

Date: July 7, 2020

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 2019-20 including Notice of Fifteenth Annual General Meeting

Dear Sir/Madam,

In continuation to our letter dated June 19, 2020 and in terms of requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company and the Notice of AGM for the financial year 2019-20.

The Annual report containing the Notice of AGM is also available on the website of the Company at https://www.bseindia.com/static/investor_relations/annualreport.html which is also being sent to the Members through electronic mode.

This is for your information and record.

Thanking you,
Yours faithfully,
For BSE Ltd



Prajakta Powle
Company Secretary and Compliance Officer
Encl: a/a

ANNUAL REPORT

2019-2020

BSE
EXPERIENCE THE NEW



**“THE FUTURE
DEPENDS ON
WHAT YOU
DO TODAY.”**

- Mahatma Gandhi

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

COMPOSITION OF COMMITTEES OF THE COMPANY

AUDIT COMMITTEE**Shri Sumit Bose – Chairman**

Shri S. S. Mundra – Member

Shri Umakant Jayaram – Member

Sushri Jayshree Vyas – Member

Smt. Usha Sangwan – Member

STAKEHOLDER RELATIONSHIP / SHARE ALLOTMENT COMMITTEE**Smt. Usha Sangwan – Chairperson**

Shri S. S. Mundra – Member

Sushri Jayshree Vyas – Member

Shri Ashishkumar Chauhan – Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**Sushri Jayshree Vyas – Chairperson**

Shri Ashishkumar Chauhan – Member

Shri Umakant Jayaram – Member

NOMINATION & REMUNERATION COMMITTEE**Shri S. S. Mundra – Chairman**

Shri David Wright – Member

Shri Umakant Jayaram – Member

Sushri Jayshree Vyas – Member

RISK MANAGEMENT COMMITTEE**Shri David Wright – Chairman**

Shri S. S. Mundra – Member

Justice Vikramajit Sen – Member

Shri Sumit Bose – Member

Shri Umakant Jayaram – Member

Sushri Jayshree Vyas – Member

Prof. Sanjay Banerji – Member

DELISTING COMMITTEE**Shri Sumit Bose – Chairman**

Justice Vikramajit Sen – Member

Shri Umakant Jayaram – Member

Shri Ashishkumar Chauhan – Member

Shri Ramjibhai B. Mavani – Member

Shri Manmohan Juneja – Member

MEMBER COMMITTEE**Justice Vikramajit Sen – Chairman**

Shri S. S. Mundra – Member

Shri Sumit Bose – Member

Shri Umakant Jayaram – Member

Sushri Jayshree Vyas – Member

Shri Ashishkumar Chauhan – Member

REGULATORY OVERSIGHT COMMITTEE**Shri S. S. Mundra – Chairman**

Shri Sumit Bose – Member

Justice Vikramajit Sen – Member

Shri David Wright – Member

Shri Umakant Jayaram – Member

Sushri Jayshree Vyas – Member

Dr. R. K. Kakkar – Member

STANDING COMMITTEE ON TECHNOLOGY**Shri David Wright – Chairman**

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 Neeraj Kulshrestha – Chief Regulatory Officer

Shri Nayan Mehta – Chief Financial Officer

Shri Kersi Tavadia – Chief Information Officer

Shri Sameer Patil – Chief Business Officer

Shri Girish Joshi – Chief Trading Operations and Listing Sales

STATUTORY AUDITOR

S.R. Batliboi & Co. LLP

Chartered Accountants

REGISTRAR AND TRANSFER AGENT

Kfin Technologies Private Limited

Selenium Building, Tower - B, Plot no. 31 & 32,

Gachibowli, Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032

E-Mail: einward.ris@kfintech.com

Toll Free No. : 1-800-3454-001

BOARD OF DIRECTORS



Justice Vikramajit Sen
Chairman & Public Interest Director



Shri Ashishkumar Chauhan
Managing Director & CEO



Shri Sumit Bose
Public Interest Director



Shri S. S. Mundra
Public Interest Director



Shri David Wright
Public Interest Director



Shri Umakant Jayaram
Public Interest Director



Sushri Jayshree Vyas
Public Interest Director



Smt. Usha Sangwan
Shareholder Director

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Shri Nayan Mehta, CFO, BSE presenting a memento to Hon'ble Vice President of India, Shri M. Venkaiah Naidu at the First Late Prof. Yashwantrao Kelkar Memorial Lecture on 26th September, 2019 at BSE.



Shri Nitin Gadkari, Minister of Road Transport & Highways, Micro, Small & Medium Enterprises, Government of India interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE at Global Maharashtra Entrepreneurship Conclave 2020 on 27th January, 2020 at BSE.



5th Edition of BSE Zee Business Bull Run 2020 flagged off in presence of Shri Anil Singhi, Managing Editor, Zee Business ; Shri Ashish Kumar Chauhan, MD & CEO, BSE; Shri Raj K. Purohit, Senior Member, Bharatiya Janata Party; Bollywood Actor Mr. Sunny Singh and Bollywood Actress Ms. Sonmali Seygall and Michelin-Star-Chef Vikas Khanna.

AGM Notice

NOTICE is hereby given that the Fifteenth Annual General Meeting of Shareholders of BSE Limited will be held on Thursday, July 30, 2020 at 3:00 P.M. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESSES

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, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend on equity shares for the Financial Year ended March 31, 2020.
3. To consider and approve appointment of **Shri T. C. Suseel Kumar** (DIN: 06453310), in place of Smt. Usha Sangwan (DIN: 02609263), Shareholder Director, who retires by rotation and does not offer herself for re-appointment.

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

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee, the approval of the Board of Directors of the Company and pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 as may be amended from time to time and subject to approval of the Securities and Exchange Board of India and other approvals in this regard as may be necessary and subject to such condition(s) and modification(s) as may be prescribed and imposed by such authorities while granting such approval(s), permission(s) and sanction(s), Shri T. C. Suseel Kumar (DIN: 06453310) who has consented to act as a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation, in place of Smt. Usha Sangwan (DIN: 02609263), Shareholder Director, who retires by rotation and does not offer herself for re-appointment.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary be and are hereby severally authorized to take necessary steps as may be required to give effect to this resolution and matters related thereto."

SPECIAL BUSINESSES

4. To consider and approve appointment of **Shri Alok Vajpeyi** (DIN: 00019098) as Shareholder Director on the Board of the Company.

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

"RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee, the approval of the Board of Directors of the Company and pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 as may be amended from time to time and subject to approval of the Securities and Exchange Board of India and other approvals in this regard as may be necessary and subject to such condition(s) and modification(s) as may be prescribed and imposed by such authorities while granting such approval(s), permission(s) and sanction(s), Shri Alok Vajpeyi (DIN: 00019098) who has consented to act as a Director, be and is hereby appointed as a Director of the Company in Shareholder Director category, liable to retire by rotation.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary be and are hereby severally authorized to take necessary steps as may be required to give effect to this resolution and matters related thereto."

5. To consider and approve appointment of **Shri Ghanshyam Dass** (DIN: 01807011) as Shareholder Director on the Board of the Company.

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

“RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee, the approval of the Board of Directors of the Company and pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 as may be amended from time to time and subject to approval of the Securities and Exchange Board of India and other approvals in this regard as may be necessary and subject to such condition(s) and modification(s) as may be prescribed and imposed by such authorities while granting such approval(s), permission(s) and sanction(s), Shri Ghanshyam Dass, (DIN: 01807011) who has consented to act as a Director, be and is hereby appointed as a Director of the Company in Shareholder Director category, liable to retire by rotation.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary be and are hereby severally authorized to take necessary steps as may be required to give effect to this resolution and matters related thereto.”

6. To consider and approve appointment of **Smt. Rita Bhagwati** (DIN: 06990589), as Shareholder Director on the Board of the Company.

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

“RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee, the approval of the Board of the Company and pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 as may be amended from time to time and subject to approval of the Securities and Exchange Board of India and other approvals in this regard as may be necessary and subject to such condition(s) and modification(s) as may be prescribed and imposed by such authorities while granting such approval(s), permission(s) and sanction(s), Smt. Rita Bhagwati (DIN: 06990589) who has consented to act as a Director, be and is hereby appointed as a Director of the Company in Shareholder Director category, liable to retire by rotation.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary be and are hereby severally authorized to take necessary steps as may be required to give effect to this resolution and matters related thereto.”

