0.02	1894055	3.66
	29/03/2019 Sale	-30352	-0.06	1863703	3.60
	At the end of the year			1863703	3.60
4	IDFC Focused Equity Fund	1415725	2.66	1415725	2.66
	06/04/2018 Purchase	75	0.00	1415800	2.66
	26/10/2018 Purchase	6000	0.09	1421800	2.75
	04/01/2019 Purchase	30000	0.05	1451800	2.80
	25/01/2019 Purchase	27383	0.06	1479183	2.86
	01/02/2019 Purchase	617	0.00	1479800	2.86
	15/03/2019 Sale	-1000	0.00	1478800	2.86
	At the end of the year			1478800	2.86
5	State Bank of India	2548682	4.78	2548682	4.78
	06/04/2018 Sale	-5257	0.00	2543425	4.78
	13/04/2018 Sale	-125800	-0.24	2417625	4.54
	20/04/2018 Sale	-177113	-0.32	2240512	4.22
	27/04/2018 Sale	-1946	0.00	2238566	4.22
	04/05/2018 Sale	-532	0.00	2238034	4.22
	11/05/2018 Sale	-133000	-0.24	2105034	3.98
	18/05/2018 Sale	-204051	-0.39	1900983	3.59
	25/05/2018 Sale	-27560	-0.04	1873423	3.55
	01/06/2018 Sale	-128986	-0.23	1744437	3.32
	08/06/2018 Sale	-101979	-0.19	1642458	3.13
	15/06/2018 Sale	-153568	-0.28	1488890	2.85
	22/06/2018 Sale	-172084	-0.32	1316806	2.53
	29/06/2018 Sale	-62271	-0.12	1254535	2.41
	At the end of the year			1254535	2.41

IV) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)					
Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No of Shares	% of total shares of the company*
6	Acacia Banyan Partners Limited	1007772	1.89	1007772	1.89
	At the end of the year			1007772	1.95
7	National Westminster Bank PLC as Trustee of The Jupiter India Fund	857631	1.61	857631	1.61
	06/04/2018 Purchase	9783	0.02	867414	1.63
	21/09/2018 Sale	-5318	0.03	862096	1.66
	28/09/2018 Sale	-5636	-0.01	856460	1.65
	16/11/2018 Purchase	14939	0.03	871399	1.68
	At the end of the year			871399	1.68
8	Caldwell India Holdings INC	1173319	2.20	1173319	2.20
	08/03/2019 Sale	-1000	0.06	1172319	2.26
	15/03/2019 Sale	-60000	-0.11	1112319	2.15
	22/03/2019 Sale	-139000	-0.27	973319	1.88
	29/03/2019 Sale	-200000	-0.39	773319	1.49
	At the end of the year			773319	1.49
9	GKFF Ventures	1228465	2.30	1228465	2.30
	30/11/2018 Sale	-26704	0.02	1201761	2.32
	04/01/2019 Sale	-4346	-0.01	1197415	2.31
	11/01/2019 Sale	-24686	-0.05	1172729	2.26
	01/03/2019 Sale	-15397	-0.03	1157332	2.23
	08/03/2019 Sale	-110000	-0.21	1047332	2.02
	15/03/2019 Sale	-151325	-0.29	896007	1.73
	22/03/2019 Sale	-40000	-0.08	856007	1.65
	29/03/2019 Sale	-121070	-0.23	734937	1.42
	At the end of the year			734937	1.42
10	ICICI Prudential Value Fund - Series 6	535652	1.00	535652	1.00
	11/05/2018 Purchase	180458	0.35	716110	1.35
	18/05/2018 Purchase	221740	0.42	937850	1.77
	29/06/2018 Sale	-67205	-0.10	870645	1.67
	06/07/2018 Purchase	66253	0.13	936898	1.80
	18/01/2019 Sale	-128407	-0.24	808491	1.56
	25/01/2019 Sale	-151918	-0.29	656573	1.27
	At the end of the year			656573	1.27
11	BAJAJ HOLDINGS AND INVESTMENTS LIMITED	751699	1.41	751699	1.41
	01/06/2018 Sale	-106919	-0.18	644780	1.23
	08/06/2018 Sale	-86181	-0.16	558599	1.06
	15/06/2018 Sale	-165090	-0.31	393509	0.75
	13/07/2018 Sale	-25000	-0.04	368509	0.71
	At the end of the year			368509	0.71
*Difference in percentage is due to buyback of shares of the Company.					

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V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:					
Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ Sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

(₹ In Lakhs)

V. INDEBTEDNESS				
Indebtedness of the Company Including interest outstanding / accrued but not due for payment				
	Secured Loans excluding deposits¹	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
i) Addition	-	-	-	-
ii) Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

1. These liabilities represent obligations under finance lease including current portion of obligations.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
Sr No.	Particulars of Remuneration	Name of MD/WT/ Manager (Shri Ashishkumar Chauhan)¹ (in ₹)	Total Amount (in ₹)
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,42,25,206	6,42,25,206
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
Sr No.	Particulars of Remuneration	Name of MD/WTD/ Manager (Shri Ashishkumar Chauhan)¹ (in ₹)	Total Amount (in ₹)
5	Others, - Employer's contribution to Provident Fund	21,60,000	21,60,000
	Total	6,64,24,806	6,64,24,806
	Ceiling as per the Act (₹ in Lakh)	759	759
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 2018-19 as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.		

B Remuneration to other directors					
Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings (in ₹)	Commission	Others, please specify	Total Amount (in ₹)
1	Independent Directors / Public Interest Director				
	Justice Vikramajit Sen	13,95,000	-	-	13,95,000
	Shri S. Ravi ¹	19,45,000	-	-	19,45,000
	Shri Sumit Bose	21,85,000	-	-	21,85,000
	Shri S. S. Mundra	18,80,000	-	-	18,80,000
	Shri David Wright	14,30,000	-	-	14,30,000
	Shri Umakant Jayaram ²	40,000	-	-	40,000
	Total (1)	88,75,000	-	-	88,75,000
2	Shareholder Director				
	Smt. Rajeshree Sabnavis	9,15,000	-	-	9,15,000
	Smt. Usha Sangwan	5,75,000	-	-	5,75,000
	Dr. Sriprakash Kothari ³	8,65,000	-	-	8,65,000
	Shri. Roland Schwinn ⁴	0	-	-	0
	Total (2)	23,55,000	-	-	23,55,000
	Total Managerial Remuneration (1) + (2)	1,12,30,000	-	-	1,12,30,000

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

1. Ceased to be Public Interest Director w.e.f. February 4, 2019
2. Appointed as Public Interest Director w.e.f. February 4, 2019
3. Ceased to be Shareholder Director w.e.f. February 28, 2019
4. Ceased to be Shareholder Director w.e.f. April 2, 2018

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD				
Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total (in ₹)
		Shri Nayan Mehta* (in ₹)	Smt. Prajakta Powle (in ₹)	
1.	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,39,21,280	30,82,079	1,70,03,359
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of Profit			
	- Other specify			
5	Others	5,45,928	57,600	6,03,528
	- Employer's contribution to Provident Fund			
	Total	1,44,67,208	31,39,679	1,76,06,887
1.	*Total Remuneration of CFO 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 2018-19 as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.			

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

For and on behalf of the Board of Directors

Date : May 7, 2019
Place : Mumbai

Justice Vikramajit Sen
Chairman

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 as non-academic Technology Business Incubators, as permitted under Companies Act, 2013 and various guidelines issued thereunder.

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

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

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

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name	Category
1.	Shri Umakant Jayaram	Public Interest Director
2.	Smt. Rajeshree Sabnavis	Shareholder Director
3.	Shri Ashishkumar Chauhan	Managing Director & CEO

3. Average net profit of the Company for last three financial years: ₹ 14,203.97 Lakh

4. Prescribed CSR Expenditure (two percent of ₹ 14,203.97 Lakh): ₹ 284.08 Lakh

5. Details of CSR expenditure for the financial year ending March 31, 2019:

- a. Total amount to be spent for the financial year: ₹ 284.08 Lakh
- b. Amount unspent, if any: Nil

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

(₹ in Lakh)

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to reporting period *	Amount spent: Direct or through implementing agency
1.	Contribution to technology incubator	contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.	Mumbai, Maharashtra	40.00	40.00	371.06	Through BSE CSR Integrated Foundation
2.	Disaster Relief	Promoting health, sanitation and eradicating hunger and poverty	1. Kerala 2. Nagaland 3. Arunachal Pradesh	20.21	20.21	20.21	Through BSE CSR Integrated Foundation
3.	Contribution to BSE CSR Integrated Foundation towards undertaking CSR activities	Various sectors covered by Schedule VII of the Companies Act, 2013	PAN India	223.18	223.18	223.18	Through BSE CSR Integrated Foundation
	Subtotal			283.39	283.39	614.45	
	Overheads				0.69		
	Total CSR Spend				284.08		

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

6. RESPONSIBILITY STATEMENT OF CSR COMMITTEE

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

Place: Mumbai
Date: May 7, 2019

Ashishkumar Chauhan
Managing Director & CEO

Justice Vikramajit Sen
Chairman

Management Discussion & Analysis

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Exchanges are organized markets designed to provide centralized facilities for the listing and trading of financial instruments, including securities issued by companies, sovereigns and other entities to raise capital. Exchanges are crucial market intermediaries and are supervised by the SEBI. In certain cases, exchanges may also act as a self-regulatory organization responsible for supervising their members, corporates and market participants. To give an overview of the dimension of the capital markets in India, as of FY 2018-19 there were 5 Stock Exchanges in the Equity Cash Segment, 3 in the Equity Derivatives Segment and 5 in the Commodities Derivatives Segment, 5431 listed companies/securities, 2 depositories, 9390 Foreign Portfolio Investors (FPIs), and 20 custodians, with a market capitalization of all listed companies at ₹ 151 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.

In 2017, SEBI approved a slew of reforms, among which was the formation of a universal exchange, i.e. integrating trading in equities, bonds, currency, rate futures and commodities on a single platform from October 1, 2018. Taking cognizance of this opportunity, on October 1, 2018, BSE became India's first universal exchange. With BSE's foray into commodities segment participants now have access to a highly regulated, safer and transparent trading, clearing and settlement platform. This offers significantly greater convenience to investors and traders, who are trading in all asset categories from a single account. The overall capital market will reap the benefit from enhanced competition across all asset classes, thus creating deeper markets with lower spreads and transaction charges. This reform has the potential to transform India's capital markets in the coming years.

Another significant reform initiated by SEBI has been the introduction of interoperability between Clearing Corporations. While the concept of interoperability of central counterparty (CCPs) is popular globally, the need for introducing the same in India was acutely felt when instances of disruption of stock exchanges occurred in 2017. Shortly after these incidents, interoperability of CCPs became a

priority for SEBI and the proposal of 'Interoperability among clearing corporations' as well as the proposed amendments to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 to enable the framework of interoperability was cleared. Subsequently all stock exchanges and CCPs are required to operationalize interoperability by June 1, 2019. The framework will be applicable to all the recognized CCPs excluding those operating in the IFSC zone, and all the products available for trading on the stock exchanges (except commodity derivatives). Based on global experience, it is clear that interoperability norms will not only benefit market participants to rationalize margins across exchanges and products by optimizing the use of capital but will also reduce post-trade costs of trading firms. Interoperability across Clearing Corporations would allow market participants to choose their trading and clearing venues without any restrictions. With new norms in place, members can deposit their collateral with the preferred CCP and take advantage of the lower costs provided by the other Stock Exchange. Interoperability among CCPs in India would go a long way in reducing systemic risks, encouraging innovations, facilitating competition, reducing post-trade costs and aligning the risk management framework with industry best standards and global best practices.

The Government has also initiated several key measures relating to Capital markets. The Union Budget for FY 2018-19 introduced several measures for formalizing and enhancing the role of capital



(L-R) Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Rajiv Lall, Founder MD & CEO, IDFC Bank; Shri Sanjay Nayar, Member and CEO, KKR India; Shri Raamdeo Agarwal, Joint Managing Director, Oswal Group; Shri Rakesh Shah, Chairman and Chief Executive Officer, Edelweiss Group and Shri Rana Kapoor, Founder & Ex-Managing Director and CEO, Yes Bank during their visit to BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Pasha Patel, Chairman, State Agriculture Price Commission at the Launch of Cotton Contracts on BSE on 18th February, 2019.

markets. The need for reviving corporate bond market was initiated by mandating large Corporates to meet 25% of their financing needs from the bond markets. SEBI further supplemented the efforts by initiating discussions to develop and deepen corporate bond market vide its consultation paper dated July 20, 2018. The proposal not only aims to develop a liquid and vibrant bond market but also tries to reduce dependence of corporates on banks for their funding requirements. The proposal mandates that “large corporates” i.e. any corporate which has a long term borrowing of ₹100 crores or more, credit rating of “AA and above”, intending to finance itself with long term borrowings and having securities which are listed such as its equities or other convertible securities, non-convertible debt securities or non-convertible redeemable preference shares or all of them, must raise 25% of its borrowings (incremental) or more of their funds through bond issuance.

Several other measures have been undertaken to uphold investor confidence and preservation of interest of all stakeholders. A significant step in this regard is the replacement of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations 2009”) with ICDR 2018. SEBI has now rationalized the disclosure requirement to a large extent with key changes include financial information to be provided for a period of three years instead of five, threshold for identifying promoter group and criteria for identification of group companies, etc.

SEBI has also permitted anchor investors to make a minimum application of ₹ 2 crores in case of SME IPOs, a move which is likely to enhance participation by anchor investors in SME IPOs.

To further boost foreign participation, SEBI has relaxed the eligibility and KYC norms for foreign portfolio investment (FPIs) and allowed

the FPIs a period of two years for complying with the relaxed norms. The government has also relaxed FDI norms by enhancing sectoral limits across various sectors in an effort to boost foreign investment. Sectors such as defense, retail, and airline have all witnessed noteworthy reforms.

In the commodity derivatives space, SEBI has allowed Eligible Foreign Entities (EFEs), categorized as foreign entities having actual exposure to Indian physical commodity markets, with a minimum net worth requirement of US\$ 500,000 to trade in commodity futures in India. Such an EFE may approach an authorized stock broker with a minimum net worth of ₹ 250 million for registration. The regulator has authorized the exchanges to frame any other criteria, too, for entry of EFEs into commodity derivatives.

Similarly, SEBI has also allowed Alternative Investment Funds (AIFs) of category III, mutual funds and Portfolio Management Services (PMS) in commodity derivatives. The presence of financial institutions in commodity derivatives will make the commodity derivatives market more robust and inclusive by providing liquidity and rich information based on world-class market research capabilities.

With favorable regulatory environment, Indian capital markets is expected to remain attractive to both domestic and foreign investors. Initiatives by the government towards ease of doing business, enhanced sectoral caps, simpler mechanism to obtain approval for investment coupled by tax exemptions is expected to further boost the robust business environment for foreign investors leading to a larger inflow of capital in the coming years as well. This will not only augment the depth, maturity and robustness of the Indian capital markets but also build investor confidence.

2. OUTLOOK A. Capital Market

In CY 2018, global equity markets declined on an annual basis for the first time since CY 2015, pressured by rising interest rates and a decidedly uncertain global trade environment. Tighter U.S. monetary policy and a brewing trade war involving the US, China and Europe reverberated around the world, halting one of the longest-running bull markets in recent history. The MSCI World Index fell by 8.7 percent (in US\$ terms) in CY 2018. Similarly, the MSCI Europe and MSCI Emerging Markets fell by 15.9 percent and 15 percent respectively. U.S. Treasury bonds rose modestly, considered as a safe-haven, due to volatile financial markets. Investment-grade and high-yield corporate bonds finished the year in negative territory, as did emerging markets debt. The Fed raised interest rates four times during the year, citing a strong U.S. economy, moderate inflation and a low unemployment rates.

The new year, however, has brought with it a new wave of optimism, with equity markets rallying strongly across the world. The weakness

in CY 2018 set the stage for the recovery in equity markets in the first three months of CY 2019. Much of the rally in CY 2019 has been built on market expectations that the US Federal Reserve would not raise interest rates again soon. In the first quarter of 2019 i.e. Q1 CY 2019, the US S&P 500, MSCI Europe ex. UK and the MSCI Emerging Markets rose by 13.6 percent, 12.6 percent and 9.9 percent respectively.

In FY 2018-19, Indian equity markets scaled all-time highs with the BSE benchmark index 'Sensex' surpassing 39,000 levels, rising nearly 17 percent - the highest growth in any fiscal year since FY 2009-10. This reflects the confidence in the Indian economy despite challenges including the liquidity crisis in the domestic Non-Banking Financial Companies (NBFCs), regional conflicts, slowdown in global trade and volatile crude oil prices. The equity market took cognizance of the continued Government efforts in its focus on improving economic growth with series of big-ticket reforms like Goods and Services Tax (GST) and the Insolvency and the Bankruptcy Code (IBC). Expectation of good rainfall coupled with Government's focus on improving farm income led to gradual recovery in rural demand that also boosted the positive sentiments in the capital markets. The sharp rally in the markets taking the benchmark S&P BSE Sensex to all time high levels was also supported by constant inflows from sustained buying from Domestic Institutional Investors (DIIs) to the tune of ₹ 724 billion in FY2018-19, and Foreign Institutional Investors (FIIs) who turned net buyers with inflows of ₹ 460 billion in the last quarter of FY 2018-19.

In FY 2019-20, the equity markets in India are expected to remain vibrant as the country remains one among the top investment destinations for investors. It is widely known that among financial assets, majority of household savings in India are concentrated in the form of cash deposits, gold and real estate. This is in sharp contrast to developed economies where households rely on a mix of equities, pension products, insurance and other financial products. As financial literacy levels improve and per capita savings increase, the allocation of savings into more financial products such as insurance, mutual funds and equities is expected to increase.

A number of Government initiatives focusing on enhancing attractiveness of India as an investment destination have been launched. The Government's focus on job creation, infrastructure spending and improvement in farm income to boost domestic demand bodes well for the capital markets. The capital markets may look attractive in the coming years as companies may improve their earning margins through a reduction in logistics and freight cost on the back of implementation of GST. Additionally, rationalization of tax differential will lead to improvement in share of organized sector. Recent Government focus on reviving bond markets and encouraging Corporates to tap capital markets for bonds will also help create a liquid bond market.

Overall, major factors to impact Indian capital markets in FY 2019-20 include resurrection in consumption demand, growth led by policy reforms, move towards digitization and monetary stance of central banks of major economies and economic and trade policies. Coupled with strong demographic dividend and economic growth, consumer demand conditions in the country will remain strong for a long period. Additionally, stable fiscal situation, moderate inflation rate, exports growth, rising FDI inflows point towards fundamental stability in the economy, which augurs well for the capital markets. Key risks include near term growth uncertainty due to any policy changes, further rise in crude oil and other key commodities prices.

B. Economic Environment – Global Outlook

The world economy is projected to grow at 3% (YoY) in 2019 and 2020¹, marginally down from 3.1% (YoY) in 2018, according to the "World Economic Situation and Prospects by United Nations (UN)". Short-term risks for this growth projection include escalation in U.S.-China trade disputes negotiations, financial stress and volatility, and geopolitical tensions in several regions. These risks compound underlying structural vulnerabilities of a longer-term nature. Gross Domestic Product (GDP) growth remained steady at 3.1% (YoY) in 2018, same as 2017 when calculated at market exchange rates, or 3.7% (YoY) when adjusted for purchasing power parities. GDP growth accelerated in most of the global economies in both 2017 and 2018. Growth in developed economies expanded at a steady pace of 2.2% (YoY) in 2017 and 2018.

There was a significant rise in trade tensions among the world's largest economies during 2018. Efforts by the US to increase import tariffs sparked retaliations and counter-retaliations. Although

¹ Source: WESP (World Economic Situation and Prospects) 2019 by UN



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the BSE Coffee Table Book to Dr. P. Alli Rani, CMD, Cotton Association of India at the Launch of Cotton Contracts on BSE on 18th February, 2019.



Major MD Emdadul Islam, Director, Chittagong Stock Exchange Limited & M. Shaifur Rahman Mazumdar, MD, Chittagong Stock Exchange Limited presenting the Shawl to Shri Ashishkumar Chauhan, MD & CEO, BSE.

stimulus measures and direct subsidies were able to offset much of the direct negative impacts on China and in the US so far, global trade growth saw a drop in its momentum. This continued episode of heightened tensions among the world's largest economies for additional tariffs indeed pose a considerable risk to the global trade outlook for 2019. However, world industrial production and merchandise trade volumes has been slowing since the beginning of 2018, especially in trade-intensive capital and intermediate goods sectors.

WTO anticipates growth in merchandise trade volume of 3.9% (YoY) in 2018, with trade expansion slowing further to 3.7% (YoY) in 2019. The global trade performance peaked in 2017, where it expanded 5.3% (YoY) in volume terms. The slowdown was mainly driven by a weaker rise in merchandise import demand in most developed countries. Global trade growth also moderated due to the tightening monetary conditions that are escalating financial fragilities in some emerging economies. At the same time, several developed economies are facing capacity constraints, which may constrain growth in the short term. However, trade growth in Asia remained more resilient, where East Asia benefited from strong global demand for electronics. Meanwhile, global trade in services continued to expand more rapidly than merchandise trade, up by more than 10% in value terms in the first half of 2018.

The weakness in the global economy has been most stark in the manufacturing and export sectors. Eurozone industrial production is down to 2.5% (YoY) in March 2019 since its peak in December 2017. While the trade protectionism has impacted global manufacturing and exports, softer Chinese domestic demand has also been a significant contributor. China's non-manufacturing Purchasing Managers' Index (PMI) increased to 54.8 in March 2019, while its manufacturing PMI rebounded to slightly over 50, indicating a return to expansion. On the other hand, China's imports declined 5.2% (YoY) in US dollar terms in February 2019

having grown by 27% (YoY) in July 2018. Similarly, Eurozone manufacturing PMI declined to 47.5 and the new export orders component fell to 44.8 in March 2019. Comparatively, Korea and Taiwan's manufacturing PMIs did improve in March 2019, but only to around 49 as readings below 50 indicate continued weakness. The Chinese authorities are now stimulating domestic demand with a package of tax cuts, infrastructure investment and measures designed to support bank credit growth. It is expected that these measures stabilize Chinese growth, though this stimulus may be less effective at boosting exports across the rest of Asia and Europe.

In 2018, crude oil prices (Brent) rose steadily to US\$ 71 a barrel as compared to US\$ 53 a barrel in 2017 due to rebalancing of excess supply². Organization of the Petroleum Exporting Countries (OPEC), Russian Federation as well as some other oil producers have operated under an agreed crude oil production cap, which translated to a reduction of 1.8 million barrels per day relative to 2016 levels. These supply cuts were somewhat offset by rapid increase in crude oil production in the US. EIA forecasts Brent spot prices will average US\$ 65/barrel in 2019 and US\$ 62/barrel in 2020, compared with an average of US\$ 71/barrel in 2018.

In response to the increase in financial market turbulence, many central banks in the emerging and developing economies tightened monetary policy or reduced their degree of monetary accommodation in 2018. As risks to financial stability increased, central banks in several economies including Argentina, Indonesia and Mexico, raised interest rates to stem foreign investment outflows and support domestic currencies. This in turn contributed to even tighter domestic financing conditions, weighing on the short-term growth outlook. Notwithstanding the increase in global financial market volatility, the emerging economies on aggregate continued to receive sizeable capital inflows in 2018, supported by sustained Foreign Direct Investment (FDI) flows.

Recent Developments in Key Economies

The US economy grew 2.9% (YoY) in 2018, aided by the fiscal stimulus of US\$ 1.5 trillion in tax cuts and more government spending. This growth translates as the strongest since 2015 and was an acceleration from the 2.2% (YoY) rise registered in 2017. Growth in consumer spending increased 2.5% (YoY) in the fourth quarter of 2018, underpinned by a strong labor market. However, signs of slowdown in growth persisted, with retail sales rising modestly and tepid data of manufacturing production and homebuilding. Headwinds like the fading stimulus, slowing global growth, US' trade war with China and uncertainty over Brexit still hinder the US economy. This also caused the US Federal Reserve

2 US Energy Information Administration (EIA)

(Fed) to bring its three-year campaign to tighten monetary policy to end abruptly. The Fed abandoned projections for any further interest rate hikes in 2019 after increasing borrowing costs four times in 2018.

In Japan, real GDP growth slowed to 1% (YoY) in 2018 from 1.7% (YoY) in 2017. Rising corporate profits resulted in solid growth in corporate capital investments. Steady global growth in 2018 along with a stable yen resulted in resilient growth in exports. However, a rapid decline in private housing investments weighed on the total investment level. The private consumption growth fell as weak real wage growth waned consumer confidence in 2018. Bank of Japan (BoJ) maintained a set of unconventional monetary easing measures, known as Quantitative and Qualitative Monetary Easing (QQE). BoJ continued to use its balance sheet to expand the monetary base, but the pace of the asset expansion slowed down in 2018. GDP is projected to grow 1.4% (YoY) in 2019 and 1.2% (YoY) in 2020.

Europe is forecasted to see robust growth of 2% (YoY) in 2019 as well as 2020 on expectations of solid household consumption propelled by lower unemployment, rising wages and the accommodative monetary policy stance. However, numerous countries in the region are on a decelerating growth trend. European Central Bank (ECB) faces the challenge of exiting its accommodative policy stance, which holds the potential for major ramifications along the way, such as heightened financial market volatility. In terms of monetary policy, the ECB has showed signs that it will maintain the current level of near-zero interest rates at least through the summer of 2019.

The overall regional growth profile traces the performance of the largest economies in the region. In Germany, growth will remain moderately lower at 1.8% (YoY) in 2019 and 2020, as the external environment is becoming less supportive and the important automobile industry is facing disruption. France is also expected to witness a growth of 1.8% (YoY) in 2019 and 2020. The country's weaker exports will be offset by economic reforms that are expected to provide additional growth impetus going into 2020. However, Italy's economy is forecasted to expand by just 1.2% (YoY) in 2019 and 1% (YoY) in 2020.

In the UK, economy is projected to grow 1.4% (YoY) and 1.7% (YoY) in 2019 and 2020, respectively. The uncertainty related to Brexit remains a main drag on the economy, with firms taking precautions against a hard exit without a clear agreement on future trade relations. Uncertainty created by the impending exit of the United Kingdom (UK) of Great Britain and Northern Ireland from the European Union (EU) has also led to increased tangible economic consequences, such as companies moving assets or diverting investment from the UK to the EU. Higher inflation and monetary

policy tightening also have adversely affected the consumer purchasing power. On the other side, these factors are somewhat offset by stronger exports due to the increase in competitiveness stemming from the depreciation of the Pound Sterling.

Africa's economy is estimated to rise to 3.4% (YoY) and 3.7% (YoY) in 2019 and 2020, respectively, from 3.2% (YoY) in 2018. This moderate acceleration is expected to be supported by external factors, including a strengthening of global demand for Africa's products, and domestic factors, such as robust private consumption, sustained investments in infrastructure, and rising oil production, particularly due to new field development. Inflation is estimated to have declined in 2018 and should fall further in 2019 due to improving agricultural and food production as well as stable exchange rates in most countries.

C. Indian Outlook

I. Economic Performance in FY 2018-19

In FY 2018-19, the Indian economy retained its tag of the fastest growing major economy in the world for a second year in a row as it continued its climb on an upward growth path. India's real Gross Domestic Product (GDP) is expected to grow by 7.2% (YoY) in FY 2018-19, as per the first advance estimates released by the Central Statistics Office (CSO), higher than the 6.7% (YoY) growth registered in FY 2017-18. As per the data released by the CSO, real GDP in FY 2018-19 is expected to reach ₹ 141 lakh crore, 7.2% (YoY) higher than ₹ 130 lakh crore reported during FY 2017-18. Real Gross Value Added (GVA), i.e., GVA at Basic Constant Prices (2011-12) is anticipated to increase from ₹ 121 lakh crore in FY 2017-18 to ₹ 129 lakh crore in FY 2018-19, a growth of 6.8% (YoY). The per capita income in real terms (at 2011-12 Prices) during FY 2018-19 is expected to reach



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a bouquet of flowers to Shri Sunil Barthwal, IAS, Chief PF Commissioner, EPFO along with Shri Nehal Vora, Chief Regulatory Officer, BSE during his visit to BSE on 15th November, 2018.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Krishna Kumar, Professor, Department of Aerospace Engineering at Ryerson University, Canada on 19th February, 2019 at BSE.

₹ 92,718 as compared to ₹ 87,623 for the year FY 2017-18. The expected growth rate is 5.8% (YoY) in FY 2018-19 as compared to 5.7% (YoY) in FY 2017-18.

FY 2018-19 was a challenging year for the Indian banking and the NBFC sector with gross non-performing asset ratio of the banking sector peaking at 11.5% in March 2018. Similarly, the debt default of a systemically important NBFC's highlighted the vulnerability and need for strengthening regulatory vigil on the sector in general and on asset liability management (ALM) framework in particular. Despite these twin shocks, the Indian economy emerged stronger during the year.

The Indian economy witnessed robust industrial growth during FY 2018-19 and the momentum is expected to continue in the coming years as well. The Index of Industrial Production (IIP) with base 2011-12 for the April-January period for FY 2018-19 registered a 4.4% increase over the corresponding period for the previous year. Industries such as food products, apparel, capital goods and infrastructure/ construction goods expanded significantly. Healthy growth was also recorded in core sectors such as steel and cement.

Growth in the agriculture sector is expected to moderate as the Gross Value Added (GVA) at basic prices for the sector is estimated at 2.7% for FY 2018-19 on a high base of 5% (YoY) in FY 2017-18. GVA at Basic Prices for FY 2018-19 from Financial, Real Estate and Professional Services is estimated to grow by 7.3% as compared to growth of 6.2% (YoY) in FY 2017-18. Key indicators of banking sector viz. aggregate bank deposits and bank credits have growth at 8.9% and 13.9%, respectively in April 2018 - February 2019 period.

The manufacturing sector is expected to post robust growth with the sector's GVA growth estimated at 8.1 percent in 2018-19 as compared to 5.9 percent during 2017-18. Growth in sectors including trade, hotel, transport, communication and services related to broadcasting, which moderated during the first half of the year is expected to pick up on account of improved domestic demand conditions. GVA growth for these sectors is estimated to grow by 7.3% (YoY) in FY 2018-19 in contrast to 6.2% (YoY) in FY 2017-18. Construction sector is expected to grow by 8.9% (YoY) during FY 2018-19 as compared to 5.6% (YoY) during 2017-18. The consumer durables market is expected to pick up supported by rising disposable incomes, greater electrification and FDI investments. The FMCG sector continues to perform well and is expected to grow further, fueled by rising consumption and investment patterns.

Overall trade including services trade for India is estimated at around US\$ 440 billion for April 2018-January 2019 period, exhibiting a positive growth rate of 9.1% over the corresponding period in FY 2017-18. During the April-January period of FY 2018-19, exports grew 9.5% to US\$ 272 billion, while imports rose by 11.3% to US\$ 428 billion. The trade deficit widened to US\$ 156 billion during the 10 months of FY 2018-19 from USD 136 billion in April-January, FY 2017-18. Export growth remained weak in January and February 2019 mainly due to exports of petroleum products decelerating in response to a fall in international crude oil prices. As in the case of exports, lower international crude oil prices also downsized the oil import bill. Non-oil non-gold imports declined sharply due to subdued domestic demand. India's foreign exchange reserves were at US\$ 413 billion on March 31, 2019.

Overall investments rebounded in FY 2018-19 with fixed investments growing 12.2% (YoY), up from 7.6% (YoY) in FY 2017-18. Moreover, the investment ratio (investment/ GDP) is estimated to have surged to 32.9% (YoY) in FY 2018-19 after being flat at 30-31% (YoY) in the past 4-5 years. The pick-up might have brought with it a healthy change in the investment spending mix. Spending (by the Centre and the States) on construction of rural roads, highways, and affordable housing drove public investments, but private investment looked up in select sectors such as auto, cement and steel, where capacity utilization increased.

The Wholesale Price Index (WPI), in respect of the groups Minerals, Manufactured Products and all commodities, has risen by 9% (YoY), 4.1% (YoY) and 4.8% (YoY), respectively during April-December, FY 2018-19. WPI for Food Articles fell 0.8% (YoY) in during April-December, FY 2018-19. Consumer Price Index (CPI) has risen by 3.7% (YoY) during the same period.

The Gross Fixed Capital Formation (GFCF) at Current Prices is estimated at ₹ 55 lakh crore in FY 2018-19 as against ₹ 49 lakh

crore in FY 2017-18. At Constant (2011-12) prices, the GFCF is estimated at ₹ 46 lakh crore in FY 2018-19 as against ₹ 41 lakh crore in FY 2017-18. In terms of GDP, the rates of GFCF at Current and Constant (2011-12) prices during 2018-19 are estimated at 28.9% and 32.3%, respectively, as against rates of 28.6% and 31.4% respectively in 2017-18. The GFCF is expected to register growth of 12.4% (YoY) at Current Prices and 10% (YoY) at Constant Prices during FY 2018-19.

In FY 2018-19, the RBI has upped the policy repo rate twice by 25 basis points each — from 6% to 6.25% in the June 2018 monetary policy review and from 6.25% to 6.5% in August 2018. It changed the monetary policy stance from 'neutral' to 'calibrated tightening' in the October 2018 policy. In the Monetary Policy committee (MPC) meeting held in February and April 2019, the RBI cut its key interest rate by 25 basis points respectively, which currently stands at 6%. The RBI's Monetary Policy Committee also maintained its neutral stance on the trajectory of interest rates going ahead as per the April MPC meeting.

II. Economic Prospects for FY 2019-19

India is expected to remain the world's fastest growing major economy in 2019 and 2020, with the economy projected to grow at the rate of 7.5% (YoY) during FY 2019-20 and CY FY 2020-21, as per the World Bank's April edition of the 'South Asia Economic Focus, Exports Wanted'. Credit growth is also expected to benefit from relatively more accommodative monetary policy amid lower inflationary conditions.

The RBI projected its FY 2019-20 GDP growth to be at 7.2% (YoY), with the fiscal deficit pegged at 3.4% of GDP. The RBI expects the economic growth to be in the range of 6.8-7.1% in the first half of FY 2019-20, and in the range of 7.3-7.4% in the second half of FY 2019-20 with "risks evenly balanced".

Investment is growing steadily, driven by the gradual increase in capacity utilization, large infrastructure programmes and recent structural reforms which are supporting investors' confidence, in particular the new Insolvency and Bankruptcy Code and public bank recapitalization. Investment, which makes 30% of GDP, remains robust as indicated by most forward-looking indicators. IIP for infra goods has maintained traction and iron & steel domestic consumption has been rising. Going forward, there is an expectation of continued recovery in investments amidst bank recapitalization. Policymakers have also eased financing conditions (for MSMEs and corporates looking to raise ECBs) which is further expected to boost investment.

The Government's pre-election interim budget focused on boosting consumption growth via income transfer scheme to farmers and higher disposable income to middle class. Some of the key incentives which are expected to spur demand include Pradhan Mantri Kisan Samman Nidhi which provides direct income support

of ₹ 6,000/ year, outlay for MNREGA and National Rural Livelihood Mission and measures to increase disposable income of middle-income group. A gradual improvement in domestic consumption in the period Q2/Q3 FY 2019-20 is expected led by new products, income support schemes and softening fuel prices spurring urban demand. Strong personal loan growth amidst tax measures announced in the Interim Budget FY 2019-20 is also expected to support consumption. Similarly, uptick in rural demand is expected due to improvement in farm realization as food prices are expected to recover, expectation of normal monsoon and the government's increased focus on employment and income generation schemes for rural sector.

The rebound in exports in FY 2018-19 was supported by a weaker rupee and an easier-to-comply-with Goods and Services Tax. The improvements in the GST administration is enabling exporters to get faster tax refunds, and the depreciation of the rupee is expected to further boost exports. Corporate investment is expected to remain vigorous, supported by recent structural reforms and better infrastructure, in particular the road construction programme and the power sector reforms. Private consumption remained strong, especially in rural areas due to good monsoon and steady government spending related to rural roads, housing and employment programmes.

Higher crude oil prices and the rupee depreciation may put pressure on domestic demand, inflation, current account deficit and public finances. Inflationary pressures may be reinforced by the decision to raise minimum support prices and government purchases of some agricultural products. However, the risks arising from inflation is likely to be mitigated by the RBI's credibility to maintain its 4% inflation target and the projected marginal increases in policy rates. The inflation path during



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Abhishek Trimukhe IPS, DCP, Mumbai Police during his visit to BSE on 23rd January 2019.



Shri S Ravi, Former Chairman, BSE presenting a memento to Mr. John T Chambers, Chairman Emeritus, Cisco and Founder and CEO of JC2 Ventures during the MoU signing between BSE and Lucideus Technologies on 15th January, 2019.

FY 2019-20 is likely to be shaped by several factors including low food inflation during January-February 2019, international crude oil prices and assuming a normal monsoon. With these considerations, CPI inflation is revised downwards to 2.4% in Q4 FY 2018-19, 2.9-3% in H1 FY 2019-20 and 3.5-3.8% in H2 FY 2019-20.

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, 2019, BSE is ranked #2 in currency options traded, #2 in currency futures traded, and #8 by market capitalization among global stock exchanges³.

B. Primary Market

The total number of companies listed on BSE as on March 31, 2019 was 5,262 as compared to 5,619 as on March 31, 2018.

During FY 2018-19, 18 companies tapped the capital market through the IPO process to get listed on the Mainboard of BSE. The amount raised through Mainboard IPOs in FY 2018-19 was ₹ 19,814 crore as against ₹ 75,797 crore in FY 2017-18.

In addition to 18 IPOs on the Mainboard, another 56 companies raised ₹ 887 crore through the Small and Medium-sized Enterprises ("SME") IPO process in FY 2018-19. During FY 2018-19, two Privately Placed Infrastructure Investment Trusts (InvITs) accessed the market and raised ₹ 4,097 crore.

The total amount mobilized through Privately Placed Debt

Instruments ("PPDI") at BSE in FY 2018-19 was ₹ 4,34,466 crore as against ₹ 4,28,312 crore in FY 2017-18. During FY 2018-19, there were 25 public issues of bonds, which mobilized ₹ 36,680 crore as against ₹ 5,173 crore in the FY 2017-18. Out of these 25 public issues, 14 issues (56%) 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 94%.

BSE BOND - Electronic Book Platform for bidding of debt securities issued on private placement was made live effective from July 1, 2016, as per the guidelines of SEBI circular CIR/IMD/DF1/48/2016 dated April 21, 2016. The BSE BOND platform has been a preferred choice for companies to raise Debt Capital in India. In FY 2018-19, 124 issuers with 643 issues of bonds have successfully raised ₹ 3,10,939 crore using BSE BOND platform.

I. Mutual Fund Segment

BSE StAR MF platform has become the largest mutual fund distribution Infrastructure with more than 35% of market share in new Inflows in mutual funds Industry. In FY 2018-19, BSE StAR MF crossed 3.59 Crore transactions witnessing 111% growth as compared to 1.70 Crore transactions in FY 2017-18. The platform also registered 15,000 new independent financial advisors in FY 2018-19, taking the total number of distributors to over 23,000 on the platform.

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

Innovations and unique features of BSE StAR MF

- The technology Infrastructure created a super highway, which has boosted the mutual funds distribution for traditional distributors as well as new age e-commerce network of 2,00,000 IFAs, 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).

3 Based on data from World Federation of Exchanges (WFE)

- 24X7 order acceptance is available on BSE StAR MF Platform, along with continuous settlement of orders.
- Overnight Investment framework facilitates BSE StAR MF Registered Investors:
 - To route idle monies as overnight investments, monies can be invested even for a single day i.e. overnight.
 - Subscription and redemption can happen simultaneously on the same day.
- Only Infrastructure in India that supports 3 modes via Systematic Investment Plan ("SIPs"), which can be initiated as under:
 - Paperless SIP: Wherein the link for payment is created for 1st Installment as well as subsequent Installment, only available with BSE.
 - X-SIP/ National Automated Clearing House ("NACH") based SIP Facility: Under this product, a single mandate can be used for investing in SIPs across all schemes and all Asset Management 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.
 - i. 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

II. Municipal Bonds and Green Bonds

The total amount mobilized through Municipal Bonds at BSE in FY 2018-19 was ₹ 2,475 Crore as against ₹ 400 Crore in FY 2017-18. Greater Visakhapatnam Municipal Corporation, Greater Hyderabad Municipal Corporation, Andhra Pradesh Capital Region Development Authority and Surat Municipal Corporation raised bonds aggregating to ₹ 2,475 Crore in FY 2018-19. The total amount mobilized through Green Bonds at BSE in FY 2018-19 was ₹ 865 Crore as against ₹ 667 Crore in FY 2017-18.

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 applications from its vast network of brokers and distributors and channels the same to RBI.

Please find below table on SGB bids received on BSE in the respective Tranches for FY 2018-19.



Mr. Peter Taksoe Jensen, Ambassador of Denmark to India along with Shri Ashishkumar Chauhan, MD & CEO, BSE ringing the BSE bell on 12th March, 2019.



(L-R) Shri Ashishkumar Chauhan, MD & CEO, BSE; Mr. Robin Walker, Deputy, National Intelligence Council and Mr. Brain Hahs, Director for Geopolitics, National Intelligence Council ringing the BSE Bell during their visit to BSE on 7th March, 2019.

Tranche	Total No. of Members	Total No. of Bids	Volume in Kgs	Value in ₹ / Crore
22 nd	69	1796	62.12	19.03
23 rd	37	503	17.87	5.53
24 th	59	1844	28.75	9.01
25 th	31	551	26.55	8.15
26 th	34	653	23.21	7.34
27 th	32	481	16.77	5.49
Total			175.28	54.56

C. Secondary Market

I. Equity Cash Segment ("ECM")

The S&P BSE SENSEX ended FY 2018-19 at 38,673 compared to 32,969 at year end of FY 2017-18, an increase of 17.3% over the year. The average daily value of equity turnover on BSE in FY 2018-19 was ₹ 3,127 Crore, a y-o-y decrease of about 29% from ₹ 4,402 Crore in FY 2017-18.

II. Equity Derivatives Segment ("EDX")

In EDX, the daily average volume was 126 contracts per day in FY 2018-19 as compared to 182 contracts in FY 2017-18. BSE has decided to launch its Liquidity Enhancement Incentive Scheme (LES) on Monthly single stock options and Index options with effect from September 1, 2018. Further on March 1, 2019 it has extended Liquidity Enhancement scheme on Weekly futures and options contract on BSE SENSEX, BSE BANKEX and BSE SENSEX 50 and Monthly Futures contracts on BSE SENSEX, BSE BANKEX and BSE SENSEX 50.

III. Currency Derivatives Segment ("CDX")

In CDX, the Company's market share is maintained at 46.2% in FY 2018-19 as compared to 46.3% in FY 2017-18. Members' participation in this segment increased to 390 (22 Banks, 1 Primary Dealer and 367 Members) during FY 2018-19, compared to 361 (21 Banks and 340 Members) in FY 2017-18. Open Interest market share for FY 2018-19 is 17.4% as compared to 21.3% for FY 2017-18.

IV. Interest Rate Derivatives ("IRD")

During FY 2018-19, the Company's market share in IRD decreased to 31.2% from 41.1% in FY 2017-18. Members' participation increased to 125 (8 Banks, 4 Primary Dealers & 113 Members) in 2018-19 from 115 (8 Banks, 4 Primary Dealers & 103 Members) in FY 2017-18.

V. BSE SME Platform

The framework for SME Platforms to serve small and medium-sized enterprises on stock exchanges were established by SEBI vide its circular dated May 18, 2010. The BSE SME platform received the final approval of SEBI on September 27, 2011 and was launched on March 13, 2012. BSE SME IPO Index was launched on December 14, 2012 with 100 as the base.

On March 31, 2019 the value of this index reached 1757.83. Additionally, the total market capitalization of all the 291 companies listed on BSE SME Platform reached ₹ 18,197 Crore. During FY 2018-19 the SME platform continued to be a front-runner with a market share of over 59.92%.

During FY 2018-19, 56 companies raised ₹ 887 Crore from the market.

Migration to Main Board

As Per ICDR Guidelines for SME Platform, the 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 2018-19, 14 BSE SME companies have migrated to the BSE Main Board.

VI. 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 ₹ 5,78,467 Crore in FY 2018-19 as against ₹ 4,79,350 Crore in FY 2017-18. The Company has maintained 32% market share in Corporate Bonds Reporting. In case of Statutory Liquidity Ratio ("SLR") securities i.e. Government Securities and Treasury Bills, trades worth ₹ 2,04,944 Crore were reported on ICDM in FY 2018-19 as against ₹ 2,07,372 Crore in FY 2017-18.

Trading in Non-Convertible Debentures (“NCDs”) and Bonds on ‘F’ group on BOLT BSE’s equity platform saw volume of ₹ 3,760 Crore in FY 2018-19 as against ₹ 2,971 Crore in FY 2017-18. BSE has retained a market share of over 63% in the retail trading of Corporate Bonds in FY 2018-19.

The settlement volume for corporate bonds witnessed business of ₹ 2,28,010 Crore in FY 2018-19 as against ₹ 2,10,037 Crore in FY 2017-2018.

As of March 31, 2019, 153 Trading Members and Institutional Members were registered on BSE NDS (New Debt Segment).

VII. Corporate Debt Repo (“Tri – Party Repo”)

In order to develop the corporate bond market and to bring liquidity RBI vide circular no FMRD.DIRD. 03/14.03.002/2014-15 dated February 3, 2015 had permitted repo in bonds issued by multilateral financial institutions. BSE launched the product on May 28, 2018.

There are 2 Models in Corporate debt Repo:

1. Basket Repo with Settlement Guarantee
2. Special Repo without Settlement Guarantee

VIII. Non – Competitive Bidding (“NCB-GSec”)

BSE has launched Non – Competitive Bidding in Government Securities(G-Sec) and Treasury Bills (T-Bills) which allows retail investors to purchase G-Sec 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 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 and T-Bill issued by the Government of India.

IX. ebidXchange – Auction of FPI limits for debt

The ebidXchange platform pioneered the auction of multiple products - Infrastructure Bonds, Corporate Bonds and Government Securities. During FY 2018-19, BSE conducted 2 auction sessions, all of which were conducted seamlessly and received positive response from market participants. The total cumulative amount bid in these 2 auctions was ₹ 34,715 Crore.

X. Exchange Traded Funds (“ETF”)

As on March 31, 2019, BSE had 57 ETFs listed compared with 54 as on March 31, 2018. During FY 2018-19, the average daily turnover in ETF is ₹ 48 Crore compared with ₹ 61 Crore in FY 2017-18.

XI. 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 2018-19, there were 26 OFS issues out of which BSE was appointed as the Designated Stock Exchange in 21 issues (81%). Out of the 21 OFS issues, 12 issues were conducted exclusively on the BSE platform, the total amount raised through OFS issues was more than ₹ 14,691 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 2018-19, there were 113 such OTB issues, of which BSE was appointed as the Designated Stock Exchange in 110 issues (96%). Out of the 109 OTB issues, 104 issues were conducted exclusively on BSE platform, the total subscription through OTB issues was more than ₹ 45,667 Crore.

XII. Securities Lending & Borrowing (“SLB”)

The SLB turnover at ICCL increased by 145 % from ₹ 4,074 Crore in FY 2017-18 to ₹ 9,975 Crore in FY 2018-19. While the lending fees collected increased by 144 % from ₹ 12.97 Crore to ₹ 31.69 Crore during this period.

Segment	FY 2018-19 (₹ Crore)	FY 2017-18 (₹ Crore)
Turnover for the period - 1 st Leg of SLB transactions (quantity underlying price of the stocks as on previous day)	9975	4,074
Lending fees.	31.69	12.97



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Mr. Les Male, CEO, along with other delegates from DGCX during their visit to BSE on 24th May, 2018.