By Order of the Board of Directors

Prajakta Powle

Company Secretary and Compliance Officer

Mumbai, June 9, 2020

NOTES:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), in respect of the Special Businesses to be transacted at the Annual General Meeting (“AGM”) along with details pursuant to Securities and Exchange Board of India (“SEBI”) Regulations and other applicable laws are annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to bse.shareholders@bseindia.com.
2. In view of the massive outbreak of COVID-19 pandemic and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by Securities and Exchange Board of India (hereinafter collectively referred to as ‘Circulars’),

the fifteenth AGM of the Company will be held through VC / OAVM. **The facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

3. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 25th Floor, P. J. Towers, Dalal Street, Mumbai, Maharashtra - 400 001, which shall be the deemed venue of AGM.
4. The Company has engaged the services of KFin Technologies Private Limited, who are also the Registrar and Transfer Agent (Registrar) of the Company, as the authorized agency for conducting the e-AGM and providing remote e-voting and e-voting facility for/during the fifteenth AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
5. 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 remote e-voting/e-voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company www.bseindia.com, www.nseindia.com (where the Company is listed) and <https://evoting.karvy.com/> (agency providing e-voting facility).
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting during the AGM. The said resolution/authorization shall be sent through the registered email address to the Scrutinizer at navnitlb@nlba.in and to the Registrar of the Company at evoting@kfintech.com. Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC / OAVM.
7. In compliance with the Circulars, copies of Annual Report for Financial Year 2019-20, the Notice of the AGM and instructions for remote e-voting/ e-voting are being sent in electronic mode to those Shareholders whose email addresses are registered with Registrar/ Depository Participant(s). The copy of Annual Report along with the Notice is also available on Company's website at www.bseindia.com, www.nseindia.com (where the Company is listed) and <https://evoting.karvy.com/> (agency providing e-voting facility).
8. **Trading Members or their associates and agents as on cut-off date shall not be eligible to vote on Item Nos. 3, 4, 5 and 6 of the Notice.**
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Pursuant to Regulation 46 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the securities of a Recognized Stock Exchange are required to be maintained in Demat form. Further, in terms of the Securities and Exchange Board of India (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 dematerialize the shares held in physical form.
11. The Board of Directors has recommended Final Dividend of ₹ 17/- per equity share for the Financial Year ended March 31, 2020 that is proposed to be paid on or before Friday, August 28, 2020 to those Members whose name appears in the Register of Members of the Company as on Thursday, July 23, 2020 (close of business hours of record date) subject to the approval of the Shareholders at the AGM.
12. Members holding shares in Demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their Demat accounts, will be used by the Company for the payment of dividend.
13. **Members whose email addresses / Bank details for receiving dividend are not registered/updated are requested to register/update by following below mentioned procedure:**
 - a. **Members holding shares in Demat form can get their details registered/updated only by contacting their respective Depository Participant(s).**
 - b. **Members holding shares in physical form may register their email address and mobile number with Company's Registrar by sending an e-mail request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address and mobile number, self-attested copy of PAN Card and copy of a share certificate for registering their email address and receiving the Annual Report, AGM Notice and the e-voting instructions. Additional details like name and branch of Bank along with bank account type, bank account number, 9 digit MICR code, 11 digit IFSC code and scanned copy of cancelled cheque will be required for updating bank account details.**

14. **The Company has also made available link for temporary Registration of Email IDs and Mobile Numbers to its Shareholders through Company's Registrar for receiving Notice and Annual Report in electronic mode which is given below: <https://karisma.kfintech.com/mobilereg/mobileemailreg.aspx?uc=E295D9F5-9F8F-4A82-8437-DBCF4B6A72A2>. The Company urges all the Shareholders to use this link effectively since the Email IDs and Mobile Numbers could help the Company for sending paperless communication in future.**
15. **If the Company is unable to pay the dividend to any Member by electronic mode due to non-registration of bank account, the Company shall dispatch the dividend warrant / cheque to such Members at the earliest once the normalcy is restored.**
16. **TDS on Dividend:**

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

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

(I) Resident Shareholders:

In case of resident Shareholders, section 194 of the I-T Act provides mandate for withholding tax @ 10% on dividend income. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual Shareholder does not exceed ₹ 5,000. In absence of Permanent Account Number (PAN), TDS rate of 20% will apply.

The Central Board of Direct Taxes issued a Press Release dated May 13, 2020 stating that TDS rates on the amount paid or credited to residents during the period from May 14, 2020 to March 31, 2021 has been reduced by 25%. Thus, in case of resident Shareholders, withholding tax @ 7.5% (instead of 10%) on dividend income shall apply under Section 194 of the I-T Act. It is also clarified that there shall be no reduction in rates of TDS, where the tax is required to be deducted at higher rate due to non-furnishing of PAN with the Corporation/Depository Participant.

Resident Shareholders, being an individual, whose total dividend income in a financial year exceed ₹ 5,000 and who wish to receive dividend without deduction of tax at source may submit a declaration in Form No. 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form No. 15H (for individual above the age of 60 years with no tax liability on total income), in original to the Registrar of the Company on einward.ris@kfintech.com.

TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

Any other entity entitled to exemption from TDS: Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted. Shareholders are requested to note that while submission of original form / documentary evidence is mandatory, they may submit the said documents online, on the website of the <https://ris.kfintech.com/form15> between July 10, 2020 and July 20, 2020.

(II) Non-resident Shareholders (other than Foreign Portfolio Investors/ Foreign Institutional Investors)

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

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

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

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

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

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

- A. Self-Attested Permanent Account Number
- B. Tax Residency Certificate (TRC) issued by the Tax / Government authority of the country in which the Non-Resident Shareholder is a resident of (valid for the relevant financial year);
- C. Form 10F containing therein information to be provided under section 90(5) / 90A(5) of the I-T Act, if not so covered in TRC (Valid for the relevant financial year);
- D. Declaration from Shareholders stating the following [template available on the website of the Company at https://www.bseindia.com/static/investor_relations/annualreport.html]:
 - That the Shareholder did not at any time during the relevant year have a permanent establishment in India
 - That the Shareholder is the beneficial owner of the dividend
 - That the construct and affairs of the Shareholder is not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty
 - That the arrangement of the Shareholder is not covered under impermissible avoidance arrangement
- E. Permanent Account Number (PAN) – In absence of PAN, TDS rate of 20% plus applicable surcharge and health and education cess of 4% will apply.
- F. Valid self-attested documentary evidence in support of the entity being entitled to exemption from TDS needs to be submitted. Shareholders are requested to note that while submission of original form / documentary evidence is mandatory, they may submit the said documents online, on the website of the <https://ris.kfintech.com/form15> between July 10, 2020 and July 20, 2020.

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

(III) Non-resident institutional Shareholders (Foreign Portfolio Investors / Foreign Institutional Investors (FPI / FII))

In case of FPI / FII Shareholders, the I-T Act provides mandate for withholding tax at the rate of 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

Particulars	Surcharge Rate	Effective TDS rate
Dividend Income not exceeding ₹ 50,00,000	Nil	20.80%
Dividend Income exceeds ₹ 50,00,000 but does not exceed ₹ 1,00,00,000	10%	22.88%
Dividend Income exceeds ₹ 1,00,00,000 but does not exceed ₹ 2,00,00,000	15%	23.92%
Dividend Income exceeds ₹ 2,00,00,000 but does not exceed ₹ 5,00,00,000	25%	26.00%
Dividend Income exceeding ₹ 5,00,00,000	37%	28.50%

For the purpose of withholding tax, it may not be possible to consider applicable DTAA benefits, if any, in case of FPI/FII since the provisions of I-T Act do not provide so.

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

In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

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

17. 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 ₹ 3,07,344/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend for Financial Year 2011-12 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 2012-13 or any subsequent dividend declared by the Company are advised to write to the Company immediately.
18. 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, 312 equity shares of ₹ 2/- each on which the dividend remained unpaid or unclaimed for last seven consecutive years with reference to the due date of October 30, 2019 were transferred for the Financial Year 2011-12 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 2012-13 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.
19. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act, shall be available for inspection during meeting hours upon login at <https://emeetings.kfintech.com>.
20. The term 'Members' has been used to denote Shareholders of BSE Limited.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

21. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting service ('remote e-voting') provided by KFin Technologies Private Limited (KFinTech) on all resolutions set forth in this Notice, before the e-AGM.
22. The remote e-voting period commences on Monday, July 27, 2020 (9.00 A.M. IST) and ends on Wednesday, July 29, 2020 (5.00 P.M. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on "Cut-off date" i.e., Thursday, July 23, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by KFin Technologies Private Limited for voting thereafter. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.
23. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date i.e., Thursday, July 23, 2020.
24. In case a Member receives an email from KFinTech [for Members whose email IDs are registered with the Registrar/Depository Participant(s)], please follow the below instructions:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com/>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc). The system will prompt you to change your password and update your contact details like mobile number, email ID etc., on first login. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" and click on 'BSE Limited'.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-Off Date i.e. Thursday, July 23, 2020 under "FOR/AGAINST" or alternatively, you may partially enter any number "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST", it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/Demat accounts shall choose the voting process separately for each folio/Demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted all the resolution(s).
 - xii. In case of Members who have not registered their e-mail address, please follow steps for registration as mentioned in Point Nos. 13 & 14 of the "Notes" and Point No. 38 under the "Other Instructions" section.
25. **Voting at the Annual General Meeting:** The Members who have not cast their vote through remote e-voting can exercise their voting rights at the AGM through VC when window for e-voting is activated. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.
 26. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
 27. In case of joint holders, 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 at the AGM.

INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC:

28. Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com> by using the remote e-voting credentials. The link for the AGM will be available in the Shareholder / Members login where the "Event" and the "Name of the company" can be selected.
29. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such scheduled time.
30. Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.

31. Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.
32. **Speaker Registration:** Members may register themselves as speakers for the AGM to post their queries: -
- Members may visit <https://emeeting.kfintech.com> and enter their e-voting login credentials to enter the website.
 - On landing page, you can select "Speaker Registration" tab and upload the video of the question you wish to ask.
 - Members can either pre-record the question and upload or record the question in the module itself.
- The above mentioned facility is available during the remote e-voting period i.e., from Monday, July 27, 2020 (9.00 A.M. IST) till Wednesday, July 29, 2020 (5.00 P.M. IST). The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
33. **Post Your Queries:** Members who may wish to express their views or ask questions at the AGM, may visit <https://emeetings.kfintech.com> and click on the Tab "Post Your Queries" to post their queries in the window provided. In addition to above members may also express their views or ask questions while attending the AGM, by pressing the tab "Ask a Question" on the screen. The window shall remain active during the continuance of the AGM.
34. Members who have not casted their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon on the left side of the screen to cast their votes.
35. Members who may require any technical assistance or support before or during the AGM are requested to contact KFin Technologies Private Limited at toll free number 1-800-3454-001 or write to them at evoting@kfintech.com.

OTHER INSTRUCTIONS:

36. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com/> (KFinTech Website) or contact Shri Sri Sai Karthik Tikkiseti, Manager - Corporate Registry (Unit: BSE Limited) of KFin Technologies Private Limited, Selenium Tower- B, Plot 31 & 32, Gachibowli, Financial District, Nankramguda, Hyderabad-500 032 or at einward.ris@kfintech.com and evoting@kfintech.com or phone no. 040-6716 2222 or call KFinTech's toll free No. 1-800-3454-001 for any further clarifications.
37. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
38. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Thursday, July 23, 2020, he/she may obtain the User ID and Password in the manner as mentioned below:
- If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 Example for NSDL : MYEPWD <space> IN12345612345678
 Example for CDSL : MYEPWD <space> 1402345612345678
 Example for Physical : MYEPWD <space> XXXX1234567890
 - If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com/>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - Member may call KFinTech Toll free number 1-800-3454-001 for any assistance.
 - Member may send an e-mail request to einward.ris@kfintech.com. However, KFinTech shall endeavour to send User ID and Password to those new Members whose e-mail ids are available.

39. In order to enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference:

Particulars	Details
Link for Registration of Email ID and Mobile Number	https://karisma.kfintech.com/mobilereg/mobileemailreg.aspx?uc=E295D9F5-9F8F-4A82-8437-DBCF4B6A72A2
Link for participation through Video Conferencing (VC)	https://emeetings.kfintech.com
Link for remote e-voting	https://evoting.karvy.com/
Helpline number for VC participation and e-voting	1-800-3454-001 or write to them at evoting@kfintech.com
Record date for dividend	Thursday, July 23, 2020
Cut-off date for e-voting	Thursday, July 23, 2020
For updating Email ID & Bank details before the Cut-off date for e-voting	Refer Point Nos. 13 & 14
For obtaining User ID and Password, in case a person become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting	Refer Point No. 38
Time period for remote e-voting	Commences on Monday, July 27, 2020 (9.00 A.M. IST) and ends on Wednesday, July 29, 2020 (5.00 P.M. IST)
Speaker Registration/Post your Queries	Refer Point Nos. 32 & 33

By Order of the Board of Directors

Prajakta Powle
Company Secretary and Compliance Officer
Mumbai, June 9, 2020

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, DETAILS PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS FOR APPOINTMENT OF DIRECTORS

ITEM NO. 3

To consider and approve appointment of Shri T. C. Suseel Kumar (DIN:06453310) in place of Smt. Usha Sangwan (DIN: 02609263) as a Shareholder Director

Smt. Usha Sangwan (DIN: 02609263), Shareholder Director, retires by rotation at this Annual General Meeting and has not offered herself for re-appointment due to personal and health reasons. Smt. Usha Sangwan, Shareholder Director, was nominated on the Board of the Company by Life Insurance Corporation of India (LIC). The Board places on record its deep appreciation and gratitude towards the valuable contributions made by Smt. Usha Sangwan during her tenure as Shareholder Director of the Company. Since, Smt. Sangwan will cease to be the Shareholder Director of the Company from the date of this AGM, LIC vide its letter dated June 4, 2020 has nominated Shri T. C. Suseel Kumar, Managing Director of LIC, to be appointed as a Shareholder Director in place of Smt. Sangwan.

In this regard, the Nomination and Remuneration Committee recommended and based on such recommendation the Board of Directors at their meeting held on June 9, 2020 approved the appointment of Shri T. C. Suseel Kumar as Shareholder Director of the Company. Further, the Company has received all statutory disclosures/ declarations from Shri T. C. Suseel Kumar.

Brief Resume and other details:

Shri T.C. Suseel Kumar is a Managing Director of Life Insurance Corporation of India since March 2019. During his illustrious career of more than 35 years, he has successfully managed multiple crucial portfolios in LIC and left behind highly significant footprints across the organization.

As a Managing Director, he manages key portfolios of LIC, including Marketing/Product Development, Investment, Corporate Planning/New Projects, Audit and Subsidiaries viz IDBI Bank Limited, LIC Pension Fund Limited, LIC HFL AMC Limited – to name a few.

After Shri Suseel Kumar took over as Managing Director, LIC saw a striking growth of 25% in first year premium collections and an increase in market share by 2.50% to 69%, reflecting his strong leadership abilities. He has also been instrumental in redefining the business proposition of LIC that earned LIC the 'Best Life Insurer Award' by many leading agencies during this year. He has been influential in guiding, planning and executing growth strategies, while being on the Boards of LIC Mutual Fund Trustee Private Limited, LIC HFL Asset Management Company Limited, LIC Pension Fund Limited, Life Insurance Corporation (Lanka) Limited, National Insurance Academy and Insurance Institute of India.

Shri T. C. Suseel Kumar expertise lies in the areas of strategic planning, marketing, customer centricity and talent management.

Shri T. C. Suseel Kumar is presently on the Boards of LICHFL Asset Management Company Limited, LIC Mutual Fund Trustee Private Limited, LIC Pension Fund Limited. He is also a member of Audit Committee in LIC Pension Fund Limited.

Born on February 1, 1961, Shri T. C. Suseel Kumar is Masters in Economics with University rank and has completed various management and leadership courses, including from IIM Ahmedabad, IIM Bangalore, IIM Lucknow, ISB Hyderabad and Asian Institute of Management, Manila. He had joined the LIC as 13th Batch Direct Recruit Officer in 1984.

Shri T. C. Suseel Kumar shall be liable to retire by rotation and the applicable terms and conditions as mentioned under Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be applicable to him. As per the nomination letter dated June 4, 2020 received from LIC, the sitting fees with respect to the meetings attended by Shri T. C. Suseel Kumar shall be payable to LIC.

Shri T. C. Suseel Kumar is not related to any Director or Key Managerial Personnel of the Company and does not hold any equity shares of the Company. Except Shri T.C. Suseel Kumar, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends the resolution set forth in Item No. 3 for the approval of members. The appointment of Shri T. C. Suseel Kumar will be effective post approval of Securities and Exchange Board of India.

ITEM NO. 4

To consider and approve appointment of Shri Alok Vajpeyi (DIN:00019098) as Shareholder Director on the Board of the Company

The Board, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on June 9, 2020, approved the appointment of Shri Alok Vajpeyi (DIN:00019098) as Shareholder Director of the Company, subject to approval of the Shareholders and Securities and Exchange Board of India. The Company has received all statutory disclosures/ declarations from Shri Alok Vajpeyi.