Ambassador of Kazakhstan to India H. E. Bulat Sarsenbayev interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE and Shri Nayan Mehta, Chief Financial Officer, BSE during his visit to BSE on 7th March, 2019.

XIII. Disinvestment Drive of GOI and BSE's support

In FY 2018-19, BSE's iBBS platform has facilitated Government of India Disinvestment Programme through OFS, OTB and Central Public Sector Enterprises Exchange Traded Fund ("CPSE ETF") to garner more than ₹ 20,000 Crore, forming more than 24% of the Total Disinvestment by the Government of India in FY 2018-19.

The Company also has extended the facility for acceptance of subscriptions for Additional Offer for Bharat 22 and Further Fund Offer of CPSE ETFs FFO 3 & 4 by online mechanism called BSE iBBS Platform for Mutual Fund ("BiMF") and garnered more than 50% of the subscription through electronic platform for CPSE ETF.

XIV. 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 2018-19, BSE initiated action against Promoters / Directors of more than 75 exclusively listed companies, which were found to be non-compliant with SEBI circular of October 10, 2016 and August 1, 2017.

XV. 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 MSME/DIPP. In case the company is not registered as Start-up with MSME/DIPP then the company's paid-up capital should be minimum ₹ 1 crore.
2. The company should be in existence for a minimum period of 2 years on the date of filing the draft prospectus with BSE.
3. 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.
4. The company should have positive net-worth.

4. BUSINESS OPERATION REVIEW

A. Membership

During FY 2018-19, 29 Deposit Based Membership ("DBM") applications were received at BSE. Since launch of new DBM scheme in April 2010, BSE has received a total of 922 DBM applications as on March 31, 2019.

B. Corporate Services (Listing)

The Corporate Services segment of the Company registered revenue growth in FY 2018-19. Annual Listing Fees (equity, debt and MF) increased by 14.16% to ₹ 146 Crore compared to ₹ 128 Crore in FY 2017-18. The Company also provides other services to corporates such as book building software, buy-back facilities, reverse book building software, etc. Fees earned from such services were ₹ 15 Crore in FY 2018- 19 as compared to ₹ 33 Crore in FY 2017-18, a decline of 54.87 % from the previous year on account of lesser number of IPOs listed on the Main Board.

C. Data Information Products

The Company and Deutsche Boerse have entered into a partnership in October, 2013 under which Deutsche Boerse would act as the licensor of the Company's market data and information to all international clients. The business for sales and marketing of the Company's market data products to International customers by Deutsche Boerse commenced from April, 2014. Under the co-operation, Deutsche Boerse is responsible for sales and marketing of all the Company's market data products to customers outside India, while the Company continues to serve its domestic clients. Deutsche Boerse also shares the joint responsibility along with the Company for product development and innovation, which includes extending its existing infrastructure and creation of new market data solutions to support the Company's product offerings.

The total revenue from the sale of market data and information products was ₹ 30 Crore in FY 2018-19 as compared to ₹ 26 Crore in FY 2017-18. The increase in revenue was on account of increase in subscription for the Company's information products and services by new customers and revision of pricing of certain international data products.

D. Index

Asia Index Private Limited ("AIPL") is a joint venture between S&P Dow Jones Indices LLC and BSE.

The Government collected ₹ 8,400 Crore in the First Follow-on Offer of the Bharat 22 ETF in June 2018 and it collected ₹ 10,000 Crore in Second Follow-on Offer in February 2019. The total collection for the Government from the launch of the Bharat 22 ETF is ₹ 32,500 Crore.

New Indices launched by AIPL in FY 2018-19 were:

- The S&P BSE SENSEX 50 TMC Index was launched on April 18, 2018 and is designed to measure the performance of the 50 largest and most liquid companies within the S&P BSE 500, as selected by total market capitalization.
- The S&P BSE SENSEX Next 50 TMC Index was launched on April 18, 2018 and is designed to measure the performance of the 50 largest and most liquid companies within the S&P BSE 500 that are not members of the S&P BSE SENSEX 50 TMC.
- The S&P BSE 100 LargeCap TMC was launched on July 9, 2018 and is designed to measure the performance of the 100 largest and most liquid companies within the S&P BSE 500, as selected by total market capitalization.
- The S&P BSE Diversified Financials Revenue Growth Index was launched on April 2, 2018 and is designed to measure the performance of non-state-owned companies from the S&P BSE 500 in the finance sector. Constituents must also satisfy sales growth inclusion criteria.
- The S&P BSE Private Banks Index was launched on August 27, 2018 and is designed to measure the performance of private Indian banks within the S&P BSE Finance that meet certain investability requirements.

5. SIGNIFICANT DEVELOPMENTS

A. Enhanced Supervision of Stock Brokers

I. Standardize of Books of accounts:

In order to standardization the maintenance of books of accounts / records of Stock Brokers and ensure uniformity across all Stock brokers, a standard format for Register of Securities, Holding

Statement, Bank Book and Client Ledger was prescribed in consultation with SEBI & Stock broker associations.

Stock brokers were also advised to make necessary changes in their back office in order to comply with requirements and are required to upload the day-wise Holding Statement by selecting the working day to the Exchange on weekly basis.

II. Early Warning Mechanism to prevent diversion of client securities

SEBI has decided to put in place an Early Warning Mechanism and sharing of information between Stock Exchanges, Depositories and Clearing Corporations to detect the diversion of client's securities by the stock broker at an early stage to take appropriate preventive measures. The threshold for such early warning signals are decided by the Stock Exchanges, Depositories and Clearing Corporations with mutual consultation.

SEBI has issued circular number SEBI/HO/MIRSD/DOP/CIR/P/2018/153 dated December 17, 2018 and it inter alia covers the following early warning signals:

1. Significant reduction in net worth over previous half-year / year.
2. Significant losses in the previous half years / years.
3. Delay in reporting of Annual Report, Balance Sheet, Internal Audit Reports, Risk Based Supervision (RBS) data and any other data related to its financial health to the Stock Exchanges / Depositories.



Shri Nayan Mehta, Chief Financial Officer, BSE presenting the BSE Coffee Table book to Councilor Ms. Julie Flathery, Hon'ble Lord Mayor of ABC Council during her visit to BSE on 26th November, 2018.



Mr. Yan Jun, Deputy Director General, SDRC along with his delegation at Zone Startups in BSE during his visit to BSE on 16th November, 2018.

4. Non-recovery of significant dues from debit balance of clients over a period of time.
5. Significant dues to credit balance of clients over a period of time.
6. Failure by stock broker to upload weekly data regarding monitoring of clients' funds as specified in SEBI's circular on Enhanced Supervision, for 3 consecutive weeks.
7. Pledging securities in case of clients having credit balance and using the funds so raised against them for own purposes or for funding debit balance of clients.
8. Mis-reporting / wrong reporting about the client funds / securities.

6. SECONDARY MARKET POLICY DEVELOPMENTS

A. Data Analytics Based Systemic Solution for Tracking Company News

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

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

In recent past, news media has undergone a sea of changes with digital media and social media becoming the frontline in news

reporting or sharing information digitally for easier, faster and wider reach. On this background, any material news or rumour floating in the social media can have potential impact on the sentiments of the investing population which can further impact price/ volumes of securities traded on exchange platforms.

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

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

B. Graded Surveillance Measure ("GSM")

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

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

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

Under the GSM framework which became effective from March 14, 2017, based on satisfaction of certain pre-defined objective criteria, the securities attract following additional graded surveillance actions such as additional surveillance deposit, once a week trading only, Trade for Trade (TFT), etc.

The criteria for shortlisting of securities under GSM Framework disseminated vide the Company notices nos. 20180720 - 55 dated July 20, 2018 and 20180817-37 dated August 17, 2018.

As on March 31, 2019, a total of 795 companies have been identified to be a part of GSM framework.

C. Verification of credentials/ fundamentals of suspected shell companies

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

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

Based on SEBI direction, the Company moved trading in securities of applicable listed companies to GSM Stage VI and based on verification of the documents submitted by these companies, SEBI/ the Company passed orders from time to time recommending forensic audit in some of these companies.

The Company vide notice no. 20181029-18 dated October 29, 2018 issued notice to the market participants informing the process for dealing with forensic audit observations.

D. 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. The ASM framework was introduced on March 21, 2018 and revised subsequently during the FY 2018-19 based on reviews and market conditions.

Under this framework, securities are identified and placed in framework based on pre-defined criteria and additional actions are imposed in form of 100% margin, client specific margins subject to fulfilment of certain conditions, daily price band of 5 % and settlement on gross basis.

On October 31, 2018, the ASM framework underwent a significant revision to include stocks witnessing short term volatility and medium to long term volatility. Under Short Term ASM Framework, securities attract imposition of higher margins whereas under Long Term ASM Framework, actions include reduction of daily price band, 100% margin and settlement on gross basis.

It may be noted that on the background of introduction of above two market wide surveillance frameworks i.e. Graded Surveillance Measure (GSM) and Additional Surveillance Measure (ASM) and after having seen that these frameworks are adequately addressing

the concerns raised, the Company phased out its surveillance frameworks viz. Periodic Price Band (PPB), S+ Framework and Advanced Price Band (APB) in FY 2018-19.

E. Dealing with unsolicited messages

SEBI / the Company noticed that unsolicited messages are being sent to gullible investors inducing them to trade in the stocks of certain listed companies, indicating target prices and giving fraudulent and misleading information. In view of the same, the Company is disseminating on the home page of its website the list of stocks in which unsolicited messages are observed to be circulated under 3 distinct categories and has advised market participants to remain cautious while dealing in such stocks. The Company has also set up a dedicated mobile no +91 7506840578, in order to encourage the market participants to report any such unsolicited messages received by them to the Company for further scrutiny.

The Company vide notice no. 20171117-18 dated November 17, 2017 cautioned the trading members on such unsolicited messages and advised them to carry out necessary due diligence before releasing pay-out to their clients.

The Company vide notice no. 20180413-47 dated April 13, 2018, informed that an additional surveillance margin of 25% shall be levied on the trading members who have substantial trading activity in the stock in which unsolicited SMSs found to be circulated. Thereafter, the Company issued various market wide notices in the period May 2018 to July 2018 prescribing further details on the actions.

7. REGULATORY

A. Surveillance & Investigation

I. Statistics for FY 2018-19

As part of market monitoring activities during FY 2018-19; 31,160 surveillance alerts were generated, of which 781 alerts were taken



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a bouquet of flowers to Mr. Matthew Chamberlain, Chief Executive, London Metal of Exchange during his visit to BSE on 16th November, 2018.



Shri Khalid Khan, Regional Chairman, FIEO along with Shri Ashishkumar Chauhan, MD & CEO, BSE and other delegates posing with the BSE Bull on 12th September, 2018.

up for snap investigations. Subsequently till March 31, 2019, 254 cases were taken up for preliminary/ detailed investigations, of which 175 preliminary/ investigation reports have been forwarded to SEBI.

II. Broker Supervision

622 inspections of members were conducted during FY 2018-19, which include 547 routine inspections and 75 special inspections. Further, 100 out of 547 inspections were jointly conducted with SEBI, other Exchanges and Depositories during F.Y. 2018-19 which was selected by SEBI for joint inspection for the F.Y. 2018-19.

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 send 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 Investor Grievances Redressal Committees ("IGRC") wherein the IGRC is also empowered to decide the claim value.

The Company provides IGRC as well as arbitration/ appellate arbitration services from its 24 Regional Investor Service Centers located at Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Dehradun, Delhi, Guwahati, Jaipur, Jammu, Hyderabad, Indore, Kanpur, Kochi, Kolkata, Lucknow, Mumbai, Panaji, Pune, Patna, Raipur, Ranchi, Vadodara and Shimla. Thus, the Company currently provides IGRC and arbitration services from 24 investor services centres located at different parts of the country.

Redressal of complaints against listed companies

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

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 and Share Capital Audit report. In the current year, filing was enabled for Disclosure of Insider Trading under Prohibition of Insider Trading, Unit Holding Pattern for Mutual funds, Financial Results for Insurance Companies 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 current year, other Exchanges have integrated the BSE XBRL taxonomy for these filings and listed companies can now use the same file for filing at all Exchanges.

II. Compulsory Delisting

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

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

During FY 2018-19, the Exchange has delisted 463 companies. Till March 31, 2019, the Exchange has delisted 1120 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. This is an ongoing activity.

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. Filing through CAFS which was available for Equity listed companies has now been extended to other segments as well. In the FY 2018-19, the Exchange has received 1,87,318 filings by companies using the CAFS system.

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 general 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. Last year, with the launch of commodities segment, BSE is now India's first Universal Exchange.

II. Sound corporate governance and regulatory framework

As a Stock Exchange, we are subject to a high level of regulatory oversight. We are committed to working with national and international Regulators, Exchanges, Clearing Corporations, Depositories and Market Participants to ensure an orderly, informed and fair market for the benefit of investors. We are also committed to strong and effective internal governance and regulation and believe that regulatory integrity benefits investors, strengthens our brand and attracts companies seeking to list securities on our markets.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Ms. Zou Jiayi, Vice Minister, Ministry of Finance, P. R. China during her visit to BSE on 26th June, 2018.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Major MD. Emdadul Islam, Director, Chittagong Stock Exchange Limited & M. Shaifur Rahman Mazumdar, MD, Chittagong Stock in presence of BSE officials during their visit to BSE.

In furtherance of these goals, we have a dedicated surveillance department to keep a close and daily watch on the price movement of securities, detect market manipulation, monitor abnormal prices and volumes which are not consistent with normal trading patterns and monitor our members' exposure levels to ensure that defaults do not occur.

III. Technological Prowess

i. Expanding Big Data Implementation

React on real time basis is the essence of business needs. Managing humongous data centrally is the underline foundation of real time analysis. BigData has made this happen. After implementing BigData, the Company has taken bold steps in implementing contemporary technologies, viz. Artificial Intelligence and Machine Learning in its Surveillance function. BigData implementation has opened many opportunities for the Company to find effective and efficient ways to correlate information by use of contemporary technologies. The relationship that is developed by use of these newer technologies are path breaking. The Company has effectively implemented the Social Media analytics using Artificial Intelligence and Machine Learning by entering into the area of Audio and Video, to predict rumours and verification of news floating in the market on BSE listed companies and its impact on the stock market.

ii. Newer Open source technologies

Use of Open source technologies provides a significant advantage to the Company, as overall larger financial budgets are curtailed due to less or no license cost. Over the years, the Company's Information Technology team has gained immense exposure working with Open source technologies and extending its use in many of its business functions.

The Company is able to leverage on the flexibility, open source is able to offer in the product development compared to restrictions available in proprietary products. In today's time more and more

innovations are been introduced in technologies that are supported by Open source.

This year, the Company has extensively used open source technologies in their main stream infrastructure and business functions viz., Business Intelligence (BI) and Log Analysis and Management.

iii. Cloud Initiatives

The Company continued its journey on cloud initiatives. One of the key advantage of Cloud implementation is it provides on demand access to pool of infrastructure and services.

The Information Technology team together with Business team is now able to work together towards a common goal of finding the right combination of infrastructure resources to make most of the cloud investment. The role of infrastructure team is no more a traditional approach of provision and manage the infrastructure. The cloud provides a platform for business units to develop and deploy new processes, systems and offerings that make them more competitive. Cloud also helps turn IT into a more effective and responsive business service.

The company embark upon its digital journey by migrating one of its critical application on cloud i.e. office communication, documentation & email management system. As part of the package, multiple collaboration tools are available to the Company for its use. One of the biggest advantages of these advanced tools is that it can be accessed from anywhere and anytime. It is no longer dependent on end-user workstation.

iv. Solutions developed by internal IT team

Responsibility and Ownership is the key of maintaining Inhouse software development team.

The Company maintains a strong task force of software development team with varied skill sets and knowledge in contemporary technologies. The team continuously thrives to upgrades its knowledge, which is visible from the kind of implementation that has been done over the years. For the team, the software development is passion more than a task.

The returns to the Company are many to maintain an inhouse development team. The notable gains are, controlled annual expenses as against outsourced to third party. Second, is managing the priorities of releases. This flexibility can only be available with inhouse team.

The Company continued its efforts to develop more and more applications by its internal Information Technology team, to leverage the knowledge of business and IT. Further, many enhancements were implemented to keep the products competitive.

v. Implementation of Software Defined Network

Business are now driven by Software, software technologies. On-demand, dynamism, flexibility is fundamental to software technologies and businesses. The Company during the year implemented one major change by implementing Software Defined Network (SDN).

SDN facilitates better network manageability, enhanced security and compliance. SDN provides the network administrator with a single control panel to manage the entire network. The central management station will be a single point of configuration and security management. SDN acts as the spinal system to cloud initiatives. SDN has removed the hassles of maintain multiple network devices and cables.

vi. Vulnerability Assessment

● Infrastructure Vulnerability Assessment

As part of the next gen Cyber SOC all the BSE and Group Company Infrastructure comprising of Servers, Databases and Network equipments undergo Vulnerability Assessment to identify Vulnerabilities and initiate remediation of the identified Infra-Vulnerabilities.

● Application Security Testing and Vulnerability Assessment

The Client Server Web Based, Mobile applications undergo applications security testing to identify vulnerabilities for remediation. This is supported by the Change Management and Governance process that ensures all applications undergo Application Security Testing prior to Go-Live.

B. Opportunities

I. Gold Spot Exchange

While presenting the Union Budget for FY 2018-19, the Hon'ble Finance Minister announced the setting up of an expert committee to study and promote the creation of an operational and legal framework to integrate spot market and derivatives market for gold and that a policy will be adopted to develop gold as an asset class. The gold spot exchange is expected to be first such initiative in this direction. This move is expected to enable greater transparency not just with respect to pricing but also the conduct of business of gold. It is 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. The Government is in the final stages of publishing a blueprint for such an exchange and currently consulting various stakeholders, BSE is part of these discussions with the Government. The proposed Gold Spot 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 as and when the framework is finalized.

II. Commodity Derivatives

BSE has been part of the opportunities unfurling in the emerging scenario in India's commodity markets and with SEBI approval became India's first universal exchange. The Company launched trading in commodity derivatives on October 1, 2018 with a vision to develop commodity value chain which includes farmers, traders, exporters, importers, jewelers, warehouses, vaults, banks etc. by providing delivery-based products to link the underlying with the futures markets. Currently BSE offers trading in delivery-based futures contract of gold, silver and copper among metals, and Guarseed, Guar gum and Cotton among agricultural commodities. BSE also offers trading in futures on Oman Crude Oil - a tailored product for Indian oil producers and consumers. BSE has received encouraging response and is inching towards leadership positions in few of these contracts within the first few months of the launch. With its foray in commodities, BSE has made the market more vibrant and inclusive, which benefits the entire spectrum of market participants from producers to traders and end-consumers. In the coming years, BSE plans to systematically develop the commodity market with launch of more products via innovation, awareness and research to provide a wider product range to the market participants. Each product will be based on detailed market consultations and feedback from all participants in the ecosystem.

III. Securities Lending and Borrowing (SLB)

In FY 2018-19, the SEBI decided to shift stock derivatives from cash settlement to physical settlement in a phased manner. This has provided a significant impetus for the SLB segment. The SLB mechanism allows short-sellers to borrow securities for making deliveries. SEBI has also extended the trading timings in the SLB



Mr. Hubert Fuchs, State Secretary at the Austrian Federal Ministry of Finance and H. E. Ms. Brigitte Oppinger-Walchshofer, Ambassador of Austria ringing the BSE bell along with Shri Nayan Mehta, Chief Financial officer, BSE, during their visit to BSE on 22nd June, 2018.



Shri Ashishkumar Chauhan, MD & CEO, BSE with H. E. Dr Ron Malka, Ambassador of Israel to India during his visit to BSE on 8th February, 2019.

segment from 3.30 p.m. last year till 5 pm currently. Physical delivery of stock derivatives and SLB are developing and it is expected to see increased participation in the coming years. As this segment sees increased participation from the market, ICCL, a wholly owned subsidiary of BSE, which acts as an approved intermediary under the SEBI Securities Lending and Borrowing Scheme, 1997, will leverage on its existing capabilities to grow in this segment.

IV. Corporate Bond Market

Corporate Bond Market has witnessed significant policy impetus over the last few years. In August 2016, a series of recommendations was made by a committee headed by former RBI Deputy Governor Shri HR Khan for deepening the corporate bond markets. The successful implementation of Insolvency and Bankruptcy Code (IBC), the RBI's large borrower framework for enhancing credit supply through market mechanism, where banks have to keep their future incremental exposures to large 'specified borrowers' within a normally permitted lending limit (NPLL) gave further boost to the corporate bond market. The impact can be gauged with growth in the amount outstanding in corporate bonds as well as increased issuance and trading being witnessed in the corporate bond market. The SEBI approved framework that requires larger corporates to meet 25% of their financing through market debt instruments and increased acceptability for innovative products by investors is expected to further deepen the market. In the coming year, BSE, with a market share of more than 75 percent in corporate bond listing will further leverage its leadership position and will also help in the growth of the primary issuance and secondary market trading of corporate bonds on the BSE Platform.

V. Insurance Distribution Platform

India with a population of 1.3bn 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 is at the forefront of this Fintech revolution happening in India. BSE StAR MF platform has facilitated the distribution of mutual funds through distributors to rapidly expand and reach potential investors and this digital platform has enabled BSE to establish a strong presence in mutual fund distribution. As a logical next step, the Company intends to create a similar framework for insurance distribution. Such digital platform for Insurance distribution also aligns with Government's initiative of financial inclusion and will address the problem of under penetration of Insurance products in India.

BSE-Ebix Insurance Broking Company Private Limited is a joint venture between BSE and Ebix Inc, the largest Insurance Exchange in the world. Following on its successful mutual fund strategy, it is developing an insurance distribution platform that will allow individual stock brokers, individual wealth management advisors etc across the country to sell life and non-life products. The venture will utilize the distribution reach of both BSE and Ebix that spans more than 3 Lakh outlets across the country. The proposed platform will leverage Ebix's end-to-end insurance exchange technology and encompass the entire insurance life cycle from customer relationship management, distribution management, multi-quoting, underwriting, issuance of policy and claims reporting.

The Company has received necessary approvals from SEBI and is awaiting approval from Insurance Regulatory Development Authority of India (IRDAI) to commence the business.

VI. 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 into 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. The final approval of CERC is awaited. Our proposed Power exchange would offer the market participants a world class power trading platform.

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. In particular, 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. The evolution of the debate on interoperability of Clearing Corporations will have a major impact on the competitive position of the Company in the future.

C. Cybersecurity threats

The financial sector has been at a major risk for cyber security attacks since the inception of the Internet. Most cyber criminals attack the financial sector firms because that's where all the money is. In a worst-case scenario, a cyber-attack could shut down an entire company for several days causing business and reputational loss. The threat landscape is constantly evolving—leading to a more complex cyber ecosystem every day. This makes it all the more critical to be proactive when it comes to cybersecurity issues.

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

Some of the types of cyber threats that the Company could face:

- **Malware** - Malware includes computer viruses, worms, trojans, ad-wares, spywares, spam and other misleading applications. The latest versions of malware are hard to detect and difficult to remove.
- **Ransomware** - This type of malicious software that carries out a crypto-viral extortion attack blocking access to data until a ransom is paid, can paralyse the system.
- **Unencrypted Data** – The majority of data breaches happen due to improper encryption and stolen data immediately accessible after being stolen.
- **Phishing** - Phishing is a form of fraud in which the attacker tries to learn information such as login credentials or account information by masquerading as a reputable entity or person in an email, Instant Messaging or other communication channels.
- **Distributed denial of service ("DDoS")** - A wave of sustained DDoS attacks can flood websites, other applications and systems with unwanted traffic causing accessibility issues, which might even result into trading systems getting affected.
- **Customers' Accounts** – Customer accounts can be the most vulnerable point of entry to financial systems. The hackers use stolen privileged credentials to steal from their account.
- **Application based attacks** such as SQL Injection, XSS, Broken Authentication, etc. For e.g. SQL injection does not infect the end users directly. It is more towards infecting a website which is vulnerable to this attack. It will gain unauthorized access to the database and the attacker can retrieve valuable information.



Shri Balasubramanian V., MD & CEO, India INX along with Shri Manoj Kumar, Chief General Manager (MRD), SEBI and other dignitaries at the International Conference on GIFT IFSC Emerging International Financial Services Center on 7th December, 2018.



(L-R) Dr. S.K. Nanda being welcomed on the board of India INX in presence of Shri Balasubramaniam V., MD & CEO, India INX, Shri Arun Mehta, Independent Director of India ICC and Shri Arup Mukherjee, MD & CEO of India ICC on 9th January, 2019.

10. KEY STRATEGIES

A. India International Exchange (IFSC) Limited (INDIA INX)

The Company set up India **International Exchange (IFSC) Limited** (formerly known as BSE International Exchange (IFSC) Limited and hereinafter referred to as “**India INX**”), India’s first international exchange located at the International Financial Services Centre (“**IFSC**”) at Gujarat International Finance Tec-City (hereinafter referred to as “**GIFT IFSC**”) in January 2017. A wholly-owned subsidiary of the Company, INDIA INX was inaugurated by Hon’ble Prime Minister of India Shri Narendra Modi on January 9, 2017 and commenced operations from January 16, 2017.

The key strategic objective of India INX is to emerge as the preferred offshore platform and become a financial gateway for both inbound and outbound investors. Growth in its Derivatives trading volume has laid the foundation for INDIA INX to become the best 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.

To address the requirements for Indian and foreign issuers to raise debt from global investors, India INX set up India’s first international primary markets platform, the Global Securities Market.

In its endeavour to align its business offerings with the above mentioned key strategic objective, India INX has innovated by offering its Members access to trade on International Exchanges from GIFT IFSC by setting up the India INX Global Access IFSC Limited (hereinafter referred to as “India INX GA” or “Global Access”), a pioneering venture of INDIA INX and the first of its kind from India and GIFT IFSC. India INX GA effectively and efficiently complements India INX’s business offerings through connectivity to global markets.

India International Clearing Corporation (IFSC) Limited (“India ICC”) is the first clearing corporation established in GIFT IFSC. India ICC provides clearing and settlement, risk management

and collateral management services to India INX for Derivatives and Debt Securities listed and traded on the Exchange. India INX and India ICC are recognized by the **SEBI**.

The Company believes that GIFT IFSC in India can bring about transformational change by pursuing a globally competitive business model that synergises and complements well with offerings in the Indian domestic market. This shall strengthen the overall capital markets ecosystem in India.

B. 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 FY 2018-19:

I. Growth in the core business segment – India INX Derivatives

India INX’s core business of derivatives achieved exponential.

- During the Financial Year FY 2018-19, India INX was the largest exchange at GIFT IFSC with an overall market share⁴ of 70.8% based on the notional Trading Turnover for Derivatives. India INX’s market share at GIFT IFSC increased to 80.7% in March 2019
- India 50, Equity Index Futures and Options with market share of 66.7% during FY 2018-19. INDIA INX’s market share increased to 84.1% in March 2019.
- India INX’s INDIA50 Index Futures and Options market share⁵ as compared to similar India-based equity index derivatives traded in Singapore was 24.1% during FY 2018-19 and increased to 38.5% in March 2019
- India INX’s Gold Futures market share⁶ as compared to equivalent Gold Futures traded in Dubai was 87.5% during FY 2018-19.
- The Exchange achieved highest daily trading turnover of USD 2.19 billion in FY 19

II. 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. For FY 19, the

4 Market share calculated based on the notional trading turnover of the Futures and Options

5 Market share for Index Futures and Options is based on the estimated notional trading turnover of similar contracts in Singapore-based Exchanges

6 Market share for Gold Futures is based on the estimated notional trading turnover of similar contracts in Dubai-based Exchanges

platform offered issuers to raise debt from global investors. Global Securities Market offers a regulatory regime and a post-listing trading platform comparable with any other leading jurisdiction. The maiden listing of debt securities on Global Securities Market was on December 22, 2017.

As on March 31, 2019:

- India INX's Global Securities Market has cumulatively established USD 42.5+ billion of Medium Term Notes ("MTN") and listed USD 13.8+ billion of debt securities including masala bonds and green bonds
- During FY 2018-19, approx. 35.3% of Indian issuers of Debt Securities in the international markets have listed on India INX's Global Securities Market.
- Several large Indian corporate entities, Public Sector Units (PSU), banks and financial institutions have established MTNs and/or listed debt securities on the Global Securities Market viz -
 - ✓ State Bank of India (SBI)
 - ✓ Export-Import Bank of India (EXIM)
 - ✓ Housing and Urban Development Corporation (HUDCO)
 - ✓ Indian Railway Finance Corporation (IRFC)
 - ✓ IndusInd Bank
 - ✓ National Highway Authority of India (NHAI)
 - ✓ National Thermal Power Corporation (NTPC)
 - ✓ Power Finance Corporation (PFC)
 - ✓ Rural Electrification Corporation (REC)
 - ✓ YES Bank

Global Securities Market has emerged as the leading primary markets platform at GIFT IFSC for raising capital through debt issuance, listing and trading of debt securities to foreign investors.

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

India INX launched a 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, 2019, 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.



Shri Balasubramaniam V., MD & CEO, India INX presenting a memento to Shri David Rasquinha, MD, EXIM Bank of India in presence of Shri Ashishkumar Chauhan, MD & CEO, BSE and Shri Debasish Mallick, DMD, EXIM Bank of India during the Listing ceremony of EXIM Bank USD 500 Mn Notes at BSE on 27th March, 2019.



Mr. Shixin Chen & Mr. Kenichi Yokoyama of Asian Development Bank along with Shri Balasubramaniam V., MD & CEO, India INX and other dignitaries at GIFT City on 19th January, 2019.

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 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 marketplace and India INX GA's clients can access multiple exchange markets.

IV. Growth and development of the Capital Markets ecosystem at GIFT IFSC

The capital markets ecosystem at GIFT IFSC has evolved during the last two years since the commencement of operations of INDIA INX. As of March 31, 2019, following are the key statistics of SEBI-registered Members of India INX:

- Number of Trading Members (TM): 40
- Number of Trading and Self-Clearing Members (TSM): 3
- Number of Trading and Clearing Members (TCM): 3

The capital markets ecosystem of GIFT IFSC has expanded with the establishment of IFSC Banking Units (IBU), Insurance and Re-Insurance companies and other capital market intermediaries. Some of the key statistics of GIFT IFSC⁷ as on March 31, 2019 are as follows:

- Number of IFSC Banking Units (IBUs): 12
- Transactions by IBUs: USD 18+ billion
- Number of Insurance and Re-Insurance entities at GIFT IFSC: 17
- Sum insured by Insurance Companies at GIFT IFSC: USD 30+ billion
- Around 100+ Capital Market intermediaries have set up separate company at GIFT IFSC for providing trading and clearing services

V. Unified Regulatory Authority for GIFT IFSC

The Union Budget 2018 recognised the need for a coherent and integrated regulatory framework for GIFT IFSC. In this perspective, the International Financial Services Authority Bill, 2019 (hereinafter referred to as the "IFSC Authority Bill, 2019") that provides the foundation for setting up the Unified Regulatory Authority at GIFT IFSC was approved by the Union Cabinet of Ministers of the Government of India. The Unified Regulatory Authority is expected to play a pivotal role in inter-regulatory coordination that shall improve the ease of doing business for foreign investors.

Following are some of the key functions of the proposed Unified Regulatory Authority:

- Regulating financial products, financial services, and financial institutions at GIFT IFSC that have been approved by any regulator (such as SEBI, RBI, IRDA etc.) before the enactment of the IFSC Authority Bill, 2019
- Regulating any other financial products, services, or institutions at GIFT 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 GIFT IFSC.

All purpose relating to regulation of financial products, services, and institutions in GIFT IFSC that were previously exercised by respective regulators shall be exercised by the Unified Regulatory Authority. All processes and procedures to be followed by the Unified Regulatory Authority for such regulation shall be identical to the provisions for these processes under the respective laws of the respective regulators.

⁷ Kindly refer to <http://www.giftgujarat.in/> and www.giftsez.com for latest information on GIFT IFSC

VI. Capital Gains Tax exemption for trading on Derivatives, Depository Receipts and Bonds in GIFT IFSC

The Government of India announced in its Union Budget 2018 that income from trading on Derivatives, Depository Receipts and Bonds by foreign investors at GIFT IFSC shall be exempt from Capital Gains Tax. This was implemented effective from April 1, 2018 for all trades executed on Derivatives, Depository Receipts and Bonds at GIFT IFSC by foreign investors.

VII. Launch of weekly derivatives contracts on equity indices

In its endeavour to provide foreign investors with an efficient and effective mechanism to mitigate risk by hedging their exposure to Indian equity markets, INDIA INX launched the weekly futures and options contracts on the S&P BSE SENSEX Index and the INDIA50 Index Futures and Options (which is based on the S&P BSE SENSEX 50 Index as the underlying asset). Following are some of the key benefits of weekly futures and options on equity indices:

- Weekly options can be purchased at relatively low option premium value as compared to monthly option contracts – thereby decreasing the overall cost of hedging nearer dated underlying exposures.
- Launching shorter-dated futures and options is expected to substantially improve hedge effectiveness due to better alignment of the tenor of the hedge and lower implied volatility for shorter-dated exposures as compared to longer-dated derivatives
- Increase in liquidity for Index derivatives due to opportunities for arbitrageurs and speculators
- Greater flexibility due to increase in the number of available contracts for hedging
- Weekly options provide users with increased flexibility in managing existing option positions, and new opportunities to trade high impact economic events.

VIII. Launch of the Segregated Nominee Account Structure (SNAS) by India INX

The broad framework for the Segregated Nominee Account Structure (hereinafter referred to as “SNAS”) was provided by SEBI through its circular ref. no. SEBI/HO/MRD/DRMNP/CIR/P/2018/83 dated May 24, 2018. India INX introduced the operating guidelines for SNAS through its circular dated June 11, 2018.

SNAS is a unique and innovative mechanism that facilitates easy access for foreign investors to trade on INDIA INX markets by routing orders through eligible Segregated Nominee Account Providers (hereinafter referred to as “SNAP”), while adhering to regulatory requirements, inter alia, relating to identification of end-client, client level order placement, margining and position limit management.

SNAS enables easy and immediate access for foreign investors to India INX markets as Provider or as end-Client of Provider.

IX. Other key developments

- India ICC was recognised by SEBI as a Qualified Central Counter Party (QCCP). India ICC has aligned its risk management practices for clearing and settlement of derivatives based on the Principles of Financial Markets Infrastructure (PFMI) guidelines published by the Committee on Payment and Settlement Systems (CPSS) of the Bank for International Settlements (BIS) and the Technical Committee of the International Organisation of Securities Commission (IOSCO).
- India ICC has also applied to European Securities and Markets Authority (ESMA) for recognition as a Third Country Central Counterparty (TC-CCP).
- CARE Ratings Limited re-affirmed the AAA rating for India ICC in December 2018.

The above initiatives resulted in increasing participation on India INX, thereby leading to a significant increase in the trading volume of India INX Derivatives. The incessant focus on creating a comprehensive eco-system for offering universal exchange services has enabled India INX to set up a strong business foundation for the Company's international business.

G. Markets Business Performance

I. Secondary Markets – India INX's Derivatives

India INX delivered an exponentially increasing growth in trading volume and trading turnover during FY 2018-19 as compared to the previous financial year. The notional trading turnover on INDIA INX's derivatives increased by 623.28% from USD 27.23 billion in the previous financial year FY 2017-18 to USD 196.93 billion in FY 2018-19. During the



Shri Balasubramaniam V., MD & CEO, India INX presenting a memento to Shri Rajnish Kumar, Chairman, State Bank of India in presence of Shri Dinesh Kumar Khara, MD (Global Banking & Subsidiaries), during the listing event of SBI Maiden Green Bonds at India INX on 19th January, 2019.

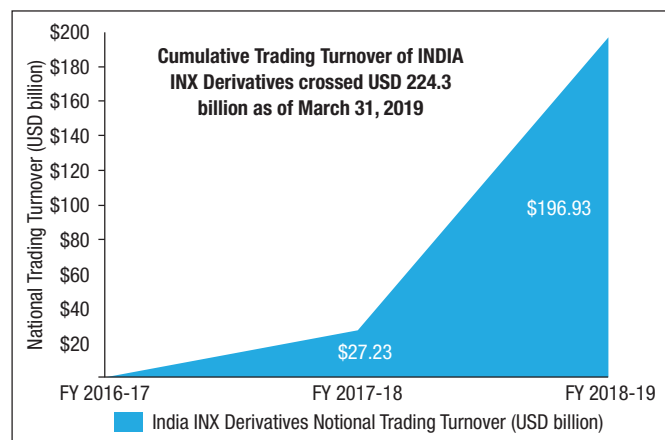
ANNUAL REPORT 2018-19



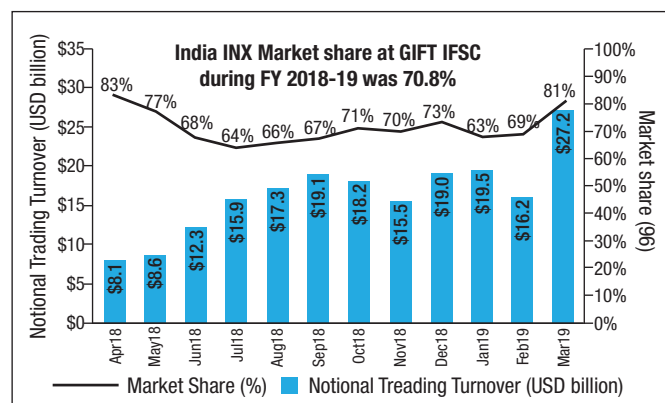
BSE Brokers Forum Delegation at Indian Consulate in Tokyo, Japan - with Shri Sanjay Kumar Verma - Ambassador of India to Japan, Shri Uttam Bagri - President BSE Brokers Forum, Shri Balasubramaniam V., MD & CEO, India INX along with other dignitaries.

same period, trading volume increased from 16.77 lakh contracts (FY 2017-18) to 138.81 lakh contracts (FY 2018-19).

Growth in India INX Derivatives Trading Turnover



Market share of India INX Derivatives at GIFT IFSC



The Average Daily Trading Value (ADTV) of India INX's Derivatives peaked at USD 1297 million per day in March 2019. The highest daily trading turnover of USD 2190 million was achieved on March 26, 2019 when 172,034 contracts (lots) were traded. Cumulative Trading Turnover of India INX Derivatives has crossed USD 224.33 billion (Rupees 15,51,769 Crore) as on March 31, 2019 with the cumulative Trading Volume at 1,55,76,679 contracts (lots).

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

Description	FY 2018-19	FY 2017-18	% change
India INX Futures	96,667	24,538	293.95%
India INX Options	100,267	2,690	3627.40%
TOTAL	196,934	27,228	623.28%

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

Description	FY 2018-19	FY 2017-18	% change
India INX Futures	51,82,200	14,33,092	261.61%
India INX Options	86,98,771	2,44,377	3459.57%
TOTAL	1,38,80,971	16,77,469	727.49%

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

Asset class	FY 2018-19	Share (%)	FY 2017-18	Share (%)	change (%)
Equity Index Futures	43,319	22.00	11,784	43.28	267.61
Equity Index Options	100,267	50.91	2,690	9.88	3627.40
Commodities & Energy Futures	53,343	27.09	12,254	45.01	335.31
Other Segments	5	0.00	500	1.84	-99.00
TOTAL	196,934	100	27,228	100	623.28

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

Segment	FY 2018-19	Share (%)	FY 2017-18	Share (%)	change (%)
Equity Index Futures	37,96,366	27.35	10,98,922	65.51	245.46
Equity Index Options	86,98,771	62.67	2,44,377	14.57	3459.57
Commodities & Energy Futures	13,85,380	9.98	293,562	17.50	371.92
Other Segments	454	0.00	40,608	2.42	-98.88
TOTAL	1,38,80,971	100	16,77,469	100	727.49

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

Product	FY 2018-19	Share (%)	FY 2017-18	Share (%)	change (%)
INDIA50 Index Futures	43,319	22.00	11,741	43.12	268.95
INDIA50 Index Options	100,267	50.91	2,690	9.88	3627
Gold Futures (32 tr oz)	52,409	26.61	12,251	44.99	327.79
Other Products	939	0.48	546	2.01	71.98
TOTAL	196,934	100.00	27,228	100	623.28

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

Product	FY 2018-19	Share (%)	FY 2017-18	Share (%)	change (%)
INDIA50 Index Futures	37,96,366	27.35	10,97,489	65.43	245.91
INDIA50 Index Options	86,98,771	62.67	2,44,377	14.57	3459.57
Gold Futures (32 tr oz)	13,05,591	9.41	2,93,345	17.49	345.07
Other Products	80,243	0.58	42,258	2.52	89.89
TOTAL	1,38,80,971	100	16,77,469	100	727.49

II. 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 2018-19, the MTN established on Global Securities Market increased by 50.44% to USD 25.57 billion as compared to USD 17 billion in the previous financial year FY 2017-18. Listing of debt securities increased by 354.80% from USD 2.5 billion (in FY 2017-18) to USD 11.37 billion (in FY 2018-19) with the number of issuances increasing by 420% from 5 ISINs to 26 ISINs.

Listings Business Performance (USD million)

Description	FY 2018-19	FY 2017-18	% change
Debt Securities – Medium Term Notes (MTN) – established on Global Securities Market	25,574	17,000	50.44%
Debt Securities (Bonds) Listed on Global Securities Market	11,370	2,500	354.80%
No. of Issuers	7	3	133.33%
No. of Issuances (based on ISINs)	26	5	420.00%

Key Issuers who have Established MTN / Listed debt securities on Global Securities Market during FY 2018-19

For period from April 1, 2018 to March 31, 2019

S No	Name of Issuer	MTN established (USD million)	Debt Securities (Bonds) Listed (USD million)	No. of ISINs
1	Export-Import Bank of India (EXIM)	-	4,650	9
2	Housing and Urban Development Corporation (HUDCO)	729	-	-
3	Indian Railway Finance Corporation (IRFC)	2,000	500	1



Government of Gujarat delegation to Shanghai Stock Exchange – with Shri Mukesh Puri (IAS), Principal Secretary (Urban Development and Urban Housing), Shri Ajay Pandey, MD and CEO, GIFT City, Shri Balasubramaniam V., MD & CEO, India INX and Shri Sameer Patil, Head BDM, BSE.



Mr. Balasubramaniam V., MD & CEO, India INX along with Vibrant Gujarat Delegation meeting Mr. Terrence A. Duffy, Chairman and CEO, CME and other CME Officials on 1st October, 2018.

S No	Name of Issuer	MTN established (USD million)	Debt Securities (Bonds) Listed (USD million)	No. of ISINs
4	IndusInd Bank	1,000	-	-
5	National Highway Authority of India (NHAI)	3,845	-	-
6	National Thermal Power Corporation (NTPC)	-	3,120	7
7	Power Finance Corporation (PFC)	3,000	500	2
8	Rural Electrification Corporation (REC)	5,000	700	2
9	State Bank of India (SBI)	10,000	1,900	5
	TOTAL	25,574	11,370	26

D. Diversify our product and service offerings and maintain new product innovation and development

BSE currently operates in equity, equity derivatives, currency derivatives, commodity derivatives, interest rate derivatives, debt segment, mutual fund segment and SME segment. On October 1, 2018, BSE commenced trading in gold and silver contracts to mark its entry into the commodity derivatives segment and become India's first universal stock exchange with all assets classes under one roof. Initially Gold and Silver were launched for trading and has reported a highest turnover of ₹ 621 Crore on October 25, 2018. Post that BSE launched trading in Guar Seed and Guar Gum futures contract. BSE became the largest exchange in Cotton trading with over 50% market share on March 7, 2019.

In currency derivative segment, BSE was pioneer in launching cross currency derivatives and USD ₹ weekly futures & options contract in year 2018. BSE is the only exchange to get approval of USD ₹ weekly futures contracts.

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.

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

E. 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.

The world's largest insurance technology provider- Ebix, Inc. and BSE have set up a joint venture company (JV) for entry in insurance sector in India. Ebix, provides on-demand infrastructure exchanges to the insurance, financial, and healthcare industries. It offers technology that encompasses the entire insurance life cycle from customer relationship management, agency management, multi-quoting, underwriting, policy creation, claims filing & settlement, to back end insurance policy administration. The JV intends to deploy an insurance distribution exchange platform, that will allow distribution outlets, stock brokers, wealth management advisors and financial institutions, etc. across the length and breadth of the country to sell life and non-life products. The proposed technology platform would connect with all insurance companies in India (life, non life and health). The work on localization of technology i.e user interface prototyping and pilot integration with different insurance companies has commenced. Simultaneously, the JV has applied for license from Insurance Regulatory and Development Authority ("IRDAI") for commencing the insurance business.

In accordance with the MOU signed between BSE and Abu Dhabi Securities Exchange (ADX) in the presence of Honorable Prime Minister of India, Shri Narendra Modi and His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, BSE has trained senior executives of ADX in different exchange related fields including training in market surveillance and trading member compliance and supervision.

During the previous year, a new Pan-African multi asset exchange - Afrinex Ltd and a clearing corporation - Afrinex Clearing House were set up in Mauritius. Financial Services Commission (FSC), Mauritius granted license to both the entities to commence business.

On January 25, 2019, Hon'ble Prime Minister of Mauritius, Pravind Kumar Jugnauth unveiled a brochure on "Afrinex Exchange - your gateway to African Economy" at BSE International Convention Hall. The Pan-African Exchange will be using exchange, clearing and settlement technology platform of Marketplace Technologies Private Limited, technology arm and subsidiary of BSE along with leveraging BSE and its subsidiaries for capacity building and skill augmentation.

Marketplace Technologies Pvt. Ltd (MTPL), a 100% subsidiary of the BSE, has collaborated with SWIFT India Domestic Services Pvt Ltd ("SWIFT India), a world renowned banking co-operative that operates a financial messaging platform that brings together 10,500 financial institutions and corporations across 215 countries. MTPL will act as a Service Bureau of SWIFT India, for securities markets in India providing a standardized, cost-effective, robust and secured infrastructure to all market participants. This will provide an easy access to industry players like asset management companies, broker dealers, etc. to connect to SWIFT India network which will help securities participants to automate and standardize their communication like investment account management, fixed income trade settlement and trade reporting, investment funds subscription and redemption, etc. This would bring operational efficiency and reduce risk to the users of SWIFT.

Marketplace Tech Infra Services Private Limited (MTISPL), 100% subsidiary of BSE has collaborated with Thomson Reuters (now renamed as Refinitiv) to deploy BEST (BSE Electronic Smart Trader), a robust, state-of-the-art hosted trading solution built on Thomson Reuters Omnesys NEST platform, for BSE members and customers. BEST supplements the existing order routing platform of MTISPL, BOW (Bolt+ On Web) to provide a single trading platform for all major stock and commodity exchanges viz BSE, INDIA INX, NSE and MCX.

As it is offered on a cloud model, trading members do not have to invest and manage hardware, software or incur any other license costs. Further, it offers greater scalability, convenience, speed and transparency to the users. Risk management is an integral part of BEST as it provides flexibility to trading members to manage and control the risks, profiling of clients, monitoring and surveillance.

To meet the ever-changing needs of end users, "BEST Mobile Trade" application was also launched in August 2018. This gives the mobile user convenience of secure and real time access to quotes and trading across multiple segments/exchanges.

F. Focus on increasing our market share of derivative products

We actively evaluate products and asset classes outside our traditional focus areas in order to diversify our revenue sources. By doing so, we seek to continually attract market participants and issuers and capture the significant revenue potential that comes

with a broader product line. These initiatives have yielded us good results, evident in our increasing market share in the currency and interest rate derivatives segments. With the introduction of physical settlement in Equity derivatives, we are once again focussing on this product to increase market share. We have launched weekly futures and Options on SENSEX, BANKEX and SENSEX50.