Brief Resume and other details:

Shri Alok Vajpeyi's career in financial services and governance spans nearly 40 years across UK, Asia and India in global capital markets, investment and wealth management and later as a successful entrepreneur. He has worked with and held senior positions in global institutions such as EY in London, Swiss Bank Corporation in London and Asia, Barclays bank in Asia and India, DSP Merrill Lynch and DSP Blackrock in India, and later with Daiwa in India. He also founded and successfully sold Dawnay Day AV, a financial services business in India. He has worked closely with Indian regulators such as SEBI, AMFI, RBI and Exchanges - BSE and NSE - in various capacities and committees.

Since 2012, Shri Vajpeyi continues to be a strategist and mentor, a serial entrepreneur and venture investor across a diverse set of companies and individuals. His interests are to work actively with companies in sectors that are changing rapidly and with management teams who want to excel and be leaders. Reputation and integrity are overarching requirements above leadership, speed and success.

Current and Recent interests:

- Chairman and Partner, Avendus Capital Public Markets Alternative Strategies LLP - a JV between, Avendus (majority owned by KKR) and the fund management team. Current AUM is roughly US\$700mn in two long-short funds launched mid-2017.

- *Chairman, AV Advisory - investment and corporate advisory and consulting business:*
 - *Creating an investment consortium, co-investing and advising on acquiring an organic food company.*
 - *Recently advisor to a prominent Global Fund investing in a leading Indian Bank.*
 - *Advising various Investment Funds and emerging Fintech companies.*
- *Director and investor, Littlemore Innovation Labs Pte Ltd - a game-changing hardware-software enabled ecosystem that ensures paperless exams; currently executing with Indian universities, actively exploring global opportunities.*
- *Director and Investor, Digital Gold India - a JV between Invent Capital and the World Gold Council, digitizing gold and creating a range of financial services around this.*
- *Advisor and Investor, Recon Private Ltd – a leading private company in the FMCG sector, natural oils.*
- *Director, India First Life Insurance Company Ltd, a leading Life Insurance company in India, principal shareholders being Bank of Baroda, Union Bank and Warburg Pincus.*
- *External Adviser to DIT (UK Government) in India on FinTech. (ended 2018)*
- *Chairman and partner, Rainmaking Innovation, India - holding company of Startupbootcamp in the UK, a global accelerator and a leader in Fintech, Insurtech – areas that interest me and are changing the global financial services industry. (Ended 2018)*
- *Adviser and mentor to individuals.*

Brief work Profile Before 2013:

Shri Vajpeyi's experience in financial markets spanned across London, Asia and India.

- *1987: Qualified as a Chartered Accountant in England*
- *1988-1991: Swiss Bank Corporation, (SBC) London*
- *1991-1993: SBC, Controller, Asian Derivatives with the group in Hong Kong*
- *1993-1998: BZW (Barclay's Group), Representative and Head of Equities, Member Asian Equities Executive board*
- *2000-2005: DSP Merrill Lynch Investment Managers (now DSP Blackrock), President*
- *2005-2010: Dawnay Day AV, Founder and Vice Chairman, Leading wide-ranging financial services player in India. Successfully sold the business in 2009, with rigorous non-compete clauses into 2010*
- *2011-2012: Daiwa India, the large Japanese financial services group in 2011, Managing Director and Senior Head of Equities*

Regulatory, Governance and Public Eye

- *Shri Vajpeyi has worked closely with Regulators to introduce and implement best practices in the Mutual Fund industry and has held responsible positions such as Member of the Securities Markets Infrastructure Leveraging Expert Task Force, at Securities Exchange Board of India (SEBI), Director on the Board of AMFI. In detail:*
- *2004 Member of SEBI's Securities Markets Infrastructure Leveraging Expert Task Force -SMILE*
- *2000-2005 Association of Mutual Funds in India (AMFI) - (at various times 2000-2005)*
 - *Director on the Board*
 - *Risk Management Committee (Chairman): led to a comprehensive regulatory change in terms of the risk-management function and processes in India*
 - *Committee on Professional Trustees (Chairman)*
 - *Working Committee on uniform cut off times (Chairman): led to SEBI directing and initiating regulation for the industry to adopt stringent common standards to curb practices such as late trading*
 - *Committee on Overseas Investments (Chairman): submitted report to SEBI to initiate feeder fund structure in India to invest overseas*
 - *Certification Committee (Chairman)*
 - *Best Practices Committee (Member)*
 - *Few other Committees (Member)*
- *2002-2003 Member of the Index Committee of the Bombay Stock Exchange*

- 2001-2002 Member of the Advisory Committee of the Bombay Stock Exchange
- 1996-1998 Member, The Index committee, the National Stock Exchange
- 1997-1998 Co-Chairman, Capital Markets Committee, Bombay Chamber of Commerce
- 1997-1998 Member, Think Tank, Bombay chamber of Commerce
- Closely involved with the NSE and SEBI in the development of derivatives markets in India

Regularly chaired and spoke at national and international conferences. Wrote columns, articles, essays in the print media and regularly invited as a guest on TV.

Shri Vajpeyi is presently on the Boards of AV Advisory Private Limited, Digital Gold India Private Limited, Indiafirst Life Insurance Company Limited, Avendus Capital Public Markets Alternate Strategies LLP and Littlemore Innovation Pte Limited.

Born on August 24, 1960, Shri Alok Vajpeyi is ACA (Institute of Chartered Accountants in England & Wales, 1986), BSc (Econ) International trade & development, 1979-82 from London School of Economics having expertise in the field of Global capital markets, Investment, wealth management, strategist, mentor and entrepreneur.

Shri Alok Vajpeyi shall be liable to retire by rotation and the applicable terms and conditions as mentioned under Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be applicable to him. Shri Alok Vajpeyi shall be entitled to receive sitting fees.

Shri Alok Vajpeyi is not related to any Director or Key Managerial Personnel of the Company and does not hold any equity shares of the Company. Except Shri Alok Vajpeyi, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of members. The appointment of Shri Alok Vajpeyi will be effective post approval of Securities and Exchange Board of India.

ITEM NO. 5

To consider and approve appointment of Shri Ghanshyam Dass (DIN: 01807011) as Shareholder Director on the Board of the Company

The Board, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on June 9, 2020, approved the appointment Shri Ghanshyam Dass (DIN: 01807011) as Shareholder Director of the Company, subject to approval of the Shareholders and Securities and Exchange Board of India. The Company has received all statutory disclosures /declarations from Shri Ghanshyam Dass.

Brief Resume and other details:

Shri Ghanshyam Dass had an outstanding career in Capital Market, domestic and International banking for over 45 years, during which he developed a firm understanding of the complexities of global markets. He is thoroughly familiar with the regulatory and business environment in USA, European Union, South East Asia, Middle East, India and other major money-center locations. While working for various organizations in the region, he has been able to establish close and mutually cooperative relationship with most Banking and non-Banking Financial Institutions, Stock Exchanges, Corporates, Regulators and Government Departments.

Over the last two decades, Shri Ghanshyam has been a significant voice in promoting India and Indian corporates in many countries worldwide. He has travelled extensively across all continents and has been a speaker and participated in panel discussions and conferences (including World Economic Forum) in Australia, China, HongKong, India, Singapore, South Korea, Vietnam, Thailand, Malaysia and several countries in the Middle East, among others. He is also regularly invited to speak, lead and participate at various seminars and panel discussions. Shri Ghanshyam has been a strong advocate of sound corporate governance and high standards of transparency to the corporate sector in the region.

In his early career, he spent over nine years with US Educational Foundation in India (as Research Assistant to a Senior Fulbright Scholar), Bank of India, Wells Fargo Bank N. A., (as Assistant Representative for India) and Marine Midland Bank, N.A, (before being seconded to Hongkong and Shanghai Banking Corporation, India in January 1986).