G. Use of Open Source Technologies

The Company strongly believes in use of Open source technologies as an IT strategy. Open source technologies provide easy access to technologies and contribution by community. It provides creative use of knowledge, by building ideas quickly.

Over the years the Company has gained experience and built the strong Information Technology team to build and maintain open source technologies. The Company has built the powerful business critical systems with use of open source technologies.

Trading system, Database, Identity and Access Management, Business Intelligence, Log Management and Analysis, Infrastructure monitoring are the system/ applications built on open source. These systems are flexible, robust and scalable.

H. Cyber Security

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



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Mr. K C Li Kwong Wing, Group Chairman, SBM Bank during his visit to BSE on 23rd January, 2019.



Shri Kaustubh Dhavse, OSD, CMO Maharashtra along with Shri Ashishkumar Chauhan, MD & CEO, BSE and Shri Samir Saran, President, ORF posing with the BSE Bull on 6th September, 2018.

BSE has implemented various security initiatives to counter these:

- To monitor Cyber Attack Targeted at Critical Information assets, BSE has setup 24*7 Next Gen Cyber Security Operation Centre with niche Cyber Security technologies.
- BSE has setup stringent Application Security assessment process consisting of both dynamic and Static testing.
- Regular Vulnerability Assessments and Penetration Tests are carried out to assess and remediate the vulnerabilities in applications and IT Infrastructures.
- Anti-Phishing Services have been subscribed to ensure that the phishing sites are shutdown in a timely manner. This ensures that customers are not lured to fraudulent sites.
- Humans being the weakest link in Cyber Security, BSE has been carrying out continuous Cyber Security Awareness and Training programs among employees.
- The critical websites of BSE are Scanned and Monitored continuously for detection of any malware.
- BSE has well defined Audit/Risk/Compliance framework which covers Statutory, Regulatory, Internal and External Cyber Security mandates.
- Exclusive coverage on Data Flow Analysis as a part of Data Security Strategy covering all major processes for BSE and Group of Companies.

- BSE has been certified for “ISO 27001:2013 Information Security Management System” Certification.
- BSE has been certified for “ISO 22301:2012 Business Continuity Management System Certification.
- BSE has very robust Cyber Resilience and Cyber Crises Management process for incidents which is based on ISO27001 standard, Regulator framework, NCIIPC, Cert-In etc. BSE is also doing Table Top & simulated exercise on periodic basis for continuous improvement.

I. ISO 22301:2012 Business Continuity Management System Certification (BCMS) for BSE

With BSE's ability of responding to and recovering from any disruption or disaster, we have deployed the BCMS controls and plans in a manner that they align with our strategic and operational objectives.

J. Next Generation Cyber Security Operations Center 24*7 (“CSOC”)

A next generation CSOC encompasses the people, processes and technologies that handle information technology (IT) threat monitoring, forensic investigation, incident management and security reporting. To ensure continuous service the CSOC has been designed to operate in hybrid mode.

K. Member Broker Security Operations Centre Project

With the aim of protecting the entire ecosystem of BSE, it was a strategic decision to provide Market SOC services which will involve a community SOC with security services.

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.
- 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.
- Agro 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



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting the BSE Coffee Table Book to Actor Anupam Kher along with Shri Jayantilal Gada, Indian Film Producer during their visit to BSE on 11th January, 2019.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Bollywood Actress Ms. Neetu Chandra and BSE members ringing the bell during the auspicious Muhurat Trading Day on 7th November, 2018.

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.

B. Regulatory & Compliance

We operate in a highly regulated industry and may be subject to censures, fines and other legal proceedings, if we fail to comply with our legal and regulatory obligations. Changes in government policies could adversely affect trading volumes of instruments traded on BSE.

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 all the major payments made to vendors based on a set criteria. It strives to put in checks and controls like internal approvals, budgetary controls, documentary controls, compliance to statutory requirements, etc.

The Company conducts in-house monitoring of the important applicable statutory and regulatory compliances. The compliances and the monitoring thereof are regularly placed before the Audit Committee and Board.

The processes and quality management systems of the Company are ISO 9001:2015 certified by S & A Certifications having European accreditation of Euro Cert. The Company conducts the audits of the processes as required under ISO 9001:2015 and has successfully completed 2nd Surveillance Audit for FY 2018-19.

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.

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, 2019, the Company had 409 management cadre employees and 116 staff level employees.

Human Capital Recognizing the growing importance of talent in driving success of the organisation and changing dynamics of the business. BSE's various employee engagement 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 careers and realize employees potential. We have built a talent pool of around 409 professionals in the officers category with an ideal mix of experience and youth. In addition to the 409 professionals, we also have 116 staff level employees.

B. Training & Development:

We have carried out a comprehensive training need identification and analysis from the inputs drawn from individual annual appraisals and prepared a training calendar. The training calendar covers both the technical/ operational skills as well as behavioural/ soft skills. Knowledge updation is the key for some focused roles, which is very well taken care by sending the employees to specific courses, seminars and conferences. This year we have conducted extensive development program for our Core Management Team (CMT) conducted by an external consultant. To ensure that employees are at their productive best, we continued to work on simplifying internal processes through a collaborative effort with various teams.

13. RECENT GLOBAL INITIATIVES BY BSE IN SUSTAINABILITY SPACE

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

BSE has successfully published "Guidance Document of ESG Disclosures" for its Listed Corporates to steer the initiatives of Sustainable Stock Exchange ("SSE") globally.

Global Reporting Initiative ("GRI") and BSE have re-entered into a formal MoU in mid-2018 to work collaboratively and support the Listed Corporates establish sustainability reporting process.

The collaboration led to the successful creation and launch of a linkage document that is designed to show companies how requirements under the SEBI Business Responsibility Report Framework correspond to the GRI Standards and disclosures.

In December 2018, BSE in association with Environmental Resources Management ("ERM") and RobecoSAM, hosted a Collaborative Thought Leadership Forum on "Uncovering the value of ESG in Business: Connecting the Dots with Dow Jones Sustainability Indices (DJSI)". The focus area being: Impact of non-technical and ESG risks on businesses globally, New regulatory developments and expectations from leading companies internationally.

In January 2019, BSE in collaboration with Carbon Disclosure Project ("CDP") India hosted a successful release of "CDP India Annual Report 2018".

In April 2019, BSE in association with GRI hosted a "Dialogue on Business Innovation and Leadership for UN Sustainable Development Goals". BSE has successfully driven various such informative and educational workshops across India on ESG in association with GRI to encourage Sustainability Reporting amongst Listed Corporates.

In April 2019, BSE has successfully steered a series a discussions and presentations on Information disclosure: Disclosure of Shareholding pattern for Listed Corporates, Corporate Bonds, Material Events etc. in the 37th General Assembly of The Asian and Oceanian Stock Exchanges Federation ("AOSEF") at Singapore.



Bollywood Actress Ms. Kangana Ranaut and Ms. Ankit Lokhande ringing the BSE Bell along with Shri Ashishkumar Chauhan, MD & CEO, BSE and other delegates at the special screening of movie Manikarnika Queen of Jhansi on 1st February, 2019 at BSE.

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(L-R) Bollywood Actress Ms. Chitrangada Singh; Bollywood Actor Mr. Saif Ali Khan; Shri Ashishkumar Chauhan, MD & CEO, BSE; Bollywood Actress Ms. Radhika Apte and Actor Mr. Rohan Mehra at the Bazaar Trailer held at BSE on 25th September, 2018.

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 ₹ 1,052 lakh (₹ 1,081 lakh as at March 31, 2018) represented by 5,25,69,002 equity shares of ₹ 2 each (5,40,39,532 equity shares of ₹ 2 each as at March 31, 2018). Out of the same, 5,17,89,002 equity shares of ₹ 2 each (5,32,59,532 equity shares of ₹ 2 each as at March 31, 2018) was subscribed and paid up as at March 31, 2019. The allotment of 7,80,000 equity shares (7,80,000 equity shares as on March 31, 2018) 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, 2019 amounted to ₹ 66,179 Lakh, which is the same as the previous year.

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

whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "Securities Premium Reserve" as per the provisions of the Companies Act, 2013. The reserve is utilized in accordance with the provisions of the Companies Act, 2013. On a standalone as well as consolidated basis, the balance as at March 31, 2019 reduced to ₹ 22,526 Lakh from ₹ 34,796 Lakh as at March 31, 2018. This was on account of utilization of the Securities Premium Account for the purpose of buy back of 14,70,530 equity shares.

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, 2019 stood at ₹ 69,415 Lakh on a standalone basis and ₹ 70,470 Lakh on a consolidated basis, which is the same as the previous year.

Capital Reserve on Business Combination: The balance of Capital Reserve on Business Combination as on March 31, 2019 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, 2019 was ₹ 92,895 Lakh, as compared to ₹ 95,436 Lakh in the previous year. Retained Earnings include loss of ₹ 71 Lakh (loss of ₹ 68 Lakh for FY 2017-18) charged to Other Comprehensive Income (OCI) which is mainly on account of remeasurement gains/losses on our defined benefit plans net of taxes.

On a consolidated basis, the balance in Retained Earnings as at March 31, 2019 was ₹ 1,22,779 Lakh as compared to ₹ 1,24,765 Lakh in the previous year. Retained Earnings include gain of ₹ 699 Lakh (gain of ₹ 13 Lakh for FY 2017-18) charged to Other Comprehensive Income (OCI) which is mainly on account of remeasurement gains/losses on our defined benefit plans net of taxes and exchange differences on translating the financial statements of International Financial Services Centre (IFSC) operation.

III. Other Reserves:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
Standalone:			
a)	Share Application money pending allotment	1	1
b)	Capital Redemption Reserve	40	10
	Total	41	11

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
Consolidated			
a)	Share Application money pending allotment	1	1
b)	Capital Redemption Reserve	40	10
c)	Liquidity Enhancement Scheme (LES) Reserve	8	239
Total		49	250

Capital Redemption Reserve of ₹ 40 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), India International Exchange (IFSC) Limited (INDIA INX) had launched Liquidity Enhancement Scheme ("LES") to enhance liquidity in INDIA INX's Futures & Options Segment.

LES was launched on November 01, 2017 and an expense of ₹ 1,298 Lakh (USD 18,57,299) has been incurred towards the Scheme for the year ended March 31, 2019 as compared to ₹ 213 Lakh (USD 3,30,571) for the year ended March 31, 2018. Considering the special nature of this expense and its impact on the Loss of INDIA INX, the same has been recognised as an exceptional item. Further Pursuant to SEBI Circular SEBI / HO / MRD / DSA / CIR / P / 2017 / 95 dated August 10, 2017, INDIA INX has created LES reserve as tabled below:

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹	USD	₹	USD
Opening Balance	238	4	-	-
Add: Transfer from Retained Earning	1,068	15	451	7
Less: LES expenditure incurred during the period	-1,298	-19	-213	-3
Closing Balance	8	0	238	4

Total Equity: The Total Equity on consolidated basis decreased to ₹ 2,93,569 Lakh as on March 31, 2019 from ₹ 3,08,055 Lakh as on March 31, 2018. The book value per equity share on consolidated basis decreased to ₹ 558 as at March 31, 2019 as compared to ₹ 570 as at March 31, 2018.

The Total Equity on standalone basis decreased to ₹ 2,62,622 Lakh as on March 31, 2019 from ₹ 2,77,432 Lakh as on March 31, 2018. The book value per equity share on standalone basis decreased to ₹ 500 as at March 31, 2019 as compared to ₹ 513 as at March 31, 2018.

Core Settlement Guarantee Fund: On a consolidated basis, the balance as at March 31, 2019 increased by ₹ 3,602 Lakh to ₹ 39,450 Lakh, as compared to previous year.

B. Application of Funds:

I. Property Plant & Equipment and Investment Property:

Additions to Gross Block - Standalone: During the year, the Company capitalised ₹ 1,975 Lakh to the gross block comprising of ₹ 14 Lakh in Building Infrastructure, ₹ 10 Lakh in Plant & Equipments, ₹ 29 Lakh in Electrical Installations, ₹ 1,825 Lakh in Computer Equipments, ₹ 26 Lakh in Furniture & Fixtures and ₹ 71 Lakh in Office Equipments.

During the previous year, the Company capitalised ₹ 3,051 Lakh to the gross block comprising of ₹ 56 Lakh in Land, ₹ 109 Lakh in Building Infrastructure, ₹ 32 Lakh in Plant & Equipments, ₹ 35 Lakh in Electrical Installations, ₹ 2,659 Lakh in Computer Equipments, ₹ 97 Lakh in Furniture & Fixtures and ₹ 63 Lakh in Office Equipment.

Additions to Gross Block - Consolidated: During the year, the Company capitalised ₹ 2,238 Lakh to the gross block comprising of ₹ 14 Lakh in Building Infrastructure, ₹ 28 Lakh in Leasehold Building, ₹ 206 Lakh in Plant & Equipments, ₹ 31 Lakh in Electrical Installations, ₹ 1,845 Lakh in Computer Equipments, ₹ 28 Lakh in Furniture & Fixtures, ₹ 79 Lakh in Office Equipment and ₹ 7 Lakh in Motor Cars.

During the previous year, the Company capitalised ₹ 3,732 Lakh to the gross block comprising of ₹ 56 Lakh in Land, ₹ 109 Lakh in Building Infrastructure, ₹ 68 Lakh in Leasehold Building, ₹ 443 Lakh in Plant & Equipments, ₹ 76 Lakh in Electrical Installations, ₹ 2,773 Lakh in Computer Equipments, ₹ 104 Lakh in Furniture & Fixtures, ₹ 71 Lakh in Office Equipment and ₹ 32 Lakh in Motor Cars.

Deductions from Gross Block - Standalone: During the year the Company disposed of various assets with a gross block of ₹ 635 Lakh as compared to ₹ 75 Lakh during the previous year.

Deductions from Gross Block - Consolidated: During the year the Company disposed of various assets with a gross block of ₹ 650 Lakh as compared to ₹ 78 Lakh during the previous year.

Goodwill and Other Intangible Assets - Standalone: During the year, the Company capitalised ₹ 2,359 Lakh in Software as compared to ₹ 1,455 Lakh in previous year.



Shri Ashishkumar Chauhan MD & CEO, BSE along with Smt. Maneka Gandhi, Member of Parliament; Bollywood Actress Ms. Karishma Kapoor; Shri Vineet Jain, MD, TOI Group and Shri Niranjan Hiranandani, Co Founder & MD, Hiranandani Group at AsiaOne India's Greatest Brands & Leaders '17-18 Awards & Summit.

Goodwill and Other Intangible Assets – Consolidated: The carrying value of Goodwill was unchanged at ₹ 3,742 Lakh as at March 31, 2019 as compared to previous year. During the year, the Company capitalised ₹ 2,413 Lakh in Software as compared to ₹ 2,031 Lakh during previous year.

Capital Work in Progress and Intangible under development (CWIP) - Standalone: The carrying value of CWIP was ₹ 1,907 Lakh as at March 31, 2019 as compared to ₹ 732 Lakh as at March 31, 2018.

Capital Work in Progress and Intangible under development (CWIP) - Consolidated: The carrying value of CWIP was ₹ 1,824 Lakh as at March 31, 2019 as compared to ₹ 702 Lakh as at March 31, 2018.

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, 2019	As at March 31, 2018
Standalone:			
a)	Towards Tangible assets	1,342	799
b)	Towards Intangible assets	125	1
	Total	1,467	800

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
Consolidated:			
a)	Towards Tangible assets	1,387	911
b)	Towards Intangible assets	122	1
	Total	1,509	912

II. Financial Assets:

Investments:

Investment in Subsidiaries and Associate:

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
Standalone:			
a)	Investment in Subsidiaries	68,850	61,789
b)	Investment in Associates	5,667	5,667
	Total	74,517	67,456

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

(₹ in lakh)

Sr. No.	Name of Subsidiary	Amount
a)	BSE Investments Limited	2,215
b)	India International Exchange (IFSC) Limited	5,000
	Total	7,215

During the year the Company provided for diminution in value of its investment in certain subsidiaries to the tune of ₹ 154 Lakh based on the impairment testing results.

Other Investments:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
Standalone			
i.	Bonds	-	81,279
ii.	Certificate of deposits	-	2,998
iii.	Non-convertible debentures	5,702	14,697
iv.	Dividend oriented debt schemes of mutual funds	1,75,784	90,065
v.	Exchange traded funds through asset management company	1,453	4,102
vi.	Accrued Interest	153	3,361
vii.	Less: Provision for diminution	(962)	
	Total	1,82,130	1,96,502

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
Consolidated			
i.	Investment in Equity	-	-
ii.	Bonds	2,122	83,402
iii.	Certificate of deposits	-	2,998
iv.	Exchange traded funds through asset management company	1,453	4,102
v.	Non-convertible debentures	5,702	14,697
vi.	Dividend oriented debt schemes of mutual funds	1,80,472	95,986
vii.	G Sec	5,863	-
viii.	Accrued Interest	297	3,361
ix.	Less: Provision for diminution	(962)	-
	Total	1,94,947	2,04,546

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 tax-free bonds and non-convertible debentures) and certificates of deposit. Certificates of deposit represent marketable securities of banks and eligible financial institutions for a specified time period with high credit ratings by domestic credit rating agencies.

Standalone: During the year, the Company has sold all investments in tax free bonds to optimize yields. Also, the Company has provided for impairment of its investment in Securities of Infrastructure Leasing & Financial Services (IL&FS) group.

Trade Receivables: On a standalone basis, trade receivables amounted to ₹ 4,113 Lakh as at March 31, 2019 as compared to ₹ 5,116 Lakh as at March 31, 2018. Average collection period was 40.43 days as compared to 41.43 days in the previous year.

On a consolidated basis, trade receivables amounted to ₹ 4,903 Lakh as at March 31, 2019 as compared to ₹ 5,487 Lakh as at March 31, 2018. Average collection period was 42.11 days as compared to 44.52 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, 2019	As at March 31, 2018
Standalone:		
Opening Balance of Impairment Loss	1,181	1,324
Additional Provision during the Year	517	(143)
Closing Balance of Impairment Loss	1,698	1,181
Consolidated:		
Opening Balance of Impairment Loss	1,188	1,872
Additional Provision during the Year	575	(142)
Impairment loss pertaining to discontinued operation	-	(542)
Closing Balance of Impairment Loss	1,763	1,188

Cash and Cash equivalents and other bank balances: On a standalone basis, balance in current and deposit accounts including accrued interest stood at ₹ 23,942 Lakh as at March 31, 2019, as compared to ₹ 33,851 Lakh as at March 31, 2018. On a consolidated basis, balance in current and deposit accounts including accrued interest stood at ₹ 1,54,808 Lakh as at March 31, 2019, as compared to ₹ 1,98,264 Lakh as at March 31, 2018.



Shri Nayan Mehta, Chief Financial Officer, BSE handing over a cheque of ₹ 25 Lakhs to Shri E. P. Jayarajan, Minister for Industries, Sports & Youth Affairs, Kerala towards the Chief Minister's Distress Relief Fund, Kerala.

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Standalone:		
In Current Accounts – Own	428	1,067
In Deposit Accounts– Own including accrued interest	2,849	11,769
Total Cash and Bank Balance (Own)	3,277	12,836
In Current Accounts - Earmarked	1,814	1,497
In Deposit Accounts - Earmarked including accrued interest	18,851	19,518
Total Cash and Bank Balance (Earmarked)	20,665	21,015
Total Cash and Bank Balance	23,942	33,851
Consolidated:		
In Current Accounts – Own	5,640	3,293
In Deposit Accounts– Own including Interest accrued	14,275	45,343
Total Cash and Bank Balance (Own)	19,915	48,636
In Current Accounts - Earmarked	28,449	39,175
In Deposit Accounts – Earmarked including Interest accrued	1,06,444	1,10,453
Total Cash and Bank Balance Earmarked)	1,34,893	1,49,628
Total Cash and Bank Balance	1,54,808	1,98,264

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, 2019	As at March 31, 2018
Standalone:		
Deposit with public bodies and others	204	532
Loan to staff	75	101
Bank deposits (> 1Year maturity) – Own	277	1,017
Bank deposits (> 1Year maturity) – Earmarked	3,699	4,513
Accrued interest – Own	23	60
Accrued interest – Earmarked	183	561
Due from subsidiaries	84	56
Receivable from portfolio management account	500	47
Deposits made under protest for property tax and others	4	-
Total	5,049	6,887

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Consolidated:		
Deposit with public bodies and others	719	679
Loan to staff	94	123
Others receivable from defaulter member	-	104
Bank deposits (> 1Year maturity) - Own	1,153	3,749
Bank deposits (> 1Year maturity) - Earmarked	7,429	5,838
Accrued interest - Own	23	60
Accrued interest – Earmarked	183	561
Receivable from portfolio management account	500	47
Others	23	-
Total	10,124	11,161

Deposit with public bodies and others represent amount given as deposit to public bodies and deposit for taking rental properties. Bank deposits are deposits which have a maturity tenure of more than 12 months. Other bank deposits are classified as cash and cash equivalents and bank accounts. Accrued interest is the interest accrued but not due on the fixed deposits. The details of amount due from subsidiaries are mentioned in the note 35 of the standalone financial statements. 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, 2019	As at March 31, 2018
Standalone:		
Gratuity Asset (Net)	69	-
Prepaid Expenses	277	309
Advances towards buyback of equity shares	-	285
Advance to Creditors	96	214
Input Credit Receivable	777	787
Total	1,219	1,595
Consolidated:		
Gratuity Asset (Net)	70	-
Prepaid Expenses	426	590
Advances towards buyback of equity shares	-	285
Advance to Creditors	133	245
Input Tax Credit Receivable	1,551	1,471
Total	2,180	2,591

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, 2019	As at March 31, 2018
Standalone:		
Trade Payables	3,591	5,766
Total	3,591	5,766
Consolidated:		
Trade Payables	4,189	6,294
Total	4,189	6,294

Of the Trade Payables shown in standalone financials for FY 2018-19, ₹ 2 Lakh pertains to micro enterprises and small enterprises.

Of the Trade Payables shown in consolidated financials for FY 2018-19, ₹ 10 Lakh pertains to micro enterprises and small enterprises.

Other Financial Liabilities:

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Standalone:		
Accrued employee benefit expenses	2,726	2,587
Deposits received	13,401	13,215
Unpaid dividends	134	90
Due to subsidiaries	442	430
Payables on purchase of fixed assets	108	298
Earmarked Liabilities	23,297	25,260
Total	40,108	41,880
Consolidated:		
Accrued employee benefit expenses	3,528	3,260
Deposits received	14,413	14,139
Unpaid dividends	134	90
Payables on purchase of fixed assets	115	377
Current maturities of finance lease obligations and accrued interest thereon	3	43
Earmarked Liabilities	23,297	25,260
Clearing and Settlement	56,739	91,529
Total	98,229	1,34,698

Accrued employee benefit represents emoluments payable to employees over a period of time based on the HR policies designed for the benefit of the employees. Deposits received includes deposits received from trading members and clearing members which are based on guidelines issued by SEBI. Finance lease obligations are liabilities which are at a fixed rate of interest having an original repayment period of 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 BSE's trading platform pending settlement, deposits received from clearing banks and margin money/deposits received from members.

Provisions

(₹ in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Standalone:		
Provision for Gratuity	-	88
Compensated Absence	1,038	851
Total	1,038	939
Consolidated:		
Provision for Gratuity	195	350
Compensated Absence	1,507	1,231
Total	1,702	1,581

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, 2019	As at March 31, 2018
Standalone:		
Deferred Tax Assets – A	9,002	6,841
Deferred Tax Liabilities – B	1,233	417
Deferred Tax Net (A-B)	7,769	6,424
Income Tax Assets – C	5,464	6,198
Income Tax Liabilities – D	1,142	1,415
Income Tax Net (C-D)	4,322	4,783
Consolidated:		
Deferred Tax Assets – E	12,276	9,622
Deferred Tax Liabilities – F	2,029	826
Deferred Tax Net (E-F)	10,247	8,796
Income Tax Assets – G	7,979	7,934
Income Tax Liabilities – H	1,147	1,415
Income Tax Net (G-H)	6,832	6,519

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, 2019	As at March 31, 2018
Standalone:		
Income received in advance	923	713
Advance from customers	186	762
Statutory remittances	3,655	5,229
Other liabilities	6,120	3,972
Total	10,884	10,676
Consolidated:		
Income received in advance	1,735	1,706
Advance from customers	192	772
Statutory remittances	3,952	5,457
Other liabilities	2	3,972
Contribution payable to IPF	11	10
Contribution payable to settlement guarantee fund	6,120	-
Unamortised portion of Capital Subsidy	90	-
Total	12,102	11,917

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 19	FY 18	Variance (%)
A. Income			
Securities services	13,634	18,689	-27%
Services to Corporate	21,327	22,061	-3%
Data Dissemination Fees	3,015	2,628	15%
Investment income	19,581	19,464	1%
Other Income	3,682	2,265	63%
Total Income	61,239	65,107	-6%
B. Expenses			
Employee Benefit Expenses	8,479	7,416	14%
Computer Technology Related Expenses	12,652	12,151	4%
Other Administration Expenses	14,313	11,758	22%
Total Expenses	35,444	31,325	13%
C. EBITDA	25,795	33,782	-24%
EBITDA Margin	42%	52%	
Depreciation & Amortization	4,402	3,926	12%
Finance Cost	-	3	-100%
D. Profit before Exceptional Items and Tax	21,393	29,853	-28%
Exceptional Items	457	31,556	-99%
E. Profit Before Tax	21,850	61,409	-64%
Tax Expenses	1,745	5,014	-65%
F. Net Profit After Tax	20,105	56,395	-64%
Net Margin	33%	87%	
Effective Tax Rate	8%	8%	
G. Other comprehensive income	-71	-68	4%
Total Comprehensive Income for the year	20,034	56,327	-64%

Standalone Income:

(₹ in Lakh)

Particulars	FY 19	% of Total Income	% Growth	FY 18	% of Total Income
Securities Services	13,634	22%	-27%	18,689	29%
Services to Corporates	21,327	35%	-3%	22,061	34%
Data Dissemination Fees	3,015	5%	15%	2,628	4%
Investment Income	19,581	32%	1%	19,464	30%
Other Income	3,682	6%	63%	2,265	3%
Total Income	61,239	100%	-6%	65,107	100%

The decrease in income from Securities Services is mainly attributable to decrease in average daily value of equity turnover of BSE from ₹ 4,402 Crore in FY 2017-18 to ₹ 3,127 Crore in FY 2018-19. However, the same is partially offset by increase in income from Mutual Fund StAR MF platform which has witnessed a growth of 111% from 1.70 Crore transactions in FY 2017-18 to 3.59 Crore transactions in FY 2018-19 yielding an income from the segment of ₹ 2,500 Lakh from ₹ 850 Lakh in the FY 2017-18. The decrease in income from Services to Corporates is mainly due to decrease in book building fees from ₹ 3,312 Lakh in FY 2017-18 to ₹ 1,495 in FY 2018-19. The decreases in income from Securities Services and income from Services to Corporates have been partly offset by increases in Data Dissemination fees and Other Income.

Standalone Expenses:

(₹ in Lakh)

Particulars	FY 19	% of Total Income	% Growth	FY 18	% of Total Income
Employee Benefit Expenses	8,479	14%	14%	7,416	11%
Computer Technology Related Expenses	12,652	21%	4%	12,151	19%
Regulatory Fees	4,830	8%	10%	4,386	7%
Legal Fees	252	0%	15%	219	0%
Professional Fees	1,493	2%	33%	1,120	2%
Electricity Charges	1,131	2%	-3%	1,167	2%
Repairs & Maintenance	952	2%	-50%	1,894	3%
Travelling Expenses	477	1%	32%	361	1%
Rent	63	0%	-38%	101	0%
Others	3,177	5%	25%	2,540	4%
Impairment loss on financial assets	1,937	3%	NA	-32	0%
Depreciation	4,402	7%	12%	3,926	6%
Finance cost	0	0%	-100%	3	0%
Total	39,846	65%	13%	35,254	54%

The Total Expenses for the year were higher by ₹ 4,592 Lakh at ₹ 39,846 Lakh (up 13%). The said expenses include a non-operating charge of ₹ 1,420 Lakh mainly towards impairment of investments made in secured debt instruments of IL&FS Ltd. and IL&FS Financial Services Ltd. for FY 2018-19. The total

expenses (other than non-operating charge and depreciation) for the FY 2018-19 have increased by ₹ 2,806 Lakh (up 9%) to ₹ 34,024 Lakh as compared to ₹ 31,218 Lakh for the FY 2017-18.

Exceptional items:

(₹ in Lakh)

Particulars	FY 19	% of Total Income	% Growth	FY 18	% of Total Income
Net gain on partial disposal of investment in subsidiary measured at cost	511	1%	-98%	31,603	49%
Voluntary Retirement Scheme	-54	0%	15%	-47	0%
Total	457	1%		31,556	48%

Exceptional items of FY 2018-19 include profit on divestment based on estimated expenditure withheld by Central Depository Services (India) Limited ("CDSL"). In the quarter ended September 30, 2018, the amount of expenditure has been crystallized and hence excess amount of ₹ 511 Lakh has been recorded as an additional profit on sale of CDSL during the year ended March 31, 2019 and shown as "Exceptional Items". It also includes payment towards voluntary retirement scheme for some employees to the tune of ₹ 54 Lakh.

Exceptional items of FY 2017-18 include profit of ₹ 31,603 Lakh on partial disposal of investment in CDSL; payment towards voluntary retirement scheme for some employees to the tune of ₹ 47 Lakh.

Consolidated Performance:

(₹ in Lakh)

Particulars	FY 19	FY 18	Variance (%)
A. Income			
- Securities Services	17,147	23,001	-25%
- Services to Corporate	21,364	22,069	-3%
- Data Dissemination Fee	3,015	2,628	15%
- Training Institute	2,301	2,024	14%
- IT Services	1,203	998	21%
Revenue from Operations	45,030	50,720	-11%
- Investment Income	20,218	16,870	20%
- Other Income	3,496	2,302	52%
Total Income	68,744	69,892	-2%

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(₹ in Lakh)

Particulars	FY 19	FY 18	Variance (%)
B. Expenses			
- Employee Benefit Expense	13,921	12,008	16%
- Computer Technology Related Expenses	11,342	11,111	2%
- Administration & Other Expenses	18,105	16,835	8%
Total Expenses	43,368	39,954	9%
C. EBITDA	25,376	29,938	-15%
EBITDA Margin	37%	43%	
Depreciation & Amortization	5,108	4,545	12%
Finance Cost	87	103	-16%
D. Profit before, Exceptional Items and Tax	20,181	25,290	-20%
Exceptional Items	1,352	260	420%
E. Profit before tax and share of net profits of investments accounted for using equity method	18,829	25,030	-25%
Share of profits of associates	2,923	1,990	47%
F. Profit before tax	21,752	27,020	-19%
Tax Expense	2,335	5,545	-58%
G. Net Profit for the period from continuing operation	19,417	21,475	-10%
H. Net profit for the year from Discontinued operations	511	48,722	-99%
I. Net Profit for the year from total operation	19,928	70,197	-72%
Net Profit attributable to the shareholders of the Company	19,928	68,872	-71%
Net Profit attributable to the non-controlling interest	-	1,325	-100%
Net Margin	29%	100%	-71%
Effective Tax Rate	11%	21%	-48%
J. Other Comprehensive Income	699	13	5277%

(₹ in Lakh)

Particulars	FY 19	FY 18	Variance (%)
K. Total Comprehensive Income	20,627	70,210	-71%
Total comprehensive income attributable to the shareholders of the Company	20,627	68,885	-70%
Total comprehensive income attributable to the non-controlling interest	-	1,325	-100%

Consolidated Income:

(₹ in Lakh)

Particulars	FY 19	% of Total Income	% Growth	FY 18	% of Total Income
Securities Services	17,147	25%	-25%	23,001	33%
Services to Corporates	21,364	31%	-3%	22,069	32%
Data Dissemination Fees	3,015	4%	15%	2,628	4%
Training Institute	2,301	3%	14%	2,024	3%
IT Services	1,203	2%	21%	998	1%
Investment Income	20,218	29%	20%	16,870	24%
Other Income	3,496	5%	52%	2,302	3%
Total Income	68,744	100%	-2%	69,892	100%

The decrease in income from Securities Services is mainly attributable to decrease in average daily value of equity turnover of BSE from ₹ 4,402 Crore in FY 2017-18 to ₹ 3,127 Crore in FY 2018-19. However, the same is partially offset by increase in income from Mutual Fund StAR MF platform which has witnessed a growth of 111% from 1.70 Crore transactions in FY 2017-18 to 3.59 Crore transactions in FY 2018-19 yielding an income from the segment of ₹ 2,500 Lakh from ₹ 850 Lakh in the FY 2017-18. The decrease in income from Services to Corporates is mainly due to decrease in book building fees from ₹ 3,312 Lakh in FY 2017-18 to ₹ 1,495 in FY 2018-19. The decreases in income from Securities Services and income from Services to Corporates have been significantly offset by increases in other operating incomes, namely, Data Dissemination fees, income from Training Institute, income from IT services as well as from increases in Investment Income and Other Income.

Consolidated Expenses:

(₹ in Lakh)

Particulars	FY 19	% of Total Income	% Growth	FY 18	% of Total Income
Employee Benefit Expenses	13,921	20%	16%	12,008	17%
Computer Technology Related Expenses	11,342	16%	2%	11,111	16%
Regulatory Fees	5,616	8%	-16%	6,692	10%
Legal Fees	268	0%	2%	262	0%
Professional Fees	2,350	3%	29%	1,821	3%
Electricity Charges	1,220	2%	-8%	1,331	2%
Repairs & Maintenance	1,049	2%	-47%	1,995	3%
Travelling Expenses	820	1%	35%	607	1%
Rent	192	0%	-16%	228	0%
Others	4,644	7%	16%	3,990	6%
Impairment loss on financial assets	1,946	3%	NA	-91	0%
Depreciation	5,108	7%	12%	4,545	7%
Finance cost	87	0%	-16%	103	0%
Exceptional Items	1,352	2%	420%	260	0%
Total Expenses	49,915	73%	11%	44,862	64%

The Total Expenses for the year were higher by ₹ 3,961 Lakh (up 9%) at ₹ 48,563 Lakh. The said expenses include a non-operating charge of ₹ 1,371 Lakh mainly towards impairment of investments made in secured debt instruments of IL& FS Ltd. and IL&FS Financial Services Ltd. for FY 2018-19. The total expenses (other than non-operating charge and depreciation) for the FY 2018-19 have increased by ₹ 2,078 Lakh (up 5%) to ₹ 42,084 Lakh as compared to ₹ 40,006 Lakh for the FY 2017-18.

India INX incurred an exceptional expense of ₹ 1,298 Lakh towards Liquidity Enhancement Scheme in the FY 2018-19 as compared to ₹ 213 Lakh in FY 2017-18.

V. Cash Flow

Standalone:

Summary of standalone cash flow statement is given below:

(₹ in Lakh)

Particulars	FY 19	FY 18
Operating activities	885	(11,186)
Investing activities	32,821	33,789
Financing activities	(34,845)	(21,839)
Net increase / (decrease) in cash & cash equivalents	(1,139)	764
Cash & cash equivalents at the end of the year	1,828	2,967
Cash and cash equivalents at the beginning of the year	2,967	2,203

In FY 2018-19, there was a cash inflow from operating activities amounting to ₹ 885 Lakh as compared to cash outflow of ₹ 11,186 Lakh in FY 2017-18.

There was cash inflow from investing activities amounting to ₹ 32,821 Lakh in FY 2018-19 as compared to cash inflow of ₹ 33,789 Lakh in FY 2017-18.

The cash outflow from financing activities was higher in FY 2018-19 at ₹ 34,845 Lakh as compared to cash outflow of ₹ 21,839 Lakh in FY 2017-18.

Consolidated:

Summary of consolidated cash flow statement is given below:

(₹ in Lakh)

Particulars	FY 19	FY 18
Operating activities	(31,805)	(26,423)
Investing activities	34,712	(23,604)
Financing activities	(35,201)	(22,996)
Net increase / (decrease) in cash and cash equivalents from Continuing Operations	(32,294)	(73,023)
Net increase / (decrease) in cash and cash equivalents from Discontinued Operations	511	36,382
Net increase / (decrease) in cash and cash equivalents from Total Operations	(31,783)	(36,641)
Cash & cash equivalents at the end of the year	47,943	79,726
Cash and cash equivalents at the beginning of the year	79,726	1,16,367

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In FY 2018-19, there was a cash outflow from operating activities amounting to ₹ 31,805 Lakh as compared to cash outflow of ₹ 26,423 Lakh in FY 2017-18.

There was cash inflow from investing activities amounting to ₹ 34,712 Lakh in FY 2018-19 as compared to cash outflow of ₹ 23,604 lakh in FY 2017-18.

The cash outflow from financing activities was higher in FY 2018-19 at ₹ 35,201 Lakh as compared to cash outflow of ₹ 22,996 Lakh in FY 2017-18.

Earnings per Share (EPS)

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

Particulars	FY 19	FY 18	% Increase
Standalone:			
Basic and diluted before exceptional items (₹)	37.18	45.51	-18%
Basic and diluted after exceptional item (₹)	38.08	103.40	-63%

Particulars	FY 19	FY 18	% Increase
Consolidated:			
Basic and diluted before exceptional items (₹)	38.45	39.68	-3%
Basic and diluted after exceptional item – Continuing Operations (₹)	36.78	39.37	-7%
Basic and diluted after exceptional item – Total Operations (₹)	37.75	126.27	-70%

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.



Shri Gyaneshwar Kumar Singh, Joint Secretary, Ministry of Corporate Affairs, Government of India along with Shri Kersi Tavadia, Chief Information Officer, BSE at the BSE Bull on 3rd April 2019 at BSE.



Shri Neeraj Kulshrestha, Chief Business Officer, BSE presenting the BSE Coffee Table book to Shri Atul Ganatra, President, Cotton Association of India.

Corporate Governance Report

The Corporate Governance report for Financial Year ("FY") 2018-19, 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"). This report is in compliance with the Listing Regulations.

1. CORPORATE GOVERNANCE PHILOSOPHY

Adherence to Corporate Governance stems not only from the letter of law but also from the Company's inherent belief in doing compliance the right way. Over the years, the Company has complied with the principles of Corporate Governance emphasizing on transparency, empowerment, accountability and integrity. These have helped the Company to enhance its stakeholder values. Being the first universal Exchange of the country, the Company has been demonstrating the highest Corporate Governance principles since inception and is striving to improve them continually by setting its standard in line with the best Corporate Governance practices in the world. It is, therefore, not merely about enacting regulations and procedures but also about establishing an environment of trust and confidence among various stakeholders. Corporate Governance is about commitment to values, ethical business conduct and transparency thus ensuring honest and professional business practices. Being the first listed Exchange of the country, the oldest Exchange in Asia as well as the fastest and largest Exchange in the world in terms of equity stocks listed, the Corporate Governance philosophy of the Company extends beyond the matters reported herein.

The Company is conscious of the fact that the success of the Exchange is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

The Company's Corporate Governance philosophy is based on maintaining transparency and a high degree of disclosure levels. This philosophy of the Company has been further strengthened with the adoption of the Code of Conduct for Board of Directors and Senior Management of the Company, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Company is in compliance with all the requirements stipulated under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, ("SECC Regulations").

2. BOARD OF DIRECTORS

A. Composition and Category of Directors, attendance of Directors at Board Meetings and Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson

In compliance with the SECC Regulations, the Board of the Company comprises of Public Interest Directors and Shareholder Directors. Further, the number of Public Interest Directors shall not be lesser than the number of Shareholder Directors of the Company. 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 Securities and Exchange Board of India ("SEBI") is in conflict with the role.

Pursuant to Regulation 20 of SECC Regulations, all the Directors of the Company ensured to be "fit and proper persons" during the FY 2018-19.

As on March 31, 2019, the Board consisted of eight Directors, out of which five were Public Interest Directors and three were Shareholder Directors (including MD & CEO). As per SECC Regulations, MD & CEO is required to be included in the category of Shareholder Directors.

Being a Recognised Stock Exchange appointment of all the categories of Directors of the Company have been approved by SEBI.

During the FY 2018-19, seven Board Meetings were held on April 21, 2018; May 4, 2018; August 3, 2018; November 2, 2018; November 30, 2018; January 15, 2019 and February 1, 2019. The gap between any two meetings did not exceed one hundred and twenty days.

Apart from the four quarterly Board Meetings held for consideration and approval of financial results, the Board of the Company additionally meets to discuss and deliberate on the long-term strategies of the Company.

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

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The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting ("AGM") and the number of Directorships and Committee Chairmanships/ Memberships held by them in other public limited companies as on March 31, 2019, are given below:

Name of the Director (DIN) and Category	No. of Meetings in the tenure	Number of Board Meetings attended during the year	Whether attended last AGM held on August 2, 2018	Other Directorship	Number of Committee positions held in other public companies	
					Chairperson	Member
Public Interest Directors ¹						
Justice Vikramajit Sen (DIN 00866743)	7	6	Yes	1	-	-
Shri Sumit Bose (DIN 03340616)	7	7	Yes	4	2	2
Shri S. S. Mundra (DIN 00979731)	7	7	Yes	3	1	-
Shri David Wright (DIN 08064288)	7	7	Yes	-	-	-
Shri Umakant Jayaram ² (DIN 08334815)	NA	NA	NA	-	-	-
Shri S. Ravi ³ (DIN 00009790)	7	7	Yes	NA	NA	NA
Shareholder Directors						
Smt. Usha Sangwan (DIN 02609263)	7	5	Yes	2	-	-
Smt. Rajeshree Sabnavis (DIN 06731853)	7	7	Yes	1	1	-
Dr. Sriprakash Kothari ⁴ (DIN 06824003)	7	6	Yes	NA	NA	NA
Shri Roland Schwinn ⁵ (DIN 07728316)	NA	NA	NA	NA	NA	NA
Shri Ashishkumar Chauhan (MD & CEO) (DIN 00898469)	7	7	Yes	5	-	-

1. Ms. Jayshree Vyas (DIN 00584392) was appointed as Public Interest Director w.e.f. April 25, 2019
2. Appointed as Public Interest Director w.e.f. February 4, 2019
3. Retired as Chairman and Public Interest Director w.e.f. February 4, 2019
4. Resigned w.e.f. February 28, 2019
5. Resigned w.e.f. April 2, 2018

Other Directorships do not include all other Companies i.e. Directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ("the Act"). For the purpose of determination of limit of the Board Committees, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Directorship of Directors in Listed Entities other than this Company as on March 31, 2019:

Name of Director	Directorship in Listed company other than this Company	Category of Directorship held in listed entities other than this Company
Justice Vikramajit Sen	DCM Shriram Limited	Non-Executive-Independent Directors
Shri Sumit Bose	Coromandel International Limited HDFC Life Insurance Company Limited Oil and Natural Gas Corporation Limited	Non-Executive-Independent Directors
Shri S. S. Mundra	Indiabulls Housing Finance Limited	Non-Executive-Independent Directors
Shri David Wright	Nil	NA
Shri Umakant Jayaram	Nil	NA
Smt. Usha Sangwan	Grasim Industries Limited Axis Bank Limited	Non-Executive-Non-Independent Directors
Smt. Rajeshree Sabnavis	Nil	NA
Shri Ashishkumar Chauhan	Nil	NA

All Directors, excluding Shri Ashishkumar Chauhan, MD & CEO, are Non-Executive Directors. There is no relation between the Directors and none of the Directors hold any shares in the Company.

B. Code of Conduct and Code of Ethics

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the Company's website: https://www.bseindia.com/downloads1/Code_of_Conduct_for_Directors_and_Senior_Management.pdf. 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 2018-19 and forms part of the Annual Report.

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

C. Familiarisation programmes

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

D. Chart/Matrix relating to skills /expertise /competence of the Board of Directors

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board.



E. Confirmation of independence by Public Interest Directors

The Board of the Company confirms that all the Public Interest Directors fulfill the conditions specified in Listing Regulations and are independent of the Management.

3. COMMITTEES OF THE BOARD

A. Audit Committee

The Company has complied with the requirements of Section 177 of the Act, Regulation 18 of the Listing Regulations and Regulation 33 of SECC Regulations, applicable to the composition of the Audit Committee.

I. Terms of Reference

- 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.
10. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
12. Discussion with internal auditors any significant findings and follow up there on.
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors.
16. To review the functioning of the Whistle Blower mechanism.
17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
18. Valuation of undertakings or assets of the Company, wherever it is necessary.
19. Scrutiny of inter-corporate loans and investments.
20. Evaluation of internal financial controls and risk management systems.
21. Approval or any subsequent modification of transactions of the Company with related parties.
22. To appoint a person having such qualifications

and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit Committee for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a Company or its liabilities.

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

1. Management discussion and analysis of financial condition and results of operations,

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

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

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

II. Composition

As on March 31, 2019, the composition of Audit Committee was as follows:

- Shri Sumit Bose (Chairman) - Public Interest Director
- Shri S. S. Mundra - Public Interest Director
- Shri Umakant Jayaram - Public Interest Director
- Smt. Usha Sangwan – Shareholder Director

The Company Secretary functions as the Secretary of the Committee.

Changes in the Committee

During the FY 2018-19, Smt. Usha Sangwan and Shri Umakant Jayaram were appointed as the members of the Committee w.e.f. January 17, 2019 and February 22, 2019, respectively.

Further, Dr. Sriprakash Kothari and Shri S. Ravi ceased to be members of the Committee w.e.f. April 25, 2018 and February 4, 2019, respectively. Smt. Rajeshree Sabnavis was a member of the Committee w.e.f. April 25, 2018 upto January 17, 2019.

III. Meetings and attendance

During the FY 2018-19, four Audit Committee meetings were held on May 4, 2018; August 3, 2018; November 2, 2018 and February 1, 2019.

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.

Name of the Member	Meetings held during the tenure	Meetings attended during the tenure
Shri Sumit Bose	4	4
Shri S. S. Mundra	4	4
Shri Umakant Jayaram	0	0
Shri S. Ravi	4	4
Smt. Usha Sangwan	1	1
Smt. Rajeshree Sabnavis	3	3
Dr. Sriprakash Kothari	0	0

The previous Annual General Meeting of the Company was held on August 2, 2018 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 to the 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.

I. Terms of Reference

- 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.
- 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.
- 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.
- Determining the tenure of Key Managerial Personnel other than a Director, posted in a regulatory department.

- Selecting the Managing Director.
- Formulating criteria for evaluation of performance of the Board of Directors and Independent Directors.
- Devising a policy on Board Diversity.
- Laying out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.
- 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.
- Framing & Reviewing the performance review policy to carry out evaluation of every Director's performance including that of PID.
- Recommend to the Board, all remuneration in whatever form, payable to Senior Management.
- Recommending whether to extend the tenure of appointment of the PID on the basis of internal and external performance evaluation and
- 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:

- 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;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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

As on March 31, 2019, the composition of Nomination and Remuneration Committee was as follows:

- Shri S. S. Mundra (Chairman) – Public Interest Director
- Shri David Wright – Public Interest Director
- Shri Umakant Jayaram – Public Interest Director

The Company Secretary functions as the Secretary of the Committee.

Changes in the Committee

During the FY 2018-19, Shri David Wright and Shri Umakant Jayaram were appointed as members of the Committee w.e.f. April 25, 2018 and February 22, 2019, respectively.

Further, Shri Roland Schwinn and Shri S. Ravi ceased to be members w.e.f. April 2, 2018 and February 4, 2019, respectively. Shri Sumit Bose and Dr. Sriprakash Kothari ceased to be members of the Committee w.e.f. January 17, 2019.

III. Meetings and attendance

During the FY 2018-19, four Nomination and Remuneration Committee meetings were held on May 4, 2018; November 1, 2018; November 30, 2018 and January 15, 2019.

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

Name of the Member	Meetings held during the tenure	Meetings attended during the tenure
Shri S. S. Mundra	4	4
Shri David Wright	4	4
Shri Umakant Jayaram	0	0
Shri Roland Schwinn	0	0
Shri Sumit Bose	4	4
Dr. Sriprakash Kothari	4	4
Shri S. Ravi	4	4

IV. 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, the Listing Regulations, SECC Regulations and the 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:

i. 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.

ii. External Evaluation of Public Interest Directors

As per the recently amended 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 the Public Interest Directors of a recognized stock exchange to be subject to an external evaluation during the last year of their term by a management or a human resources consulting firm.

iii. 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.

iv. 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.

v. Evaluation of the Board Committees

The performance of the Committees are evaluated on the basis of 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 Committee.

I. Composition

As on March 31, 2019, the composition of Stakeholders' Relationship/ Share Allotment Committee was as follows:

- Smt. Usha Sangwan (Chairperson) - Shareholder Director
- Shri S. S. Mundra – Public Interest Director
- Shri Ashishkumar Chauhan - MD & CEO

Smt. Prajakta Powle, Company Secretary & Compliance Officer, functions as the Secretary of the Committee.

Changes in the Committee

During the FY 2018-19, Shri S. S. Mundra was appointed as member of the Committee w.e.f. April 25, 2018.

Further, Shri S. Ravi and Smt. Rajeshree Sabnavis ceased to be members of the Committee w.e.f. April 25, 2018 and January 17, 2019, respectively. Dr. Sriprakash Kothari was

a member of the Committee w.e.f. January 17, 2019 upto February 28, 2019.

The previous Annual General Meeting of the Company was held on August 2, 2018 with presence of the Chairperson of the Stakeholders' Relationship/ Share Allotment Committee.

II. Details of Shareholders' complaints received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	34	34	0

All complaints were resolved to the satisfaction of Shareholders of the Company.

D. Public Interest Directors Committee

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

I. Composition:

As on March 31, 2019, the composition of Public Interest Directors Committee was as follows:

- Justice Vikramajit Sen
- Shri Sumit Bose
- Shri S. S. Mundra
- Shri David Wright
- Shri Umakant Jayaram

II. Changes in the Committee

During the FY 2018-19, Shri Umakant Jayaram was appointed as Public Interest Director w.e.f. February 4, 2019.

Further, Shri S. Ravi retired as Public Interest Directors w.e.f. February 4, 2019.

III. Meetings and attendance

During the FY 2018-19, two Public Interest Directors Committee meetings were held on May 4, 2018 and November 1, 2018.

The necessary quorum was present for the meetings.

In compliance with the SECC Regulations, all Public Interest Directors have attended all the meetings held during the financial year.

Name of the Member	Meetings held during the tenure	Meetings attended during the tenure
Justice Vikramajit Sen	2	2
Shri Sumit Bose	2	2
Shri S. S. Mundra	2	2
Shri David Wright	2	2
Shri S. Ravi	2	2
Shri Umakant Jayaram	0	0

E. Corporate Social Responsibility Committee

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

I. Composition:

As on March 31, 2019, the composition of the Corporate Social Responsibility Committee was as follows:

- Shri Umakant Jayaram – Public Interest Director
- Smt. Rajeshree Sabnavis – Shareholder Director
- Shri Ashishkumar Chauhan – MD & CEO

Changes in the Committee:

During the FY 2018-19, Smt. Rajeshree Sabnavis and Shri Umakant Jayaram were appointed as members of the Committee w.e.f. January 17, 2019 and February 22, 2019, respectively.

Further, Smt. Usha Sangwan and Shri S. Ravi ceased to be members of the Committee w.e.f. January 17, 2019 and February 4, 2019, respectively.

Dr. Sriprakash Kothari was member of the Committee upto April 25, 2018 and further, he was also a member from January 17, 2019 upto February 28, 2019.

II. Meetings and attendance

During the FY 2018-19, two Corporate Social Responsibility Committee meetings were held on September 4, 2018 and February 1, 2019.

The necessary quorum was present for the meetings.

Name of the Member	Meetings held during the tenure	Meetings attended during the tenure
Shri Umakant Jayaram	0	0
Smt. Rajeshree Sabnavis	1	1
Shri Ashishkumar Chauhan	2	2
Dr. Sriprakash Kothari	1	1
Justice Vikramajit Sen	1	1
Shri S. Ravi	2	2
Smt. Usha Sangwan	1	0

4. REMUNERATION OF DIRECTORS

A. Pecuniary Relationships of the Non-Executive Directors

All Directors, excluding Shri Ashishkumar Chauhan, MD & CEO, are Non-Executive Directors. None of the Non-Executive Directors have any other pecuniary relationship or transactions with the Company during FY 2018-19.

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 to the Directors for FY 2018-19:

Name of the Non-Executive Director	Sitting Fees (₹)
Justice Vikramajit Sen	13,95,000
Shri Sumit Bose	21,85,000
Shri S. S. Mundra	18,80,000
Shri David Wright	14,30,000
Shri Umakant Jayaram	40,000
Shri S. Ravi	19,45,000
Smt. Usha Sangwan	5,75,000
Smt. Rajeshree Sabnavis	9,15,000
Dr. Sriprakash Kothari	8,65,000
Shri Roland Schwinn	Nil

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

The details of remuneration paid to MD & CEO during the FY 2018-19 are given in the following table:

Particulars	Amount in (₹ in Lakh)
Basic Salary	180.00
Allowances & Perquisites	382.68
Variable Pay based on performance	79.97
PF Contribution	21.60
Ex – gratia	0.00
Total¹	664.25

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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 2018-19 as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

- 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 for a period of five years and a notice period of three months.

5. GENERAL BODY MEETINGS

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

Details of General Meeting	Day/ Date	Time	Venue
11 th Annual General Meeting (2015-16)	Friday, June 24, 2016	11.30 A.M.	Sir Dinshaw Petit International Convention Hall, 1 st Floor, P. J. Towers, Dalal Street, Mumbai - 400 001.
12 th Annual General Meeting (2016-17)	Monday, September 4, 2017	11.30 A.M.	
13 th Annual General Meeting (2017-18)	Thursday, August 2, 2018	11.00 A.M.	

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

Details of Annual General Meeting	Day/ Date	Description of Special Resolution
11 th Annual General Meeting (2015-16)	Friday, June 24, 2016	Approval of initial public offering of equity shares of the Company Approval of the Scheme of Participation for selling Shareholders Constitution of the Advisory Committee of Shareholders
12 th Annual General Meeting (2016-17)	Monday, September 4, 2017	- -
13 th Annual General Meeting (2017-18)	Thursday, August 2, 2018	- -

C. Special resolution passed last year through postal ballot – details of voting pattern - No special resolution was passed in the last year through postal ballot.

D. Person who conducted the postal ballot exercise - Not applicable

E. 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 leading newspapers in India, circulating in substantially in the whole of India which includes Financial Express, English newspapers and in Navshakti, a Marathi vernacular newspaper. The results are also available on the website of the Company <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.

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.

7. GENERAL SHAREHOLDER INFORMATION

A. Fourteenth Annual General Meeting

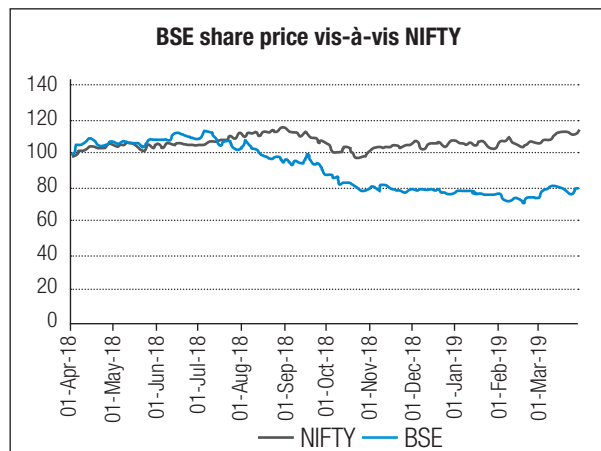
Day and Date	Monday, July 15, 2019
Time	11:30 A.M
Venue	Sir Dinshaw Petit International Convention Hall, 1 st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001.
Financial year	April 1, 2018 to March 31, 2019
Dividend Payment date	Dividend, if declared at Fourteenth Annual General Meeting will be paid on or before August 13, 2019.
Record Date for final dividend	Friday, June 28, 2019
Listed on Stock Exchange	Equity Shares National Stock Exchange of India Limited ("NSE") "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
Annual Listing Fees	Annual Listing Fees for financial year 2018-19 is paid to NSE
Stock Code	BSE
ISIN	INE118H01025

B. Stock Market Price Data Month wise

Month	Stock Market price of BSE on National Stock Exchange ("NSE")		
	High Price (₹)	Low Price (₹)	Volume (No. of equity shares)
April 2018	838.40	764.00	2472086
May 2018	840.00	798.25	3033839
June 2018	873.75	824.00	3271539
July 2018	881.00	788.00	1963553
August 2018	826.00	733.05	2301625
September 2018	784.00	681.00	2776542
October 2018	689.10	590.00	2465834
November 2018	630.90	596.10	1084295
December 2018	620.00	573.55	1605140
January 2019	605.70	584.00	1282212
February 2019	594.00	534.65	1357854
March 2019	643.00	567.60	3656474

Source: NSE data

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



Note: BASE = 100 (April 2, 2018)

C. **Registrar and Share Transfer Agent** - Karvy Fintech Private Limited

D. Share Transfer System

99.69% of equity shares of the Company are in demat mode. Transfer of these shares is done through depositories with no

involvement of the Company. As per Regulation 46 of SECC Regulations, securities of Recognised Stock Exchange shall be in dematerialised form only. Further, SEBI vide its circular dated April 20, 2018, had emphasized on dematerialized shares, in cases where shares of a listed entity, have been held in physical mode. Therefore, shareholders are instructed to get their physical shares dematerialised by making an application to their respective depository participant(s).

E. Distribution of shareholding as on March 31, 2019:

Category	No. of share-holders	Percentage (%)	No. of Shares	Percentage (%)
1-5000	173457	99.55	12476775	24.09
5001-10000	241	0.14	1697683	3.28
10001-20000	166	0.10	2409999	4.65
20001-30000	98	0.06	2441966	4.72
30001-40000	89	0.05	3123842	6.03
40001-50000	34	0.02	1550674	2.99
50001-100000	110	0.06	7303946	14.10
100001 and above	44	0.03	20784117	40.13
TOTAL	174239	100.00	51789002	100.00

F. Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form on NSE.

Bifurcation of the category of shares in physical and electronic mode as on March 31, 2019 is given below:

Category	No. of Shareholders	No. of Shares	Percentage (%)
Physical	6	162526	0.31
NSDL	98092	35973853	69.46
CDSL	76141	15652623	30.22
Total:	174239	51789002	100.00

G. **Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:** Not Applicable

H. **Commodity price risk or foreign exchange risk and hedging activities:** Not Applicable

I. **Plant Locations:** Not Applicable

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J. Address for Correspondence:

Smt. Prajakta Powle

Company Secretary and Compliance Officer

BSE Limited

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

Tel. 022-22721233; Fax 022-22721003

E-mail: bse.shareholders@bseindia.com

Registrar and Transfer Agents

Unit: BSE Limited

Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032

E-Mail: einward.ris@karvy.com

Website: <https://www.karvyfintech.com/>

Tel. No.: 91-40-6716 2222

Members holding shares in demat form are requested to intimate all changes pertaining to their bank account details, e-mail address, nominations, power of attorney, change of name, change of address, PIN code etc., only to their Depository Participants and not to the Registrar and Share Transfer Agent / the Company. Similarly, in case, the mailing address mentioned in the Notice given along with the Annual Report is without the PIN Code, Shareholders are requested to inform their PIN Code immediately to the Depository Participants.

K. 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

L. Categories of Shareholders as on March 31, 2019

Category	No. of share holders	Percentage (%)	No. of Shares	Percentage (%)
Resident Individuals	1,62,613	93.33	1,89,10,448	36.51
Bodies Corporate	1,284	0.74	1,09,84,641	21.21
HUF	7,957	4.57	9,08,574	1.75
Trust	5	0.00	1,773	0.00
Banks/Financial Institutions	24	0.01	19,96,990	3.86
Non Resident Indians	2,152	1.24	27,73,815	5.36
Foreign Bodies Corporate	4	0.00	43,88,975	8.47
Foreign Institutional Investor	2	0.00	7,61,556	1.47

Category	No. of share holders	Percentage (%)	No. of Shares	Percentage (%)
Foreign Portfolio Investor	90	0.05	53,49,838	10.33
Insurance Company	11	0.01	32,49,102	6.27
Mutual Funds	10	0.01	22,84,591	4.41
NBFC	16	0.01	14,579	0.03
Alternate Investor Fund	3	0.00	97,000	0.19
IEPF	1	0.00	448	0.00
CM Pool Position	67	0.04	66,672	0.13
Total	1,74,239	100.00	5,17,89,002	100.00

List of top 10 Shareholders as on March 31, 2019

Sr. No.	Name of Shareholder	No. of shares held	Percentage of shareholding
1	Deutsche Boerse AG	25,49,443	4.92
2	Life Insurance Corporation of India	25,25,500	4.88
3	Siddharth Balachandran	18,63,703	3.60
4	IDFC Focused Equity Fund	14,78,800	2.86
5	State Bank of India	12,54,535	2.42
6	Acacia Banyan Partners Limited	10,07,772	1.95
7	National Westminster Bank PLC as Trustee of the Jupiter India Fund	8,71,399	1.68
8	Caldwell India Holdings INC	7,73,319	1.49
9	GKFF Ventures	7,34,937	1.42
10	ICICI Prudential Value Fund Series-19	6,56,573	1.27

8. OTHER DISCLOSURES

A. Disclosures on materially significant Related Party Transactions (RPT) that may have potential conflict with the interests of Company at large

The Company complies with the disclosure requirements as prescribed in Regulation 23 of Listing Regulations pertaining to Related Party Transactions ("RPT") and follows Ind AS - 24 issued by Institute of Chartered Accountants of India (ICAI). Details of RPT's are informed to the Board on a quarterly basis along with financial results.

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 and whistle blower policy

Pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, the Company has formulated a vigil mechanism for stakeholders including Directors and employees to report their genuine concerns. The Company confirms that no personnel has been denied access to the Audit Committee. The Company is committed to maintain a culture where it is safe for all stakeholders including Directors and employees to raise concerns/ alarm on issues involving malpractices, violation of law of the land, abuse of power, financial irregularities, etc.

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

D. Compliance with mandatory requirements

The Company has complied with all the mandatory requirements prescribed under the Listing Regulations.

E. The Company has complied with all non-mandatory requirements and discretionary requirements as per Schedule II Part E of the SEBI 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 has complied with the requirement of having separate persons to the post of Chairman and MD & CEO.
- The internal auditors of the Company makes presentation to the Audit Committee on their reports.
- The Company's financial statement for the year 2018-19 does not contain any audit qualification. The Company's audited financial statements are accompanied with unmodified opinion from the Statutory Auditor of the Company.

F. Policy for determining 'material' subsidiaries

Pursuant to Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a policy for determining a "material" subsidiary, the details of which is available on the website of the Company https://www.bseindia.Com/downloads1/Policy_on_Materiality.pdf as per Regulation 46(2)(h) of the Listing Regulations.

G. Policy on dealing with related party transactions

Details of the Policy on dealing with related party transactions is available on the website and the link for the same is: https://www.bseindia.com/downloads1/Related_Party_Transaction_Policy.pdf

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 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 attached as **Annexure A**.

K. Details of fees paid to Statutory Auditor

Statutory Auditor: S. R. Batliboi & Associates LLP

- Statutory audit fee - ₹ 45 Lakh
- Tax audit fee - ₹ 5 Lakh
- Other services - ₹ 3 Lakh

Network Entity:

Ernst & Young LLP - ₹ 51.72 lakh

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 sub-regulation (2) of Regulation 46 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 Managing Director & 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 Committees and taken on record by the Board. The same is attached as **Annexure B**.

11. CEO CERTIFICATION

The Certificate from CEO as required under Part D of Schedule V of the Listing Regulations containing declaration as to affirming compliance with the Code of Conduct of Board of Directors and Senior Management attached as **Annexure C**.

12. COMPLIANCE CERTIFICATE

Certificate from M/s. Dhruvil M. Shah & Co., Practicing Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations attached as **Annexure D**.

13. EQUITY SHARES IN THE SUSPENSE ACCOUNT:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account (Initial Public Offering through Offer for Sale of Shares- Escrow account) which were issued in dematerialised form pursuant to the Initial Public Offer (IPO) of the Company:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2018	2	36
Shareholders who approached the Company for transfer of shares from suspense account during the year	2	36
Shareholders to whom shares were transferred from the suspense account during the year	2	36

Particulars	Number of shareholders	Number of equity shares
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	-	-
Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	NA	NA

14. DIVIDEND

The Company provides the facility of direct credit of the dividend to the member's bank account. Listing Regulations also mandate Companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account. The link of the Dividend distribution policy is: https://www.bseindia.com/downloads1/BSE_Dividend_Distribution_Policy.pdf

15. ANNUAL REPORT

Annual Report containing, inter alia, Audited Accounts, Auditors' Report, Boards' Report and other material and related matters/information is circulated to the Shareholders and others entitled thereto. The Corporate Governance Report annexed to Boards' Report forms part of the Annual Report. The Business Responsibility Report annexed to Boards' Report forms part of the Annual Report.

Note: In this Report:

- 'the Company' or 'the Exchange' or 'BSE' has been used to denote BSE Limited.
- 'Members' has been used to denote Shareholders of BSE Limited.

Annexure 'A' to Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C 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 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 31st March, 2019 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 Director	DIN	Date of appointment in Company
1.	Justice Vikramajit Sen	00866743	19/05/2016
2.	Shri Sumit Bose	03340616	19/05/2016
3.	Shri Subhash Sheoratan Mundra	00979731	17/01/2018
4.	Shri David Jeremy Wright	08064288	16/03/2018
5.	Shri Umakant Jayaram	08334815	04/02/2019
6.	Shri Sethurathnam Ravi ¹	00009790	05/02/2016
7.	Smt. Usha Sangwan	02609263	04/09/2015
8.	Smt. Rajeshree Rajnikant Sabnavis	06731853	04/09/2015
9.	Shri Roland Schwinn ²	07728316	13/06/2017
10.	Dr. Sriprakash Kothari ³	06824003	04/09/2015
11.	Shri Ashishkumar Chauhan	00898469	02/11/2012

1. Retired as Chairman and Public Interest Director w.e.f. February 4, 2019
2. Resigned w.e.f. April 2, 2018
3. Resigned w.e.f. February 28, 2019

Ensuring the eligibility 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 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.

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978
FCS No. 8021

Place: Mumbai
Date: May 7, 2019

Annexure 'B' of 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 financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take, to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 7, 2019

Place: Mumbai

Ashishkumar Chauhan

MD & CEO

Nayan Mehta

Chief Financial Officer

Annexure 'C' of 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 2018-19.

Ashishkumar Chauhan
MD & CEO

Date: May 7, 2019

Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
BSE LIMITED

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, 2019.

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.

Dhrumil M Shah
Practising Company Secretary

C.P. No. 8978

FCS No. 8021

Place: Mumbai

Date: May 7, 2019

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identification Number (CIN) of the Company	L67120MH2005PLC155188
2.	Name of the Company	BSE Limited
3.	Registered Office & Corporate Office	25 th Floor, P J Towers, Dalal Street, Fort, Mumbai 400001
4.	Website	www.bseindia.com
5.	Email	bse.shareholders@bseindia.com
6.	Financial year reported	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Name and Description of main products / services - Exchange Operation NIC code - 66110
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	<ul style="list-style-type: none"> Trading platform for Securities Listing of Securities Data dissemination
9.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations	None
	b. Number of National Locations	30
10.	Markets served by the Company	National

SECTION B: FINANCIAL DETAILS

Sr. No	Particulars	Company information
1.	Paid up Capital as on 31.03.2019 (Amount In Lakhs)	₹ 1,036
2.	Total Income (Amount In Lakhs)	₹ 61,239
3.	a) Profit after Tax (Amount In Lakhs) b) Adjusted profit for last 3 years (Amount in Lakhs)	₹ 20,105 ₹ 14,204
4.	Total Spending on Corporate Social Responsibility (CSR) a) in Rupees (Amount in Lakhs) b) As a percentage of average net profits of the Company made during the three immediately preceding financial years as per CSR requirement (%)	2% of average net profits of the Company made during the three immediately preceding financial years. Refer Annexure 'F' to Board's Report.
5.	List the activities, in which expenditure in 4 above, has been incurred	Refer Annexure 'F' to Board's Report.

SECTION C: OTHER DETAILS

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

- Yes, The Company has following 13 subsidiary Companies (direct and indirect) and 7 Associates as on March 31, 2019 names of which are given below:-

Subsidiaries:

- 1) BSE Investments Limited
- 2) BSE Sammaan CSR Limited
- 3) BSE CSR Integrated Foundation (Section 8 Company)
- 4) BSE Institute Limited
- 5) BFSI Sector Skill Council of India (Section 8 Company)
- 6) BIL – Ryerson Technology Startup Incubator Foundation (Section 8 Company)
- 7) India International Exchange (IFSC) Limited
- 8) India International Clearing Corporation (IFSC) Limited
- 9) Indian Clearing Corporation Limited
- 10) Marketplace Technologies Private Limited
- 11) Marketplace Tech Infra Services Private Limited
- 12) India INX Global Access IFSC Limited (w.e.f. April 5, 2018)
- 13) Pranurja Solutions Limited (w.e.f. April 24, 2018)

Associates:

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

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

- Currently, only two of the subsidiary Companies viz. Indian Clearing Corporation Limited (ICCL) & Marketplace Technologies Private Limited, qualifies for CSR activity under Section 135 of the Companies Act. ICCL & Marketplace Technologies 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)

Sr. No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
- The Board of Directors have discussed about the BRR 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 2018-19 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 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
		NIL	1	1
				Closing Balance
				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	<p>The Company is cognizant of its role in promoting inclusive growth and equitable development while contributing to environmental sustainability</p> <ul style="list-style-type: none"> 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 eco 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 c) 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. d) Global Reporting Initiative ("GRI") and BSE have re-entered into a formal MoU in mid-2018 to work collaboratively and support the Listed Corporates establish sustainability reporting process. The collaboration led to the successful creation and launch of a linkage document that is designed to show companies how requirements under the SEBI Business Responsibility Report Framework correspond to the GRI Standards and disclosures. e) Integrated Reporting Council is working in India through a trade association body called Confederation of India Industry (CII), via its Centre of Excellence for Sustainable Development (CESD) and has formed a committee for encouraging Integrated Reporting (IR) by corporates in India. BSE has joined this initiative as a member of working group. BSE shall contribute to this group by providing guidance and assistance to interested companies on integrated thinking, sustainable business portfolio, and value innovation and integrated reporting f) The Company is also a member of International Integrated Reporting Council (IIRC) wherein we communicate not just about the profit but our impact on the economy, society and the environment
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	<p>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.</p>

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	409 Officers + 116 Staff = 525		
2	Please indicate the total number of employees hired on temporary / contractual / casual basis	198		
3	Please indicate the number of permanent women employees	127 Officers + 14 Staff = 141		
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
		1	Child labour/ forced labour/ involuntary labour	Nil
		2	Sexual harassment	Nil
		3	Discriminatory employment	Nil

8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year a) Permanent Employees b) Permanent Women c) Casual/Temporary/ Contractual Employees d) Employees with Disabilities	Sr. No.	Category	% of employees given skill upgradation training	% of employees given safety training
		1	Permanent Employees	87	10
		2	Permanent Women Employees	45	1
		3	Casual/Temporary/ Contractual Employees	NA	41
		4	Employees with Disabilities	NA	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	<p>1. BSE launched Google Assistant service to make stock market data easily accessible to investors. This has benefited specially abled investors to get real time market information easily. The investors can access below market information using Google Assistant.</p> <ul style="list-style-type: none"> • Indices • Stock Prices • Corporate Announcements • Board Meetings • Corporate Actions • Company Results • Gainer & Losers • 52 Week High / Low • New Listing • Forthcoming IPO and much more <p>2. A special lift is used for senior and disabled stake holders for reaching upper floors in the BSE building.</p> <p>3. 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.</p>

Principle 5: Businesses should respect and promote human rights

1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others	This policy applies to everyone, who are employed directly, indirectly or on contractual basis with BSE. This Policy shall be applicable to BSE, its subsidiaries, affiliates and group companies at their offices. It shall be reviewed periodically and shall remain in force until withdrawn by BSE management
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	NIL

Principle 6: Business should respect, protect, and make efforts to restore the environment

1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others	The policy applies to everyone with whom BSE is associated, externally and internally and wholly supports and complies with and exceeds the requirements of current environmental legislation and codes of practice
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc	Yes, the Company has an Environment Policy which is available on the BSE internal portal
3	Does the Company identify and assess potential environmental risks? Y/N	Yes
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed	No
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page	<ul style="list-style-type: none"> 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. Completely 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	<p>Yes, we are the member of various associations. Major ones are as under:</p> <p>International</p> <ul style="list-style-type: none"> World Federation of Exchanges The International Organization of Securities Commissions (IOSCO) Futures Industry Association (FIA) Japan Exchange Group Inc. Asian and Oceanic Stock Exchange (AOSEF) <p>Domestic</p> <ul style="list-style-type: none"> 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
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2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others	Name of Association	Area of Advocacy
		World Federation of Exchanges	Sustainability
			Post Trade
			Cyber Security
		The International Organization of Securities Commissions	1. Use of technology for regulatory monitoring, reporting and compliance (RegTech)
			2. Use of technology for functioning of securities market (FinTech)
			3. Importance of cyber resilience for the entire eco-system of the securities markets
			4. Regulatory issues related to new financial products such as cryptocurrencies and Initial Coin Offering (ICOs)
			5. Importance of Environmental, Social and Governance (ESG) and sustainability for listed companies, Market Infrastructure Institutes (MII) and other stake holders in the financial markets
			6. Ethics in the securities markets
		Futures Industry Association	Promote futures, options and over-the-counter cleared swaps markets
		Japan Exchange group (AOSEF)	1. Facilitate the exchange of information and to promote mutual assistance.
			2. Disclosure of Shareholding pattern for Listed Corporates
		Federation of Indian Chambers of Commerce and Industry	Capital Markets
		Confederation of Indian Industry	Capital Markets
		Indo-German Chamber of Commerce	Promote economic co-operation between India and Germany
		Bombay Chambers of Commerce and Industry	Promotion and protection of trade and other objectives
		The Associated Chamber of Commerce and Industry of India (ASSOCHAM)	ASSOCHAM represents the interests of industry and trade, interfaces with Government on policy issues
		IMC Chamber of Commerce and Industry	Agenda of identifying opportunities, addressing critical issues and driving Indian businesses with the single minded focus of sustainable growth

Principle 8: Business should support inclusive growth and equitable development

1	Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof	<p>Yes. Programs and initiatives undertaken during the financial year are detailed below:</p> <ul style="list-style-type: none"> • Innovation and entrepreneurship programs/workshops • Since 2014, over 306 startups supported through different initiatives. • Around ₹ 350 Crores wealth added in the economy by startups and 1000+ knowledge economy jobs created • 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 for effectiveness of the initiative
4	What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?	Refer Annexure 'F' 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	<p>Yes. Following activities were carried out in this regard:</p> <p>Next BIG Idea 2018 Winners - 13 startups selected from the pool of over 1200+ applicants & provided with market access program in Canada</p> <p>Empower 2018 - 30 women entrepreneurs - 15 tech entrepreneurs and 15 impact tech entrepreneurs selected from the pool of over 280+ applicants and provided with 6-week acceleration support & Access to Finance.</p> <p>Powered 2018 - 20 startups from the energy sector selected from a pool of over 180+ applications and provided with acceleration support & Access to Finance.</p> <p>Quest Accelerator 2018 - 10 startups from Varanasi selected from a pool of 110+ applications to enable market access in Mumbai, through a 2-week in-city program, followed by a 3 month virtual program.</p> <p>Pitch Right Season 02 - 13 entrepreneurs were shortlisted from a pool of 200+ applications across India, pitching their startup to a prolific angel investor in an elevator followed by a detailed pitch review and feedback.</p> <p>Kerala Accelerator Program - 24 startups provided with virtual incubation & a one-week residential program in Bangalore and Mumbai to scale the startups. A total of 134 startups applied in the selection process.</p> <p>Industry Sessions, Peer-to-peer learning sessions, Workshops,</p>

	<p>Industry Demo & Hackathon - Over 300 startups benefited from the capacity building activities hosted at Zone Startups India.</p> <p>Further to support inclusive growth and equitable development below programs were held at BSE</p> <ol style="list-style-type: none"> India Economic Summit 2018 World Environment day Programme Desh Ki Dhun - A musical tribute to our freedom fighters World Peace through Non Violence event on the 150th Birth Anniversary of Mahatma Gandhi Yoga Sessions BSE Bull Run Bamboo Investment Summit 2019 The Hindu In School Painting Competition 2019. Self-defense training for women
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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 2017-2018	Fresh Complaints received in FY 2018-19	Complaints resolved in FY 2018-19	Complaints un-resolved in FY 2018-19
		Shareholders	0	34	34	0
		Investors	718	2452	2195	975
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 31 st March 2019, no stakeholder has filed any case against the Company, nor any cases pending regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior				
4	Did your Company carry out any consumer survey/ consumer satisfaction trends	Yes, we interact with our client on regular basis and across multiple platforms. Customer satisfaction surveys are conducted on periodic basis to assess customer satisfaction levels and benchmark the Company's performance with industry peers				

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BSE LIMITED

Report on the 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 (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2019, 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, 2019, 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, 2019. 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
IT systems and controls	
As Holding Company is a Stock Exchange, the reliability of IT systems plays a key role in the business operations. Since large volume of transactions are processed, the IT controls are required to ensure that systems process data as expected and that changes are made in an appropriate manner.	Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including: <ul style="list-style-type: none"> Assessing the information systems used by the Company for IT General Controls (ITGC) and Application controls; The aspects covered in the IT systems 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;
The IT infrastructure is critical for smooth functioning of the Holding Company's business operations as well as for timely and accurate financial accounting and reporting.	

Key audit matters	How our audit addressed the key audit matter
<p>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.</p> <p>Our audit procedures focused on testing of IT systems, IT general controls and specific application controls.</p>	<ul style="list-style-type: none"> Understanding of the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting; Performing tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. Testing the design and operating effectiveness of compensating controls, in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures. <p>In addition, we understood, where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>
Valuation of investments and its impairment (as described in note 32 of the Ind AS financial statements)	
<p>Quoted investments, other equity and fund investments and unquoted equity investments, represents the most significant amount on the balance sheet. The total of these ₹ 237,919 Lakhs represented 53% of total assets of the Company at March 31, 2019.</p> <p>There is a risk that the fair value of investment not determined appropriately. Accordingly, the valuation of investments and its impairment is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> 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. Performed sensitivity analysis wherever necessary. We traced the quantity held from the confirmation provided by Custodian and Fund houses. We tested the valuation of the quoted and unquoted investments to independent pricing sources or valuation models, as required. Based on the fair value of investments, we assessed identification of impairment of investments made by the management.
Provisions for litigation and claims	
<p>There are certain demands raised by regulatory authorities, employees and others. The Group has disputed such demands by appealing them to relevant statutory forums or has denied the claims.</p> <p>For various pending litigations against the Group, management judgement is needed to determine whether an obligation exists and a provision should be recorded or disclosure if any, required in the financial statements in accordance with the criteria set under IND AS 37.</p> <p>The measurement of the provision is based on the best estimate of the expenditure required to settle the present obligation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> 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 key controls related to identification and monitoring 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 cases and litigation reports to identify potentially material cases.

Key audit matters	How our audit addressed the key audit matter
Considering the judgment and estimate involved, matter is considered as a key audit matter.	<ul style="list-style-type: none"> For key cases, we considered the regulatory developments and management's interaction with the Regulators and assessed the assumptions used by management in determining provision requirements. We also read historical data and to understand whether they supported current estimates. We read the Board and other committee meeting minutes to conclude on 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 and the timing of settlement. <p>For cases where a provision was not recognised, we evaluated the disclosure made in the Ind AS standalone financial statements.</p>

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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated 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 including its associates 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 and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; 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 financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group 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 of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

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 system 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 and its associates 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 and its associates 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 and its associates 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 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 and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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, 2019 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

- (a) 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 ₹ 1,61,967 lakhs as at March 31, 2019, total revenue of ₹ 14,100 lakhs and net cash outflow of ₹ 30,642 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(s) 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 and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of 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 Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting 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, 2019 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's companies and its associates incorporated in India is disqualified as on March 31, 2019 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 and 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, 2019 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 and its associates 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, 2019;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 37924

Place: Mumbai

Date: May 7, 2019

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of BSE Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of BSE Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of BSE Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the

Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to seven subsidiary companies, which are companies incorporated in India, is based on the corresponding reports 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: 37924

Place: Mumbai

Date: May 7, 2019

ANNUAL REPORT 2018–19

Consolidated Balance Sheet as at March 31, 2019

		(₹ in Lakh)	
PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	12,477	13,792
b. Capital work-in-progress		929	232
c. Investment property	4	372	393
d. Goodwill	5	3,742	3,742
e. Other intangible assets	6	3,767	2,788
f. Intangible assets under development		895	470
g. Financial assets			
i. Investments			
a. Investments in subsidiaries	7	1	1
b. Investments in associates	8	43,017	39,611
c. Other investments	9	78,388	1,25,657
ii. Other financial assets	11	9,186	10,726
h. Income tax assets (net)	21	7,979	7,934
i. Deferred tax assets (net)	18	10,247	8,796
j. Other assets	13	75	10
Total non-current assets		1,71,075	2,14,152
2 Current assets			
a. Financial assets			
i. Investments	9	1,16,559	78,889
ii. Trade receivables	10	4,903	5,487
iii. Cash and cash equivalents	12	47,943	79,726
iv. Bank balances other than (iii) above	12	1,06,865	1,18,538
v. Other financial assets	11	938	435
b. Other assets	13	2,105	2,581
Total current assets		2,79,313	2,85,656
Total assets (1+2)		4,50,388	4,99,808
EQUITY AND LIABILITIES			
3 Equity			
a. Equity share capital	14	1,036	1,065
b. Other equity	15	2,92,533	3,06,990
Total equity		2,93,569	3,08,055
4 Core settlement guarantee fund		39,450	35,848
Liabilities			
5 Non-current liabilities			
a. Financial liabilities			
Other financial liabilities	16	664	572
b. Provisions	17	186	215
c. Other liabilities	19	285	161
Total non-current liabilities		1,135	948
6 Current liabilities			
a. Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	10	19
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	4,179	6,275
ii. Other financial liabilities	16	97,565	1,34,126
b. Provisions	17	1,516	1,366
c. Income tax liabilities (Net)	21	1,147	1,415
d. Other liabilities	19	11,817	11,756
Total current liabilities		1,16,234	1,54,957
Total equity and liabilities (3+4+5+6)		4,50,388	4,99,808
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 7, 2019

Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen

Chairman

DIN: 00866743

Nayan Mehta

Chief Financial Officer

Ashishkumar Chauhan

Managing Director & CEO

DIN: 00898469

Prajakta Powle

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

		(₹ in Lakh)	
PARTICULARS	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Continuing Operation			
1 Revenue from operations: Income from			
Securities services	22	17,147	23,001
Services to corporates	23	21,364	22,069
Data dissemination fees		3,015	2,628
Training institute		2,301	2,024
Sale of Software Licenses, Development, Customisation & Maintenance of Software		1,203	998
Revenue from operations		45,030	50,720
2 Investment income	24	20,218	16,870
3 Other income	25	3,496	2,302
4 Total income (1+2+3)		68,744	69,892
5 Expenses			
Employee benefits expense	26	13,921	12,008
Finance costs		87	103
Depreciation and amortisation expense	38&4&6	5,108	4,545
Computer Technology Related Expenses	27	11,342	11,111
Administration and other expenses	28	18,105	16,835
Total expenses		48,563	44,602
6 Profit before exceptional items and tax (4-5)		20,181	25,290
7 Exceptional items :			
Liquidity enhancement scheme	41	1,298	213
Voluntary retirement scheme	47	54	47
Total exceptional items		1,352	260
8 Profit before tax and share of net profits of investments accounted for using equity method (6-7)		18,829	25,030
9 Share of net profits of investments accounted for using equity method			
Share of profit of associates		2,923	1,990
10 Profit before tax (8+9)		21,752	27,020
11 Tax expense:	29		
Current tax		4,490	11,313
Current tax of earlier years		(665)	(119)
Deferred tax		(1,490)	(5,649)
Total tax expenses		2,335	5,545
12 Net profit for the year from continuing operation (10-11)		19,417	21,475
Net Profit attributable to the shareholders of the Company		19,417	21,475
Net Profit attributable to the non controlling interest		-	-
13 Discontinued operation	52		
Profit before tax from discontinued operation		-	3,169
Gain on sale of subsidiary on loss of control		511	46,175
Tax expense on discontinued operation		-	622
Net profit for the year from discontinued operation		511	48,722
14 Net profit for the year from total operation (12+13)		19,928	70,197
Net profit attributable to the shareholders of the Company		19,928	68,872
Net profit attributable to the non controlling interest		-	1,325
15 Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
i. Remeasurements of the defined employee benefit plans;		(121)	(93)
ii. Income tax relating to items that will not be reclassified to profit or loss		(38)	(36)
Items that will be subsequently reclassified to profit or loss			
iii. Foreign Currency Translation reserve		782	70
iv. Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year (i - ii + iii - iv)		699	13
16 Total comprehensive income for the year from total operation (14+15)		20,627	70,210
Total comprehensive income attributable to the shareholders of the Company		20,627	68,885
Total comprehensive income attributable to the non controlling interest		-	1,325
17 Earnings per equity share :	30		
Basic and diluted before exceptional items & discontinued operation (₹)		38.45	39.68
Basic and diluted before discontinued operation after exceptional items (₹)		36.78	39.37
Basic and diluted from total operation (₹)		37.75	126.27
Face value of share (₹)		2	2
Weighted average number of equity shares (Nos.)		5,27,89,971	5,45,43,037
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

For and on behalf of the Board of Directors

Per Jayesh Gandhi
Partner
Membership No.: 037924

Justice Vikramajit Sen
Chairman
DIN: 00866743

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Date: May 7, 2019
Place: Mumbai

Nayan Mehta
Chief Financial Officer

Prajakta Powle
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2019

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Continuing operations		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	19,417	21,475
Adjustments for		
Income tax expenses recognised in profit and loss	2,335	5,545
Share of profit of associates	(2,923)	(1,990)
Foreign currency translation reserve	782	70
Depreciation and amortisation expense	5,108	4,545
Net gain on disposal of property, plant and equipment	(1)	-
Impairment loss on financial assets	2,301	218
Finance cost	87	103
Contribution to core settlement guarantee fund	684	8,547
Investment income on core settlement guarantee fund	2,736	2,305
Penalties / contribution received towards settlement guarantee fund	182	48
Net gain on derecognition of financial assets measured at amortised cost	(3,074)	(187)
Net gain arising on financial assets measured at FVTPL	(8,958)	(3,726)
Interest income	(6,192)	(11,324)
Dividend income	(1,994)	(1,633)
Provision for compensated absences	870	783
Operating profit before working capital changes	11,360	24,779
Movements in working capital		
Increase in trade receivables	(1,717)	(146)
Increase in trade payables	(2,105)	824
Increase in provision	150	444
Decrease / (Increase) in other assets and other financial assets	(48)	(1,143)
Increase / (decrease) in other liabilities and other financial liabilities	(35,364)	(40,235)
Cash generated from / (used in) operations	(27,724)	(15,477)
Direct taxes paid (net of refunds)	(4,081)	(10,946)
Net cash generated from / (used in) operating activities	(31,805)	(26,423)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances	(6,179)	(6,277)
Proceeds from sale of property, plant and equipment	6	13
Net decrease / (increase) in investment in equity and debt instruments	(74,935)	(53,016)
Investment in certificate of deposits	-	(2,995)
Proceeds received from certificate of deposits	2,998	-
Proceeds received from bonds and non-convertible debentures	90,148	7,534
Investment in fixed deposits	(8,669)	(19,923)
Proceeds received from fixed deposits	20,738	35,579
Interest received	8,611	13,848
Dividend received	1,994	1,633
Net cash generated from / (used in) investing activities	34,712	(23,604)

Consolidated Cash Flow Statement for the year ended March 31, 2019 (contd.)...

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(87)	(108)
Dividend and taxes paid thereon	(22,814)	(18,391)
Payment towards buyback including transaction cost	(12,300)	(4,497)
Net cash used in financing activities	(35,201)	(22,996)
D. Net increase / (decrease) in cash and cash equivalents from continuing Operations (A+B+C)	(32,294)	(73,023)
Discontinued Operations (refer note 49)		
E. Net cash from operating activities	-	2,547
F. Net cash generated from investing activities	-	-
G. Net cash generated from / (used in) financing activities	511	33,835
H. Net increase in cash and cash equivalents from Discontinued Operations (E+F+G)	511	36,382
I. Net increase / (decrease) in cash and cash equivalents from Total Operations (D+H)	(31,783)	(36,641)
Cash and cash equivalents at the beginning of the year	79,726	1,16,367
Cash and cash equivalents at the end of the year *	47,943	79,726
Balances with banks		
In current accounts	32,275	40,971
In deposit accounts with original maturity of 3 months	15,668	38,755
* Cash and cash equivalents at the end of the year comprises (refer note 12)	47,943	79,726

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 7, 2019
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Nayan Mehta
Chief Financial Officer

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Prajakta Powle
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL													(₹ in Lakh)
Balance as at April 1, 2017													
Changes in equity share capital during the year													1,076
- Shares extinguished during the year													(10)
- Shares bought back and pending for extinguishment													(1)
Balance as at March 31, 2018													
Changes in equity share capital during the year													1,065
- Shares extinguished during the year													(29)
- Shares bought back and pending for extinguishment													-
Balance as at March 31, 2019													
													1,036
B. OTHER EQUITY													(₹ in Lakh)
PARTICULARS	Share application money pending allotment	Reserves and Surplus								Equity attributable to shareholders of the Parent Company	Non Controlling Interest	Total	
		Capital Reserve	Capital Reserve on Business Combination	Securities Premium Reserve	General Reserve	Retained Earnings	Liquidity enhancement scheme (LES) reserve (refer note 44)	Other Reserve	Foreign Currency Translation Reserve				Capital Redemption Reserve
Balance as at April 1, 2017	1	66,179	10,530	39,283	70,470	75,095	-	1,057	(575)	-	2,62,040	29,088	2,91,128
Profit for the year pertaining to equity shareholders	-	-	-	-	-	68,872	-	-	-	-	68,872	1,325	70,197
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(57)	-	-	-	-	(57)	-	(57)
Foreign Currency Translation Reserve	-	-	-	-	-	(452)	-	-	70	-	70	-	70
Liquidity enhancement scheme (LES) reserve	-	-	-	-	-	213	452	-	-	-	-	-	-
LES expenditure during the year	-	-	-	-	-	(213)	(213)	-	-	-	-	-	-
Amount paid upon buyback (refer note 48)	-	-	-	-	-	(10)	-	-	-	10	(4,487)	-	(4,487)
Amount transferred to capital redemption reserve upon Buyback (refer note 48)	-	-	-	-	-	-	-	(1,057)	-	-	(1,057)	(30,413)	(31,470)
Transfer / adjustments on account of loss of control in subsidiary	-	-	-	-	-	(15,279)	-	-	-	-	(15,279)	-	(15,279)
Payment of Dividend	-	-	-	-	-	(3,112)	-	-	-	-	(3,112)	-	(3,112)
Payment of Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	1	66,179	10,530	34,796	70,470	1,25,270	239	-	(505)	10	3,06,990	-	3,06,990
Profit for the year pertaining to equity shareholders	-	-	-	-	-	19,928	-	-	-	-	19,928	-	19,928
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(83)	-	-	-	-	(83)	-	(83)
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	-	782	-	782	-	782
Liquidity enhancement scheme (LES) reserve	-	-	-	-	-	(1,067)	1,067	-	-	-	-	-	-
LES expenditure during the year	-	-	-	-	-	1,298	(1,298)	-	-	-	-	-	-
Amount paid upon buyback (refer note 48)	-	-	-	-	-	(30)	-	-	-	-	(12,270)	-	(12,270)
Amount transferred to capital redemption reserve upon Buyback (refer note 48)	-	-	-	-	-	(18,924)	-	-	-	30	(18,924)	-	(18,924)
Payment of Dividend	-	-	-	-	-	(3,890)	-	-	-	-	(3,890)	-	(3,890)
Payment of Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	1	66,179	10,530	22,526	70,470	1,22,502	8	-	277	40	2,92,533	-	2,92,533

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/E3000005

Per **Jayesh Gandhi**

Partner

Membership No.: 037924

Date: May 7, 2019

Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen

Chairman

DIN: 00866743

Nayan Mehta

Chief Financial Officer

Ashishkumar Chauhan

Managing Director & CEO

DIN: 00898469

Prajakta Powle

Company Secretary

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019
(Rupees in lakhs, except share and per share data, unless otherwise stated)**1. COMPANY OVERVIEW**

BSE Limited (Formerly known as Bombay Stock Exchange Limited) herein after referred to as the “The Exchange” or “The Company” was established in 1875 and is Asia's first Stock Exchange and one of India's leading exchange groups. The registered office of the Parent Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. Over the past 144 years, BSE has provided a capital-raising platform and provided a platform for trading in equity, debt instruments, derivatives and mutual funds. It also has a platform for trading in equities of small-and-medium enterprises (SME). Pursuant to the BSE (Corporatization and Demutualization) Scheme, 2005 (the Scheme) notified by Securities and Exchange Board of India (“SEBI”) on May 20, 2005, the Exchange completed Demutualization and Corporatization in May 2007 bringing about the separation of the ownership and management.

The equity shares of the Parent Company are listed on the National Stock Exchange of India Limited (NSE).

The financial statements were authorized for issue by the Parent Company's Board of Directors on May 7, 2019.

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, 2019 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, 2019 (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, 2019 (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, 2019	Percentage of Voting Power as at March 31, 2018
I. Subsidiary Companies				
- Direct				
a) Indian Clearing Corporation Limited (ICCL)	Clearing and Settlement	India	100	100
b) Marketplace Technologies Private Limited (MPTL)	IT Support Services	India	100	100
c) BSE Institute Limited (BIL)	Training	India	100	100
d) 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 (w.e.f September 12, 2016)*	Stock Exchange	India	100	100
h) India International Clearing Corporation (IFSC) Limited (w.e.f September 12, 2016)*	Clearing and Settlement	India	100	100
- Indirect				
a) Marketplace Tech Infra Services Private Limited	IT Support Services	India	100	100
b) BSE Skills Limited (up to June 28, 2018)	Training	India	-	100
c) BFSI Sector Skill Council of India (Not considered for consolidation considering not meeting control criterion in terms of Ind AS 110)	Training	India	51.22	51.22
d) BIL-Ryerson technology start-up incubator foundation (Not considered for consolidation considering not meeting control criterion in terms of Ind AS 110)	Training	India	51	51
e) Pranurja Solutions Limited (w.e.f. April 24, 2018)	Power Exchange	India	100	-
f) India INX Global Access IFSC Limited (w.e.f. April 5, 2018)*	Intermediary for trading in overseas Exchanges	India	100	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

NAME OF THE COMPANY	Principal Activity	Country of Incorporation	Percentage of Voting Power as at March 31, 2019	Percentage of Voting Power as at March 31, 2018
II. Associate				
a) Central Depository Services (India) Limited (CDSL) (from June 30, 2017)	Depository Services	India	24	24
b) CDSL Ventures Limited (from June 30, 2017)	Depository related Services	India	24	24
c) CDSL Insurance Repository Limited (from June 30, 2017)	Repository Services	India	24	24
d) CDSL Commodity Repository Limited (from June 30, 2017)	Repository Services	India	36	24
e) Asia Index Private Limited	Index Services	India	50	50
f) BSE EBIX Insurance Broking Private Limited (from March 15, 2018)	Insurance Broking	India	40	40
g) Marketplace EBIX Technology Services Private Limited (w.e.f April 3, 2018)	IT Support Services	India	40	-

* Based out of Gift City Gandhinagar Gujarat, India.