Formerly

- Senior Advisor, KPMG (January 2008 to January 2020)
- Senior Advisor, INTEL Capital (April 2008 to July 31, 2011)
- Senior Advisor, STJ Advisors, LLP, United Kingdom (January 2010 to December 2015)
- MD, NASDAQ OMX - Asia Pac & Middle East (January 2000 to February 2008)
- Senior Advisor, NASDAQ Stock Market (April 2008 to March 2018)
- GM & CEO, Majan International Bank, Oman, (Commerz Bank invested co.) (April 1998 to December 2000)
- CEO, The British Bank of the Middle East, India Operations (April 1996 to March 1998)
- Manager, FIG - South Asia & Middle East, HSBC Group (January 1986 to March 1996)
- CII National Council on Corporate Governance & Regulatory Framework (2004 to 2009)
- Member, Hardware Task Force of Govt of Karnataka (2003 to 2006)
- CII National Council on Capital Markets (2004 to 2009)
- Govt Nominee, Governing Council of the ICSI (2007 to 2010)
- Vice President, Karnataka Athletics Association
- Vice President, Masters Athletic Federation of India

Formerly Independent Director & Member

- Dhanlaxmi Bank (2009-2012)
 - Jubilant Industries Ltd. (2010-2018)
 - Jubilant Agri and Consumer Products Ltd. (2013-2018)
 - Avighna India Ltd. (2013-2017)
 - Estel Technologies & Communications Ltd. (2011-2018)
 - Online Recharge Services (2011-2018)
 - BQ Padmavathy Finance Academy Private Limited (2015-2017)
 - Member Academic Council - Manipal Academy of Higher Education (MAHE) (2003-2005)
 - The Indus Entrepreneurs (TiE)
 - Founder Member - Association of Outsourcing Professionals (AOP) and Association of Biotech Led Enterprises (ABLE)
- Initial years (1975 through 1985)*
- US Educational Foundation of India
 - Bank of India
 - Wells Fargo Bank, N. A., San Francisco
 - Marine Midland Bank, N.A., New York

Shri Ghanshyam Dass is presently on the Boards of Jain Farm Fresh Foods Limited, Mayar Infrastructure Development Private Limited, Jain Irrigation Systems Limited, Powerica Limited. He is the Chairperson of Audit Committee and Risk Management Committee of Jain Irrigation Systems Ltd., Chairperson of Audit Committee and Nomination and Remuneration Committee and also the member of Corporate Social Responsibility Committee of Jain Farm Fresh Foods Ltd., member of Audit Committee and Corporate Social Responsibility Committee of Powerica Limited and member of Audit Committee and Nomination and Remuneration Committee of Mayar Infrastructure Development Pvt. Ltd. Shri Ghanshyam Dass is also mentor and senior advisor to Transaction Square, senior advisor to Primus partner and senior advisor to upGrad.com.

Born on July 11, 1952, Shri Ghanshyam Dass has Bachelors Degree with Honours in Economics Delhi University (1972) and Masters in Linguistics from Jawahar Lal Nehru University (1997). Shri Ghanshyam Dass has expertise in the field of Capital Markets and Domestic and International banking.

Shri Ghanshyam Dass shall be liable to retire by rotation and the applicable terms and conditions as mentioned under Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be applicable to him. Shri Ghanshyam Dass shall be entitled to receive sitting fees.

Shri Ghanshyam Dass is not related to any Director or Key Managerial Personnel of the Company and does not hold any equity shares of the Company. Except Shri Ghanshyam Dass, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of members. The appointment of Shri Ghanshyam Dass will be effective post approval of Securities and Exchange Board of India.

ITEM NO. 6

To consider and approve appointment of Smt. Rita Bhagwati (DIN: 06990589) as Shareholder Director on the Board of the Company

The Board, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on June 9, 2020, approved the appointment Smt. Rita Bhagwati, (DIN: 06990589) as Shareholder Director of the Company, subject to approval of the Shareholders and Securities and Exchange Board of India. The Company has received all statutory disclosures/declarations from Smt. Rita Bhagwati.

Brief Resume and other details:

Smt. Rita Bhagwati was an advisor on Economics and Finance for Bower Group Asia Washington DC (BGA), in India. She also serves on the Boards of Great Eastern Shipping Company and Indus Towers as an independent director. Smt. Rita is the Managing Trustee of Lily Foundation, an anti-trafficking charity. Based in New Delhi, Smt. Rita has more than 35 years of work experience in India and the United States, in India's central bank and in commercial and investment banking. Prior to joining BGA, Smt. Rita served as the regional economist for South Asia at the International Finance Corporation (IFC), the private sector arm of the World Bank. She helped guide IFC operations in South Asia by identifying growth sectors in South Asia, tracking macroeconomic and policy developments and screening potential investments for economic viability. Smt. Rita spent two decades with the IFC, the Institute of International Finance and the World Bank, with a range of responsibilities including South Asia macroeconomics, private sector development, project finance, strategic policy, co-ordination among multilateral institutions, design and development of new multilateral products to collaborate with the private sector.

Smt. Rita Bhagwati began her career in one of India's largest commercial banks – the State Bank of India. She went on to serve for over a decade in the central bank, the Reserve Bank of India, where she rose to senior levels. Smt. Rita initiated policy papers on Export Finance and Credit, collaborated with senior officials from the Ministries of Finance, Commerce, Export-Import Bank, Export Credit Guarantee Corporation and commercial banks.

Smt. Rita Bhagwati is presently on the Boards of The Great Eastern Shipping Company Limited, Greatship (India) Limited, Indus Towers Limited. She is a member of Audit Committee at The Great Eastern Shipping Company Limited and also a member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Committee at Indus Towers Limited.

Born on October 8, 1953, Smt. Rita Bhagwati is MA in Economics from the prestigious Delhi School of Economics, MA in International Economics from the Fletcher School at Tufts University and MBA from George Washington University and has an expertise in the field of Economics.

Smt. Rita Bhagwati shall be liable to retire by rotation and the applicable terms and conditions as mentioned under Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be applicable to her. Smt. Rita Bhagwati shall be entitled to receive sitting fees.

Smt. Rita Bhagwati is not related to any Director or Key Managerial Personnel of the Company and does not hold any equity shares of the Company. Except Smt. Rita Bhagwati, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of members. The appointment of Smt. Rita Bhagwati will be effective post approval of Securities and Exchange Board of India.

Boards' Report

The Board of Directors ("Board") present the Fifteenth Annual Report of BSE Limited ("the Company" or "BSE" or "Exchange") together with audited financial statements for the Financial Year ended March 31, 2020.

STATE OF AFFAIRS

FINANCIAL SUMMARY AND HIGHLIGHTS:

The financial performance for Financial Year ("FY") 2019-20 is summarised in the following table:

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total revenue	54,213	61,239	63,000	68,744
Total expenses	45,849	39,846	55,320	49,861
Profit before exceptional items & tax	8,364	21,393	7,680	18,883
Exceptional items [income/(expenses)]	9,158	457	3,204	(54)
Profit before tax and share of profits of associates	17,522	21,850	10,884	18,829
Share of profits of associates	-	-	2,665	2,923
Profit before tax	17,522	21,850	13,549	21,752
Tax expenses	155	1,745	1,488	2,335
Net profit for the year from continuing operations	17,367	20,105	12,061	19,417
Net profit from discontinued operation	-	-	-	511
Net profit for the year from total operations	17,367	20,105	12,061	19,928
Net profit attributable to the shareholders of the Company	17,367	20,105	12,227	19,928
Net profit attributable to the non-controlling interest	-	-	(166)	-
Other comprehensive income	(25)	(71)	1,102	699
Total comprehensive income for the year from total operation	17,342	20,034	13,163	20,627
Total comprehensive income attributable to the shareholders of the Company	17,342	20,034	13,230	20,627
Total comprehensive income attributable to the non-controlling interest	-	-	(67)	-
Basic and diluted EPS before exceptional items (₹) – Continuing Operations	16.72	37.18	18.04	36.85
Basic and diluted EPS before discontinued operation after exceptional items (₹)	35.37	38.08	24.57	36.78
Basic and diluted EPS after exceptional item (₹) – Total Operations	35.37	38.08	24.57	37.75

Consolidated Results

The total income of the Company during the FY 2019-20 on a consolidated basis was ₹ 63,000 Lakh reflecting a decrease of ₹ 5,744 Lakh (down by 8%) over previous Financial Year. However, the total expenses for the year were higher by ₹ 5,459 Lakh (up by 11%) at ₹ 55,320 Lakh.

During the Financial Year, the income was lower mainly due to decrease in investment income (down by 22%) primarily on account of buy back of shares carried out during the year. Increase in expenses

are mainly due to increase in regulatory cost by ₹ 1,415 Lakh, increase in employee benefit cost by ₹ 1,199 Lakh, increase in clearing house expenditure by ₹ 791 Lakh, increase in impairment loss allowance in trade receivables and other financial assets by ₹ 585 Lakh, increase in liquidity enhancement scheme by ₹ 483 Lakh and expenses towards settlement of service tax matters by ₹ 366 Lakh.