2.1.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- Defined benefit and other long-term employee benefits.

2.1.4 Functional and presentation currency

The financial statements of the Group are presented in Indian rupees, the national currency of India, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates. All financial information presented in Indian rupees has been rounded to the nearest Lakh except share and per share data in terms of Schedule III unless otherwise stated.

2.1.5 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Income taxes and deferred tax: The Group's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes and deferred tax assets and liabilities, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

- (ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. The management estimate the Group to pay normal tax and benefit associated with MAT will flow to the Group within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.
- (iii) Impairment of goodwill: Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. The value in use calculation requires to estimate the future cash flows expected to arise from the cash-generating unit and discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Goodwill is tested for impairment on annual basis.
- (iv) Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Group with advice from an independent qualified actuary.
- (v) Property plant and equipment: The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values at the end of its useful life of Group's assets are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (vi) Impairment of trade receivables: The Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.1.6 Summary of significant accounting policies

(i) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

Income and expenses of the entities / operations in other than Indian currency are translated at average rates and the assets and liabilities are translated at closing rate. The net impact of such changes are accounted under other comprehensive income.

(ii) Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost including transaction costs, Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of assets for the current and comparative period of investment property are as follows:

Category	Useful life
Buildings	60 years

Freehold land is not depreciated.

Investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit or Loss in the period in which the property is derecognised.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

(iii) Investment in subsidiaries (not consolidated)

Investment in subsidiaries not consolidated is measured at cost. Dividend income from subsidiaries not consolidated is recognised when its right to receive the dividend is established.

(iv) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: financial assets comprising amortised cost, financial assets (debt instruments) at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI and fair value through profit and loss account (FVTPL), financial liabilities at amortised cost or FVTPL.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets

(a) Financial assets (debt instrument) at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

(b) Financial asset (debt instrument) at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Currently the Group has not classified any interest bearing debt instrument under this category.

(c) Equity instruments at FVTOCI and FVTPL

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to Profit or Loss.

Currently the Group has not classified any equity instrument at FVTOCI.

If the Group decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument and dividend are recognised in Profit or Loss.

(d) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Earmarked Funds: Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument measured at amortised cost is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. The Gain/ (Loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through the Profit or Loss.

Financial liabilities

(a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortized cost using the effective interest method.

(b) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration that are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

Equity Instruments (Share capital)

Ordinary shares: - Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or buyback of existing equity shares are recognised as a deduction from equity, net of any tax effect (if any).

(v) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

(vi) Property, plant and equipment

- (a) Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.
- (b) Depreciation: The Group depreciates property, plant and equipment over the estimated useful life on a written down method basis from the date the assets are ready for intended use including for assets acquired under finance lease. 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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

(vii) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a written down value basis, from the date that they are available for use. Further, intangible assets of subsidiary companies India International Exchange (IFSC) Limited, India International Clearing Corporation (IFSC) Limited, India INX Global Access IFSC Limited, Marketplace Technologies Private Limited and Marketplace 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.

The estimated useful life of intangibles are as follows:

Category	Useful life
Computer softwares	6 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(viii) Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(a) Finance Lease

When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Corresponding liability to the lessor is included in the financial statements as finance lease obligation.

(b) Operating Lease

Lease payments under operating leases are recognised as an income / expense on a straight line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(ix) Impairment

(a) Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss.

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(b) 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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

(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.

(b) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

(c) Provident fund, pension fund and new national pension scheme:

The Group offers its employees defined contribution plan in the form of provident fund, family pension fund and new national pension scheme. The Company recognises contribution made towards provident fund, family pension fund and new national pension scheme in the Statement of Profit and Loss.

The parent company, Indian Clearing Corporation Limited, BSE Sammaan CSR Limited and BSE Institute Limited and its employees' contribution to provident fund is managed by BSE Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

(xi) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent 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 probable.

(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.

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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019
(Rupees in lakhs, except share and per share data, unless otherwise stated)**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..**

Dividend income is recognised in the Profit or Loss on the date that the 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.

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

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

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.

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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019
(Rupees in lakhs, except share and per share data, unless otherwise stated)**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..****(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 fulfill the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation (ICCL a wholly owned subsidiary of the Group) and Stock exchange (BSE Limited) as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments (ICCL) is credited to the respective contributor's funds. Penalties and fines levied by the Clearing Corporation (ICCL) are directly transferred to Core SGF as Other Contributions.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

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, 2017	1,002	3,995	1,054	2,730	3,211	7,881	130	899	1,446	228	22,576
Additions during the year	56	109	68	443	76	2,773	-	104	71	32	3,732
Deductions / adjustments	-	-	-	17	1	41	-	18	1	-	78
Transferred to Investment property	1	72	-	-	-	-	-	-	-	-	73
Deduction on sale of subsidiary	-	169	-	559	-	84	-	73	43	162	1,090
Foreign currency translation adjustments	-	-	3	2	1	-	-	-	1	-	7
Balance as at March 31, 2018	1,057	3,863	1,125	2,599	3,287	10,529	130	912	1,474	98	25,074
Balance as at April 1, 2018	1,057	3,863	1,125	2,599	3,287	10,529	130	912	1,474	98	25,074
Additions during the year	-	14	28	206	31	1,845	-	28	79	7	2,238
Deductions / adjustments	-1	-72	28	4	15	612	-	7	-	57	650
Transferred to Investment property	1	72	-	-	-	-	-	-	-	-	73
Deduction on sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation adjustments	-	-	72	54	19	18	-	3	17	1	184
Balance as at March 31, 2019	1,057	3,877	1,197	2,855	3,322	11,780	130	936	1,570	49	26,773
Accumulated depreciation											
Balance as at April 1, 2017	-	674	12	826	1,275	4,320	87	364	716	70	8,344
Depreciation for the year from continuing operations	-	357	37	358	489	1,867	19	146	278	18	3,569
Depreciation for the year from discontinued operations	-	12	-	47	-	8	-	6	3	8	84
Deductions / Adjustments	-	-	-	12	-	40	-	18	-	-	70
Transferred to Investment property	-	7	-	-	-	-	-	-	-	-	7
Deduction on sale of subsidiary	-	112	-	321	-	55	-	59	36	59	642
Foreign currency translation adjustments	-	-	-	2	-	1	-	-	1	-	4
Balance as at March 31, 2018	-	924	49	900	1,764	6,101	106	439	962	37	11,282
Balance as at April 1, 2017	-	924	49	900	1,764	6,101	106	439	962	37	11,282
Depreciation for the year from continuing operations	-	302	40	362	377	2,212	11	127	206	5	3,642
Depreciation for the year from discontinued operations	-	-	-	-	-	-	-	-	-	-	-
Deductions / Adjustments	-	-	-	3	12	609	-	7	-	19	650
Transferred to Investment property	-	-	-	-	-	-	-	-	-	-	-
Deduction on sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation adjustments	-	-	3	7	2	6	-	-	4	-	22
Balance as at March 31, 2019	-	1,226	92	1,266	2,131	7,710	117	559	1,172	23	14,296
Net book value											
As at March 31, 2019	1,057	2,651	1,105	1,589	1,191	4,070	13	377	398	26	12,477
As at March 31, 2018	1,057	2,939	1,076	1,699	1,523	4,428	24	473	512	61	13,792

Notes:

1. The Group's obligations under finance leases (see note 31.1) are secured by the lessors' title to the leased assets.
2. The Building Property having a carrying amount of ₹ 224 Lakh shown under the head "Property Plant and Equipment" in the books of accounts are in the name of the erstwhile legal entity. 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, 2019 (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, 2017	8	374	382
Additions during the year	-	-	-
Transferred from property, plant and equipments	1	72	73
Deductions / adjustments	-	-	-
Balance as at March 31, 2018	9	446	455
Balance as at April 1, 2018	9	446	455
Additions during the year	-	-	-
Transferred from property, plant and equipments	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2019	9	446	455
PARTICULARS	Freehold Land	Buildings	Total
Accumulated depreciation			
Balance as at April 1, 2017	-	35	35
Depreciation for the year	-	20	20
Deductions / Adjustments	-	-7	-7
Balance as at March 31, 2018	-	62	62
Balance as at April 1, 2018	-	62	62
Depreciation for the year	-	21	21
Transferred from property, plant and equipments	-	-	-
Deductions / Adjustments	-	-	-
Balance as at March 31, 2019	-	83	83
PARTICULARS	Freehold Land	Buildings	Total
Net book value			
As at March 31, 2019	9	363	372
As at March 31, 2018	9	384	393

Notes:

- The fair value of the Group's investment properties as at March 31, 2019 and March 31, 2018 has been arrived at on the basis of a valuation used by Municipal Corporation of Greater Mumbai for calculation of property tax.
- Details of the Group's investment properties and information about the fair value hierarchy as at March 31, 2019 and March 31, 2018 are as follows:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Fair value of Building	28,948	28,948
Fair value hierarchy	Level 3	Level 3

- Amount recognised in Statement of Profit and Loss in respect of Investment Property

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Rental income derived from investment properties	979	898
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	189	151

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

4. INVESTMENT PROPERTY (contd.)..

- 4 All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.
- 5 Minimum lease payments receivable under non-cancellable operating lease of investments properties are as follows:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	119	117
Later than 1 year and not longer than 5 years	58	295
Later than 5 years	-	-

- 6 No contingent rent recognised / (adjusted) in the Profit or Loss in respect of operating lease.

5. GOODWILL

PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Cost or deemed cost			
Balance as at April 1, 2017	8,504	785	9,289
Additions during the year	-	-	-
Deductions / adjustments	4,762	-	4,762
Balance as at March 31, 2018	3,742	785	4,527
Balance as at April 1, 2018	3,742	785	4,527
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2019	3,742	785	4,527
PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Accumulated impairment			
Balance as at April 1, 2017	-	785	785
Impairment for the year	-	-	-
Deductions / Adjustments	-	-	-
Balance as at March 31, 2018	-	785	785
Balance as at April 1, 2018	-	785	785
Impairment for the year	-	-	-
Deductions / Adjustments	-	-	-
Balance as at March 31, 2019	-	785	785
PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Net book value			
As at March 31, 2019	3,742	-	3,742
As at March 31, 2018	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, 2019 (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, 2017	4,238	4,238
Additions during the year	2,031	2,031
Deductions / adjustments	-	-
Deduction on sale of subsidiary	376	376
Foreign currency translation adjustments	-	-
Balance as at March 31, 2018	5,893	5,893
Balance as at April 1, 2018	5,893	5,893
Additions during the year	2,413	2,413
Deductions / adjustments	-	-
Foreign currency translation adjustments	13	13
Balance as at March 31, 2019	8,319	8,319
PARTICULARS	Software	Total
Accumulated amortisation		
Balance as at April 1, 2017	2,378	2,378
Amortisation for the year from continuing operations	956	956
Amortisation for the year from discontinued operations	20	20
Deductions / Adjustments	-	-
Deduction on sale of subsidiary	249	249
Foreign currency translation adjustments	-	-
Balance as at March 31, 2018	3,105	3,105
Balance as at April 1, 2018	3,105	3,105
Amortisation for the year from continuing operations	1,446	1,446
Amortisation for the year from discontinued operations	-	-
Deductions / Adjustments	-	-
Foreign currency translation adjustments	1	1
Balance as at March 31, 2019	4,552	4,552
PARTICULARS	Software	Total
Net Book Value		
As at March 31, 2019	3,767	3,767
As at March 31, 2018	2,788	2,788

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

7. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
Non-current Investments				
Un-quoted Investments (all fully paid)				
Investment in Equity Instruments at cost				
- BFSI Sector Skill Council of India (Fully paid equity shares of ₹ 1 each)	1,05,00,000	105	1,05,00,000	105
- BSE CSR Integrated Foundation (Fully paid equity shares of ₹ 10 each)	50,000	5	50,000	5
- BIL - Ryerson Technology Startup Incubator Foundation (Fully paid equity shares of ₹ 1 each)	51,000	1	51,000	1
Less : Provision for diminution in value investment		(110)		(110)
Total		1		1
Aggregate carrying value of un-quoted investments		111		111
Aggregate amount of impairment in value of investments in subsidiaries		110		110

Notes:

- 1 Details of non-wholly owned subsidiaries that have material non-controlling interests under discontinued operations:
The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

NAME OF SUBSIDIARY	Proportion of ownership interests / voting rights held by non-controlling interests	Profit (loss) allocated to non-controlling interests	Accumulated non-controlling interests
Central Depository Services (India) Limited (upto June 29, 2017)	49.95%	1,325	-

- 2 Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.
The summarised financial information below represents amounts before intragroup eliminations.

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non-current assets	-	-
Current assets	-	-
Non-current liabilities	-	-
Current liabilities	-	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

7. INVESTMENTS IN SUBSIDIARIES (contd.)..

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	-	5,032
Expenses	-	2,485
Profit (loss) for the year	-	2,547
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	2,547
Dividends paid to non-controlling interests including tax	-	-
Net cash inflow (outflow) from operating activities	-	2,547
Net cash inflow (outflow) from investing activities	-	-
Net cash inflow (outflow) from financing activities	511	33,835
Net cash inflow (outflow)	511	36,382

- 3 The Parent Company has partially divested its stake in a subsidiary company on June 29, 2017. The divestment has resulted in a loss of control and therefore the profit on sale of the investment in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 45,118 has been credited to the Consolidated Statement of Profit and Loss during the year ended March 31, 2018. The residual investment retained in the subsidiary now considered as an investment in an associate.

Further, the Parent Company had partially divested its stake in the above subsidiary in October, 2016, which did not result in a loss of control and hence the profit on divestment amounting to ₹ 1,057 was credited to Retained Earnings under the head Other Equity during the year ended March 31, 2017. The said profit of ₹ 1,057 is now credited to the Consolidated Statement of Profit and Loss during the year ended March 31, 2018.

Since the operations of the above subsidiary represent a separate major line of business which has been disposed of, the disclosures required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" have been presented in note 49 to the consolidated financial statement.

8. INVESTMENTS IN ASSOCIATES

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	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 (Fully paid equity shares of ₹ 10 each)	5,000	548	5,000	373
- CDSL Commodity Repository Limited (Fully paid equity shares of ₹ 10 each)	1,20,00,000	1,230	-	-
- Marketplace EBIX Insurance Broking Private Limited (Fully paid equity shares of ₹ 10 each)	4,000	(1)	-	-
- BSE EBIX Insurance Broking Private Limited (Fully paid equity shares of ₹ 10 each)	20,04,000	196	-	-
Total - (A)		1,973		373

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (contd.)..

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	Quantity	Amount	Quantity	Amount
Investment in Preference Share Capital				
- Marketplace EBIX Insurance Broking Private Limited (0.01% Non-cumulative compulsarily convertible Preference Share of ₹ 10 each)	14,00,000	140	-	-
Total - (B)		140		-
Associate				
Quoted Investments (all fully paid)				
Investment in Equity Instruments				
- Central Depository Services (India) Limited (Fully paid equity shares of ₹ 10 each)	2,50,80,000	40,904	2,50,80,000	39,238
Total - (B)		40,904		39,238
Total - (A+B)		43,017		39,611
Aggregate book value of quoted investments		40,904		39,238
Aggregate market value of quoted investments		60,832		70,889
Aggregate carrying value of un-quoted investments		2,113		373
Aggregate amount of impairment in value of investments in associates		-		-

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Associates		
Asia Index Private Limited		
Opening Balance	373	252
Share of profit and loss for the year	174	121
Other comprehensive income for the year	1	-
Closing Balance	548	373
CDSL Commodity Repository Limited		
Opening Balance	-	-
Investment made during the year	1,200	-
Share of profit and loss for the year	30	-
Other comprehensive income for the year	-	-
Closing Balance	1,230	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (contd.)..

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Marketplace EBIX Insurance Broking Private Limited		
Opening Balance	-	-
Investment made during the year	-	-
Share of profit and loss for the year	(1)	-
Other comprehensive income for the year	-	-
Closing Balance	(1)	-
BSE EBIX Insurance Broking Private Limited		
Opening Balance	-	-
Investment made during the year	201	-
Share of profit and loss for the year	(5)	-
Other comprehensive income for the year	-	-
Closing Balance	196	-
Central Depository Services (India) Limited		
Opening Balance	39,238	-
Add: Remaining investment on loss of control of recognised as investment in associates	-	37,369
Share of profit and loss for the year	2,724	1,869
Other comprehensive income for the year	-	-
Dividend received during the year (including dividend distribution tax)	(1,058)	-
Gain / loss on disposal of investment	-	-
Closing Balance	40,904	39,238

Note: There are no commitments, the Group has made but not recognised at the reporting date relating to its interests in associates.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non-current Investments		
Un-quoted Investments (all fully paid)		
Investment in Equity Instruments at FVTPL		
- Calcutta Stock Exchange Limited (Fully paid equity share of ₹ 1 each)	-	-
Total Investment in Equity Instruments at FVTPL	-	-
Investments in Debentures measured at amortised cost		
Owned		
- Non-Convertible Debentures	-	998
	-	998
Quoted Investments		
Investments in Bonds, Debentures and G Sec measured at amortised cost		
Owned		
- Bonds	2,122	83,402
- Non-Convertible Debentures	2,000	3,507
Earmarked		
- G Sec	5,863	-
	9,985	86,909
Investments in Mutual Funds measured at FVTPL		
Owned		
- Units of Growth Oriented Debt Schemes of Mutual Funds	68,653	37,750
	68,653	37,750
Less : Provision for diminution	250	-
Total Non-current Investments	78,388	1,25,657
Aggregate amount of quoted investments	78,638	1,24,659
Aggregate market value of quoted investments	78,883	1,29,101
Aggregate amount of unquoted investments	-	998
Aggregate market value of unquoted investments	-	1,011
Aggregate amount of impairment in value of investments	250	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (contd.)..

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Current Investments		
Quoted Investments		
Investments in Certificate of Deposits measured at amortised cost		
Owned Fund		
- Certificate of Deposits	-	2,998
	-	2,998
Investments in Mutual Funds measured at FVTPL		
Owned Fund		
- Units of Dividend Oriented Debt Schemes of Mutual Funds	47,666	9,783
- Units of Growth Oriented Debt Schemes of Mutual Funds	59,686	45,470
- Investment in exchange traded funds through asset management company	1,453	4,102
	1,08,805	59,355
Earmarked Fund		
- Units of Dividend Oriented Debt Schemes of Mutual Funds	4,467	2,983
	4,467	2,983
	1,13,272	65,336
Current Portion of Long Term Investments		
Un-quoted investments (all fully paid)		
Investments in debentures and corporate deposits measured at amortised cost		
Owned		
- Non-convertible debentures	1,000	-
	1,000	-
Quoted Investments		
Investments in Debentures measured at amortised cost		
Owned Fund		
- Non-Convertible Debentures	2,702	10,192
	2,702	10,192
Current Portion of Long Term Investments		
Accrued interest	297	3,361
Less : Provision for diminution	712	-
Total Current Investments	1,16,559	78,889
Aggregate amount of quoted investments	1,16,267	78,885
Aggregate market value of quoted investments	1,16,270	78,926
Aggregate amount of unquoted investments	1,004	4
Aggregate market value of unquoted investments	1,007	4
Aggregate amount of impairment in value of investments	712	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Quantity	Amount	Quantity	Amount
Non-Current Investments					
Own Funds					
Trade Investment					
Investments in Equity Instruments					
1	Equity Shares of Calcutta Stock Exchange Limited of ₹ 1/- each	30,875	-	30,875	-
	Total		-		-

Sr. No.	SCHEME NAME	Balance as on March 31, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
(a)	Own Funds				
	Investments in Debentures (Unquoted)				
	Non-Convertible Debentures				
1	9.25%-TATA Sons Limited-Jun 2019	-	-	100	998
	Total		-		998
	Investments in Bonds and Debentures (Quoted)				
	Bonds				
1	8.10%-Housing And Urban Development Corporation Limited-05Mar2022-Tax Free	-	-	17,69,400	18,110
2	8.51%-Housing And Urban Development Corporation Limited-13Jan2024-Tax Free	-	-	1,50,000	1,523
3	8.29%-Housing And Urban Development Corporation Limited-24Mar2024-Tax Free	-	-	1,00,000	1,000
4	6.72%-Indian Railway Finance Corporation Limited-20Dec2020-Tax Free	-	-	7,500	7,489
5	7.55%-Indian Railway Finance Corporation Limited-08Nov2021-Tax Free	-	-	500	500
6	8.00%-Indian Railway Finance Corporation Limited-23Feb2022-Tax Free	-	-	6,52,773	6,613
7	7.19%-Indian Railway Finance Corporation Limited-14Dec2022-Tax Free	-	-	100	1,000
8	8.23%-Indian Railway Finance Corporation Limited-18Feb2024-Tax Free	-	-	3,00,000	3,065
9	8.35%-Indian Railway Finance Corporation Limited-21Nov2023-Tax Free	-	-	700	7,224
10	8.27% National Highway Authority Of India-05Feb2024-Tax Free	-	-	2,90,000	2,917
11	8.26%-National Housing Bank-13Jan2024-Tax Free	-	-	18,050	903

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
12	8.41%-National Thermal Power Corporation Limited-16Dec2023-Tax Free	-	-	60,000	600
13	7.19%-Power Finance Corporation Limited-04Jan2023-Tax Free	-	-	1,00,000	1,000
14	8.20%-Power Finance Corporation Limited-01Feb2022-Tax Free	-	-	12,25,828	12,500
15	8.01%-Rural Electrification Corporation Limited-29Aug2023-Tax Free	-	-	250	2,501
16	8.01%-Rural Electrification Corporation Limited-24Sep2023-Tax Free	-	-	5,00,000	5,000
17	8.09%-Power Finance Corporation Limited-25Nov2021-Tax Free	-	-	1,000	1,029
18	7.93%-Rural Electrification Corporation Limited-27Mar2022-Tax Free	-	-	1,64,702	1,684
19	8.19%-Rural Electrification Corporation Limited-24Mar2024-Tax Free	-	-	2,50,000	2,600
20	7.34%-Housing And Urban Development Corporation Limited-16Feb2023-Tax Free	-	-	1,00,000	1,002
21	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	-	-	50,000	515
22	7.62%-Housing And Urban Development Corporation Limited-11Nov2021-Tax Free	-	-	1,000	1,009
23	7.18%-Indian Railway Finance Corporation Limited-19Feb2023-Tax Free	-	-	1,50,000	1,495
24	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	2,500	26	2,500	27
25	8.41%-Infrastructure Leasing & Financial Services Limited - 22Feb2024 - Tax Free	1,00,000	1,014	1,00,000	1,014
26	8.23%-Indian Railway Finance Corporation Limited - 18Feb2024 - Tax Free	1,00,000	1,082	1,00,000	1,082
Total			2,122		83,402
(a) Own Funds					
Non Convertible Debentures					
1	9.49%-HDB Financial Services Limited-18Jun2019	-	-	50	500
2	9.51%-LIC Housing Finance Limited-24Jul2019	-	-	100	1,007
3	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	50,000	500	50,000	500
4	8.60%-LIC Housing Finance Limited-28Dec2020	150	1,500	150	1,500
Total			2,000		3,507

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
(b) Earmarked Funds	Investments in Government Securities (Quoted)				
	Government Securities				
	1 6.65% Govt Sec 09-Apr-2020	5,00,000	496	-	
	2 6.84% Govt Sec 19-Dec-2022	20,00,000	1,935	-	-
	3 7.37% Govt Sec 16-Apr-2023	15,00,000	1,503	-	-
	4 6.84% Govt Sec 19-Dec-2022	20,00,000	1,929	-	-
	Total		5,863		-
	(a) Own Funds				
	Investments in Mutual Funds measured at FVTPL				
	Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)				
1	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	50,00,000	578	50,00,000	537
2	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	3,00,00,000	3,460	3,00,00,000	3,214
3	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	50,00,000	579	50,00,000	537
4	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	1,00,00,000	1,113	1,00,00,000	1,035
5	Aditya Birla Sun Life - Fixed Term Plan - Series PR - 1134 Days - Direct - Growth Plan	1,50,00,000	1,620	1,50,00,000	1,504
6	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	90,000	1,038	90,000	964
7	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	50,000	579	50,000	537
8	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	2,00,000	2,232	2,00,000	2,078
9	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	50,00,000	577	50,00,000	536
10	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	30,00,000	345	30,00,000	320
11	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	50,00,000	577	50,00,000	536
12	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224 Days - Direct - Growth Plan	1,00,00,000	1,090	1,00,00,000	1,016
13	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	50,00,000	578	50,00,000	538
14	ICICI Prudential - Fixed Maturity Plan - Series 80 1231 Days Plan P - Direct - Growth Plan	50,00,000	579	50,00,000	537

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
15	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J 1253 Days - Direct - Growth Plan	50,00,000	580	50,00,000	538
16	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	1,00,00,000	1,159	1,00,00,000	1,075
17	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1225 Days - Direct - Growth Plan	50,00,000	577	50,00,000	535
18	ICICI Prudential - Fixed Maturity Plan - Series 82 - 1236 Days Plan A - Direct - Growth Plan	1,00,00,000	1,096	1,00,00,000	1,018
19	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	20,00,000	230	20,00,000	214
20	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	50,00,000	578	50,00,000	538
21	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	1,00,00,000	1,153	1,00,00,000	1,071
22	Kotak - Fixed Maturity Plan - Series 200 - 1158 Days - Direct - Growth Plan	50,00,000	578	50,00,000	537
23	Kotak - Fixed Maturity Plan - Series 202 - 1144 Days - Direct - Growth Plan	1,00,00,000	1,151	1,00,00,000	1,069
24	Kotak - Fixed Maturity Plan - Series 204 - 1141 Days - Direct - Growth Plan	50,00,000	569	50,00,000	529
25	Kotak - Fixed Maturity Plan - Series 211 - 1105 Days - Direct - Growth Plan	50,00,000	550	50,00,000	510
26	Kotak - Fixed Maturity Plan - Series 212 -1260 Days -Direct - Growth Plan	50,00,000	546	50,00,000	508
27	Kotak - Fixed Maturity Plan - Series 213 -1230 Days -Direct - Growth Plan	50,00,000	547	50,00,000	509
28	Reliance - Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	50,00,000	581	50,00,000	538
29	Reliance - Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	50,00,000	579	50,00,000	538
30	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	1,00,00,000	1,159	1,00,00,000	1,075
31	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201 Days - Direct - Growth Plan	3,00,00,000	3,463	3,00,00,000	3,215
32	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	80,00,000	923	80,00,000	857
33	Reliance - Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	50,00,000	567	50,00,000	527
34	Reliance - Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	1,50,00,000	1,691	1,50,00,000	1,571
35	Reliance - Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	1,20,00,000	1,344	1,20,00,000	1,249

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
36	Reliance - Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	50,00,000	548	50,00,000	509
37	Reliance - Fixed Horizon Fund - XXXV Series 6 -1263 Days - Direct - Growth Plan	1,00,00,000	1,098	1,00,00,000	1,020
38	Reliance - Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	1,00,00,000	1,076	1,00,00,000	1,002
39	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	1,00,00,000	1,155	1,00,00,000	1,073
40	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	30,00,000	345	30,00,000	320
41	Aditya Birla Sun Life - Fixed Term Plan - Series PU - 1463 Days - Direct - Growth	1,00,00,000	1,093	-	-
42	Aditya Birla Sun Life Fixed Term Plan Series PV - 1462 Days - Direct- Growth	1,00,00,000	1,094	-	-
43	Aditya Birla Sun Life Fixed Term Plan - Series RC - 1295 days - Direct - Growth	2,00,00,000	2,131	-	-
44	Aditya Birla Sun Life Fixed Term Plan - Series RL - 1254 days - Direct Growth	40,00,000	422	-	-
45	Canara Robeco Fixed Maturity Plan Series-8 - 1103 Days - Direct Growth	30,00,000	318	-	-
46	DSP BlackRock Fixed Maturity Plan Series 232 - 36M - Direct - Growth	1,00,00,000	1,082	-	-
47	HDFC Fixed Maturity Plan 1115 Days Sep 2018 Plan Direct Growth	1,00,00,000	1,068	-	-
48	HDFC Fixed Maturity Plan 1274 Days October 2018 Direct Growth	1,00,00,000	1,064	-	-
49	ICICI Prudential Fixed Maturity Plan - Series 84 - 1286 Days - Plan F - Direct Growth	50,00,000	532	-	-
50	ICICI Prudential Fixed Maturity Plan - Series 84 - 1275 Days - Plan K - Direct Growth	1,00,00,000	1,061	-	-
51	IDFC Fixed Term Plan Series 156 - 1103 Days - Direct - Growth	50,00,000	536	-	-
52	Invesco India Fixed Maturity Plan Series 31-Plan D-1468 Days-Direct Growth	1,00,00,000	1,088	-	-
53	Invesco India Fixed Maturity Plan Sr. 32 Plan E - 1099 Days - Direct Growth	1,00,00,000	1,068	-	-
54	Kotak Fixed Maturity Plan Series 226 - 1470 Days - Direct - Growth	1,00,00,000	1,092	-	-
55	Kotak Fixed Maturity Plan Series 245 - 1140 Days - Direct-Growth	1,00,00,000	1,060	-	-
56	Kotak Fixed Maturity Plan Series 248 - 1300 Days Direct Growth	1,00,00,000	1,065	-	-
57	Kotak Fixed Maturity Plan Series 250 - 1314 Days Direct Growth	1,00,00,000	1,059	-	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
58	L&T Fixed Maturity Plan Series XVIII 1104 Days Direct Growth	50,00,000	530	-	-
59	Reliance Fixed Horizon Fund XXXVII-Series 5-Direct Growth - 1105 Days	1,00,00,000	1,082	-	-
60	RelianceFixed Horizon Fund XXXVII Series 6 - 1417 Days - Direct - Growth	1,00,00,000	1,095	-	-
61	Reliance Fixed Horizon Fund XXXVIII Series 6 - 1119 Days - Direct - Growth	1,00,00,000	1,066	-	-
62	Reliance Fixed Horizon Fund XXXIX Series 4 - 1323 Days - Direct - Growth	1,00,00,000	1,075	-	-
63	Reliance Fixed Horizon Fund XXXIX Series 6 - 1316 Days - Direct - Growth	1,00,00,000	1,072	-	-
64	Reliance Fixed Horizon Fund XXXIX Series 9 - 1296 Days - Direct - Growth	1,00,00,000	1,063	-	-
65	Reliance Fixed Horizon Fund XXXIX Series 14 - 1275 Days - Direct - Growth	1,20,00,000	1,273	-	-
66	Sundaram Fixed Term Plan - IK - 1098 Days - Direct - Growth	50,00,000	536	-	-
67	UTI Fixed Term Income Fund - XXX-V - 1135 Days - Direct - Growth	1,00,00,000	1,068	-	-
68	UTI Fixed Term Income Fund Series XXX - VIII - 1286 Days - Direct - Growth	50,00,000	534	-	-
69	UTI Fixed Term Income Fund Series XXX - X - 1267 days - Direct - Growth	50,00,000	529	-	-
70	ICICI Prudential - Fixed Maturity Plan - Series 82 - 1185 Days - Plan M	25,00,000	272	25,00,000	252
71	Aditya Birla Sun Life - Fixed Term Plan - 1190 Days - Series PB - Direct - Growth Plan	20,00,000	218	20,00,000	203
72	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	20,00,000	231	20,00,000	215
73	ICICI Prudential - Fixed Maturity Plan - Series 84 - 1101 Days - Plan A	10,00,000	106	-	-
74	Aditya Birla Sun Life - Fixed Term Plan - 1100 Days - Series RI - Direct - Growth Plan	15,00,000	158	-	-
75	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	20,01,215	231	20,01,215	215
76	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	30,00,000	347	30,00,000	323
77	HSBC - Fixed Term Plan - Series 130 (HFTS 130)	25,00,000	273	25,00,000	254
78	KOTAK NFO Fixed Maturity Plan 11	25,00,000	273	25,00,000	254
Total			68,653		37,750

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
Current Investments					
Investments in Certificate of Deposits					
(a) Own Funds					
Certificate of Deposit (Quoted)					
1	IDFC Bank - Certificate of Deposit - 03APR2018	-	-	3,000	2,998
Total			-		2,998
Investment in Mutual Funds					
(a) Own Funds					
Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)					
1	Kotak Income Opportunities Fund - Direct - Weekly Dividend Reinvestment	-	-	2,87,37,312	3,009
2	ICICI Prudential Liquid - Direct Plan - Daily Dividend Reinvestment	6,76,712	678	19,82,816	1,986
3	HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	15,509	165	24,265	258
4	Invesco India Liquid Fund - Direct - Daily Dividend Reinvestment	-	-	2,99,975	3,003
5	HDFC Floating Rate Income Fund - Direct - Daily Dividend Reinvestment	-	-	19,60,102	198
6	HDFC Liquid Fund Direct Plan	18,650	190	88,449	902
7	SBI Liquid Fund - Direct - Daily Dividend Reinvestment	1,14,006	1,142	-	-
8	SBI Magnum Insta Cash Fund - Daily Dividend - Regular Plan	-	-	4,205	369
9	Reliance Liquid Fund Treasury Plan - Direct - Daily Dividend Reinvestment	-	-	3,766	58
10	Baroda Liquid Fund - Plan B - Direct - Daily Dividend Reinvestment	19,01,258	19,052	-	-
11	DSP BlackRock Liquidity Fund - Direct -Daily Dividend Reinvestment	9,99,849	10,008	-	-
12	JM Liquid Fund Direct - Daily Dividend Reinvestment	15,75,33,871	16,431	-	-
Total			47,666		9,783
(a) Own Funds					
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)					
1	HDFC Short Term Plan	-	-	-	-
2	Kotak Income Opportunity Fund	-	-	53,580	10
3	DSP Blackrock Income Opportunities Fund Regular - Growth	-	-	14,13,067	404
4	IDFC Super Saver Income Fund Medium Term	10,78,579	337	10,78,579	314
5	HDFC Corporate Debt Opportunities Fund	9,22,944	141	9,22,944	133
6	IDFC Corporate Bond Fund - Direct - Growth Plan	46,98,504	604	39,10,289	468
7	Kotak Income Opportunity Fund -Direct - Growth Plan	-	-	25,37,830	508
8	Sundaram Banking And PSU Debt Fund Direct - Growth Plan	1,13,65,057	3,342	1,13,65,057	3,108
9	Aditya Birla Sun Life Short Term Fund - Direct - Growth Plan	31,11,334	2,245	31,11,334	2,079

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
10	Axis Short Term Fund - Direct - Growth Plan	-	-	1,06,54,904	2,093
11	DHFL Pramerica Banking and PSU Debt Fund - Direct - Growth Plan	-	-	1,34,96,552	2,072
12	DHFL Pramerica Premier Bond Fund - Direct - Growth Plan	-	-	1,07,99,797	3,113
13	DHFL Pramerica Short Term Floating Rate Fund - Direct - Growth Plan	-	-	1,07,52,630	2,090
14	DSP BR Banking and PSU Debt Fund - Direct - Growth Plan	69,74,911	1,121	69,74,911	1,039
15	DSP BR Short Term Fund - Direct - Growth Plan	67,79,661	2,229	67,79,661	2,072
16	HDFC Medium Term Opportunities Fund - Direct - Growth Plan	2,67,71,755	5,605	2,67,71,755	5,196
17	IDFC Corporate Bond Fund - Direct - Growth Plan	6,07,20,257	7,809	6,07,20,257	7,268
18	Kotak Bond Short Term Plan - Direct - Growth Plan	1,04,07,748	3,796	61,90,628	2,085
19	L&T Triple Ace Bond Fund - Direct - Growth Plan	1,23,86,929	5,998	91,91,292	4,149
20	Reliance Floating Rate Fund Short Term - Direct - Growth Plan	-	-	2,58,60,203	7,269
21	L&T Short Term Bond Fund - Direct - Growth Plan	1,11,72,248	2,052	-	-
22	Reliance Nivesh Lakshya Fund - Direct - Growth Plan	9,45,77,039	10,496	-	-
23	Reliance Banking & PSU Debt Fund - Direct - Growth Plan	3,01,30,692	4,097	-	-
24	Sundaram Corporate Bond Fund - Direct - Growth Plan	38,89,628	1,032	-	-
25	Kotak Banking & PSU Debt Fund - Direct - Growth Plan	35,82,363	1,539	-	-
26	Invesco India Corporate Bond Fund - Direct - Growth Plan	70,730	1,549	-	-
27	HDFC Liquid Fund - Direct - Growth - Plan	98,356	3,618	-	-
28	BOI AXA Arbitrage Fund - Direct - Growth Plan	49,55,500	519	-	-
29	Edelweiss Arbitrage Fund - Direct - Growth Plan	36,54,677	515	-	-
30	IDFC Arbitrage Fund - Direct - Growth Plan	21,66,444	522	-	-
31	L&T Arbitrage Opportunities Fund - Direct - Growth Plan	37,31,343	520	-	-
Total			59,686		45,470
Investment in Exchange Traded Funds (Quoted)					
1	Sensex Prudential ICICI - Exchange Traded Fund (Spice)	-	-	-	-
2	ICICI Prudential Sensex Iwin - Exchange Traded Fund	5,796	24	32,334	118
3	HDFC Sensex - Exchange Traded Fund	36,000	1,429	1,14,000	3,984
Total			1,453		4,102
(b) Earmarked Funds					
Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)					
1	Axis Liquid Fund - Direct - Daily Dividend Reinvestment - Investor Services Fund	-	-	2,98,054	2,983
2	Baroda Liquid Fund Plan B - Direct Growth - Investor Services Fund	2,07,160	4,457	-	-
3	Baroda Liquid Fund Plan B - Direct Growth- Investor Services Fund (Commodity)	458	10	-	-
Total			4,467		2,983

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
Current Portion of Long Term Investments					
Own Funds					
Investments in Debentures (Unquoted)					
Non-Convertible Debentures					
1	9.25%-TATA Sons Limited-19Jun2019	100	1,000	-	-
	Total		1,000		-
Corporate Deposits					
1	HDFC Limited		251	-	-
	Total		251		-
Investments in Debentures (Quoted)					
Non Convertible Debentures					
1	9.49%-HDB Financial Services Limited-18Jun2019	50	500	-	-
2	9.51%-LIC Housing Finance Limited-24Jul2019	100	1,002	-	-
3	11.08%-LIC Housing Finance Limited-13Aug2018	-	-	49	493
4	8.90%- Infrastructure Leasing & Financial Services Limited-21Mar2019	20,000	200	20,000	200
5	8.80%-Canfin Homes Limited-02Jul2018	-	-	100	1,000
6	8.77%-HDB Financial Services Limited-02Jun2018	-	-	50	500
7	8.81%-HDB Financial Services Limited-28Jul2018	-	-	50	500
8	8.71%-HDB Financial Services Limited-20Oct2018	-	-	100	1,000
9	8.65%-HDB Financial Services Limited-25Sep2018	-	-	50	500
10	8.8394%-HDB Financial Services Limited-12Mar2019	-	-	100	1,000
11	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	1,00,000	1,000	1,00,000	1,000
12	8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018	-	-	1,00,000	1,000
13	8.80%-Kotak Mahindra Prime Limited-26Jun2018	-	-	50	500
14	8.34%-LIC Housing Finance Limited-22Mar2018	-	-	250	2,499
	Total		2,702		10,192

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

10. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Current		
Trade Receivables		
- Secured, considered good	1,211	1,384
- Unsecured, considered good	3,692	4,103
- Doubtful	1,763	1,188
- Allowance for doubtful debts	(1,763)	(1,188)
Total	4,903	5,487

- Trade receivables are dues in respect of services rendered in the normal course of business.
- The Normal credit period allowed by the Group ranges from 0 to 60 days.
- The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.
- There are no dues by directors or other officers of the Parent Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- Movement in expected credit loss allowance

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	1,188	1,872
Impairment loss allowance during the year	575	(142)
Impairment loss pertaining to discontinued operation	-	(542)
Balance at the end of the year	1,763	1,188

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non-current (Unsecured, considered good, unless otherwise stated)		
a Security deposits; Deposit with public bodies and others	319	346
b Loans, advances and others receivables Loan to staff	79	94
Others receivable from defaulter member	-	78
Receivable from Punjab & Sindh bank	316	316
Less Impairment loss on receivable from Punjab & Sindh bank	(316)	(316)
Net receivable from Punjab & Sindh bank	-	-
c Bank deposits with more than 12 months maturity		
Owned fund		
- In deposit accounts	1,153	3,749
Earmarked fund		
- In deposit accounts	3,699	4,513
Earmarked - SGF		
- In deposit accounts	3,730	1,325
d Accrued interest		
Owned		
- On deposits	23	60
Earmarked		
- On deposits	183	561
Total	9,186	10,726
Current (Unsecured, considered good, unless otherwise stated)		
a Loan Loan to staff	15	29
b Others		
- Unbilled revenue	1	-
- Receivable from Portfolio Management Account	500	47
- Deposit with public bodies and others	149	333
- Others receivable from defaulter member	104	26
Less: Impairment allowance for doubtful debts	(104)	-
- Receivable towards incentive scheme	14	-
- Others	4	-
c Unsecured and considered doubtful Deposit made under protest for property tax and claim pending with court	775	771
Less: Provision for Doubtful Advances	(771)	(771)
d Deposits with financial institution	251	-
Total	938	435

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019	As at March 31, 2018
Balance with Banks		
Owned fund		
- In Current Accounts	5,640	3,293
- In Deposit Accounts original maturity less than 90 days	3,789	8,755
Earmarked fund		
- In Current Accounts	26,604	37,619
- In Deposit Accounts original maturity less than 90 days	5,320	30,000
Earmarked - SGF		
- In Current Accounts	31	59
- In Deposit Accounts original maturity less than 90 days	6,559	-
Total	47,943	79,726
Bank balance other than above		
Balance with banks		
Owned fund		
- In Deposit Accounts (refer note 12.3)	9,499	36,187
Earmarked fund		
- In Current Accounts (unpaid dividend) (refer note 12.2)	1,333	1,008
- In Current Accounts (refer note 12.1 and 12.2)	481	489
- In Deposit Accounts	44,633	44,452
Earmarked - SGF		
- In Deposit Accounts	48,874	35,035
Earmarked - IPF		
- In Deposit Accounts	11	-
Accrued interest		
Owned		
- On deposits	987	401
Earmarked		
- On deposits	1,047	966
Total	1,06,865	1,18,538

Notes:

- 12.1. Of the above, ₹ 9 have been earmarked against payables on expenses towards IPO as at March 31, 2018 .
- 12.2. The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities of the Group.
- 12.3. Balance with bank as at March 31, 2018 includes ₹ 4,150 held as margin money deposit against guarantee for buyback of equity shares as specified in Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

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Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

13. OTHER ASSETS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non Current		
Gratuity asset (net) (refer note 46)	70	-
Prepaid Expenses	5	10
Total	75	10
Current		
Prepaid Expenses	421	580
Advances towards buyback of equity shares	-	285
Advance to Creditors	133	245
CENVAT Credit Receivable	1,368	1,295
CENVAT Credit Receivable (not due)	183	176
Total	2,105	2,581

14. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
150,00,00,000 (150,00,00,000 as at March 31, 2018) equity shares of ₹ 2/- each	30,000	30,000
Issued share capital:		
5,25,69,002 (5,40,39,532 equity shares as at March 31, 2018) equity shares of ₹ 2/- each	1,052	1,081
Subscribed and Paid-up share capital		
5,17,89,002 (5,32,59,532 equity shares as at March 31, 2018) equity shares of ₹ 2/- each fully paid-up.		
Outstanding share capital	1,036	1,066
Less: Par value of shares bought back pending for extinguishment (refer note. 48)	-	(1)
Total	1,036	1,065

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

PARTICULARS	As at March 31, 2019	As at March 31, 2018
No. of shares at the beginning of the year	5,32,59,532	5,38,08,172
Additions during the year	-	-
Shares bought back and extinguished during the year (refer note. 48)	(14,70,530)	(5,02,920)
Shares bought back pending for extinguishment (refer note. 48)	-	(45,720)
No. of shares at the end of the year	5,17,89,002	5,32,59,532

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019	As at March 31, 2018
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, 2018) 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, 2018) 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) No shareholder holds more than 5% of the Share Capital of the Company.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
General Reserve	70,470	70,470
Capital Reserve	66,179	66,179
Capital Reserve on business combination	10,530	10,530
Securities Premium Account	22,526	34,796
Retained earnings	1,22,779	1,24,765
Disposal of partial interest in CDSL (refer note 15.5)	-	-
Share application money pending allotment	1	1
Capital redemption reserve (refer note 48)	40	10
Liquidity enhancement scheme (LES) reserve (refer note 41)	8	239
Total	2,92,533	3,06,990

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 Securities premium

Securities premium reserve reflects issuance of the shares by the Group at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium reserve" as per the provisions of the Companies Act, 2013. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

15.4 Retained earnings

The same reflects surplus/deficit after taxes in the Profit or Loss. The amount that can be distributed by the Parent Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

The Board of Directors, in its meeting on May 7, 2019, have proposed a final dividend of ₹ 25/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹ 15,844, including corporate dividend tax.

15.5 Disposal of partial interest in CDSL

The Parent Company has partially divested its stake in a subsidiary company on June 29, 2017. The divestment has resulted in a loss of control and therefore the profit on sale of the investment in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 45,118 has been credited to the Consolidated Statement of Profit and Loss during the year ended March 31, 2018. The residual investment retained in the subsidiary now considered as an investment in an associate.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS (contd.)..

Further, the Parent Company had partially divested its stake in the above subsidiary in October, 2016, which did not result in a loss of control and hence the profit on divestment amounting to ₹ 1,057 was credited to Retained Earnings under the head Other Equity during the year ended March 31, 2017. The said profit of ₹ 1,057 is now credited to the Consolidated Statement of Profit and Loss during the year ended March 31, 2018.

Since the operations of the above subsidiary represent a separate major line of business which has been disposed of, the disclosures required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" have been presented in note 49 to the consolidated financial statements.

16. OTHER FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018
Non-current		
Accrued employee benefit expenses	557	438
Finance lease obligations (refer note 16.1 below)	3	30
Other deposits	104	104
Total	664	572
Current		
Owned :		
Deposits received from trading members	9,618	9,794
Other deposits received from members	3,352	3,358
Other deposits	1,339	883
Margin from Clients	73	-
Accrued employee benefit expenses	2,971	2,822
Unpaid dividends (refer note 16.3)	134	90
Payables on purchase of fixed assets	115	377
Current maturities of finance lease obligations (refer note 16.1)	-	13
Total (A)	17,602	17,337

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

16. OTHER FINANCIAL LIABILITIES (contd.)..

	As at March 31, 2019	As at March 31, 2018
Earmarked :		
From companies - 1% of their public issue (refer note 16.2 below)	12,313	14,153
Defaulters' liabilities (refer note 16.2)	2,548	2,531
Withheld liabilities (refer note 16.2)	4,985	6,138
Payables on expenses towards IPO (recovered from selling shareholders) (refer note 16.3)	-	9
Others (refer note 16.4)	3,451	2,429
Total (B)	23,297	25,260
Clearing and Settlement		
Deposit from Clearing banks	12,489	12,431
Deposit and Margins from Members	27,891	26,582
Settlement Obligation payable	4,729	40,176
Others	11,557	12,340
Total (C)	56,666	91,529
Total (A+B+C)	97,565	1,34,126

16.1 Secured by lease asset. Liability is at a fixed rate of interest with original repayment period of 5 years.

16.2 Investments, bank balance and bank deposits have been earmarked against these liabilities.

16.3 Current accounts have been earmarked against this liability.

16.4 Includes income earned on earmarked fund.

17. PROVISIONS

	As at March 31, 2019	As at March 31, 2018
Non-current		
Employee benefits		
Provision for gratuity (refer note 46)	186	215
Total	186	215
Current		
Employee benefits		
Compensated absences (refer note 46)	1,507	1,231
Provision for gratuity (refer note 46)	9	135
Total	1,516	1,366

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deferred tax assets (net)		
Deferred tax assets	12,276	9,622
Deferred tax liabilities	2,029	826
Deferred tax assets (net)	10,247	8,796
Deferred tax liabilities (net)		
Deferred tax liabilities	-	-
Deferred tax assets	-	-
Deferred tax liabilities (net)	-	-

Details of Deferred tax assets and liabilities are given below:

PARTICULARS	Opening balance as at April 1, 2017	Recognised in Profit or loss (continuing operation)	Recognised in Profit or loss (discontinued operation)	Recognised in other comprehensive income	Deduction on sale of subsidiary	Closing balance as at March 31, 2018	Recognised in Profit or loss (continuing operation)	Recognised in other comprehensive income	Closing balance as at March 31, 2019
Deferred tax assets									
MAT Credit entitlement	2,609	(6,197)	(2)	-	43	8,765	(1,825)	-	10,590
Impairment of financials assets	533	49	-	-	186	298	(732)	-	1,030
Expenses allowed on payment basis	974	49	4	(36)	531	426	109	(38)	355
Voluntary Retirement Scheme	185	83	-	-	-	102	77	-	25
Property, Plant and Equipment, Intangible assets and goodwill	-	(31)	-	-	-	31	(245)	-	276
Total - A	4,301	(6,047)	2	(36)	760	9,622	(2,616)	(38)	12,276
Deferred tax liabilities									
Property, Plant and Equipment, Intangible assets and goodwill	115	298	7	-	(190)	-	-	-	-
Others (Mainly on mutual fund fair valuation)	921	(696)	483	-	308	826	(1,203)	-	2,029
Total - B	1,036	(398)	490	-	118	826	(1,203)	-	2,029
Net - (A-B)	3,265	(5,649)	(488)	(36)	642	8,796	(1,413)	(38)	10,247

Notes:

- Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSET AND LIABILITIES (contd.)..

PARTICULARS	As at March 31, 2019	As at March 31, 2018
- Tax losses (revenue in nature)	9,655	4,659
- Tax losses (capital in nature)	5,220	8,062
Total	14,875	12,721

Note: The unrecognised tax credits will expire in following years

PARTICULARS	As at March 31, 2019	As at March 31, 2018
2019-20 - Capital in Nature	325	3,168
2020-21 - Capital in Nature	4,796	4,796
2021-22 - Capital in Nature	47	46
2022-23 - Revenue in Nature	-	62
2023-24 - Revenue in Nature	330	158
2024-25 - Revenue in Nature	1,569	362
2024-25 - Capital in Nature	52	52
2025-26 - Revenue in Nature	1,500	1,421
2026-27 - Revenue in Nature	2,302	2,407
2027-28 - Revenue in Nature	3,470	-
Unabsorbed Depreciation	484	249

- The management expects the Company to pay normal tax and benefit associated with MAT credit will flow to the Group within permissible time limit stipulated under Income Tax Act, 1961 to the extent MAT asset recognised.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

19. OTHER LIABILITIES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non Current		
Income received in advance	223	161
Unamortised portion of Capital Subsidy	62	-
Total	285	161
Current		
Owned :		
Income received in advance	1,512	1,545
Advance from customers	192	772
Statutory remittances	3,952	5,457
Other liabilities (refer note below)	6,122	3,972
Unamortised portion of Capital Subsidy	28	-
Earmarked :		
Contribution payable to IPF	11	10
Total	11,817	11,756

Note: Other liabilities includes :

a) Investors' Services Fund (ISF):

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Annual listing fees received for the year	14,477	13,250
20% of the above (Amount to be contributed annually)	2,895	2,650
Investment income accrued to ISF	278	156
Expenses incurred on behalf of ISF	1,635	2,424
Cumulative balance as at end of year	4,339	2,801

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Fund.

b) Other liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Cumulative balance as at end of year (refer note 16.3)	1,199	918

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

20. TRADE PAYABLES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Current		
A) Total outstanding due of Micro & Small Enterprises		
Payable to service providers	10	19
B) Total outstanding due of Creditors other than Micro & Small Enterprises		
Payable to service providers	4,179	6,275
Total	4,189	6,294

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(a) Principal amount and interest thereon remaining unpaid at the end of year. Interest paid including payment made beyond appointed day during the year.	10	19
(b) Interest due and payable for delay during the year	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-

21. INCOME TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non Current tax assets		
Advance tax (net of provisions)	7,979	7,934
Total	7,979	7,934
Current tax liabilities		
Income tax provision (net of advance tax)	1,147	1,415
Total	1,147	1,415

22. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Transaction charges	11,385	15,808
Other charges	1,598	2,084
Annual subscription and admission fees	450	454
Processing fees	307	387
Treasury Income from Clearing and Settlement Funds	3,065	4,077
Clearing and Settlement Charges	254	67
Auction Charges	88	124
Total	17,147	23,001

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019	For the year ended March 31, 2018
Listing fees	18,826	17,762
Book building software charges	1,494	3,311
Company reinstatement fees	574	607
Other fees	470	389
Total	21,364	22,069

24. INVESTMENT INCOME

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
Bank deposits (at amortised cost)	2,395	3,240
Investments in debt instruments (at amortised cost)	3,797	8,084
b) Dividend income		
Dividends from investment in equity shares (designated at cost or at FVTPL)		
Dividend income from others	5	6
Dividends from investment in mutual funds (designated at FVTPL)		
Dividend income	1,989	1,627
c) Other gains or losses:		
Net gains / (loss) on derecognition of financial assets measured at amortised cost	3,074	187
Net gain / (loss) on disposal of equity instrument measured at FVTPL	-	-
Net gains / (loss) arising on financial assets measured at FVTPL	8,958	3,726
Total	20,218	16,870

25. OTHER INCOME

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income	979	1,185
Website income	210	288
Net gain on disposal of property, plant and equipment	1	-
Net foreign exchange loss	1	(5)
Interest on income tax refunds	785	153
Miscellaneous income	305	498
Incentives from Government authorities	130	-
Excess Provision written back	1,085	183
Total	3,496	2,302

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

26. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, allowances and bonus	11,966	10,133
Contribution to provident and other Funds	673	585
Staff welfare expenses	412	507
Compensated absences	870	783
Total	13,921	12,008

27. COMPUTER TECHNOLOGY RELATED EXPENSES

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Computer technology related expenses	7,842	7,556
Technology programmes	3,500	3,555
Total	11,342	11,111

28. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertising and marketing expenses	708	569
Bad debts written off	355	309
Building repairs and maintenance expenses	907	1,806
Charity and donations	1	5
Clearing House Expenses	11	8
Contribution to investors service fund	2,895	2,650
Contribution to investors' protection fund	145	132
Contribution to core settlement guarantee fund (refer note below 43)	684	2,256
Contribution to SEBI	1,448	1,325
Contribution to corporate social responsibility (refer note below 28.1)	391	428
Data entry charges	279	217
Datafeed expenses	422	235
Directors' sitting fees	75	73
Electricity charges (net of recoveries)	1,220	1,331
Insurance	294	288

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019	For the year ended March 31, 2018
Impairment loss allowance on trade receivables	575	(142)
Impairment loss on financial assets carried at cost	1,371	51
Legal fees	268	262
Miscellaneous expenses	1,484	1,208
Payment to auditors		
a) Statutory audit fee	63	71
b) Tax audit fee	5	5
c) Other services	1	2
d) Out of Pocket	3	1
Professional fees	2,350	1,821
Postage and telephone expenses	220	228
Printing and stationery	117	126
Property taxes (net of recoveries)	215	217
Rent	192	228
Repairs to other assets	142	189
SEBI regulatory fees	444	329
Travelling expenses	820	607
Total	18,105	16,835

28.1 CSR Expenditure

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a) The gross amount required to be spent by the Group during the year	391	280
b) Amounts debited to Profit or Loss account were paid in cash during the respective year and were incurred for the purpose other than the construction / acquisition of any asset.		

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

29. TAXES

(a) Income tax expenses

The major components of income tax expenses for the year ended March 31, 2019

(i) Profit or loss section

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expense	4,490	11,313
Current tax expense of earlier years (refer note 29.1)	(665)	(119)
Deferred tax	(1,490)	(5,649)
Total income tax expense recognised in Profit or Loss	2,335	5,545

29.1 Based on the assessment orders received during the quarter ended June 30, 2018, the Company has written back an amount of ₹ 661 Lakh in respect of previous years.

(ii) Other comprehensive income section

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement of the defined benefit plans	(38)	(36)
Total income tax expense recognised in other comprehensive income	(38)	(36)

(b) Reconciliation of effective tax rate

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Income before income tax	18,829	25,030
(B) Enacted tax rate in india	34.944%	34.608%
(C) Expected tax expenses (A*B)	6,580	8,662
(D) Other than temporary differences		
Tax difference on account of lower enacted rate for subsidiaries	-	(69)
Investment Income	(4,173)	(3,447)
Income from House Property and Related expenditure	(52)	(71)
Clearing corporation contribution to Core settlement guarantee fund	-	-
Expenses disallowed / (allowed)	227	337
Total	(3,998)	(3,250)
(E) Temporary difference on which deferred tax assets not recognised		
Business Loss Carried Forward	418	252
Total	418	252
(F) Net adjustments (D+E)	(3,580)	(2,998)
(G) Current tax expense of earlier years	(665)	(119)
(H) Tax expense recognised in profit and loss (C+F+G)	2,335	5,545
(I) Current tax recognised in other comprehensive income	-	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

30. EARNINGS PER SHARE (EPS)

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	5,27,89,971	5,45,43,037
Effect of dilutive equity shares outstanding during the year	-	-
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	5,27,89,971	5,45,43,037
Face Value per Share	₹ 2 each	₹ 2 each
Continuing operations		
Profit after tax before exceptional items (net of tax)	20,297	21,645
Profit after tax after exceptional items attributable to equity shareholder	19,417	21,475
Discontinued operations		
Profit after tax attributable to equity shareholder	511	47,397
Total operations		
Profit after tax after exceptional items attributable to equity shareholder	19,928	68,872
Continuing operations		
Basic and Diluted EPS before exceptional items	38.45	39.68
Basic and Diluted EPS after exceptional items	36.78	39.37
Discontinued operations		
Basic and Diluted EPS after exceptional items	0.97	86.90
Total operations		
Basic and Diluted EPS after exceptional items	37.75	126.27

Notes:

- The Board of Directors of the Company at its meeting held on January 15, 2018, has inter-alia approved the Buyback proposal for purchase by the Company of its fully paid-up equity shares of face value of ₹ 2/- each ("Equity Shares" and such buyback, the "Buyback"), from the shareholders/beneficial owners of the Company. The scheme of buyback was commenced on February 1, 2018 and closed on July 9, 2018 and the Company bought back and extinguished 20,19,170 equity shares. Accordingly, the weighted average number of equity shares (issued share capital) for the calculation of Earnings Per Share is worked out to 5,27,89,971 equity shares for the year ended March 31, 2019 and 5,45,43,037 equity shares for the year ended March 31, 2018.
- Further in case of one subsidiary company (Indian Clearing Corporation Limited), contribution of ₹ 684 to Core Settlement Guarantee Fund is charged to Statement of Profit and Loss in the current year. Such contribution of ₹ 2,256 in earlier years were earmarked from investments and was not charged to Statement of Profit and Loss. Consequently previous year figures and Earning Per Share (EPS) has been restated.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

31. LEASE

31.1 Finance Lease

- (i) Assets acquired on finance lease mainly comprise motor vehicle during the current year and premises during the previous year.
- (ii) The Minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease are as follows:

Sr. No.	PARTICULARS	Minimum Lease Payments		Present value of Minimum Lease Payments	
		As at		As at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Payable not later than 1 Year	0	17	0	11
2	Payable later than 1 Year and not later than 5 Years	1	28	1	23
3	Payable later than 5 Year	3	4	2	3
	Total	4	49	3	37
	Less : Future Finance Charges	1	12		
	Present Value of Minimum Lease Payments	3	37		

- (iii) No contingent rent recognised / (adjusted) in the Profit or Loss in respect of finance lease.
- (iv) The Group has acquired leasehold building for the initial lease term of 30 years, however Group has option to extend the same for 99 years without any additional cost except yearly nominal lease rent subject to government authorities approving the extension of leasehold right of sub-leasing of lessor.

31.2 Operating lease

The Group leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the year ended March 31, 2019 was ₹ 192 (March 31, 2018: ₹ 228).

The Group does not have non-cancellable operating lease other than lease facilities towards investor services centers. Investor services centers rent expenses are incurred through investor services fund which is set aside from listing fee collected for investor services and shown under other liabilities.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019 and March 31, 2018 is as follows:

PARTICULARS	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments	13,022	1,04,458	13,273	1,08,954
Trade receivable	4,903	5,487	4,903	5,487
Cash and cash equivalents	47,943	79,726	47,943	79,726
Bank balances other cash and cash equivalents	1,06,865	1,18,538	1,06,865	1,18,538
Other financial assets	10,124	11,161	10,124	11,161
Total	1,82,857	3,19,370	1,83,108	3,23,866
b) FVTPL				
Investment in equity instruments	-	-	-	-
Investment in Exchange Traded Funds	1,453	4,102	1,453	4,102
Investment in mutual funds	1,80,472	95,986	1,80,472	95,986
Total	1,81,925	1,00,088	1,81,925	1,00,088
c) Others				
Investment in subsidiaries and associates	43,018	39,612	62,946	71,263
ii) Financial liabilities				
a) Amortised Cost				
Trade payables	4,189	6,294	4,189	6,294
Other financial liabilities	98,229	1,34,698	98,229	1,34,698
Total	1,02,418	1,40,992	1,02,418	1,40,992

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted bonds and debentures are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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).

PARTICULARS		Fair values As at March 31, 2019	Fair values As at March 31, 2018	Fair Value Hierarchy (Level)
i)	Financial assets			
a)	Amortised Cost			
	Investment in debt instruments (quoted)	12,266	1,07,939	Level 1
	Investment in debt instruments (unquoted)	1,007	1,015	Level 2
	Total	13,273	1,08,954	
b)	FVTPL			
	Investment in Exchange Traded Funds	1,453	4,102	Level 1
	Investment in mutual funds	1,80,472	95,986	Level 1 & Level 3
	Total	1,81,925	1,00,088	
c)	Others			
	Investment in equity instruments of associates	60,832	70,889	Level 1

Except as detailed in the above table, the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

There were no transfers between Level 1 and 2 in the period.

33. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (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 provide the collaterals and other securities for trading done on its platform), hence the Group operates with large number of customers portfolio and its revenue is not concentrated on small number of customers.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2019 and March 31, 2018.

• 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:

- Margin payments: Open positions are settled at least daily. ICCL has to ensure that sufficient funds are available to fulfil their obligations.
- Market disruptions: Such as unusual market volatility driving large margin movements; liquidity squeezes in the cash or securities markets and central bank action.
- Failed settlements: Arise when a member fails to deliver 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 as well as manpower. ICCL has a far DR, situated in a different seismic zone.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (contd.)..

ICCL provides full novation and has the responsibility of guaranteeing contractual performance by playing the role of a central counterparty for all trades on BSE, thereby eliminating counterparty risk for the members. In essence, it splits the original contract between the initiating counterparties into two new contracts; one each between ICCL and the initiating counterparties. ICCL has put in place a risk management framework to mitigate the risk it undertakes in its capacity as a Clearing Corporation.

Further, as a second line of defence to the margining and risk management systems, ICCL has subscribed to the Insurance policy. As per the default waterfall, in the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk. The magnitude of potential loss due to default that a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the networth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL remains committed to the safety of investors and members and to further add to this security, ICCL has subscribed to a unique Insurance Policy for ₹ 415 Crore across all segments. The objective of the Policy is to protect ICCL against counterparty defaults and add a further capital cushion to the ICCL net-worth making the resources of the non- defaulting members even safer. The policy also adds to the ability of ICCL to absorb higher losses before any resources of the non-defaulting members are put at risk.

ICCL, with its net-worth of over ₹ 500 Crore, is well capitalized and instils a high level of confidence in its members and investors in the ability of ICCL to handle extreme loss situations. The additional capital cushion of ₹ 415 Crore, provided by the Insurance cover, along with the net-worth covers nearly 3 times the Core SGF requirement of ICCL and further increases the safety for domestic and international participants alike.

ICCL conducts daily liquidity stress tests on a hypothetical stress scenario basis to ensure that it maintains sufficient liquid resources to manage liquidity risk from its clearing members. ICCL carries out the stress tests on the liquidity position by assuming the default of the two clearing participants to which it has the largest exposures in equity derivatives and currency derivatives segment. In addition, ICCL has lines of credit with various commercial banks in excess of its entire average daily funds pay-out, to build redundancy in case of one or more banks being unable to provide the liquidity support. The investments made in liquid resources are based on ICCL's investment policy, which is periodically reviewed by its investment committee and duly approved by its audit committee and the board of directors. The investment policy specifies the quality as well as exposure limits for each type of the qualified liquid resources.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Trade payable		
< 1 year	4,189	6,294
1-5 years	-	-
> 5 years	-	-
Total	4,189	6,294
Other financial liabilities		
< 1 year	97,565	1,34,126
1-5 years	662	568
> 5 years	2	4
Total	98,229	1,34,698
Total	1,02,418	1,40,992

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (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, 2019 and March 31, 2018:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Investments*		
< 1 year	1,16,559	78,889
1-5 years	78,388	95,687
> 5 years	-	29,970
Total	1,94,947	2,04,546
Other financial assets		
< 1 year	938	435
1-5 years	9,186	10,726
> 5 years	-	-
Total	10,124	11,161
Trade receivables		
< 1 year	4,903	5,487
1-5 years	-	-
> 5 years	-	-
Total	4,903	5,487
Cash and cash equivalents		
< 1 year	47,943	79,726
1-5 years	-	-
> 5 years	-	-
Total	47,943	79,726
Bank balances other than cash and cash equivalents		
< 1 year	1,06,865	1,18,538
1-5 years	-	-
> 5 years	-	-
Total	1,06,865	1,18,538
Total	3,64,782	4,19,458

* Investment does not include investment in equity investment of subsidiaries, associates and others.

The Group manages contractual financial liabilities and contractual financial assets on net basis.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (contd.)..

Market risk

The Group's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Group's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

In addition to the above risk, market risk also includes foreign currency risk and interest rate risk.

- **Foreign Currency risk**

The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollars and Euros). The Group's revenues insignificant portion are in these foreign currencies, while a significant portion of its costs are in Indian rupees.

As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies the Group is not much exposed to foreign currency risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term / short-term investment with floating interest rates.

Interest rate risk primarily arises from floating rate investment. The Group's investments in floating rate are primarily short-term, which do not expose it to significant interest rate risk.

Regulatory risk

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Group has licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange, setting up an SME platform and trading in government securities. Some of these approvals are required to be renewed from time to time. The Group's operations are subject to continued review and the governing regulations may change. The Group's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary Indian Clearing Corporation Limited (ICCL). ICCL guarantees the settlement of trade executed on the Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (contd.)..

Clearing Corporations (CCPs) have been the focus of the Global as well as Indian Regulators. SEBI introduced the guidelines on stress testing, Core Settlement Guarantee Fund ("Core SGF") and Default Waterfall, to ensure that Indian CCPs are compliant with International benchmarks and regulations, including the Principles for Financial Market Infrastructures ("PFMI") issued by the Committee on Payments and Market Infrastructures ("CPMI") and the International Organisation of Securities Commissions ("IOSCO") and the European Market Infrastructure Regulation ("EMIR"). IOSCO has issued discussion papers on Recovery and Resolution and Cyber Risk, areas which are expected to witness regulatory guidance in the next few years. The CPMI and the IOSCO continue to closely monitor the implementation of the PFMI. The Third Update to the Level 1 Assessment Report of the Implementation Monitoring of PFMI has accorded India with the highest rating of 4. SEBI being a member of IOSCO, these international regulatory changes would impact ICCL. ICCL has received Third Country Central Counterparty ("TC-CCP") recognition from the European Securities and Markets Authority ("ESMA") under EMIR on September 27, 2017. 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") will enable 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 Parent Company and Subsidiary continues to focus on remaining well positioned to respond to regulatory developments and further opportunities exist for the Group to deliver solutions to help the market address the changing regulatory environment.

34. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed which is evident from the capital structure. Further, the Group has always been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the Parent Company shall have a minimum networth of ₹ 100 Crore at all times.

Capital requirement of the Subsidiary Company Indian Clearing Corporation Limited is regulated by Securities and Exchange Board of India (SEBI). As per SEBI notification dated June 20, 2012 Clearing corporation shall a minimum networth of ₹ 300 Crore at all times.

In accordance with regulation 13 of Securities and Exchange Board of India (Depository and Participants) Regulations, 1996, the Associate Company Central Depositories Services (India) Limited shall have a minimum networth of ₹ 100 Crore at all times.

In accordance with SEBI (International Financial Services Centre) Guidelines, 2015, Subsidiary Company India International Clearing Corporation (IFSC) Limited ("India ICC") shall have a minimum net worth equivalent of ₹ 50 Crore initially and it shall enhance its net worth to a minimum equivalent of ₹ 300 Crore over the period of three years from the date of approval.

In accordance with SEBI (International Financial Services Centre) Guidelines, 2015, Subsidiary Company India International Exchange (IFSC) Limited ("India INX") shall have a minimum net worth equivalent of ₹ 25 Crore rupees initially and it shall enhance its net worth to a minimum equivalent of ₹ 100 Crore over the period of three years from the date of approval.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

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
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 Sarvajanic Fund Shri Phiroze Jeejeebhoy Memorial Trust BSE Employee's Gratuity Fund BSE Employee's Provident Fund ICCL Employee's Gratuity Fund
c.	Associate	Central Depository Services (India) Limited (CDSL) (from June 30, 2017) CDSL Ventures Limited (from June 30, 2017) CDSL Insurance Repository Limited (from June 30, 2017) CDSL Commodity Repository Limited (from June 30, 2017) Asia Index Private Limited BSE EBIX Insurance Broking Private Limited (w.e.f March 15, 2018) Marketplace EBIX Technology Services Private Limited (w.e.f April 3, 2018)
d.	Key Management Personnel and their relatives (KMP)	Shri Sethurathnam Ravi – Chairman and Public Interest Director (upto February 4, 2019) Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer Justice Vikramajit Sen - Public Interest Director Shri Sumit Bose - Public Interest Director Shri S S Mundra - Public Interest Director Shri David Wright - Public Interest Director Shri Umakant Jayaram - Public Interest Director (w.e.f February 4, 2019) Smt. Usha Sangwan - Shareholder Director Smt. Rajeshree Sabnavis - Shareholder Director Shri Roland Schwinn - Shareholder Director (upto April 2, 2018) Dr. Sriprakash Kothari - Shareholder Director (upto February 28, 2019)

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (contd.)..

Following are the transactions with related parties and the year-end balances:

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Subsidiary Companies		
Income		
BFSI Sector Skill Council of India		
Rent and Infrastructure Charges	23	10
Administrative and Other Expenses (Recoveries)	1	2
BSE CSR Integrated Foundation		
Administrative and Other Expenses (Recoveries)	0^	-
Expenditure		
BSE CSR Integrated Foundation		
Contribution to corporate social responsibility	391	389
Trusts set-up by the Company		
Income		
BSE Investors' Protection Fund		
Administrative and Other Expenses (Recoveries)	230	258
Rent	14	18
Expenditure		
Contribution to IPF (a proportion of listing fee)	145	132
Rent	58	61
Associate		
Income		
Asia Index Private Limited		
Rent and Infrastructure Charges	138	138
Administrative and Other Expenses (Recoveries)	29	30
Central Depository Services (India) Limited (CDSL) (from June 30, 2017)		
Rent and Infrastructure Charge	1	86
Administrative and Other Expenses (Recoveries)	-	28
Miscellaneous Income	19	9
Other Charges	37	-
Recovery of IPO expenses withheld	511	-
Expenditure		
Central Depository Services (India) Limited (CDSL) (from June 30, 2017)		
Purchase of Capital Assets	-	14
Administrative and Other Expenses	90	254
KMP		
Expenditure		
Salaries, Allowances and Bonus *		
Short term Employee benefits		
Shri Ashishkumar Chauhan	664	614

*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 Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

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, 2019	As at March 31, 2018
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
Trusts set-up by the Group		
Assets		
Receivable		
BSE Investors' Protection Fund	62	31
Net defined benefit assets		
BSE Employee's Gratuity Fund	2,482	1,952
ICCL Employee's Gratuity Fund	145	94
Liabilities		
Deposit		
BSE Investors' Protection Fund	6	6
Associates		
Assets		
Investments		
Asia Index Private Limited	1	1
Central Depository Services (India) Limited (CDSL) (from June 30, 2017)	37,369	37,369
Receivable		
Asia Index Private Limited	2	2
Liabilities		
Deposit		
Asia Index Private Limited	92	92
Central Depository Services (India) Limited (CDSL) (from June 30, 2017)	-	73
Payable		
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	11	21

^ Less than ₹ 50,000/-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

36. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2019	As at March 31, 2018
a)	Claims against the Group not acknowledged as debts in respect of :		
	i) Income tax matters	7,728	2,899
	ii) Service tax matters	168	41
	iii) Department of telecommunication license matters (Refer Note below)	706	706
	iv) Investors' Services Fund and Investors' protection Fund (Refer Note below)	2,799	-
	v) Claims not acknowledged as debts	51,282	10,363
	vi) Out of 'v' above, in the opinion of the Management are remote	51,281	10,362
b)	Guarantees given by the Group to the loan provider: Aggregate loans outstanding from employees of the Exchange as on date. The employees have mortgaged their flats / properties with the loan provider.	31	35

Notes:

- During the year 2012-13, the Parent Company had received notices from Department of Telecommunication (DoT), Government of India to pay a revised VSAT Network License Fees, Royalty etc. aggregating ₹ 636 against which an amount of ₹ 235 was paid and expensed during the earlier years. In respect of the balance amount of ₹ 401 the Management filed a reply, after legal consultations, with DoT challenging the claim stating that the demand notices were based on an incorrect interpretation of the existing guidelines / orders. Hence no provision for the same was made in the accounts and the amounts have been considered as a Contingent Liability.
- Demand Notices dated April 18, 2018 was issued in the name of BSE Limited for an amount of ₹ 305 with respect of the provisional assessment of License Fees including penalties and interest for the period July 2013 to August 2014.
- The Parent Company has received observations from SEBI in respect of inspection conducted for the period 2005 - 2017. The Parent Company has been asked to reimburse ₹ 1,427 to Investors' Services Fund and ₹ 1,372 to BSE Investors Protection Fund Trust (Formerly known as "The Stock Exchange Investors' Protection Fund Trust"), along with interest, in respect of certain expenses charged to these funds. In response to the above observations, the Parent Company has submitted its detailed reply to SEBI and requested to reconsider the matter. Since the matter is not yet concluded, the same is considered as a contingent liability.
- The Group's pending litigations comprise of claims against the Group primarily by the customers/ vendors and proceedings pending with Tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on its financial statements at March 31, 2019.

37. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are ₹ 1,509 as at March 31, 2019 (₹ 912 as at March 31, 2018).

- The MD & CEO of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources.

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Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

38. (contd.)..

38.1 The group operated in two reportable business segments viz: Stock Exchange Operations and Depository Services. However, pursuant to the partial disinvestment in a subsidiary which is enumerated in note 6, the group is operating only in one Segment viz. Facilitating Trading in Securities and other related ancillary Services as at the reporting date, and therefore has only one reportable Segments as per Indian Accounting Standard 108 “Operating Segments”.

38.2 Information about geographic areas

38.2.1 Revenues from external customers

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Within India	66,131	67,545
Outside India	2,613	2,347
Total	68,744	69,892

38.2.2 The Group does not have non-current assets outside India.

39. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

NAME OF THE ENTITY	March 31, 2019		March 31, 2018	
	Net assets, i.e., total assets minus total liabilities			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent Company	65%	1,89,764	69%	2,13,521
Indian Subsidiaries				
Indian Clearing Corporation Limited	11%	33,357	12%	38,335
Marketplace Technologies Private Limited	1%	3,404	1%	3,049
BSE Institute Limited	2%	6,303	2%	5,764
BSE Investments Limited	1%	3,796	0%	1,486
BSE Sammaan CSR Limited	0%	92	0%	154
India International Exchange (IFSC) Limited	2%	6,527	1%	4,254
India International Clearing Corporation (IFSC) Limited	3%	7,449	2%	7,261
Indian Associates (Investment as per equity method)				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	14%	40,904	13%	39,238
Asia Index Private Limited	0%	548	0%	373
CDSL Commodity Repository Limited	1%	1,230	-	-
BSE EBIX Insurance Broking Private Limited	0%	196	-	-
Marketplace EBIX Insurance Broking Private Limited	0%	-1	-	-
Total	100%	2,93,569	100%	3,13,435

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

39. (contd.)..

NAME OF THE ENTITY	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Share in profit or loss			
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
Parent Company	98%	19,475	94%	66,844
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	13%	2,512	6%	4,464
Marketplace Technologies Private Limited	(13%)	(2,523)	(3%)	(1,908)
BSE Institute Limited	4%	880	1%	772
Central Depository Services (India) Limited (upto June 29, 2017)	-	-	4%	2,547
BSE Investments Limited	0%	68	0%	6
BSE Sammaan CSR Limited	(0%)	(54)	(0%)	(53)
India International Exchange (IFSC) Limited	(16%)	(3,163)	(3%)	(1,968)
India International Clearing Corporation (IFSC) Limited	(1%)	(190)	(0%)	(241)
Share of Non-controlling Interest in all Subsidiaries	-	-	(2%)	(1,325)
Indian Associates				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	14%	2,724	3%	1,869
Asia Index Private Limited	1%	174	0%	121
CDSL Commodity Repository Limited	0%	31		
BSE EBIX Insurance Broking Private Limited	(0%)	-5		
Marketplace EBIX Insurance Broking Private Limited	(0%)	-1		
Total	100%	19,928	100%	71,128

NAME OF THE ENTITY	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Share in Other Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
Parent Company	(10%)	(71)	(523%)	(68)
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	(1%)	(8)	31%	4
Marketplace Technologies Private Limited	(1%)	(4)	15%	2
BSE Institute Limited	(1%)	(6)	77%	10
India International Exchange (IFSC) Limited	46%	322	146%	19
India International Clearing Corporation (IFSC) Limited	67%	465	354%	46
Indian Associate				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	0%	0	0%	0
Asia Index Private Limited	0%	1	0%	0
Total	100%	699	100%	13

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

39. (contd.)..

NAME OF THE ENTITY	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Share in Total Comprehensive Income			
	As % of consolidated net Total Comprehensive Income	Amount	As % of consolidated net Total Comprehensive Income	Amount
Parent Company	94%	19,404	94%	66,776
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	12%	2,504	6%	4,468
Marketplace Technologies Private Limited	(12%)	(2,527)	(3%)	(1,906)
BSE Institute Limited	4%	874	1%	782
Central Depository Services (India) Limited (upto June 29, 2017)	-	-	4%	2,547
BSE Investments Limited	0%	68	0%	6
BSE Sammaan CSR Limited	(0%)	(54)	0%	(53)
India International Exchange (IFSC) Limited	(13%)	(2,841)	(3%)	(1,949)
India International Clearing Corporation (IFSC) Limited	1%	275	(0%)	(195)
Share of Non-controlling Interest in all Subsidiaries	-	-	(2%)	(1,325)
Indian Associate				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	13%	2,724	3%	1,869
Asia Index Private Limited	1%	175	0%	121
CDSL Commodity Repository Limited	0%	31	-	-
BSE EBIX Insurance Broking Private Limited	(0%)	(5)	-	-
Marketplace EBIX Insurance Broking Private Limited	(0%)	(1)	-	-
Total	100%	20,627	100%	71,141

Note: Above information has been prepared based on consolidated financials of Subsidiaries wherever applicable.

40. NON-CONTROLLING INTEREST RECONCILIATION

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Balance	-	29,088
Add: Share of profit	-	-
Profit for the year	-	1,325
Other comprehensive income for the year / period	-	-
Less : Share in Dividend and dividend distribution tax	-	(1,885)
Adjustment due to loss of control on account of divestment (refer note 15.5)	-	(28,528)
Closing Balance	-	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

41. Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), India INX had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's Futures & Options Segment. LES was launched on November 01, 2017 and which was further extended and amended from time to time. an expense of ₹ 1,298 and ₹ 213 has been incurred towards the Scheme for the year ended March 31, 2019 respectively, considering the special nature of this expense and its impact on the loss of India INX, the same has been recognised as an Exceptional Item.

Further, pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2019, India INX has created LES reserve of ₹ 1,067 and incurred an expense of ₹ 1,298 during the year ended March 31, 2019, accordingly LES reserve balance as at March 31, 2018 is ₹ 8. The LES reserve as on March 31, 2019 will not form part of net worth of the Exchange.

42. As per SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, ICCL has established a fund called Core SGF for each segment (Equity, Equity Derivative, Debt & Currency Derivative) of each Recognised SE to guarantee the settlement of trades executed in respective segment of the SE. Accordingly, an amount ₹ 24,188 as at March 31, 2019 (₹ 21,844 as at March 31, 2018) 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 ₹ 14,001 as at March 31, 2019 (₹ 13,020 as at March 31, 2018) including income earned thereon and also include the amount received towards "Transfer of Profits" under Regulation 33 of SECC Regulations 2012, from the date the SECC Regulations, 2012 came into effect till August 29, 2016, and which has not been allocated to any specific segment. Further, Other Contribution represent an amount (i) ₹ 1,229 as at March 31, 2019 (₹ 968 as at March 31, 2018) 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 our Core SGF of Currency Derivative and Equity Derivative segment respectively, (iii) fines & penalties collected from members by ICCL and income earned thereon.

PARTICULARS	BSE Contribution	ICCL Contribution	Other Contributions	Total
Equity Segment	5,137	15,289	542	20,968
Equity Derivative Segment	487	1,447	32	1,966
Currency Derivative Segment	6,232	6,597	654	13,483
Commodity Derivative Segment	700	706	1	1,407
Debt	-	149	-	149
Others	1,445	-	-	1,445
Grand Total	14,001	24,188	1,229	39,418

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

43. During the current year, the contribution of ICCL to Core SGF of ₹ 684 is charged to Statement of Profit & Loss. Such contribution in the earlier years were earmarked from investments and not charged to Statement of Profit & Loss account. Due to this, comparative figures of the previous year have been re-stated in the consolidated financial statement of Company. The details of the effect on consolidated financial statement line items have been given below:

BALANCE SHEET AS ON MARCH 31, 2018	As reported previously	Amount re-stated
Assets		
(a) Non Current Tax Assets (Net)	7,950	7,934
(b) Deferred tax assets (net)	7,408	8,796
(c) Total Other Non-Current assets (exclude (a) and (b) above)	1,97,422	1,97,422
(d) Total Current Assets	2,85,656	2,85,656
Total Assets	4,98,436	4,99,808
Equity and Liabilities		
Equity		
(a) Equity Share capital	1,065	1,065
(b) Other Equity	3,13,435	3,08,055
(c) Core settlement guarantee fund	29,096	35,848
(c) Total Non-current liabilities	948	948
(d) Total Current liabilities	1,54,957	1,54,957
Total Equity and Liabilities	4,98,436	4,99,808
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018	As reported previously	Amount re-stated
(a) Total revenue	69,892	69,892
(b) Total expenses	42,346	44,602
Profit before exceptional item and tax	27,546	25,290
Exceptional item	260	260
Profit Before Tax and share of profit / loss from associates	27,286	25,030
Share of profit of associates	1,990	1,990
Profit Before Tax	29,276	27,020
Tax Expense		
Current Tax	11,301	11,313
Deferred Tax	(5,637)	(5,649)
Tax Adjustment For Earlier Years	(119)	(119)
Total tax expense	5,545	5,545
Net profit after tax from continuing operation	23,731	21,475
Profit from discontinued operation	48,722	48,722
Net profit from total operation	72,453	70,197
Net profit attributable to the shareholders of the Company	71,128	68,872
Net profit attributable to the non controlling interest	1,325	1,325
Other Comprehensive Income	13	13
Total comprehensive income for the year from total operation	72,466	70,210
Total comprehensive income attributable to the shareholders of the Company	71,141	68,885
Total comprehensive income attributable to the non controlling interest	1,325	1,325

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

43. (contd.)..

STATEMENT OF CHANGE IN EQUITY	As reported previously	Amount re-stated
Opening Retained Earnings as on 01-04-2017	77,644	75,520
Core Settlement Guarantee Fund (Core SGF) as on 01-04-2017	20,452	24,948
EARNINGS PER SHARE FOR THE YEAR ENDED MARCH 31, 2018	As reported previously	Amount re-stated
Weighted average number of Equity shares used in computing Basic and Diluted earnings per share (Nos.)	5,45,43,037	5,45,43,037
Face Value of equity shares	₹ 2 each	₹ 2 each
Continuing operations		
Profit after tax before exceptional items (net of tax)	23,901	21,645
Profit after tax after exceptional items attributable to equity shareholder	23,731	21,475
Discontinued operations		
Profit after tax attributable to equity shareholder	47,397	47,397
Total operations		
Profit after tax after exceptional items attributable to equity shareholder	71,128	68,872
Continuing operations		
Basic and Diluted EPS before exceptional items	43.82	39.68
Basic and Diluted EPS after exceptional items	43.51	39.37
Discontinued operations		
Basic and Diluted EPS after exceptional items	86.90	86.90
Total operations		
Basic and Diluted EPS after exceptional items	130.41	126.27

44. ICCL has started clearing and Settlement for new Commodity Derivative Segment of the BSE. As per SEBI approval letter, ICCL has earmarked its investments of ₹ 25,000 towards augmentation of Settlement Guarantee Fund.

45. SEBI vide its circular no. SEBI/HO/MRD/DSA/CIR/P/2016/125 dated November 28, 2016, had inter alia specified that Clearing Corporations in IFSC shall establish and maintain a Fund to guarantee the settlement of trades executed in the stock exchanges in IFSC. To begin with such fund shall have a corpus equivalent to at least 10% of the net-worth of the clearing corporation. Clearing corporations shall evolve a detailed framework for the Fund, subject to approval of SEBI. In view of the above, a Core Settlement Guarantee Fund (Default Fund) of ₹ 595 @ RBI reference rate i.e. ₹ 68/- has been created. Default Fund size as on March 31, 2019 is ₹ 744.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

46. EMPLOYEE BENEFITS

46.1 Defined Benefit Plan – Gratuity

The Group offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees.

Such plan exposes the Group to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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, 2019 and March 31, 2018:

PARTICULARS	March 31, 2019	March 31, 2018
Change in benefit obligation		
Benefit obligations at the beginning	2,408	2,349
Service cost	185	178
Interest expense	160	151
Benefits paid	(80)	(76)
Liabilities settled on transfer	(1)	(5)
Remeasurements – Actuarial (gains)/ losses	161	42
Deduction on sale of subsidiary	0	(231)
Benefit obligations at the end	2,833	2,408
Change in Plan assets		
Fair value of plan assets at the beginning	2,058	2,179
Interest income	141	143
Contribution by employer	626	6
Remeasurements – Actuarial (gains)/ losses	40	(42)
Benefits paid	(80)	(75)
Assets settled on transfer	(77)	
Deduction on sale of subsidiary	0	(153)
Fair value of plan assets at the end	2,708	2,058
Funded status	2,708	2,058
Prepaid / (payable) gratuity benefit	(125)	(350)

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

46. EMPLOYEE BENEFITS (contd.)..

Amount for the year ended March 31, 2019 and year ended March 31, 2018 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2019	March 31, 2018
Continuing operations		
Service cost	185	179
Net interest on the net defined benefit liability/asset	19	8
Net gratuity cost	204	187

Amount for the year ended March 31, 2019 and year ended March 31, 2018 recognised in the other comprehensive income:

PARTICULARS	March 31, 2019	March 31, 2018
Remeasurements of the net defined benefits liability / asset		
Experience adjustments	(131)	48
(Gain)/loss from change in financial assumptions and actual return on plan assets less interest on plan asset	254	28
Changes in demographic assumptions	(1)	17
Amount recognised in OCI	122	93

The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2019 and year ended March 31, 2018:

PARTICULARS	March 31, 2019	March 31, 2018
Discount rate	6.95- 7.78%	7.30- 7.86%
Increase in compensation levels	6.00- 9.80%	6.00- 7.50%

The Group assesses these assumption with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:-

PARTICULARS	For the year ended March 31, 2019	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(70)	62
Impact of decrease in 50 bps on defined benefit obligation	75	(60)

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, 2019	March 31, 2018
Government of India Securities	15%	33%
Corporate Bonds	9%	13%
Insurer Managed assets	76%	46%
Others	0%	8%

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

46. EMPLOYEE BENEFITS (contd.)..

Actual return on the assets for the year ended March 31, 2019 and March 31, 2018 were ₹ 140 and ₹ 138 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 ₹ 217.

Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2019
Expected benefits for year 1-3	1,347
Expected benefits for year 4-5	754
Expected benefits for year 6-9	1,074
Expected benefits for year 10 and above	1,270

The weighted average duration to the payment of these cash flows is 5.22 years.

- **Discount Rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

46.2 Defined Contribution Plan- Provident fund, Pension Fund and New pension Scheme:

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Group offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover substantially all regular employees. While both, the employees and the Group pay predetermined contributions into the provident fund and New National Pension Scheme, contributions into the family pension fund are made by only the Group. The contributions are based on a certain proportion of the employee's salary.

The Group has an obligation to fund any shortfall on the yield of the trust's investment over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Group has been higher in the past years. During the year the company has made a provision for diminution in value of investments and interest thereof held by PF trust.

The Group recognised charge for the year ended March 31, 2019 and March 31, 2018 of ₹ 388 and ₹ 347 respectively for provident fund and family pension fund contribution in the statement of Profit or Loss under continuing operations.

The Group recognised charge for the year ended March 31, 2018 of ₹ 26 for provident fund and family pension fund contribution in the statement of Profit or Loss under discontinued operations.

The Group recognised charge for the year ended March 31, 2019 and March 31, 2018 of ₹ 91 and ₹ 55 respectively for New National Pension Scheme contribution in the statement of Profit or Loss under continuing operations.

46.3 Compensated Absences

The Group recognised charge for the year ended March 31, 2019 and for the year ended March 31, 2018 of ₹ 870 and ₹ 783 respectively for Compensated Absences in the statement of Profit or Loss.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019
(Rupees in lakhs, except share and per share data, unless otherwise stated)

47. The Parent Company implemented a Voluntary Retirement Scheme (VRS) for all its eligible employees. Post the closure of the Scheme an expense of ₹ 54 has been recognised for the year ended March 31, 2019 and ₹ 47 has been recognised for the year ended March 31, 2018 and has been disclosed as an "Exceptional Item".

48. BUYBACK

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

The Buyback shall not exceed ₹ 166 crore (Rupees One Hundred Sixty Six crore only), excluding brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and service tax (if any), stamp duty and other transaction charges ("Maximum Buyback Size"). The Maximum Buyback Size represents 9.99% of the aggregate of the Company's paid-up Equity Share capital and free reserves based on the standalone audited financial statements of the Company as at March 31, 2017, which is in compliance with the maximum permissible limit of 10% of the total paid-up equity share capital and free reserves in accordance with Section 68(2) of the Companies Act, 2013.

The scheme of buyback was commenced on February 1, 2018 and closed on July 9, 2018 and the Company bought back 20,19,170 equity shares resulted in cash outflow of ₹ 16,600 (excluding expenses towards buyback of ₹ 197). In line with the requirement of the Companies Act 2013, an amount of ₹ 16,757 has been utilized from the securities premium account for the buy back. Further, capital redemption reserve of ₹ 40 (representing the nominal value of the shares bought back and extinguished) has been created.

- b) The Board of Directors of the parent Company at its meeting held on May 7, 2019, has inter-alia approved the proposal of buyback, subject to approval of the shareholders, of its fully paid-up equity shares of face value of ₹ 2/- each at a price of ₹ 680 (Rupees Six Hundred and Eighty Only) per Equity Share through tender offer in such manner as prescribed in the Securities and Exchange Board of India Regulations, 2018 and the Companies Act, 2013 ("Act").

The Buyback shall not exceed ₹ 46,000, excluding brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and service tax (if any), stamp duty and other transaction charges ("Maximum Buyback Size"). The Maximum Buyback Size represents 24.73% of the aggregate of the Company's paid-up Equity Share capital and free reserves based on the standalone audited financial statements of the Company as at March 31, 2019.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

49. DISCONTINUED OPERATION:

The Parent Company has partially divested its stake in a subsidiary company on June 29, 2017. Since the operations of the above subsidiary represent a separate major line of business which has been disposed of, the disclosures required by Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations” have been presented in the financial statements upto the date of loss of control.

a. The financial performance of CDSL for the current year till the date of sale:

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Total Income	-	5,032
Total Expenses	-	1,863
Profit before tax	-	3,169
Tax Expenses	-	622
Profit after tax	-	2,547
Gain on sale of subsidiary on loss of control	-	46,175
Total profit from discontinued operations	-	48,722
Net Profit attributable to the non controlling interest	-	1,325
Net Profit attributable to the shareholders of the Company	-	47,397
Other comprehensive income (net of taxes)	-	-
Total Comprehensive income	-	48,722
Total comprehensive income attributable to the non controlling interest	-	1,325
Total comprehensive income attributable to the shareholders of the Company	-	47,397

b. Summary of Assets and liabilities over which control was lost:

PARTICULARS	On the date of sale
Non-current assets	38,201
Current assets	26,029
Non-current liabilities	105
Current liabilities	10,470
Net Assets	53,655
Non-controlling Interest	28,528
Other adjustments	4,876
Net assets disposed off	30,003

c. Gain on sale of subsidiary on loss of control:

PARTICULARS	On the date of sale
Cash Consideration	40,555
Fair value of Retained interest of 24%	37,369
Earlier gain on sale of CDSL without loss of control (refer note no. ii below)	1,057
Less: Transaction cost (including STT)	2,803
Net Consideration received on loss of control	76,178
Net assets disposed off	30,003
Gain on disposal (refer note i and ii below)	46,175

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

49. DISCONTINUED OPERATION (contd.)..

- i. The Parent Company has partially divested its stake in a subsidiary company on June 29, 2017. The divestment has resulted in a loss of control and therefore the profit on sale of the investment in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 45,118 has been credited to the Statement of Profit and Loss for the year ended March 31, 2018. The residual investment retained is now considered as an investment in an associate.
- ii. Further, the Parent Company had partially divested its stake in the above subsidiary in October, 2016, which did not result in a loss of control and hence the profit on divestment amounting to ₹ 1,057 was credited to Retained Earnings under the head Other Equity during the year ended March 31, 2017. The said profit of ₹ 1,057 is now credited to the Statement of Profit and Loss for the year ended March 31, 2018.
- iii. Profit on sale, disclosed as an exceptional items, was based on estimated expenditure withheld by Central Depository Services (India) Limited ("CDSL"). During the year ended March 31, 2019, the amount of expenditure has been crystallised and hence excess amount of ₹ 511 has been recorded as an additional profit on sale of CDSL during the year ended March 31, 2019 and shown as "Exceptional Items".