The net profit after tax from total operation was lower by ₹ 7,867 Lakh (down by 39%) to ₹ 12,061 Lakh as against ₹ 19,928 Lakh in the previous Financial Year.

Standalone results

The total income of the Company during the FY 2019-20 on a standalone basis was ₹ 54,213 Lakh reflecting a decrease of ₹ 7,026 Lakh (down by 11%) over previous Financial Year. The total expenses for the year were higher by ₹ 6,003 Lakh at ₹ 45,849 Lakh.

During the Financial Year, the income was lower mainly due to decrease in investment Income (down by 29%) primarily on account of buy back of shares carried out during the year. Increase in expenses are mainly due to increase in regulatory cost by ₹ 2,031 Lakh, increase in clearing house expenses by ₹ 1,462 Lakh, increase in employee benefit cost by ₹ 911 Lakh, increase in impairment loss on trade receivables and other financial assets by ₹ 603 Lakh, expenses towards settlement of service tax matters by ₹ 366 Lakh and increase in liquidity enhancement scheme expenses by ₹ 219 Lakh.

The net profit after tax was lower by ₹ 2,738 Lakh (down by 14%) to ₹ 17,367 Lakh as against ₹ 20,105 Lakh in the previous Financial Year.

DIVIDEND

The Board in its meeting held on May 21, 2020 has recommended a final dividend of ₹ 17/- per equity share of the face value of ₹ 2/- each, fully paid up for the Financial Year ended March 31, 2020, subject to the approval of the Shareholders at the Fifteenth Annual General Meeting. The said dividend is in line with the Dividend Distribution Policy of the Company.

The Dividend Distribution Policy containing the requirements of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is appended as **Annexure A** and is also available on the BSE's website at https://www.bseindia.com/downloads1/BSE_Dividend_Distribution_Policy.pdf.

The final dividend, if approved, would result in a cash outflow of approximately ₹ 7,787 Lakh for FY 2019-20, resulting in a payout of 95 % of the standalone profits excluding gain on part equity stake sale of Central Depository Services (India) Limited.

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

Under Clause 5.3 of the BSE (Corporatisation and Demutualisation) Scheme, 2005, the allotment of equity shares to 12 Trading Members of the erstwhile BSE has been kept in abeyance for various reasons as on March 31, 2020. All corporate benefits including dividend as may

be declared by the Company from time to time are being provided for and would be payable on the allotment of these shares. Brief details about the shares being kept in abeyance by the Company are given in 'Share Capital' section.

During the FY 2019-20, an amount of ₹ 3,07,344/- being the unclaimed/ unpaid dividend of the Company for the Financial Year ended March 31, 2012, was transferred in November 2019 to the Investor Education and Protection Fund Authority. Brief details about the same are given in 'Investor Education and Protection Fund' section.

TRANSFER TO RESERVES

The Company has not transferred any amount of profits to reserves for FY 2019-20.

INVESTOR RELATIONS (IR)

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

MAJOR EVENTS OCCURRED DURING THE YEAR

MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT

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

CHANGE IN NATURE OF BUSINESS

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

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.

SHARE CAPITAL

Pursuant to Clause 5 of BSE (Corporatisation and Demutualisation) Scheme, 2005 approved by Securities and Exchange Board of India (SEBI), vide its notification dated May 20, 2005, every Trading Member having membership right of the Exchange or his nominee,

as the case may be, as on record date, decided for the purpose, was entitled to 10,000 equity shares of the face value of ₹ 1/- per share, against membership right of erstwhile BSE. It may be noted that the entitlement against membership right post consolidation of share capital stands changed to 5,000 equity shares of face value ₹ 2/- per share. Remaining 12 erstwhile Trading Members, having an aggregate 12 membership rights, continue to remain in abeyance till date for various reasons. All corporate benefits including dividend as may be declared by the Company from time to time on the shares which remain in abeyance, are being provided for and would be payable on the allotment of these shares.

CHANGE IN PAID-UP SHARE CAPITAL

Buyback of Equity Shares

Based on the recommendation of the Board of Directors of the Company at its meeting held on May 7, 2019, the Shareholders of the Company at the Fourteenth Annual General Meeting, inter-alia, had approved the proposal of buyback upto 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, through the “tender offer” route, on a proportionate basis as prescribed in the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, the Companies Act, 2013 (“the Act”) and other applicable laws and regulations.

Pursuant to the same, the Company bought back 67,64,705 Equity Shares at ₹ 680/- per Equity Share resulting in a cash outflow of ₹ 460 crore (excluding expenses towards buyback). As provided in the scheme, an amount of ₹ 225.26 crore was utilized from Securities Premium Account, ₹ 233.38 crore was utilized from General Reserve. Accordingly, the total paid-up share capital of the Company was reduced by ₹ 1.36 crore. Further, Capital Redemption Reserve of ₹ 1.36 crore (representing the nominal value of the shares bought back and extinguished) has been created from balance in retained earnings on account of buyback of shares.

Post Buyback, the revised paid-up equity share capital of the Company as on March 31, 2020, stood at ₹ 9,00,48,594/- (Rupees Nine Crore Forty Eight Thousand Five Hundred and Ninety Four Only) consisting of 4,50,24,297 equity shares of face value of ₹ 2/- each.

INVESTOR EDUCATION AND PROTECTION FUND

TRANSFER OF UNCLAIMED/UNPAID DIVIDEND

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 the following amount to IEPF:

Type of Dividend	Dividend per share	Date of Declaration	Date of Transfer	Amount Transferred
Final Dividend for F.Y 2011-12	₹ 6/-	August 31, 2012	November 25, 2019	₹ 3,07,344

TRANSFER OF SHARES

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

Accordingly, 312 equity shares of ₹ 2/- each on which the dividend remained unpaid or unclaimed for last seven consecutive years with reference to the due date of October 30, 2019 were transferred during the FY 2019-20 to the IEPF Account, after following the prescribed procedure.

Reminders are being sent to all such Shareholders who have not claimed their dividends of FY 2012-13 declared by the Company. All equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years shall be transferred by the Company to IEPF Account in accordance with provisions of the Act and IEPF Rules made thereunder. Members who have not encashed Final Dividend for the FY 2012-13 or any subsequent dividend declared by the Company, are advised to write to the Nodal Officer of the Company immediately.

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

Details of Nodal Officer

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

Email address : bse.shareholders@bseindia.com

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

Dividend	Financial Year	Cumulative No. of Shares	Amount (₹)
Interim Dividend	2017-18	225	1,125
Thirteenth Final Dividend	2017-18	225	6,975
Interim Dividend	2018-19	448	2,240
Fourteenth Final Dividend	2018-19	448	11,200

Year wise amount of unpaid/unclaimed Dividend lying in the unpaid account upto March 31, 2020 and the corresponding shares, which are liable to be transferred to the IEPF, and the due dates for such transfer:

Date of declaration of Dividend	Number of Shareholders against whom Dividend amount is unpaid	Number of shares against whom Dividend amount is unpaid	Amount unpaid as on March 31, 2020 (₹)	Due date of transfer of unpaid and unclaimed Dividend to IEPF
8 th Final Dividend (FY – 2012-13) AGM held on July 30, 2013	218	1,24,600	4,98,400	October 1, 2020
9 th Final Dividend (FY – 2013-14) AGM held on August 1, 2014	195	34,451	1,37,804	September 3, 2021
10 th Final Dividend (FY – 2014-15) AGM held on September 25, 2015	285	1,13,734	5,68,670	October 27, 2022
Interim Dividend (FY – 2015-16) Board Meeting held on February 3, 2016	366	2,43,316	8,51,606	March 7, 2023
11 th Final Dividend (FY – 2015-16) AGM held on June 24, 2016	302	1,71,146	6,84,584	July 24, 2023
Interim Dividend (FY – 2016-17) Board Meeting held on February 14, 2017	2,151	83,954	4,19,770	March 16, 2024
12 th Final Dividend (FY – 2016-17) AGM held on September 4, 2017	2,245	82,386	1,89,44,878	October 5, 2024
Interim Dividend (FY – 2017-18) Board Meeting held on February 2, 2018	3,134	1,88,346	9,41,730	March 6, 2025
13 th Final Dividend (FY – 2017-18) AGM held on August 2, 2018	2,223	86,692	26,87,452	September 3, 2025
Interim Dividend (FY – 2018-19) Board Meeting held on November 30, 2018	2,605	1,34,217	6,71,085	December 20, 2026
14 th Final Dividend (FY – 2018-19) AGM held on July 15, 2019	1,924	75,241	18,81,025	August 16, 2027

MANAGEMENT

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Appointment and Re-appointment of Directors

During the year under review, Sushri Jayshree Vyas was appointed as the Public Interest Director of the Company as an Independent Woman Director w.e.f. April 25, 2019. The Board is of the opinion that Sushri Jayshree Vyas, Public Interest Director of the Company, possesses requisite qualifications, experience and expertise in the fields of finance, people management, strategy, financial services, investments and regulatory, and she holds highest standards of integrity. Further, Justice Vikramajit Sen and Shri Sumit Bose were re-appointed as Public Interest Directors of the Company w.e.f. May 19, 2019, for a second term of three years.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board Members have, subject to approval of SEBI, recommended to the Shareholders for their approval, appointment of Shri T. C. Suseel Kumar, Shri Alok Vajpeyi, Shri Ghanshyam Dass and Smt. Rita Bhagwati as Shareholder Directors

on the Board of the Company. Detailed profiles of these four proposed Directors alongwith necessary details as may be required are provided in the Notice of the Fifteenth Annual General Meeting of the Company.