50 The Company and its provident fund trust has an investment of ₹ 1,700 Lakh and ₹ 345 Lakh (including interest of ₹ 64 Lakh) respectively in secured Non-convertible Debentures of IL&FS Group. Considering the recent developments, during the year ended March 31, 2019, a provision of ₹ 1,254 Lakh has been made on the above exposure and unrealised interest of ₹ 146 Lakh has been reversed.

51. The Board of Directors of the Company at its meeting held on May 7, 2019 have recommended a payment of dividend of ₹ 25/- per equity share of ₹ 2/- each. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. After taking into account the interim dividend of ₹ 5/- per equity share paid in the month of November 2018, the total dividend for the financial year stands at ₹ 30/- per equity share of ₹ 2/- each.

52. RECENT ACCOUNTING PRONOUNCEMENTS:

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. As the company does not have any material leases, therefore the impact of adoption of this standard is yet to be identified by the company.

53. 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

Place: Mumbai

Date: May 7, 2019

For and on behalf of the Board of Directors

Justice Vikramajit Sen

Chairman

DIN: 00866743

Nayan Mehta

Chief Financial Officer

Ashishkumar Chauhan

Managing Director & CEO

DIN: 00898469

Prajakta Powle

Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of BSE Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of BSE Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, 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 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 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 Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the 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 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 Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
IT systems and controls	
<p>As a Stock Exchange, the reliability of IT systems plays a key role in the business operations. Since large volume of transactions are processed, the IT controls are required to ensure that systems process data as expected and that changes are made in an appropriate manner.</p> <p>The IT infrastructure is critical for smooth functioning of the Company's business operations as well as for timely and accurate financial accounting and reporting.</p> <p>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.</p> <p>Our audit procedures focused on testing of IT systems, IT general controls and specific application controls.</p>	<p>Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including:</p> <ul style="list-style-type: none"> Assessing the information systems used by the Company for IT General Controls (ITGC) and Application controls; The aspects covered in the IT systems 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; Understanding of the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting; Performing tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. Testing the design and operating effectiveness of compensating controls, in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures. <p>In addition, we understood, where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Key audit matters	How our audit addressed the key audit matter
Valuation of investments and its impairment (as described in note 32 of the Ind AS financial statements)	
<p>Quoted investments, other equity and fund investments and unquoted equity investments, represents the most significant amount on the balance sheet. The total of these aggregating to ₹ 2,56,646 Lakhs represented 80% of total assets of the Company at March 31, 2019. There is a risk that the fair value of investments is not determined appropriately. Accordingly, the valuation of investments and its impairment is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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. Performed sensitivity analysis wherever necessary. • We traced the quantity held from the confirmation provided by Custodian and Fund houses. • We tested the valuation of the quoted and unquoted investments to independent pricing sources or valuation models, as required. • Based on the fair value of investments, we assessed identification of impairment of investments made by the management.
Provisions for litigation and claims	
<p>There are certain demands raised by regulatory authorities, employees and others. The Company has disputed such demands by appealing them to relevant statutory forums or has denied the claims.</p> <p>For various pending litigations against the Company, management judgement is needed to determine whether an obligation exists and a provision should be recorded or disclosure if any, required in the financial statements in accordance with the criteria set under IND AS 37.</p> <p>The measurement of the provision is based on the best estimate of the expenditure required to settle the present obligation.</p> <p>Considering the judgment and estimate involved, matter is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained and evaluated the Company accounting policy in relation to accounting, assessing and disclosure of claims against the Company. • We understood the design and tested key controls related to identification and monitoring 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 cases and litigation reports to identify potentially material cases. • For key cases, we considered the regulatory developments and management's interaction with the Regulators and assessed the assumptions used by management in determining provision requirements. We also read historical data and to understand whether they supported current estimates. • We read the Board and other committee meeting minutes to conclude on 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 and the timing of settlement. <p>For cases where a provision was not recognised, we evaluated the disclosure made in the financial statements.</p>

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 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 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 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 system 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 to 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

Ind AS financial statements for the financial year ended March 31, 2019 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, 2019 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 Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts during the year ended March 31, 2019;
 - 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: 37924

Place: Mumbai

Date: May 7, 2019

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 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 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 business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 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. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (viii) The Company did not have any outstanding loans or borrowings from financial institution or bank or government or has any debentures outstanding during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer or debt instruments or term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership Number: 37924

Place: Mumbai

Date: May 7, 2019

Annexure 2 referred to in paragraph 2 (f) under the heading “Report on other legal and regulatory requirements” of our report of even date

Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of BSE Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of

internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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: 37924

Place: Mumbai

Date: May 7, 2019

Standalone Balance Sheet as at March 31, 2019

		(₹ in Lakh)	
PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	9,518	10,658
b. Capital work-in-progress		929	225
c. Investment properties	4	432	454
d. Goodwill	5	-	-
e. Intangible assets	6	3,325	2,235
f. Intangible assets under development		978	507
g. Financial assets			
i. Investments			
a. Investments in subsidiaries	7	68,850	61,789
b. Investments in associates	8	5,667	5,667
c. Other investments	9	68,294	1,21,818
ii. Other financial assets	11	4,437	6,428
h. Deferred tax assets (net)	18	7,769	6,424
i. Income tax assets (net)	21	5,464	6,198
j. Other assets	13	74	10
Total non-current assets		1,75,737	2,22,413
2 Current assets			
a. Financial assets			
i. Investments	9	1,13,836	74,684
ii. Trade receivables	10	4,113	5,116
iii. Cash and cash equivalents	12	1,828	2,967
iv. Bank balances other than (iii) above	12	22,114	30,884
v. Other financial assets	11	612	459
b. Other assets	13	1,145	1,585
Total current assets		1,43,648	1,15,695
Total assets (1+2)		3,19,385	3,38,108
EQUITY AND LIABILITIES			
3 Equity			
a. Equity share capital	14	1,036	1,065
b. Other equity	15	2,61,586	2,76,367
Total equity		2,62,622	2,77,432
Liabilities			
4 Non-current liabilities			
a. Financial liabilities			
Other financial liabilities	16	610	494
b. Other liabilities	19	223	161
Total non-current liabilities		833	655
5 Current liabilities			
a. Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	2	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	3,589	5,766
ii. Other financial liabilities	16	39,498	41,386
b. Provisions	17	1,038	939
c. Income tax liabilities (net)	21	1,142	1,415
d. Other liabilities	19	10,661	10,515
Total current liabilities		55,930	60,021
Total equity and liabilities (3+4+5)		3,19,385	3,38,108
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 7, 2019

Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen

Chairman

DIN: 00866743

Nayan Mehta

Chief Financial Officer

Ashishkumar Chauhan

Managing Director & CEO

DIN: 00898469

Prajakta Powle

Company Secretary

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lakh)

PARTICULARS	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1 Revenue from operations: Income from			
Securities services	22	13,634	18,689
Services to corporates	23	21,327	22,061
Data dissemination fees		3,015	2,628
Revenue from operations		37,976	43,378
2 Investment income	24	19,581	19,464
3 Other income	25	3,682	2,265
4 Total revenue (1+2+3)		61,239	65,107
5 Expenses			
Employee benefits expense	26	8,479	7,416
Finance costs		-	3
Depreciation and amortisation expense	3&4&6	4,402	3,926
Computer technology related expenses	27	12,652	12,151
Administration and other expenses	28	14,313	11,758
Total expenses		39,846	35,254
6 Profit before exceptional items and tax (4-5)		21,393	29,853
7 Exceptional items [income/(expenses)]:			
Net gain on partial disposal of investment in subsidiary measured at cost	40	511	31,603
Voluntary retirement scheme	40	(54)	(47)
Total exceptional items		457	31,556
8 Profit before tax (6+7)		21,850	61,409
9 Tax expense:	29		
Current tax		3,713	10,385
Current tax of earlier years		(661)	-
Deferred tax		(1,307)	(5,371)
Total tax expenses		1,745	5,014
10 Profit for the year (8-9)		20,105	56,395
11 Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
i. Remeasurements of the defined employee benefit plans;		(109)	(104)
ii. Income tax relating to items that will not be reclassified to profit or loss	29	38	36
Total other comprehensive income for the year (i-ii)		(71)	(68)
12 Total comprehensive income for the year (10+11)		20,034	56,327
13 Earning per equity share :	30		
Basic and diluted before exceptional items (₹)		37.18	45.51
Basic and diluted after exceptional items (₹)		38.08	103.40
Face value of share (₹)		2	2
Weighted average number of equity shares (Nos.)		5,27,89,971	5,45,43,037
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 7, 2019
Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743

Nayan Mehta
Chief Financial Officer

Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469

Prajakta Powle
Company Secretary

Cash Flow Statement for the year ended March 31, 2019

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	20,105	56,395
Adjustments for		
Income tax expenses recognised in profit and loss	1,745	5,014
Depreciation and amortisation expenses	4,402	3,926
Impairment loss on financial assets carried at cost	1,420	110
Net gain on disposal of property, plant and equipment and intangible assets	(1)	(2)
Impairment loss on financial assets and bad debts write off	869	160
Finance cost	-	3
Net gain on derecognition of financial assets measured at amortised cost	(3,074)	(187)
Net gain on partial disposal of investment in subsidiary measured at cost	(511)	(31,603)
Net gain arising on financial assets measured at FVTPL	(8,737)	(3,543)
Interest income	(3,902)	(9,187)
Dividend income	(3,868)	(6,547)
Provision for compensated absences	499	489
Operating profit before working capital changes	8,947	15,028
Movements in working capital		
Increase in trade receivables	134	(30)
Increase in trade payables	(2,175)	834
Increase in provisions	99	310
(Increase) / decrease in other financial assets and other assets	(3,165)	(3,167)
Increase / (decrease) in other financial liabilities and other liabilities	(344)	(13,766)
Cash generated from / (used in) operations	3,496	(791)
Direct taxes paid (net of refunds)	(2,611)	(10,395)
Net cash generated from / (used in) operating activities	885	(11,186)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed assets		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(5,698)	(4,617)
Proceeds from sale of fixed assets	5	7
Investments		
Net increase in investment in mutual funds	(68,356)	(50,445)
Investment in certificate of deposits	-	(2,995)
Proceeds received from certificate of deposits	2,998	-
Proceeds received from bonds and non-convertible debentures	90,148	7,534
Investment in fixed deposits	(1,387)	(11,897)
Proceeds received from fixed deposits	10,435	45,647
Investment in subsidiaries	(7,215)	(5,475)
Proceeds received on partial sale of investment in subsidiary	511	37,752
Interest received	7,512	11,731
Dividend received	3,868	6,547
Net cash generated from / (used in) investing activities	32,821	33,789

Cash Flow Statement for the year ended March 31, 2019 (contd.)...

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	-	(8)
Payment towards buyback including transaction cost	(12,300)	(4,497)
Dividend and taxes paid thereon	(22,545)	(17,334)
Net cash used in financing activities	(34,845)	(21,839)
Net increase in cash and cash equivalents (A+B+C)	(1,139)	764
Cash and cash equivalents at the beginning of the year	2,967	2,203
Cash and cash equivalents at the end of the year *	1,828	2,967
Balances with banks		
In current accounts	428	1,067
In deposit accounts with original maturity of 3 months	1,400	1,900
* Cash and cash equivalents at the end of the year comprises (Refer note 12)	1,828	2,967

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

For and on behalf of the Board of Directors

Per Jayesh Gandhi

Partner

Membership No.: 037924

Date: May 7, 2019

Place: Mumbai

Justice Vikramajit Sen

Chairman

DIN: 00866743

Nayan Mehta

Chief Financial Officer

Ashishkumar Chauhan

Managing Director & CEO

DIN: 00898469

Prajakta Powle

Company Secretary

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital		(₹ in Lakh)
Balance as at April 1, 2017		1,076
Changes in equity share capital during the year		
- Shares extinguished during the year		(10)
- Shares bought back and pending for extinguishment		(1)
Balance as at March 31, 2018		1,065
Changes in equity share capital during the year		
- Shares extinguished during the year		(29)
Balance as at March 31, 2019		1,036

B. Other Equity		(₹ in Lakh)						
PARTICULARS	Share application money pending allotment	Reserves and Surplus						Total
		Capital Reserve	Capital Reserve on Business Combination	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	
Balance as at April 1, 2017	1	66,179	10,530	39,283	69,415	56,453	-	2,41,861
Profit for the year	-	-	-	-	-	56,395	-	56,395
Other comprehensive income for the year	-	-	-	-	-	(68)	-	(68)
Amount paid upon buyback (refer note 41)	-	-	-	(4,487)	-	-	-	(4,487)
Amount transferred to capital redemption reserve upon Buyback (refer note 41)	-	-	-	-	-	(10)	10	-
Rebate of Dividend Distribution Tax	-	-	-	-	-	1,056	-	1,056
Payment of Dividend	-	-	-	-	-	(15,279)	-	(15,279)
Payment of Dividend Distribution Tax	-	-	-	-	-	(3,111)	-	(3,111)
Balance as at March 31, 2018	1	66,179	10,530	34,796	69,415	95,436	10	2,76,367
Profit for the year	-	-	-	-	-	20,105	-	20,105
Other comprehensive income for the year	-	-	-	-	-	(71)	-	(71)
Amount paid upon buyback (refer note 41)	-	-	-	(12,270)	-	-	-	(12,270)
Amount transferred to capital redemption reserve upon Buyback (refer note 41)	-	-	-	-	-	(30)	30	-
Rebate of Dividend Distribution Tax	-	-	-	-	-	269	-	269
Payment of Dividend	-	-	-	-	-	(18,924)	-	(18,924)
Payment of Dividend Distribution Tax	-	-	-	-	-	(3,890)	-	(3,890)
Balance as at March 31, 2019	1	66,179	10,530	22,526	69,415	92,895	40	2,61,586

The accompanying notes form an integral part of the financial statements

In terms of our report of even date attached

For **S. R. Batiboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership No.: 037924

Date: May 7, 2019

Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen

Chairman

DIN: 00866743

Nayan Mehta

Chief Financial Officer

Ashishkumar Chauhan

Managing Director & CEO

DIN: 00898469

Prajakta Powle

Company Secretary

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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 144 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 7, 2019.

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, 2019 have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.1.2 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- (i) Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- (ii) Defined benefit and other long-term employee benefits.

2.1.3 Functional and presentation currency

The financial statements of the Company are presented in Indian rupees, the national currency of India, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest lakh except share and per share data in terms of Schedule III unless otherwise stated.

2.1.4 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) *Income taxes and deferred tax:* The Company’s tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, deferred tax assets and liabilities including the amount expected to be paid or recovered in connection with uncertain tax positions.
- (ii) Minimum Alternate Tax (“MAT”) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

associated with it will flow to the Company. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.

- (iii) *Impairment of Goodwill:* Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. The value in use calculation requires to estimate the future cash flows expected to arise from the cash-generating unit and discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Goodwill is tested for impairment on annual basis.
- (iv) Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- (v) *Property plant and equipment and investment property:* The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets at the end of its useful life are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful life are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (vi) *Impairment of trade receivables:* The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.
- (vii) *Fair value measurement of financial instruments:* The Company estimates fair values of the unquoted equity shares using discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments (refer note 32).

2.1.5 Summary of significant accounting policies

(i) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

(ii) Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of assets for the current and comparative period of investment property are as follows:

Category	Useful life
Buildings	60 years

Freehold land is not depreciated.

Investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit or Loss in the period in which the property is derecognised.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..**(iii) Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: financial assets (debt instrument) comprising amortised cost, financial assets (debt instrument) comprising Fair Value Through Other Comprehensive Income ("FVTOCI"), financial asset (equity instruments) at Fair value Through Profit and Loss account ("FVTPL") and FVTOCI and financial liabilities at amortised cost or FVTPL.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets**(a) Financial assets (debt instrument) at amortised cost**

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest on the principal amount outstanding ("SPPI").

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

(b) Financial asset (debt Instrument) at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in Other Comprehensive Income ("OCI"). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Currently the Company has not classified any interest bearing debt instrument under this category.

(c) Equity instruments at FVTOCI and FVTPL

All equity instruments are measured at fair value other than investment in subsidiaries, joint venture and associate. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to Profit or Loss.

Currently the Company has not classified any equity instrument at FVTOCI.

If the Company decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument and dividend are recognised in Profit or Loss.

(d) Equity investments in Subsidiaries and Associates

All equity investment in subsidiaries and associates are measured at cost.

(e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Earmarked Funds

Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument measured at amortised cost is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. The Gain/ (Loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through the Profit or Loss.

Financial liabilities

(a) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(b) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration that are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

Equity Instruments (Share capital)

Ordinary shares: - Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or buyback of existing equity shares are recognised as a deduction from equity, net of any tax effect (if any).

(iv) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

(v) Property, Plant and Equipment

(a) Recognition and measurement: Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

(b) Depreciation: The Company depreciates property, plant and equipment over the estimated useful life on a written down method basis from the date the assets are ready for intended use including for assets acquired under finance lease. However, assets acquired under finance lease and leasehold improvements are amortised over the lower of estimated useful life and lease term if there is no reasonable certainty that the Company will obtain ownership by the end of lease term. The estimated useful life of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Category	Useful life
Buildings	60 years
Plant and equipment	15 years
Electrical installations	10 years
Computers hardware and networking equipment – owned	3-6 years
Computers hardware and networking equipment - under finance lease	6 years
Furniture, fixtures and office equipment	5-10 years
Motor vehicles	8 years

Freehold land is not depreciated.

Depreciation methods, useful life and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Profit or Loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

(vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over their respective estimated useful life on a "Written Down Value", from the date that they are available for use. The estimated useful life of an identifiable

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful life of intangibles are as follows:

Category	Useful life
Computer softwares	6 years

Amortisation methods, useful life and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(vii) Leases:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Finance Lease:

When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Corresponding liability to the lessor is included in the financial statements as finance lease obligation.

Operating Lease:

Lease payments under operating leases are recognised as an income / expense on a straight line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(viii) Impairment

(a) Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments.

ECL impairment loss allowance (or reversal) recognised during the 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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

The Company has the following employee benefit plans:

(a) Gratuity:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the 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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are recognized when economic outflow is probable and disclosed when economic outflow is possible. Contingent assets are not disclosed but recognized when economic inflow is probable.

(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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..

(xiii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the Profit or Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

(a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

(b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

(xiv) Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, consolidation of shares, etc. as appropriate.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)..**(xv) Current / Non-current classification**

The company present assets and liabilities in the balance sheet based on current/non-current classification

Assets: An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date
- (e) All other assets are classified as non-current.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
- (c) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
- (d) All other liabilities are classified as non-current.
- (e) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

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, 2017	1,000	3,294	1,699	2,958	7,376	130	698	1,077	20	18,252
Additions during the year	56	109	32	35	2,659	-	97	63	-	3,051
Deductions / adjustments	-	-	17	-	40	-	18	-	-	75
Balance as at March 31, 2018	1,056	3,403	1,714	2,993	9,995	130	777	1,140	20	21,228
Balance as at April 1, 2018	1,056	3,403	1,714	2,993	9,995	130	777	1,140	20	21,228
Additions during the year	-	14	10	29	1,825	-	26	71	-	1,975
Deductions / adjustments	-	-	4	15	609	-	7	-	-	635
Balance as at March 31, 2019	1,056	3,417	1,720	3,007	11,211	130	796	1,211	20	22,568
Accumulated depreciation										
Balance as at April 1, 2017	-	529	529	1,270	4,190	87	291	651	10	7,557
Depreciation for the year	-	320	230	460	1,718	19	123	210	3	3,083
Deductions / adjustments	-	-	12	-	40	-	18	-	-	70
Balance as at March 31, 2018	-	849	747	1,730	5,868	106	396	861	13	10,570
Balance as at April 1, 2018	-	849	747	1,730	5,868	106	396	861	13	10,570
Depreciation for the year	-	272	188	345	2,048	11	108	137	2	3,111
Deductions / adjustments	-	-	3	12	609	-	7	-	-	631
Balance as at March 31, 2019	-	1,121	932	2,063	7,307	117	497	998	15	13,050
Net book value										
As at March 31, 2019	1,056	2,296	788	944	3,904	13	299	213	5	9,518
As at March 31, 2018	1,056	2,554	967	1,263	4,127	24	381	279	7	10,658

Notes:

- The Building Property having a carrying amount of ₹ 224 Lakh shown under the head "Property Plant and Equipment" in the books of accounts are in the name of the erstwhile legal entity. 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, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

4. INVESTMENT PROPERTY

PARTICULARS	Freehold Land	Buildings	Total
Cost			
Balance as at April 1, 2017	10	516	526
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2018	10	516	526
Balance as at April 1, 2018	10	516	526
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2019	10	516	526
PARTICULARS	Freehold Land	Buildings	Total
Accumulated depreciation and impairment			
Balance as at April 1, 2017	-	49	49
Depreciation for the year	-	23	23
Deductions / adjustments	-	-	-
Balance as at March 31, 2018	-	72	72
Balance as at April 1, 2018	-	72	72
Depreciation for the year	-	22	22
Deductions / adjustments	-	-	-
Balance as at March 31, 2019	-	94	94
PARTICULARS	Freehold Land	Buildings	Total
Net book value			
As at March 31, 2019	10	422	432
As at March 31, 2018	10	444	454

Notes:

- The fair value of the Company's investment properties as at March 31, 2019 and March 31, 2018 has been arrived at on the basis of a valuation used by Municipal Corporation of Greater Mumbai for calculation of property tax.
- Details of the Company's investment properties and information about the fair value hierarchy as at March 31, 2019 and March 31, 2018 are as follows:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Fair value of Building	32,045	32,045
Fair value hierarchy	Level 3	Level 3

- Amount recognised in Statement of Profit and Loss for Investment Property

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Rental income derived from investment properties	1,266	1,440
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	245	242

- 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, 2019 (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, 2019	As at March 31, 2018
Not later than 1 year	119	121
Later than 1 year and not longer than 5 years	58	178
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, 2019	As at March 31, 2018
Cost or deemed cost	785	785
Accumulated impairment losses	785	785
Net Book value	-	-
PARTICULARS	As at March 31, 2019	As at March 31, 2018
Cost or deemed cost		
Balance at the beginning of the year	785	785
Balance at the end of the year	785	785
Accumulated Impairment losses		
Balance at the beginning of the year	785	785
Balance at the end of the year	785	785

6. INTANGIBLE ASSETS

PARTICULARS	Software	Total
Cost		
Balance as at April 1, 2017	3,607	3,607
Additions during the year	1,455	1,455
Deductions / adjustments	-	-
Balance as at March 31, 2018	5,062	5,062
Balance as at April 1, 2018	5,062	5,062
Additions during the year	2,359	2,359
Deductions / adjustments	-	-
Balance as at March 31, 2019	7,421	7,421

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

6. INTANGIBLE ASSETS (contd.)..

PARTICULARS	Software	Total
Accumulated amortisation		
Balance as at April 1, 2017	2,007	2,007
Amortisation for the year	820	820
Deductions / Adjustments	-	-
Balance as at March 31, 2018	2,827	2,827
Balance as at April 1, 2018	2,827	2,827
Amortisation for the year	1,269	1,269
Deductions / adjustments	-	-
Balance as at March 31, 2019	4,096	4,096
PARTICULARS	Software	Total
Net Book Value		
As at March 31, 2019	3,325	3,325
As at March 31, 2018	2,235	2,235

7. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	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 (Fully paid equity shares of ₹ 1 each)	3,54,00,00,000	35,400	3,54,00,00,000	35,400
- Marketplace Technologies Private Limited (Fully paid equity shares of ₹ 1 each)	5,00,00,000	4,250	5,00,00,000	4,250
- BSE Institute Limited (Fully paid equity shares of ₹ 1 each)	50,00,00,000	5,000	50,00,00,000	5,000
- BSE Investments Limited (Fully paid equity shares of ₹ 1 each)	37,00,00,000	3,700	14,85,00,000	1,485
- BSE Sammaan CSR Limited (Fully paid equity shares of ₹ 10 each)	26,00,000	260	26,00,000	260
- India International Exchange (IFSC) Limited (Fully paid equity shares of ₹ 1 each)	1,25,00,00,000	12,500	75,00,00,000	7,500
- India International Clearing Corporation (IFSC) Limited (Fully paid 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, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

7. INVESTMENTS IN SUBSIDIARIES (contd.)..

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	Quantity	Amount	Quantity	Amount
Other subsidiaries				
- BSE CSR Integrated Foundation (Fully paid equity shares of ₹ 10 each) (Voting right - 75%, (March 31, 2018 - 75%))	37,500	4	37,500	4
- BFSI Sector Skill Council of India (Fully paid equity shares of ₹ 1 each) (Voting right - 48.78%, (March 31, 2018 - 48.78%))	1,00,00,000	100	1,00,00,000	100
		69,214		61,999
Less : Provision for diminution		(364)		(210)
Total		68,850		61,789
Aggregate carrying value of un-quoted investments		69,214		61,999
Aggregate amount of impairment in value of investments in subsidiaries		364		210

Note: Principal place of business of all the above investments is based out in India.

8. INVESTMENTS IN ASSOCIATES

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	Quantity	Amount	Quantity	Amount
Non-current Investments				
Associates measured at cost				
Un-quoted Investments (all fully paid)				
- Investment in Equity Instruments				
- BOI Shareholding Limited (Fully paid equity shares of ₹ 100 each)	-	-	-	-
- Asia Index Private Limited (Fully paid equity shares of ₹ 10 each) (Voting right - 50%, (March 31, 2018 - 50%))	5,000	1	5,000	1
Total (A)		1		1

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (contd.)..

PARTICULARS	As at March 31, 2019		As at March 31, 2018	
	Quantity	Amount	Quantity	Amount
Quoted Investments (all fully paid)				
- Central Depository Services (India) Limited (Fully paid equity shares of ₹ 10 each) (Voting right - 24%, (March 31, 2018 - 24%))	2,50,80,000	5,666	2,50,80,000	5,666
Total (B)		5,666		5,666
Total (A+B)		5,667		5,667
Aggregate book value of quoted investments		5,666		5,666
Aggregate market value of quoted investments		60,832		70,889
Aggregate carrying value of un-quoted investments		1		1
Aggregate amount of impairment in value of investments in associate		-		-

Note : Principal place of business of all the above investments is based out in India.

9. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non-current investments		
Un-quoted investments (all fully paid)		
Investment in equity instruments at FVTPL		
- Calcutta Stock Exchange Limited (Fully paid equity share of ₹ 1 each)	-	-
Total investment in equity instruments at FVTPL	-	-
Investments in debentures measured at amortised cost		
Owned		
- Non-convertible debentures	-	998
	-	998
Quoted investments		
Investments in bonds and debentures measured at amortised cost		
Owned		
- Bonds	-	81,279
- Non-convertible debentures	2,000	3,507
	2,000	84,786
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	66,544	36,034
	66,544	36,034
Less : Provision for diminution	250	-
Total non-current investments	68,294	1,21,818

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (contd.)..

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Aggregate amount of quoted investments	68,544	1,20,820
Aggregate market value of quoted investments	68,557	1,25,112
Aggregate amount of unquoted investments	-	998
Aggregate market value of unquoted investments	-	1,011
Aggregate amount of impairment in value of investments	250	-
Current investments		
Quoted investments		
Investments in certificate of deposits measured at amortised cost		
Owned		
- Certificate of deposits	-	2,998
	-	2,998
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	58,604	43,632
- Units of dividend oriented debt schemes of mutual funds	46,169	7,416
- Investment in exchange traded funds through asset management company	1,453	4,102
	1,06,226	55,150
Earmarked		
- Units of dividend oriented debt schemes of mutual funds	4,467	2,983
	4,467	2,983
Current portion of non-current investments		
Un-quoted investments (all fully paid)		
Investments in debentures measured at amortised cost		
Owned		
- Non-convertible debentures	1,000	-
	1,000	-
Quoted investments		
Investments in debentures measured at amortised cost		
Owned		
Non-convertible debentures	2,702	10,192
	2,702	10,192
Accrued interest	153	3,361
Less : Provision for diminution	712	-
Total current investments	1,13,836	74,684
Aggregate amount of quoted investments	1,13,544	74,680
Market value of quoted investments	1,13,547	74,721
Aggregate amount of unquoted investments	1,004	4
Market value of unquoted investments	1,007	4
Aggregate amount of impairment in value of investments	712	-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019		Balance as on March 31, 2018	
		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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
(a) Own Funds					
Investments in Debentures (Unquoted)					
Non-Convertible Debentures					
1	9.25%-TATA Sons Limited-19Jun2019	-	-	100	998
	Total		-		998
Investments in Bonds and Debentures (Quoted)					
Bonds					
1	8.10%-Housing And Urban Development Corporation Limited-05Mar2022-Tax Free	-	-	17,69,400	18,110
2	8.51%-Housing And Urban Development Corporation Limited-13Jan2024-Tax Free	-	-	1,50,000	1,523
3	8.29%-Housing And Urban Development Corporation Limited-24Mar2024-Tax Free	-	-	1,00,000	1,000
4	6.72%-Indian Railway Finance Corporation Limited-20Dec2020-Tax Free	-	-	7,500	7,489
5	7.55%-Indian Railway Finance Corporation Limited-08Nov2021-Tax Free	-	-	500	500
6	8.00%-Indian Railway Finance Corporation Limited-23Feb2022-Tax Free	-	-	6,52,773	6,613
7	7.19%-Indian Railway Finance Corporation Limited-Dec 2022-Tax Free	-	-	100	1,000
8	8.23%-Indian Railway Finance Corporation Limited-18Feb2024-Tax Free	-	-	3,00,000	3,065
9	8.35%-Indian Railway Finance Corporation Limited-21Nov2023-Tax Free	-	-	700	7,224
10	8.27% National Highway Authority Of India-05Feb2024-Tax Free	-	-	2,90,000	2,917
11	8.26%-National Housing Bank-13Jan2024-Tax Free	-	-	18,050	903
12	8.41%-National Thermal Power Corporation Limited-16Dec2023-Tax Free	-	-	60,000	600
13	7.19%-Power Finance Corporation Limited-04Jan2023-Tax Free	-	-	1,00,000	1,000

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
14	8.20%-Power Finance Corporation Limited-01Feb2022-Tax Free	-	-	12,25,828	12,500
15	8.01%-Rural Electrification Corporation Limited-29Aug2023-Tax Free	-	-	250	2,501
16	8.01%-Rural Electrification Corporation Limited-24Sep2023-Tax Free	-	-	5,00,000	5,000
17	8.09%-Power Finance Corporation Limited-25Nov2021-Tax Free	-	-	1,000	1,029
18	7.93%-Rural Electrification Corporation Limited-27Mar2022-Tax Free	-	-	1,64,702	1,684
19	8.19%-Rural Electrification Corporation Limited-24Mar2024-Tax Free	-	-	2,50,000	2,600
20	7.34%-Housing And Urban Development Corporation Limited-16Feb2023-Tax Free	-	-	1,00,000	1,002
21	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	-	-	50,000	515
22	7.62%-Housing And Urban Development Corporation Limited-11Nov2021-Tax Free	-	-	1,000	1,009
23	7.18%-Indian Railway Finance Corporation Limited-19Feb2023-Tax Free	-	-	1,50,000	1,495
Total			-		81,279
Non Convertible Debentures					
1	9.49%-HDB Financial Services Limited-18Jun2019	-	-	50	500
2	9.51%-LIC Housing Finance Limited-24Jul2019	-	-	100	1,007
3	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	50,000	500	50,000	500
4	8.60%-LIC Housing Finance Limited-28Dec2020	150	1,500	150	1,500
Total			2,000		3,507
(a) Own Funds					
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 OE - 1153 Days - Direct - Growth Plan	50,00,000	578	50,00,000	537
2	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	3,00,00,000	3,460	3,00,00,000	3,214
3	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	50,00,000	579	50,00,000	537
4	Aditya Birla Sun Life - Fixed Term Plan - Series PR - 1134 Days - Direct - Growth Plan	1,50,00,000	1,620	1,50,00,000	1,504
5	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	1,00,00,000	1,113	1,00,00,000	1,035
6	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	2,00,000	2,232	2,00,000	2,078
7	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	90,000	1,038	90,000	964
8	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	50,000	579	50,000	537

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
9	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	50,00,000	577	50,00,000	536
10	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	30,00,000	345	30,00,000	320
11	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	50,00,000	577	50,00,000	536
12	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224 Days - Direct - Growth Plan	1,00,00,000	1,090	1,00,00,000	1,016
13	HDFC - Fixed Maturity Plan - Series 37(I) - 1150 Days - Direct - Growth Plan	50,00,000	578	50,00,000	538
14	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1231 Days - Direct - Growth Plan	50,00,000	579	50,00,000	537
15	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J - 1253 Days - Direct - Growth Plan	50,00,000	580	50,00,000	538
16	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	1,00,00,000	1,159	1,00,00,000	1,075
17	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan T - 1225 Days - Direct - Growth Plan	50,00,000	577	50,00,000	535
18	ICICI Prudential - Fixed Maturity Plan - Series 82 Plan A - 1236 Days - Direct - Growth Plan	1,00,00,000	1,096	1,00,00,000	1,018
19	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	20,00,000	230	20,00,000	214
20	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	50,00,000	578	50,00,000	538
21	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	1,00,00,000	1,153	1,00,00,000	1,071
22	Kotak - Fixed Maturity Plan - Series 200 - 1158 Days - Direct - Growth Plan	50,00,000	578	50,00,000	537
23	Kotak - Fixed Maturity Plan - Series 202 - 1144 Days - Direct - Growth Plan	1,00,00,000	1,151	1,00,00,000	1,069
24	Kotak - Fixed Maturity Plan - Series 204 - 1141 Days - Direct - Growth Plan	50,00,000	569	50,00,000	529
25	Kotak - Fixed Maturity Plan - Series 211 - 1105 Days - Direct - Growth Plan	50,00,000	550	50,00,000	510
26	Kotak - Fixed Maturity Plan - Series 212 -1260 Days -Direct - Growth	50,00,000	546	50,00,000	508
27	Kotak - Fixed Maturity Plan - Series 213 -1230 Days -Direct - Growth	50,00,000	547	50,00,000	509
28	Reliance - Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	50,00,000	581	50,00,000	538
29	Reliance - Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	50,00,000	579	50,00,000	538
30	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	1,00,00,000	1,159	1,00,00,000	1,075

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
31	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201 Days - Direct - Growth Plan	3,00,00,000	3,463	3,00,00,000	3,215
32	Reliance - Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	50,00,000	567	50,00,000	527
33	Reliance - Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	1,50,00,000	1,691	1,50,00,000	1,571
34	Reliance - Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	1,20,00,000	1,344	1,20,00,000	1,249
35	Reliance - Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	50,00,000	548	50,00,000	509
36	Reliance - Fixed Horizon Fund - XXXV Series 6 - 1263 Days - Direct - Growth Plan	1,00,00,000	1,098	1,00,00,000	1,020
37	Reliance - Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	1,00,00,000	1,076	1,00,00,000	1,002
38	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	80,00,000	923	80,00,000	857
39	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	1,00,00,000	1,155	1,00,00,000	1,073
40	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	30,00,000	345	30,00,000	320
41	Aditya Birla Sun Life - Fixed Term Plan - Series PU - 1463 Days - Direct - Growth Plan	1,00,00,000	1,093	-	-
42	Aditya Birla Sun Life - Fixed Term Plan - Series PV - 1462 Days - Direct - Growth Plan	1,00,00,000	1,094	-	-
43	Aditya Birla Sun Life Fixed Term Plan - Series RC - 1295 days - Direct - Growth Plan	2,00,00,000	2,131	-	-
44	Aditya Birla Sun Life Fixed Term Plan - Series RL - 1254 days - Direct - Growth Plan	40,00,000	422	-	-
45	Canara Robeco - Fixed Maturity Plan - Series 8 - 1103 Days - Direct - Growth Plan	30,00,000	318	-	-
46	DSP BlackRock - Fixed Maturity Plan - Series 232 - 36 Months - Direct - Growth	1,00,00,000	1,082	-	-
47	HDFC - Fixed Maturity Plan - 1115 Days - Sep 2018 Plan - Direct - Growth Plan	1,00,00,000	1,068	-	-
48	HDFC - Fixed Maturity Plan - 1274 Days - October 2018 - Direct - Growth Plan	1,00,00,000	1,064	-	-
49	ICICI Prudential - Fixed Maturity Plan - Series 84 - 1286 Days - Plan F - Direct Growth	50,00,000	532	-	-
50	ICICI Prudential - Fixed Maturity Plan - Series 84 - 1275 Days - Plan K - Direct Growth	1,00,00,000	1,061	-	-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
51	IDFC - Fixed Term Plan Series 156 - 1103 Days - Direct - Growth Plan	50,00,000	536	-	-
52	Invesco India - Fixed Maturity Plan - Series 31 - Plan D - 1468 Days - Direct - Growth Plan	1,00,00,000	1,088	-	-
53	Invesco India - Fixed Maturity Plan - Series 32 - Plan E - 1099 Days - Direct - Growth Plan	1,00,00,000	1,068	-	-
54	Kotak - Fixed Maturity Plan - Series 226 - 1470 Days - Direct - Growth Plan	1,00,00,000	1,092	-	-
55	Kotak - Fixed Maturity Plan - Series 245 - 1140 Days - Direct - Growth Plan	1,00,00,000	1,060	-	-
56	Kotak - Fixed Maturity Plan - Series 248 - 1300 Days - Direct - Growth Plan	1,00,00,000	1,065	-	-
57	Kotak - Fixed Maturity Plan - Series 250 - 1314 Days - Direct - Growth Plan	1,00,00,000	1,059	-	-
58	L&T - Fixed Maturity Plan - Series XVIII - 1104 Days - Direct - Growth Plan	50,00,000	530	-	-
59	Reliance - Fixed Horizon Fund - XXXVII - Series 5 - 1105 Days - Direct - Growth Plan	1,00,00,000	1,082	-	-
60	Reliance - Fixed Horizon Fund - XXXVII - Series 6 - 1417 Days - Direct - Growth Plan	1,00,00,000	1,095	-	-
61	Reliance - Fixed Horizon Fund - XXXVIII - Series 6 - 1119 Days - Direct - Growth Plan	1,00,00,000	1,066	-	-
62	Reliance - Fixed Horizon Fund - XXXIX - Series 4 - 1323 Days - Direct - Growth Plan	1,00,00,000	1,075	-	-
63	Reliance - Fixed Horizon Fund - XXXIX - Series 6 - 1316 Days - Direct - Growth Plan	1,00,00,000	1,072	-	-
64	Reliance - Fixed Horizon Fund - XXXIX - Series 9 - 1296 Days - Direct - Growth Plan	1,00,00,000	1,063	-	-
65	Reliance - Fixed Horizon Fund - XXXIX - Series 14 - 1275 Days - Direct - Growth Plan	1,20,00,000	1,273	-	-
66	Sundaram - Fixed Term Plan - IK - 1098 Days - Direct - Growth Plan	50,00,000	536	-	-
67	UTI - Fixed Term Income Fund - XXX-V - 1135 Days - Direct - Growth Plan	1,00,00,000	1,068	-	-
68	UTI - Fixed Term Income Fund - Series XXX - VIII 1286 Days - Direct - Growth Plan	50,00,000	534	-	-
69	UTI - Fixed Term Income Fund - Series XXX - X 1267 Days - Direct - Growth Plan	50,00,000	529	-	-
Total			66,544		36,034

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
Current Investment					
(a) Own Funds					
Certificate of Deposit					
1	IDFC Bank CD 03APR2018	-	-	3,000	2,998
Total			-		2,998
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	2,245	31,11,334	2,079
2	Axis - Short Term Fund - Direct - Growth Plan	-	-	1,06,54,904	2,093
3	DHFL Pramerica Banking and PSU Debt Fund - Direct - Growth Plan	-	-	1,34,96,552	2,072
4	DHFL Pramerica Premier Bond Fund - Direct - Growth Plan	-	-	1,07,99,797	3,112
5	DHFL Pramerica - Short Term Floating Rate Fund - Direct - Growth Plan	-	-	1,07,52,630	2,090
6	DSP BR - Banking and PSU Debt Fund - Direct - Growth Plan	69,74,911	1,121	69,74,911	1,039
7	DSP BR - Short Term Fund - Direct - Growth Plan	67,79,661	2,229	67,79,661	2,072
8	HDFC Medium Term Opportunities Fund - Direct - Growth	2,67,71,755	5,605	2,67,71,755	5,196
9	IDFC Corporate Bond Fund - Direct - Growth Plan	6,07,20,257	7,809	6,07,20,257	7,268
10	Kotak Bond Short Term Plan - Direct - Growth Plan	1,04,07,748	3,796	61,90,628	2,085
11	L&T Triple Ace Bond Fund - Direct - Growth Plan	1,23,86,929	5,998	91,91,292	4,149
12	Reliance Floating Rate Fund Short Term - Direct - Growth Plan	-	-	2,58,60,203	7,269
13	Sundaram Banking and PSU Debt Fund - Direct - Growth Plan	1,13,65,057	3,342	1,13,65,057	3,108
14	L&T Short Term Bond Fund - Direct - Growth Plan	1,11,72,248	2,052	-	-
15	Reliance Nivesh Lakshya Fund - Direct - Growth Plan	9,45,77,039	10,496	-	-
16	Reliance Banking & PSU Debt Fund - Direct - Growth Plan	3,01,30,692	4,097	-	-
17	Sundaram Corporate Bond Fund Direct - Growth Plan	38,89,628	1,032	-	-
18	Kotak Banking & PSU Debt Fund - Direct Growth Plan	35,82,363	1,539	-	-
19	Invesco India Corporate Bond Fund Direct - Growth Plan	70,730	1,549	-	-
20	HDFC Liquid Fund - Direct - Growth Plan	98,356	3,618	-	-
21	BOI AXA - Arbitrage Fund - Direct - Growth Plan	49,55,500	519	-	-
22	Edelweiss - Arbitrage Fund - Direct - Growth Plan	36,54,677	515	-	-
23	IDFC - Arbitrage Fund - Direct - Growth Plan	21,66,444	522	-	-
24	L&T - Arbitrage Opportunities Fund - Direct - Growth Plan	37,31,343	520	-	-
Total			58,604		43,632

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
(a) Own Funds					
Units Of Dividend Oriented Debt Schemes Of Mutual Funds					
1	Kotak Income Opportunities Fund - Direct - Weekly Dividend Reinvestment	-	-	2,87,37,312	3,010
2	HDFC Liquid Fund - Direct Plan		-	88,449	902
3	ICICI Prudential Liquid - Direct - Daily Dividend Reinvestment	6,76,712	678	5,01,225	502
4	Invesco India Liquid Fund - Direct - Daily Dividend Reinvestment	-	-	2,99,975	3,002
5	Baroda Liquid Fund - Plan B - Direct - Daily Dividend Reinvestment	19,01,258	19,052	-	-
6	DSP BlackRock Liquidity Fund - Direct - Daily Dividend Reinvestment	9,99,849	10,008	-	-
7	JM Liquid Fund Direct - Daily Dividend Reinvestment	15,75,33,871	16,431	-	-
Total			46,169		7,416
Investment in Exchange Traded Funds through Asset Management Company					
1	ICICI Prudential Sensex Iwin - Exchange Traded Fund	5,796	24	32,334	118
2	HDFC Sensex - Exchange Traded Fund	36,000	1,429	1,14,000	3,984
Total			1,453		4,102
(b) Earmarked Funds					
Units Of Dividend Oriented Debt Schemes Of Mutual Funds					
1	Axis Liquid Fund - Direct - Daily Dividend Reinvestment - Investor Services Fund	-	-	2,98,054	2,983
2	Baroda Liquid Fund - Plan B - Direct - Growth - Investor Services Fund	2,07,160	4,457	-	-
3	Baroda Liquid Fund - Plan B - Direct - Growth- Investor Services Fund (Commodity)	458	10	-	-
Total			4,467		2,983
Current Portion of Long Term Investments					
Own Funds					
Investments in Debentures (Unquoted)					
Non-Convertible Debentures					
1	9.25%-TATA Sons Limited-19Jun2019	100	1,000	-	-
Total			1,000		-
Investments in Debentures (Quoted)					
Non Convertible Debentures					
1	11.08%-LIC Housing Finance Limited-13Aug2018	-	-	49	493
2	8.90%-IL&FS Financial Services Limited-21Mar2019	20,000	200	20,000	200
3	8.80%-Canfin Homes Limited-02Jul2018	-	-	100	1,000
4	8.77%-HDB Financial Services Limited-02Jun2018	-	-	50	500

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019		Balance as on March 31, 2018	
		Units	Amount	Units	Amount
5	8.81%-HDB Financial Services Limited-28Jul2018	-	-	50	500
6	8.71%-HDB Financial Services Limited-20Oct2018	-	-	100	1,000
7	8.65%-HDB Financial Services Limited-25Sep2018	-	-	50	500
8	8.8394%-HDB Financial Services Limited-12Mar2019	-	-	100	1,000
9	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	1,00,000	1,000	1,00,000	1,000
10	8.74%-Infrastructure Leasing & Financial Services Limited-10Aug2018	-	-	1,00,000	1,000
11	8.80%-Kotak Mahindra Prime Limited-26Jun2018	-	-	50	500
12	8.34%-LIC Housing Finance Limited-22Mar2018	-	-	250	2,499
13	9.49%-HDB Financial Services Limited-18Jun2019	50	500	-	-
14	9.51%-LIC Housing Finance Limited-24Jul2019	100	1,002	-	-
Total			2,702		10,192

10. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Current		
Trade Receivables		
- Secured, considered good	1,195	1,366
- Unsecured, considered good	2,918	3,750
- Doubtful	1,698	1,181
- Impairment allowance for doubtful debts	(1,698)	(1,181)
Total	4,113	5,116

- Trade receivables are dues in respect of services rendered in the normal course of business.
- The Normal credit period allowed by the Company ranges from 0 to 60 days.
- The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivable by individual departments.
- There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
- Movement in expected credit loss allowance

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	1,181	1,324
Impairment loss allowance during the year	517	(143)
Balance at the end of the year	1,698	1,181

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non-current		
(Unsecured, Considered good, unless otherwise stated)		
a Security deposits;		
- Deposit with public bodies and others	190	200
b Loan		
- Loan to staff	65	77
c Bank deposits with remaining maturity more than 12 months		
Owned fund		
- In deposit accounts	277	1,017
Earmarked fund		
- In deposit accounts	3,699	4,513
d Accrued interest		
Owned		
- On deposits	23	60
Earmarked		
- On deposits	183	561
Total	4,437	6,428
Current		
(Unsecured, Considered good, unless otherwise stated)		
a Loan		
- Loan to staff	10	24
b Advances to related parties		
- Due from subsidiaries (refer note 35)	84	56
c Others		
- Receivable from portfolio management account	500	47
- Deposit with public bodies and others	14	332
d Unsecured and considered doubtful		
Deposits made under protest for property tax and others	775	771
Less: Provision for doubtful advances	(771)	(771)
Total	612	459

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019	As at March 31, 2018
Balance with banks		
Owned fund		
- In current accounts	428	1,067
- In deposit accounts (Original maturity less than three months)	1,400	1,900
Total	1,828	2,967
Bank balance other than above		
Balance with banks		
Owned fund		
- In deposit accounts (refer note 12.3) (Remaining maturity less than twelve months)	1,297	9,479
Earmarked fund		
- In current accounts (unpaid dividend) (refer note 12.2)	1,333	1,008
- In current accounts (refer note 12.1 and 12.2)	481	489
- In deposit accounts	17,809	18,588
Accrued interest		
Owned		
- On deposits	152	390
Earmarked		
- On deposits	1,042	930
Total	22,114	30,884

Notes:

12.1. Of the above, ₹ 9 have been earmarked against payables on expenses towards IPO as at March 31, 2018.

12.2. The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities of the Company.

12.3. Balance with bank, as at March 31, 2018, includes ₹ 4,150 held as margin money deposit against guarantee for buyback of equity shares as specified in Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

13. OTHER ASSETS

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non-current		
Gratuity asset (net) (refer note 39)	69	-
Prepaid expenses	5	10
Total	74	10
Current		
Prepaid expenses	272	299
Advances towards buyback of equity shares	-	285
Advance to creditors	96	214
Input credit receivable	694	725
Input credit receivable (not due)	83	62
Total	1,145	1,585

14. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
150,00,00,000 (150,00,00,000 as at March 31, 2018) equity shares of ₹ 2/- each	30,000	30,000
Issued share capital:		
5,25,69,002 (5,40,39,532 equity shares as at March 31, 2018) equity shares of ₹ 2/- each	1,052	1,081
Subscribed and paid-up share capital		
5,17,89,002 (5,32,59,532 equity shares as at March 31, 2018) equity shares of ₹ 2/- each fully paid-up.		
Outstanding share capital	1,036	1,066
Less: Par value of shares bought back pending for extinguishment (refer note 41)	-	(1)
Total	1,036	1,065

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

PARTICULARS	As at March 31, 2019	As at March 31, 2018
No. of shares at the beginning of the year	5,32,59,532	5,38,08,172
Additions during the year	-	-
Shares bought back and extinguished during the year (refer note 41)	(14,70,530)	(5,02,920)
Shares bought back and pending for extinguishment (refer note 41)	-	(45,720)
No. of shares at the end of the year	5,17,89,002	5,32,59,532

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019	As at March 31, 2018
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, 2018) 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, 2018) 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) No shareholder holds more than 5 % of the Share Capital of the Company.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY

PARTICULARS	As at March 31, 2019	As at March 31, 2018
General reserve	69,415	69,415
Capital reserve	66,179	66,179
Capital reserve on business combination	10,530	10,530
Securities premium reserve	22,526	34,796
Retained earnings	92,895	95,436
Share application money pending allotment	1	1
Capital redemption reserve (refer note 41)	40	10
Total	2,61,586	2,76,367

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 Securities premium

Securities premium reserve reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium reserve" as per the provisions of the Companies Act, 2013. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

15.4 Retained earnings

The same reflects surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

The Board of Directors, in its meeting on May 7, 2019, have proposed a final dividend of ₹ 25/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹ 15,844, including corporate dividend tax.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

16. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non-current		
Accrued employee benefit expenses	506	390
Other deposits	104	104
Total	610	494
Current		
Owned :		
Unpaid dividends (refer note 16.2)	134	90
Deposits received from trading members	8,684	8,909
Other deposits received from members	3,352	3,358
Other deposits	1,261	844
Accrued employee benefit expenses	2,220	2,197
Due to subsidiaries (refer note 35)	442	430
Payables on purchase of fixed assets	108	298
Total (A)	16,201	16,126
Earmarked :		
From companies - 1% of their public issue (refer note 16.1)	12,313	14,153
Defaulters' liabilities (refer note 16.1)	2,548	2,531
Withheld liabilities (refer note 16.1)	4,985	6,138
Payables on liabilities towards IPO (recovered from selling shareholders) (refer note 16.2)	-	9
Others (refer note 16.3)	3,451	2,429
Total (B)	23,297	25,260
Total (A+B)	39,498	41,386

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 Includes income earned on earmarked fund.