Retirement / Cessation of Directors

Smt. Rajeshree Sabnavis, Shareholder Director was liable to retire by rotation at the Fourteenth Annual General meeting of the Company on July 15, 2019 and not having offered herself for re-appointment has ceased to be the Director of the Company.

At the ensuing Fifteenth Annual General Meeting of the Company, Smt. Usha Sangwan, Shareholder Director, who was nominated on the Board of the Company by LIC is liable to retire by rotation. Smt. Usha Sangwan vide her letter dated May 18, 2020 has not offered herself for re-appointment due to personal and health reasons. Since Smt. Sangwan will cease to be the Shareholder Director of the Company from the date of this AGM, LIC vide its letter dated June 4, 2020 has nominated Shri T. C. Suseel Kumar, Managing Director of LIC, to be appointed as a Shareholder Director in place of Smt. Sangwan.

The Board places on record its deep appreciation and gratitude towards the valuable contributions made by Smt. Rajeshree Sabnavis and Smt. Usha Sangwan during their tenures as Shareholder Directors of the Company.

During the year, there was no change in the Key Managerial Personnel of the Company.

As per applicable SEBI Regulations to a Stock Exchange, Shareholders may note that appointment of Shareholder Directors are first to be approved by the Board of the Company, followed by Shareholder's approval. These appointments once approved by Shareholders of the Company shall be sent to SEBI for its approval and only after approval of SEBI these appointments shall be effective.

DECLARATIONS BY PUBLIC INTEREST DIRECTORS

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

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline. They have also confirmed that they will appear for the online proficiency test within a period of one year, wherever applicable.

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

DECLARATION BY THE COMPANY

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

MEETINGS OF THE BOARD

During the FY 2019-20, five 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 the Annual Report.

Separate meetings of the Public Interest Directors were held on May 6, 2019, November 5, 2019 and February 10, 2020.

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 of these Committees during the year have been enumerated in Corporate Governance report forming part of the Annual Report.

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

AUDIT COMMITTEE RECOMMENDATIONS

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

BOARD EVALUATION

One of the key functions of the Board is to monitor and review the Board evaluation framework. In compliance with the provisions of the Act, the Nomination and Remuneration Committee has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman, MD & CEO and the PIDs. The process provides that the performance evaluation shall be carried out on an annual basis.

During the year, the Directors completed the evaluation process as above.

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

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Public Interest Directors meeting, Nomination and Remuneration Committee and Board of Directors meeting held in May 2020. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors and also noted the suggestions / inputs of the Directors, Nomination and Remuneration Committee and Public Interest Directors meeting Chairmen. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

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

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**.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures for the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the financial year ended March 31, 2020;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has maintained adequate internal financial controls over financial reporting. These includes policies and procedures –

- (a) pertaining to the maintenance of records that is reasonably detailed, accurately and fairly reflects the transactions and dispositions of the assets of the Company,
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and that receipts and expenditures of the Company are being made only in accordance with authorization of management and Directors of the Company, and

- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material impact on the financial statements. Such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the criteria established in The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

COMPLIANCE WITH SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

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

IMPLEMENTATION OF CORPORATE ACTION

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

EXTRACT OF ANNUAL RETURN

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

Annual Return i.e. Form MGT-7 can also be accessed on the Company's website at: https://www.bseindia.com/static/investor_relations/annualreport.html.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

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

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

PUBLIC DEPOSITS

The Company has not accepted any public deposits during the Financial Year ended March 31, 2020 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

AUDITORS

STATUTORY AUDIT AND STATUTORY AUDITOR'S REPORT

The Statutory Auditor 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 would retire at the seventeenth AGM.

Statutory Auditor's Report

The Statutory Auditor's report dated May 21, 2020 on the financial statements of the Company for FY 2019-20 is unmodified and does not have any reservations, qualifications or adverse remarks.

Details in respect of frauds reported by auditors

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

SECRETARIAL AUDIT AND SECRETARIAL AUDIT REPORT

The Board appointed Dhruvil M. Shah & Co., Practicing Company Secretaries (CP No.: 8978/ FCS No.: 8021) to conduct Secretarial Audit of the Company for FY 2019-20.

Secretarial Audit report for the financial year ended March 31, 2020 as provided by 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.

INTERNAL AUDITOR

Internal Audit for the year ended March 31, 2020 was done by S Panse & Co LLP and Internal Audit report at periodic intervals were placed before the Audit Committee.

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.

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

CONSERVATION OF ENERGY

The steps taken and their impact on conservation of energy:

We regularly replace high energy consuming electrical equipment with modern efficient devices such as replacing the induction ballasts with electronic ballasts and the fluorescent lights with LED lights. We conserve energy by switching off lights & other equipment when they are not required using sensing technology 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.

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.

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

TECHNOLOGY ABSORPTION

At the outset, the Company takes pride to mention that the uptime of Trading system was 100% and there were no outages during the year. The Company, despite adding new segments and complex functions such as Commodity segment, Interoperability, etc. getting added in the application stack, has still managed to maintain the uptime of the Trading system. This has been achieved with continuous and sustained efforts.

Interoperability among Clearing Corporations

During the year, the Company implemented framework for Interoperability of Clearing Corporations, which witnessed a sweeping change in the way Exchanges/Clearing Corporation operates.

In January 2019, SEBI directed all Exchanges/Clearing Corporations to work towards Interoperability of settlement related processes. Different Exchanges have their own Clearing Corporation (CC), which handle settlement of trades on the respective stock exchanges.

Interoperability among clearing corporations refers to the linking of multiple clearing corporations, which effectively allows market participants to consolidate their clearing and settlement functions at a single clearing corporation, irrespective of the stock exchange on which the trade is executed.

The interoperability would permit trading members to clear trades through a CC of their choice instead of going through the CC owned by the Exchange on which the trade was executed.

The major impact was in Risk Management system. To minimize the impact, overall and to the market participants, Exchanges collectively decided to go for FIX model of message exchange. Hence a FIX convertor was introduced between trading system and Risk management. Besides building the FIX convertor/ messaging system, the Interoperability involved major infrastructure provisioning to be located at Primary and Disaster site of Exchanges/ CCs.

Since the month of May 2019 onwards continuous mock trading sessions were conducted almost on all Saturdays and on few Sundays for integrated testing with other Exchanges/ CCs.

BSE takes pride in being the first Exchange to go-live with Interoperability framework on June 3, 2019. In the subsequent development SEBI allowed extension for segment-wise go-live.

- Equity segment July 15, 2019
- Equity Derivative segment July 27, 2019
- Currency segment August 05, 2019

Post go-live, the similar testing of the infrastructure setup was also conducted on Disaster Recovery (DR) site and later live trading performed for one whole week on DR site.

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

The Company initiated the upgradation of Trading system Operating System (OS) from 6.x version to 7.x version. This was a humongous task as changing of OS of live trading system and needed a deep assessment of all impacted components and associated risks. However, upgrade was imperative as the new OS version provided high performance and support from the service provider for the 6.x version was being sunset

As the quantum of changes was widespread and highly intrinsic in nature, careful development followed by rigorous testing was carried out. The roll-out of the code in production environment was planned in phased manner i.e. component-wise, starting with less critical component first.

The setup being large and complex, the migration project was kick-started in the first quarter of 2019 and the go-live was gradual as both old and new versions were required to co-exist for some time in the Production environment. A parallel setup was created with new OS versions and in batches, processes and trading members were shifted to new setup.

Over a period of 9 months until February 2020, majority of the trading components and modules have been successfully migrated without any issues. Overall, the migration process was well planned and executed.