17. PROVISIONS

	As at March 31, 2019	As at March 31, 2018
Current		
Employee benefits		
Compensated absences (refer note 39)	1,038	851
Gratuity liability (net) (refer note 39)	-	88
Total	1,038	939

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	9,002	6,841
Deferred tax liabilities	1,233	417
Deferred tax balance (net)	7,769	6,424

Details of Deferred tax assets and liabilities are given below:

PARTICULARS	Opening balance as at April 1, 2017	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2018	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2019
Deferred tax assets							
MAT credit entitlement	547	(5,481)	-	6,028	(1,471)	-	7,499
Impairment of financial assets	345	47	-	298	(677)	-	975
Expenses allowed on payment basis	329	(74)	-	403	90	-	313
Voluntary retirement scheme	177	75	-	102	77	-	25
Property, plant and equipment, intangible assets and goodwill	-	(1)	-	1	(189)	-	190
Others	17	44	(36)	9	47	(38)	-
Total - A	1,415	(5,390)	(36)	6,841	(2,123)	(38)	9,002
Deferred tax liabilities							
Property, plant and equipment, intangible assets and goodwill	271	271	-	-	-	-	-
Financial assets measured at FVTPL & interest income at effective interest rate	127	(290)	-	417	(816)	-	1,233
Total - B	398	(19)	-	417	(816)	-	1,233
Net - (A-B)	1,017	(5,371)	(36)	6,424	(1,307)	(38)	7,769

Notes:

- Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

PARTICULARS	As at March 31, 2019	As at March 31, 2018
- Tax losses (capital in nature)	5,220	8,062
Total	5,220	8,062

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019	As at March 31, 2018
2019-20 - Capital in nature	325	3,168
2020-21 - Capital in nature	4,796	4,796
2021-22 - Capital in nature	47	46
2024-25 - Capital in nature	52	52

2. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.

19. OTHER LIABILITIES

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Non Current		
Income received in advance	223	161
Total	223	161
Current		
Income received in advance	700	552
Advance from customers	186	762
Statutory remittances	3,655	5,229
Other liabilities (refer note below)	6,120	3,972
Total	10,661	10,515

Note: Other liabilities includes :

a) Investors' Services Fund (ISF):

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Annual listing fees received for the year	14,477	13,250
20% of the above (Amount to be contributed annually)	2,895	2,650
Investment income accrued to Investors' services fund	278	156
Expenses incurred on behalf of ISF	1,635	2,424
Cumulative balance as at end of year	4,339	2,801

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Fund.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

19. OTHER LIABILITIES (contd.)..

b) Other liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Cumulative balance as at end of year (refer note 16.2)	1,199	918

20. Trade payables

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Current		
Total outstanding dues of micro enterprises and small enterprises	2	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,589	5,766
Total	3,591	5,766

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2019	As at March 31, 2018
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day during the year	2	-
(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, 2019	As at March 31, 2018
Non Current tax assets		
Advance tax (net of provision)	5,464	6,198
Total	5,464	6,198
Current tax liabilities		
Income tax provision (net of advance tax)	1,142	1,415
Total	1,142	1,415

22. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Transaction charges	11,385	16,148
Other Charges	1,565	1,719
Annual subscription and admission fees	380	436
Processing fees	304	386
Total	13,634	18,689

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019	For the year ended March 31, 2018
Listing fees	18,809	17,754
Book building software charges	1,494	3,311
Company reinstatement fees	574	607
Other fees	450	389
Total	21,327	22,061

24. INVESTMENT INCOME

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
Bank deposits (at amortised cost)	364	1,272
Investments in debt instruments (at amortised cost)	3,538	7,915
b) Dividend income		
Dividends from investment in equity shares (designated at cost or at FVTPL)		
Dividend income from subsidiaries	1,307	5,192
Dividend income from others	883	6
Dividends from investment in mutual funds (designated at FVTPL)		
Dividend income	1,678	1,349
c) Other gains or losses:		
Net gains on derecognition of financial assets measured at amortised cost	3,074	187
Net gains arising on financial assets measured at FVTPL	8,737	3,543
Total	19,581	19,464

25. OTHER INCOME

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Other non-operating income		
Rental income	1,402	1,537
Website income	210	288
Net gain on disposal of property, plant and equipment and intangible assets	1	2
Net foreign exchange gains / (loss)	(2)	21
Interest on income tax refunds	781	-
Miscellaneous income	1,290	417
Total	3,682	2,265

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

26. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, allowances and bonus	7,267	6,193
Contribution to provident and other Funds	425	348
Staff welfare expenses	288	386
Compensated absences	499	489
Total	8,479	7,416

27. COMPUTER TECHNOLOGY RELATED EXPENSES

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Computer technology related expenses	9,152	8,596
Technology programmes	3,500	3,555
Total	12,652	12,151

28. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Advertising and marketing expenses	530	386
Bad debts written off	352	302
Building repairs and maintenance expenses	816	1,711
Contribution to investors service fund	2,895	2,650
Contribution to investors' protection fund	145	132
Contribution to SEBI	1,448	1,325
Contribution to corporate social responsibility (refer note below 28.1)	284	162
Clearing house expenses	261	177
Data entry charges	279	217
Datafeed expenses	392	208
Directors' sitting fees	56	51
Electricity charges (net of recoveries)	1,131	1,167
Insurance	69	70
Impairment loss allowance on trade receivable	517	(142)
Impairment loss on financial assets carried at cost	1,420	110
Legal fees	252	219
Miscellaneous expenses	499	485
Payment to auditors		
a) Statutory audit fee	45	57
b) Tax audit fee	5	5
c) Other services	1	2
d) Out of pocket	3	1

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019	For the year ended March 31, 2018
Professional fees	1,493	1,120
Postage and telephone expenses	127	154
Printing and stationery	72	72
Property taxes (net of recoveries)	203	193
Rent	63	101
Repairs to other assets	136	183
SEBI regulatory fees	342	279
Travelling expenses	477	361
Total	14,313	11,758

28.1 CSR Expenditure

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
a) The gross amount required to be spent by the Company during the year	284	162
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, 2019

(i) Profit or loss section

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax expense	3,713	10,385
Current tax expense of Earlier Years (refer note 29.1)	(661)	-
Deferred tax	(1,307)	(5,371)
Total income tax expense recognised in profit or loss	1,745	5,014

29.1 Based on the assessment orders received during the year ended March 31, 2019, the Company has written back an amount of ₹ 661 Lakh in respect of previous years.

(ii) Other comprehensive income section

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurements of the defined benefit plans	38	36
Total income tax expense recognised in other comprehensive income	38	36

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(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, 2019	For the year ended March 31, 2018
(A) Income before income tax	21,850	61,409
(B) Enacted tax rate in india	34.944%	34.608%
(C) Expected tax expenses (A*B)	7,635	21,252
(D) Other than temporary differences		
Investment income	(5,339)	(16,347)
Income from house property and related expenditure	(52)	(71)
Expenses disallowed / (allowed)	162	180
Total	(5,229)	(16,238)
(E) Current tax expense of Earlier Years	(661)	-
(F) Tax expenses recognised in Profit or Loss (C+D+E)	1,745	5,014

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, 2019	March 31, 2018
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	5,27,89,971	5,45,43,037
Effect of dilutive equity shares outstanding during the year	-	-
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	5,27,89,971	5,45,43,037
Face Value per Share	₹ 2 each	₹ 2 each
Profit after tax before exceptional items (net of tax)	19,629	24,823
Profit after tax after exceptional items	20,105	56,395
Basic and Diluted EPS before exceptional items (net of tax)	37.18	45.51
Basic and Diluted EPS after exceptional items	38.08	103.40

Note: The Board of Directors of the Company at its meeting held on January 15, 2018, has inter-alia approved the Buyback proposal for purchase by the Company of its fully paid-up equity shares of face value of ₹ 2/- each ("Equity Shares" and such buyback, the "Buyback"), from the shareholders/beneficial owners of the Company. The scheme of buyback was commenced on February 1, 2018 and closed on July 9, 2018 and the Company bought back and extinguished 20,19,170 equity shares. Accordingly, the weighted average number of equity shares (issued share capital) for the calculation of Earnings Per Share is worked out to 5,27,89,971 equity shares for the year ended March 31, 2019 and 5,45,43,037 equity shares for the year ended March 31, 2018.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

31. LEASE

31.1 Operating lease

The Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the year ended March 31, 2019 was ₹ 63 (for the year ended March 31, 2018: ₹ 101).

The Company does not have non-cancellable operating lease other than lease facilities towards investor services centers. Investor services centers rent expenses are incurred through investor services fund which is set aside from listing fee collected for investor services and shown under other liabilities.

32. FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

PARTICULARS	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments	4,893	1,02,335	4,912	1,06,681
Trade receivable	4,113	5,116	4,113	5,116
Cash and cash equivalents	1,828	2,967	1,828	2,967
Bank balances other cash and cash equivalents	22,114	30,884	22,114	30,884
Other financial assets	5,049	6,887	5,049	6,887
Total	37,997	1,48,189	38,016	1,52,535
b) FVTPL				
Investment in equity instruments	-	-	-	-
Investment in exchange traded fund	1,453	4,102	1,453	4,102
Investment in mutual funds	1,75,784	90,065	1,75,784	90,065
Total	1,77,237	94,167	1,77,237	94,167
c) At Cost				
Investment in subsidiaries and associates	74,517	67,456	1,29,682	1,32,679
ii) Financial liabilities				
a) Amortised Cost				
Trade payables	3,591	5,766	3,591	5,766
Other financial liabilities	40,108	41,880	40,108	41,880
Total	43,699	47,646	43,699	47,646

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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019 (Rupees in lakhs, except share and per share data, unless otherwise stated)

32. FINANCIAL INSTRUMENTS (contd.)..

The following methods and assumptions were used to estimate the fair values:

- (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.

Fair value hierarchy

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of the assets and liabilities measured at fair value on a recurring basis:

PARTICULARS	Fair values As at March 31, 2019	Fair values As at March 31, 2018	Fair Value Hierarchy (Level)
i) Financial assets			
a) Amortised Cost			
Investment in debt instruments (Quoted)	3,905	105,666	Level 1
Investment in debt instruments (Unquoted)	1,007	1,015	Level 2
Total	4,912	1,06,681	
b) FVTPL			
Investment in mutual funds	1,77,237	94,167	Level 1
c) At cost			
Investment in equity instruments of associates	60,832	70,889	Level 1

Except as detailed in the above table, the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

There were no transfers between Level 1 and 2 in the period.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

It is the Company's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

- **Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

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, 2019 and March 31, 2018.

- **Investments**

The Company limits its exposure to credit risk by making investment as per the investment policy. The Company addresses credit risk in its investments by mandating a minimum rating against the security / institution where the amounts are invested and is further strengthened by mandating additional requirement like Capital Adequacy Ratio (CAR), Allowable Net Non-Performing Asset (NNPA) Levels, Minimum Average Assets Under Management (AAUM) etc. for certain types of investments. Further the investment committee of the Company reviews the investment portfolio on bi-monthly basis and recommend or provide suggestion to the management. The Company does not expect any losses from non-performance by these counter-parties, 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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (contd.)..

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, 2019 and March 31, 2018.

PARTICULARS	As at	
	March 31, 2019	March 31, 2018
Trade payable		
< 1 year	3,591	5,766
1 - 5 years	-	-
> 5 years	-	-
Total	3,591	5,766
Other financial liabilities		
< 1 year	39,498	41,386
1 - 5 years	610	494
> 5 years	-	-
Total	40,108	41,880
Total	43,699	47,646

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2019 and March 31, 2018

PARTICULARS	As at	
	March 31, 2019	March 31, 2018
Investments*		
< 1 year	1,13,836	74,684
1 - 5 years	68,294	93,970
> 5 years	0	27,848
Total	1,82,130	1,96,502
Other financial assets		
< 1 year	612	459
1 - 5 years	4,437	6,428
> 5 years	0	0
Total	5,049	6,887
Trade receivables		
< 1 year	4,113	5,116
1 - 5 years	-	-
> 5 years	-	-
Total	4,113	5,116

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (contd.)..

PARTICULARS	As at	
	March 31, 2019	March 31, 2018
Cash and cash equivalents		
< 1 year	1,828	2,967
1 - 5 years	-	-
> 5 years	-	-
Total	1,828	2,967
Bank balances other than cash and cash equivalents		
< 1 year	22,114	30,884
1 - 5 years	-	-
> 5 years	-	-
Total	22,114	30,884
Total	2,15,234	2,42,356

* Investment does not include investment in equity investment of subsidiaries, associates and others.

The Company manages contractual financial liabilities and contractual financial assets on net basis.

Market risk

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Company's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

In addition to the above risk, market risk also includes foreign currency risk and interest rate risk.

- Foreign Currency risk**

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollars and Euros). Company's revenues insignificant portion are in these foreign currencies, while a significant portion of its costs are in Indian rupees.

As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies the Company is not much exposed to foreign currency risk.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (contd.)..

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Company's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income which Company receives on investments in debt securities, the value of interest-earning investments, its ability to realise gains from the sale of investments.

Interest rate risk primarily arises from floating rate investment. The Company's investments in floating rate are primarily short-term, which do not expose it to significant interest rate risk.

Regulatory risk

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate business, including at a corporate level as well as at the level of each of its components. For example, the Company has licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange, setting up an SME platform and trading in government securities. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review and the governing regulations may change. The Company's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Company may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Company's financial ability. The Company's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Company. The clearing and settlement operations are conducted through a wholly owned subsidiary Indian Clearing Corporation Limited (ICCL). ICCL guarantees the settlement of trade executed on Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

34. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed which is evident from the capital structure. Further, the Company has always been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the Company shall have a minimum networth of ₹ 100 Crore at all times.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS

Sr. No.	Control	Entities
a.	Subsidiary Companies	
	Direct	Indian Clearing Corporation Limited Marketplace Technologies Private Limited BSE Institute Limited Central Depository Services (India) Limited (up to June 29, 2017) BSE Investments Limited BSE Sammaan CSR Limited BSE CSR Integrated Foundation India International Exchange (IFSC) Limited India International Clearing Corporation (IFSC) Limited
	Indirect	Marketplace Tech Infra Services Private Limited CDSL Ventures Limited (up to June 29, 2017) CDSL Insurance Repository Limited (up to June 29, 2017) CDSL Commodity Repository Limited (up to June 29, 2017) BSE Skills Limited (up to June 28, 2018) BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation Pranurja Solutions Limited (w.e.f. April 24, 2018) India INX Global Access IFSC Limited (w.e.f. April 5, 2018)
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 Sarvajanic Fund Shri Phiroze Jeejeebhoy Memorial Trust BSE Employee's Gratuity Fund BSE Employee's Provident Fund
c.	Associates	
	Direct	Central Depository Services (India) Limited (w.e.f. June 30, 2017) Asia Index Private Limited
	Indirect	CDSL Ventures Limited (w.e.f. June 30, 2017) CDSL Insurance Repository Limited (w.e.f. June 30, 2017) CDSL Commodity Repository Limited (w.e.f. June 30, 2017) BSE EBIX Insurance Broking Private Limited (w.e.f. March 15, 2018) Marketplace EBIX Technology Services Private Limited (w.e.f. April 3, 2018)

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

Sr. No.	Control	Entities
d.	Key Management Personnel and their relatives	<p>Shri Sethurathnam Ravi – Chairman and Public Interest Director (upto February 4, 2019)</p> <p>Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer</p> <p>Justice Vikramajit Sen - Public Interest Director</p> <p>Shri Sumit Bose - Public Interest Director</p> <p>Shri S S Mundra - Public Interest Director</p> <p>Shri David Wright - Public Interest Director</p> <p>Shri Umakant Jayaram - Public Interest Director (w.e.f February 4, 2019)</p> <p>Smt. Usha Sangwan - Shareholder Director</p> <p>Smt. Rajeshree Sabnavis - Shareholder Director</p> <p>Shri Roland Schwinn - Shareholder Director (upto April 2, 2018)</p> <p>Dr. Sriprakash Kothari - Shareholder Director (upto February 28, 2019)</p>

Following are the transactions with related parties and the year-end balances:

PARTICULARS	For the year ended	
	March 31, 2019	March 31, 2018
Subsidiary Companies		
Income		
Indian Clearing Corporation Limited		
Rent and Infrastructure Charges	164	133
Miscellaneous Income	8	10
Dividend Income	1,307	3,623
Staff Welfare Expenses	12	22
Administrative and Other Expenses (Recoveries)	135	186
Marketplace Technologies Private Limited		
Administrative and Other Expenses (Recoveries)	0	1
BSE Institute Limited		
Staff Welfare Expenses	10	3
Rent and Infrastructure Charges	279	289
Administrative and Other Expenses (Recoveries)	77	88
Central Depository Services (India) Limited		
Administrative and Other Expenses (Recoveries)	-	17
Other Charges	-	101
Dividend Income	-	1,569
Rent and Infrastructure Charges	-	63
Miscellaneous Income	-	7

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended	
	March 31, 2019	March 31, 2018
BFSI Sector Skill Council of India		
Rent and Infrastructure Charges	23	10
Administrative and Other Expenses (Recoveries)	1	2
India International Exchange (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	4	-
Rent and Infrastructure Charges	35	26
Staff Welfare Expenses	2	1
India International Clearing Corporation (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	0^	-
Rent and Infrastructure Charges	16	12
Staff Welfare Expenses	2	-
BSE Sammaan CSR Limited		
Administrative and Other Expenses (Recoveries)	1	2
Rent and Infrastructure Charges	4	-
Staff Welfare Expenses	2	-
BSE CSR Integrated Foundation		
Administrative and Other Expenses (Recoveries)	0^	-
Expenditure		
Indian Clearing Corporation Limited		
Clearing house expenses	261	182
Administrative and Other Expenses	16	3
Marketplace Technologies Private Limited		
Computer Technology Related Expenses (net of recovery)	2,786	2,472
Purchase of Intangible Assets	16	-
Intangible assets under development	354	376
Central Depository Services (India) Limited		
Administrative and Other Expenses	-	121
BSE Institute Limited		
Reimbursement of services	37	111
BSE CSR Integrated Foundation		
Contribution to corporate social responsibility	284	137
Others		
Investments		
India International Exchange (IFSC) Limited	5,000	2,000
India International Clearing Corporation (IFSC) Limited	-	2,000
BSE Investments Limited	2,215	1,475

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended	
	March 31, 2019	March 31, 2018
Trusts set-up by the Company		
Income		
BSE Investors' Protection Fund		
Administrative and Other Expenses (Recoveries)	230	258
Rent	14	18
Expenditure		
Contribution to IPF (a proportion of listing fee)	145	132
Rent	58	61
Associates		
Income		
Asia Index Private Limited		
Rent and Infrastructure Charges	138	138
Administrative and Other Expenses (Recoveries)	29	30
Central Depository Services (India) Limited		
Administrative and Other Expenses (Recoveries)	-	28
Rent and Infrastructure Charges	1	86
Miscellaneous Income	19	9
Other Charges	37	-
Dividend Income	879	-
Recovery of IPO expenses withheld	511	-
Expenditure		
Central Depository Services (India) Limited		
Purchase of Capital Assets	-	14
Administrative and Other Expenses	90	254
Indirect Subsidiary		
Income		
Pranurja Solutions Limited		
Rent and Infrastructure Charges	0^	-
Administrative and Other Expenses (Recoveries)	0^	-
Indirect Subsidiary		
Income		
BSE EBIX Insurance Broking Private Limited		
Rent and Infrastructure Charges	0^	-
Administrative and Other Expenses (Recoveries)	0^	-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended	
	March 31, 2019	March 31, 2018
Key Managerial Personal:		
Expenditure		
Salaries, Allowances and Bonus* (Short term Employee benefits)		
Shri Ashishkumar Chauhan	664	614

*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 Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

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, 2019	As at March 31, 2018
Subsidiary		
Assets		
Investments		
Indian Clearing Corporation Limited	35,400	35,400
Marketplace Technologies Private Limited	4,250	4,250
BSE Institute Limited	5,000	5,000
BSE Investments Limited	3,700	1,485
BSE Sammaan CSR Limited	260	260
BSE CSR Integrated foundation	4	4
BFSI Sector Skill Council of India	100	100
Central Depository Services (India) Limited (up to June 29, 2017)	-	-
India International Exchange (IFSC) Limited	12,500	7,500
India International Clearing Corporation (IFSC) Limited	8,000	8,000
Receivable (Net)		
BSE Institute Limited	83	44
India International Clearing Corporation (IFSC) Limited	-	10
BSE Sammaan CSR Limited	0^	2
BFSI Sector Skill Council of India	-	0^
Liabilities		
Payable (Net)		
Marketplace Technologies Private Limited	386	314
India International Exchange (IFSC) Limited	-	82
Indian Clearing Corporation Limited	56	34

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Trusts set-up by the Company		
Assets		
Receivable		
BSE Investors' Protection Fund	62	31
Net defined benefit assets		
BSE Employee's Gratuity Fund	2,482	1,952
Liabilities		
Deposit		
BSE Investors' Protection Fund	6	6
Associates		
Assets		
Investments		
Asia Index Private Limited	1	1
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	5,666	5,666
Receivable		
Asia Index Private Limited	2	2
Liabilities		
Deposit		
Asia Index Private Limited	92	92
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	-	73
Payable		
Central Depository Services (India) Limited (w.e.f. June 30, 2017)	11	21
Indirect Subsidiary		
Assets		
Receivable		
Pranurja Solutions Limited	1	-
Indirect Associates		
Assets		
Receivable		
BSE EBIX Insurance Broking Private Limited	1	-

Note : ^ Less than ₹ 50,000/-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

36. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2019	As at March 31, 2018
a)	Claims against the Exchange not acknowledged as debts in respect of :		
i)	Income tax matters	6,908	2,073
ii)	Service tax matters	127	-
iii)	Department of telecommunication license matters (Refer Note below)	706	706
iv)	Investors' Services Fund and Investors' protection Fund (Refer Note below)	2,799	-
v)	Others matters	51,281	10,362
vi)	Out of 'v' above in the opinion of the Management are remote	51,281	10,362
b)	Guarantees given by the Exchange to the loan provider: Aggregate loans outstanding from employees of the Exchange as on date. The employees have mortgaged their flats / properties with the loan provider.	17	26

Notes:

- During the year 2012-13, the Exchange had received notices from Department of Telecommunication (DoT), Government of India to pay a revised VSAT Network License Fees, Royalty etc. aggregating ₹ 636 against which an amount of ₹ 235 was paid and expensed during the earlier years. In respect of the balance amount of ₹ 401 the Management filed a reply, after legal consultations, with DoT challenging the claim stating that the demand notices were based on an incorrect interpretation of the existing guidelines / orders. Hence no provision for the same was made in the accounts and the amounts have been considered as a Contingent Liability.
- Demand Notices dated April 18, 2018 was issued in the name of BSE Limited for an amount of ₹ 305 with respect of the provisional assessment of License Fees including penalties and interest for the period July 2013 to August 2014.
- The Company has received observations from SEBI in respect of inspection conducted for the period 2005 - 2017. The Company has been asked to reimburse ₹ 1,427 to Investors' Services Fund and ₹ 1,372 to BSE Investors Protection Fund Trust (Formerly known as "The Stock Exchange Investors' Protection Fund Trust"), along with interest, in respect of certain expenses charged to these funds. In response to the above observations, the Company has submitted its detailed reply to SEBI and requested to reconsider the matter. Since the matter is not yet concluded, the same is considered as a contingent liability.
- The Company's pending litigations comprise of claims against the Company primarily by the customers/ vendors and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements at March 31, 2019.

37. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are ₹ 1,467 as at March 31, 2019 (₹ 800 as at March 31, 2018)

- The Managing Director and CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources.

- The "Company" or the "Exchange" operates only in one Operating Segment i.e. "Facilitating Trading in Securities and other related ancillary Services", hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

38. (Contd.)..

38.2 Information about geographical area

38.2.1 The Company revenue from customers

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Within India	58,629	62,760
Outside India	2,613	2,347
Total Income	61,239	65,107

38.2.2 The Company does not have non-current assets outside India.

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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. EMPLOYEE BENEFITS (Contd.)..

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements as at March 31, 2019 and March 31, 2018:

PARTICULARS	March 31, 2019	March 31, 2018
Change in benefit obligation		
Benefit obligations at the beginning	2,040	1,843
Service cost	133	122
Interest expense	132	130
Benefits paid	(72)	(71)
Remeasurements – Actuarial (gains)/ losses	149	63
Liabilities assumed / settled *	27	(47)
Benefit obligations at the end	2,409	2,040
Change in Plan assets		
Fair value of plan assets at the beginning	1,952	1,927
Employer Contribution	493	-
Interest income	132	136
Remeasurements – Actuarial (gains)/ losses	40	(40)
Assets assumed / settled *	(67)	-
Benefits paid	(72)	(71)
Fair value of plan assets at the end	2,478	1,952
Funded status	2,478	1,952
Prepaid / (payable) gratuity benefit	69	(88)

* On account of inter-group transfer.

Amount for the year ended March 31, 2019 and year ended March 31, 2018 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2019	March 31, 2018
Service cost	134	122
Net interest on the net defined benefit liability/asset	(1)	(6)
Net gratuity cost	133	116

Amount for the year ended March 31, 2019 and year ended March 31, 2018 recognised in the other comprehensive income:

PARTICULARS	March 31, 2019	March 31, 2018
Remeasurements of the net defined benefits liability / (asset)		
Experience adjustments	(145)	52
(Gain)/loss from change in financial assumptions & Actual return on plan assets less interest on plan asset	255	31
Changes in demographic assumptions	(1)	21
Adjustment to recognise the effect of asset ceiling	-	-
Amount recognised in OCI	109	104

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. EMPLOYEE BENEFITS (Contd.)..

The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2019 and year ended March 31, 2018:

PARTICULARS	March 31, 2019	March 31, 2018
Discount rate	6.95%	7.30%
Increase in compensation levels	9.80%	7.00%

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, 2019	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(52)	52
Impact of decrease in 50 bps on defined benefit obligation	54	(51)

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, 2019	March 31, 2018
Government of India Securities	16%	35%
Corporate Bonds	10%	14%
Insurer Managed Assets	74%	43%
Others	0%	8%

Actual return on the assets for the period ended March 31, 2019 and year ended March 31, 2018 were ₹ 132 and ₹ 136 respectively.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of 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 ₹ 200.

Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2019
Expected benefits for year 1-3	1,288
Expected benefits for year 4-5	625
Expected benefits for year 6-9	982
Expected benefits for year 10 and above	505

The weighted average duration to the payment of these cash flows is 4.38 years.

- **Discount Rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. EMPLOYEE BENEFITS (Contd.)..

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. During the year the company has made a provision for diminution in value of investments and interest thereof held by PF trust.

The Company recognised charge for the year ended March 31, 2019 and for the year ended March 31, 2018 of ₹ 235 and ₹ 199 respectively for provident fund and family pension fund contribution in the Profit or Loss.

The Company recognised charge for the year ended March 31, 2019 and for the year ended March 31, 2018 of ₹ 56 and ₹ 33 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, 2019 and for the year ended March 31, 2018 of ₹ 499 and ₹ 489 respectively for Compensated Absences in the Profit or Loss.

40. a) The Company implemented a Voluntary Retirement Scheme (VRS) for all its eligible employees. Post the closure of the Scheme an expense of ₹ 54 has been recognised for the year ended March 31, 2019 and ₹ 47 has been recognised for the year ended March 31, 2018 and has been disclosed as an "Exceptional Item".
- b) The Company has partially divested its stake in a subsidiary company, on June 29, 2017. The profit on divestment amounting to ₹ 31,603 is reflected in the statement of profit and loss for the year ended March 31, 2018. The residual investment retained in the subsidiary is now considered as an investment in an associate. Considering the nature of the income and its impact on the profit, the same has been disclosed as an exceptional item in the respective periods.
- c) Profit on sale, disclosed as an exceptional item, was based on estimated expenditure withheld by Central Depository Services (India) Limited ("CDSL"). During the year ended March 31, 2019, the amount of expenditure has been crystallised and hence excess amount of ₹ 511 has been recorded as an additional profit on sale of CDSL during the year ended March 31, 2019 and shown as "Exceptional Items".

41. BUY BACK

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

The Buyback shall not exceed ₹ 16,600, excluding brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and service tax (if any), stamp duty and other transaction charges ("Maximum Buyback Size"). The Maximum Buyback Size represents 9.99% of the aggregate of the Company's paid-up Equity Share capital and free reserves based on the standalone audited financial statements of the Company as at March 31, 2017, which is in compliance with the maximum permissible limit of 10% of the total paid-up equity share capital and free reserves in accordance with Section 68(2) of the Companies Act, 2013.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2019

(Rupees in lakhs, except share and per share data, unless otherwise stated)

41. BUY BACK (Contd.)..

The scheme of buyback was commenced on February 1, 2018 and closed on July 9, 2018 and the Company bought back 20,19,170 equity shares resulted in cash outflow of ₹ 16,600 (excluding expenses towards buyback of ₹ 197). In line with the requirement of the Companies Act 2013, an amount of ₹ 16,757 has been utilized from the securities premium account for the buy back. Further, capital redemption reserve of ₹ 40 (representing the nominal value of the shares bought back and extinguished) has been created.

- b)** The Board of Directors of the Company at its meeting held on May 7, 2019, has inter-alia approved the proposal of buyback, subject to approval of the shareholders, of its fully paid-up equity shares of face value of ₹ 2/- each at a price of ₹ 680 (Rupees Six Hundred and Eighty Only) per Equity Share through tender offer in such manner as prescribed in the Securities and Exchange Board of India Regulations, 2018 and the Companies Act, 2013 ("Act").

The Buyback shall not exceed ₹ 46,000, excluding brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and service tax (if any), stamp duty and other transaction charges ("Maximum Buyback Size"). The Maximum Buyback Size represents 24.73% of the aggregate of the Company's paid-up Equity Share capital and free reserves based on the standalone audited financial statements of the Company as at March 31, 2019.

- 42.** The Company and its provident fund trust has an investment of ₹ 1,700 Lakh and ₹ 345 Lakh (including interest of ₹ 64 Lakh) respectively in secured Non-convertible Debentures of IL&FS Group. Considering the recent developments, during the year ended March 31, 2019, a provision of ₹ 1,254 Lakh has been made on the above exposure and unrealised interest of ₹ 146 Lakh has been reversed.

- 43.** The Board of Directors of the Company at its meeting held on May 7, 2019 have recommended a payment of dividend of ₹ 25/- per equity share of ₹ 2/- each. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. After taking into account the interim dividend of ₹ 5/- per equity share paid in the month of November 2018, the total dividend for the financial year stands at ₹ 30/- per equity share of ₹ 2/- each.

44. RECENT ACCOUNTING PRONOUNCEMENTS:

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. As the company does not have any material leases, therefore the impact of adoption of this standard is yet to be identified by the company.

- 45.** 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 attachedFor **S. R. Batliboi & Co. LLP****Chartered Accountants**

ICAI Firm registration number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership No.: 037924

Date: May 7, 2019

Place: Mumbai

For and on behalf of the Board of Directors**Justice Vikramajit Sen**

Chairman

DIN: 00866743

Nayan Mehta

Chief Financial Officer

Ashishkumar Chauhan

Managing Director & CEO

DIN: 00898469

Prajakta Powle

Company Secretary

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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	Marketplace Technologies Private Limited	BFSI Sector Council of India ²	Marketplace Tech Infra Services Private Limited ³	BIL-Ryerson Technology Startup Incubator Foundation ⁴	BSE CSR Integrated Foundation ⁵	India International Exchange (IFSC) Limited	India International Clearing Corporation (IFSC) Limited	India INX Global Access IFSC Limited ⁶	Pranurja Solutions Limited ⁷
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	09-Feb-11	05-Nov-15	07-Mar-16	12-Sep-16	12-Sep-16	05-Apr-18	24-Apr-18
2	Share capital	35,400	5,000	3,700	260	500	205	701	1	5	12,500	8,000	1,000	1
3	Reserves & surplus	22,178	1,227	78	(167)	3,219	627	119	12	330	(5,908)	(519)	(48)	(1)
4	Total assets	1,29,144	7,373	3,778	114	4,674	1,074	945	1,187	335	8,177	8,419	1,046	1
5	Total Liabilities	71,566	1,146	0	21	955	242	125	1,174	0	1,585	939	94	1
6	Investments	5,863	5,091	1,401	-	3,148	502	464	426	-	1,013	-	-	-
7	Turnover	5,533	2,923	159	30	4,571	482	698	455	391	225	204	25	-
8	Profit before taxation	1,956	498	115	(60)	431	(72)	43	-	330	(3,096)	(249)	(62)	(1)
9	Provision for taxation	(84)	(13)	39	-	57	-	7	-	-	-	-	-	-
10	Profit after taxation	2,040	511	76	(60)	374	(72)	36	-	330	(3,096)	(249)	(62)	(1)
11	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
12	% of shareholding	100%	100%	100%	100%	100%	51.21%	100%	51%	100%	100%	100%	100%	100%
		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 Marketplace 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.
- 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 Panurja Solutions Limited was incorporated on April 24, 2018 which is yet to commence operations and it is a wholly owned subsidiary of BSE Investments Limited.

PART “B”: ASSOCIATES AND JOINT VENTURES
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
 (Information in respect of each associate to be presented with amounts in ₹ Lakh)

Sr. No.	Name of Joint Ventures / Associate Companies	Asia Index Private Limited	Central Depository Services (India) Limited (CDSL Group) ¹	BSE EBIX Insurance Broking Private Limited ²	Marketplace EBIX Technology Services Private Limited ³	CDSL Commodity Repository Limited ⁴
1	Latest audited Balance Sheet Date (Financial year ended)	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
2	Date on which the Associate or Joint Venture was associated or acquired	30-Aug-13	16-Jun-10	15-Mar-18	03-Apr-18	03-Aug-18
3	Shares of Associate/Joint Ventures held by the company on the year end					
	a. No. of shares	5,000	2,50,80,000	20,04,000	4,000	1,20,00,000
	b. Amount of Investment in Associates/Joint Venture (₹)	1	5,666	200	140	1,200
	c. Extent of Holding %	50%	24%	40%	40%	24%
4	Description of how there is significant influence	50% Equity Shares Stake	24% Equity Shares Stake	40% Equity Shares Stake	40% Equity Shares Stake	24% Equity Shares Stake
5	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet (₹)	1,094	70,943	489	348	5,134
7	Profit / (Loss) for the year					
	i. Considered in Consolidation	175	2,724	(5)	(1)	30
	ii. Not Considered in Consolidation	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

1 CDSL Group consists of:

- a) CDSL Ventures Limited
- b) CDSL Insurance Repository Limited
- c) CDSL Commodity Repository Limited

2 BSE EBIX Insurance Broking Private Limited incorporated on March 15, 2018 and it is yet to commence the business.

3 Marketplace EBIX Technology Services Private Limited incorporated on April 3, 2018.

4 BSE Investments Limited (100% subsidiary of BSE Limited) holds 24% of Equity share stake in CDSL Commodity Repository Limited w.e.f. August 3, 2018.

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

LISTING CEREMONIES 2018-19



Listing Ceremony of Sandhar Limited on 2nd April, 2018.



Listing Ceremony of Karda Construction Limited on 2nd April, 2018.



Listing Ceremony of Orient Electric Limited on 14th May, 2018.



Listing Ceremony of Zim Laboratories Limited on 6th June, 2018.



Listing Ceremony of Fine Organic Industries Limited on 2nd July, 2018.



Listing Ceremony of TCNS Clothing Co. Limited on 30th July, 2018.

LISTING CEREMONIES 2018-19



Listing Ceremony of Credit Access Grameen Limited on 23rd August, 2018.



Listing Ceremony of Ircon International Limited on 25th September, 2018.



Listing Ceremony of Xelpomac Design and Tech Limited on 4th February, 2019.



Listing Ceremony of MSTC Limited on 29th March, 2019.



Listing Ceremony of Mishra Dhatu Nigam Limited on 4th April, 2019.



Listing Ceremony of Affordable Robotic & Automation Limited on 4th June, 2018.

LISTING CEREMONIES 2018-19



Listing Ceremony of Rajnish Wellness Limited 9th July, 2018.



Listing Ceremony of Deep Polymer Limited on 23rd August, 2018.



Listing Ceremony of Ranjeet Mechtronics Limited on 26th September, 2018.



Listing Ceremony of Innovative Ideals and Services Limited on 5th October, 2018.



Listing Ceremony of Manorama Industries Limited on 4th October, 2018.



Listing Ceremony of Deccan Health Care Limited on 31st December, 2018.

LISTING CEREMONIES 2018-19



Listing Ceremony of K.P.I. Global Infrastructure Limited on 22nd January, 2019.



Listing Ceremony of Ritco Limited on 7th February, 2019.



Listing Ceremony of Kranti Industries Limited on 28th February, 2019.



Listing Ceremony of Aartech Solonics Limited on 27th March, 2019.



Listing Ceremony of GKP Printing Limited on 8th May, 2019.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Arvind Sawant, Hon'ble Minister of Heavy Industries and Public Enterprise, Government of India at the event 'Indian Markets - The Way Forward' held on 16th April, 2019 at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Hardeep Singh Puri, Hon'ble Minister for Housing & Urban Affairs, Civil Aviation & Commerce & Industry at the 9th Anniversary of Moneylife Foundation on 9th February, 2019 at BSE.

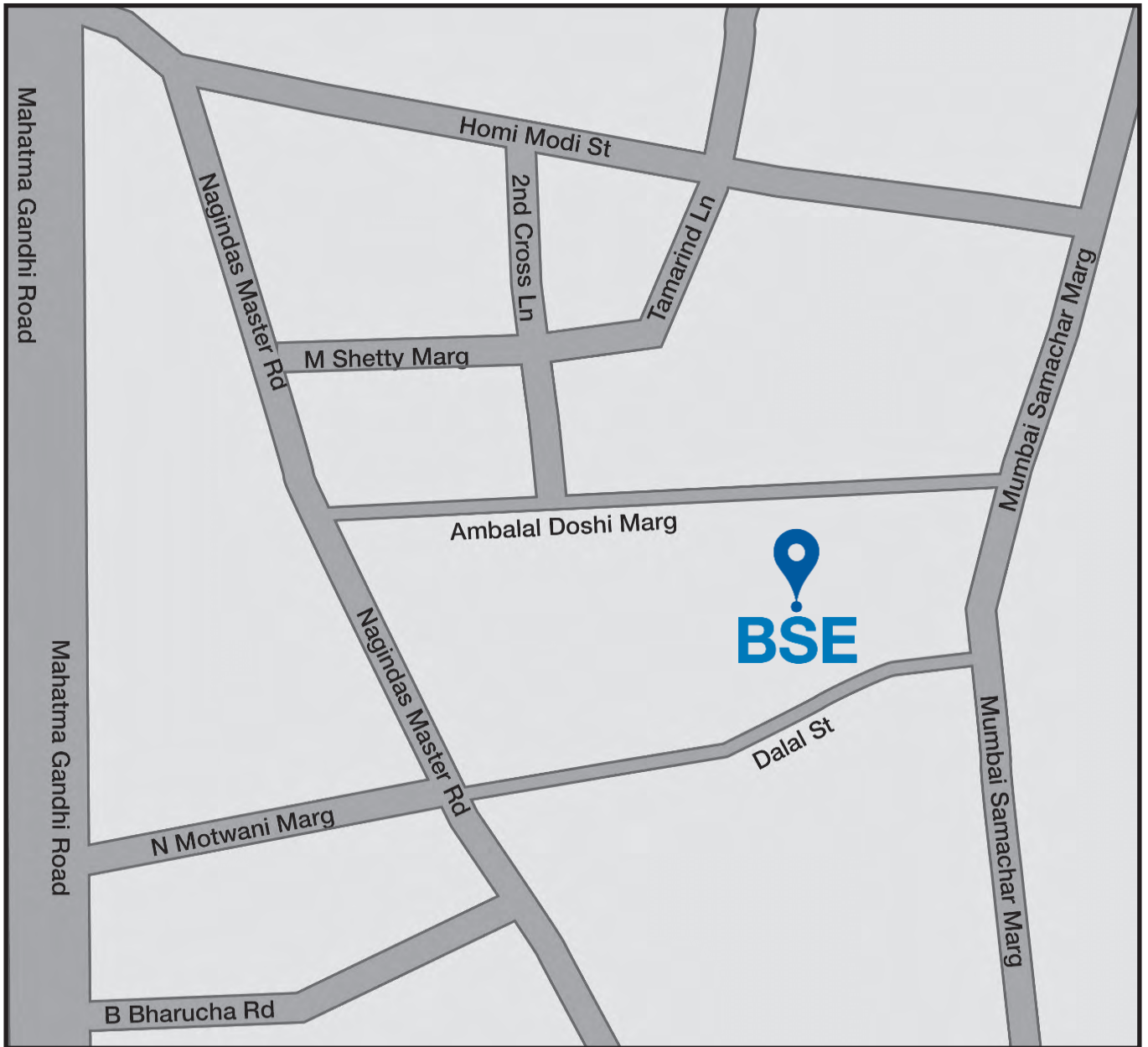


Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a bouquet of flowers to Shri Anurag Singh Thakur, Union Minister of State (MoS) for Finance & Corporate Affairs, Government of India.



(L-R) Shri Ashishkumar Chauhan, MD & CEO, BSE; Shri Mangal Prabhat Lodha, MLA, Mumbai; Shri Raj K. Purohit, MLA, Mumbai; Shri Ramdas Ahtawale, Hon'ble Minister for Social Justice & Empowerment, Government of India, His Holiness Acharya Dr. Lokesh Muni; His Holiness Syedna Taher Fakhruddin Saheb and His Holiness Kenting Tai Situpa at the conference on World Peace through Non-Violence on the eve of 150th Birth Anniversary of Mahatma Gandhi on 30th September, 2018 at BSE.

ROUTE MAP TO THE VENUE OF THE AGM



BSE LIMITED

CIN: L67120MH2005PLC155188

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

Tel: + 91 22 2272 1233/34; Fax: +91 22 2272 1003; Email: bse.shareholders@bseindia.com; Website: www.bseindia.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Details of Shareholder:

No. of Shares held: Folio No:
Client ID No: DP ID No.
Name(s) of the Shareholder(s)/ Proxy (IN BLOCK LETTERS)

Address: _____

I/We hereby record my/our presence at the Fourteenth Annual General Meeting of BSE Limited held at Sir Dinshaw Petit International Convention Hall, 1st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001 on Monday, July 15, 2019 at 11:30 A.M.

Signature of Shareholder/ Proxy

Note: No duplicate Attendance Slip will be issued at the Meeting Hall, You are requested to bring your copy of the Annual Report to the Meeting.

BSE LIMITED

CIN: L67120MH2005PLC155188

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

Tel: + 91 22 2272 1233/34; Fax: +91 22 2272 1003; Email: bse.shareholders@bseindia.com; Website: www.bseindia.com

PROXY FORM

(FORM NO. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) : _____
Registered address: _____
E-mail Id : _____
Folio No/Client ID : _____
DP ID : _____

I /We, being the member(s) of BSE Limited holding _____ shares, hereby appoint:

- Name: _____ Address: _____
E-mail ID: _____ Signature: _____, or failing him/her
- Name: _____ Address: _____
E-mail ID: _____ Signature: _____, or failing him/her
- Name: _____ Address: _____
E-mail ID: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company, to be held on Monday, July 15, 2019 at 11:30 am. at Sir Dinshaw Petit International Convention Hall, 1st Floor, P.J. Towers, Dalal Street, Mumbai-400001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf :

RESOLUTIONS

Ordinary Business			
Item No.	Resolutions	For	Against
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, 2019 and the Reports of the Board of Directors and Auditors thereon.		
2.	To confirm the payment of interim dividend and to declare final Dividend on equity shares for the Financial Year ended March 31, 2019.		
3.	To consider and approve retirement of Smt. Rajeshree Sabnavis from the post of Shareholder Director of the Company		
4.	To consider and approve the buyback of equity shares of the Company		

Signed this _____ day of _____ 2019

Signature of shareholder _____

Signature of Proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

NOTES

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

BSE Limited

25th Floor, P.J. Tower, Dalal Street,
Fort, Mumbai – 400 001.
www.bseindia.com

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

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