Big Data Enhancements & new initiatives

The impetus in the area of Big Data continued with newer horizons and explore deep into more functional areas to leverage the benefit of Big Data platform.

The Company continued its journey by expanding the model implemented for Social Media analytics using Artificial Intelligence (AI) and Machine Learning (ML). During the year, the Company has implemented below mentioned initiatives.

TV News Video converted Text Data Processing – English Language

To identify rumours about BSE listed companies in near real time by analysing live streaming input from various TV channels published in English and Indian regional languages. The Video to Text data processing system converts streaming audio from business television channels to texts, which is then used for rumour analytics. This project uses deep learning based Artificial Intelligence (AI) techniques for performing speech-to-text conversion and classifying the speech as rumours or not.

TV News Ticker converted Text Data Processing — English Language

A new Machine Learning model was built to extract TV news ticker content for English Language. Using Machine learning technique, the model converts image to text, analyse converted texts collected from on-line TV Business Channel which are relevant to stock market and that can significantly influence the stock price of any BSE listed company.

English e-Paper processing

The AI based module tag articles available in e-Papers which have material information or are possible rumour about BSE listed companies, in shortest possible time. This project combines computer vision along with machine learning algorithms to classify articles as rumours.

Regional Web Article Processing —Hindi regional language

To tag web article contents published in the regional languages in a timely fashion which can influence significantly the stock price of the BSE listed companies. Web articles published in Hindi and Gujarati are converted into English language and feed into the rumour prediction module for predicting rumour news about BSE listed companies.

The Company is also in process of building modules for other Indian regional languages.

Big Data Platform Enhancement

The Company had implemented Big data platform using HADOOP eco system in the year 2013. Existing Big Data system had the capacity of 500 TB of data storage with 19 data processing nodes. The storage capacity consumed more than 70% till date and total number of business users had increased substantially. The Big Data system accumulates information from all systems and facilitates as a centralised system of information provider. The Hardware and related infrastructures were

more than 6 years old and needed to be replaced with new set of hardware and related infrastructure.

During the year, the Company migrated Big Data platform to new set of hardware and related infrastructures. New Big Data system has one Petabyte capacity of storage and higher capacity processing unit, such that the new Big data cluster can meet the Company's Big Data analytics requirements for next 5 years.

The new Big Data cluster platform has been commissioned and is live from October 2019.

BSE StAR MF re-architected

BSE STAR MF, the mutual fund trading platform, offered by the Company is continuously growing in terms of popularity and market share.

In the last 10 years BSE StAR MF platform has undergone massive change in terms of business features, the extensive features it offers, the integration with different agencies and institutions to perform seamless transactions on the online platform. It is no-doubt the most popular platform in MF arena with more than 85% of market share.

To sustain the current load and the future capacity it was inevitable to continue with current infra-system architecture. The overall infrastructure was overhauled without a single day of downtime and in a gradual manner. Major architectural changes along with automation of business operation processes has improved the response time for the end users.

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.

Upgrade of Single sign-on application

The Company had implemented Single Sign-on (SSO) to ease the operational, functional and compliance needs of the Trading members since 2018. Trading member maintains 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, usernames, passwords, etc. This uniform policy has helped Trading members to reduce the overhead of maintain and managing multiple credentials.

As the number of users and application grew over a period, the SSO application needed an upgrade and migrate to newer technology. To address this, during the year, the upgrade of SSO application was initiated. The newer version brings in newer technology and architecture

based on microservices and distributed cache. The use of open source component will also help with the analytics and better search feature.

The new SSO upgrade has been rolled-out since February 2020 this year.

Application & Performance Monitoring System developed by Marketplace Technologies Private Limited

Marketplace Technologies Private Limited (MPTL), wholly owned subsidiary of the Company is engaged in developing IT solutions and products for Application & Performance monitoring system.

For 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 solutions.

This monitoring system has been built using open-source stack comprising of below mentioned three components;

1. Collect and process logs
2. Store processed logs
3. Browser based visualization tool

The above-mentioned components are designed to allow users to take to logs from any source, in any format, and to search, analyse, and visualize that data in real time. It is a centralized logging system that is useful when attempting to identify problems with servers or applications.

In addition to above, to manage the role-based access and permissions, a wrapper is built on the top of the above-mentioned stack.

All of the above has been implemented as a complete suite and put in use for numerous applications. The Company is able to monitor on real-time basis all of the below mentioned counters;

- Log management and analysis
- Resources management - monitor utilization
- Performance monitoring
- Application monitoring and troubleshooting
- Service monitoring

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.

The Company is also evaluating the feasibility of making the above-mentioned solution available as a commercial product. To begin with the complete package is proposed to be offered to our Trading members who will subscribe to Member SOC project.

All the newer open source technologies are developed and implemented by the MPTL which is wholly owned subsidiary of the Company. The team is highly motivated and thrust to look into newer developments and creating solutions that offers business opportunities.

Cloud Initiatives

This year too the focus was to reduce infrastructure cost and dependency. The Company continued to work towards cloud technology and initiatives to leverage its benefits without initial investments.

The Company has implemented Hybrid cloud solution on its premises. 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 its infrastructure requirements. Users have observed substantial improvement in turn-around time for servicing infrastructure requirements.

The journey continued this year too for implementation of on premises Hybrid cloud on our DR site too.

More and more infrastructure requests are served using cloud setup. This has substantially reduced demand for physical servers. From the infra point of view, the optimal resources are allocated initially and scaled-up as the demand and load is increased. This in turn reduces the unwanted wastage on infrastructure which earlier was difficult to curb. The on-premises cloud setup has also increased the high availability index factor for all underline applications.

Implementation of Software Defined Network

Last year, the Company had taken initiative to change the network technologies to Software Defined Network (SDN). However, the journey continued during the year as migration was planned in phased manner given the vast and complex network.

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.

The Company has part of migration plan has started commissioning all the new servers only on SDN network at both Primary site and Disaster Recovery site, no provisioning is done on the old network. Subsequently, over a period, this legacy network will be phased out.

Financial ERP solution developed by Marketplace Technologies Private Limited

MPTL has continued its efforts to develop more and more applications to leverage the knowledge of business and IT as well as to customise as per the needs of the Company. Further, many enhancements were implemented to keep the products competitive.

As per the needs of the Company, MPTL has developed Financial ERP solution (Class ERP) as a substitute to costly third-party solutions. As the solution was new, expensive enhancements and tweaking was required to be implemented during the year.

This customised solution has best of the features offered by popular third-party solutions.

Benefits of migrating from third party solution to a customised solution developed by IT development arm;

1. Reduction in the AMC cost.
2. Less Turnaround time for patch fixes.
3. All group companies on the same financial application – easy for consolidation.
4. In future, it can be extended to back-office solution used by brokers.

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

Unified Trading Interface

BOW (Boltpus on Web) and BEST (BSE Electronic Smart Trader) are the trading terminal provided by the Company to its end users. As the traders and investors are becoming more market savvy, they expect more and more advanced tools and features in the trading terminal. Keeping in line with the expectation, continuous enhancements and new features were added during the year in BOW and BEST to remain competitive. BOW and BEST facilitates multi-exchange, multi-segment trading. BOW is the first platform to support interoperability of Clearing houses in a seamless manner. BOW users were able to leverage cross-exchange positions in a smooth manner from the day exchanges and clearing corporations went live.

Few of the prominent changes implemented during the year in BOW Application are;

Multi Factor Authentication: Enhanced multi factor authentication with OTP facility on Email/SMS for BOW Users based on SEBI updated guidelines.

New Mobile Application: Introduced new interfaced and enhanced mobile application for Android and IOS users. BOW Mobile application features a comprehensive trading and monitoring platform. It offers real time streaming quotes, market Depth, and ease to trade hassle free

across all asset classes (Equity, Derivatives, Currency and Commodities) anywhere and anytime.

BOW on open source platform: As per the Company vision, the BOW trading platform has been developed and deployed on open source platform for better stability of Operating System and to achieve cost effective maintenance in long run.

CP Code functionality: Enhancement in BOW application by introducing CP code in the Order entry panel. The user-friendly interface will allow the user to enter CP Code at the time of order placement. This gives the member seamless experience to report trades that are cleared through the custodian.

SOCKS Proxy: Implemented for secured connections in BOW, which enables Members/Banks to connect application TCP ports securely without compromising on any Internet connections policies.

BSE STAR MF: Integration of BSE Star MF platform in BOW application. BOW users registered with BSE Star MF can directly & seamlessly trade in mutual fund products on BSE Star MF Platform with single sign-on.

BOW API: Rolled out BOW API that facilitates third party trading solution provider to integrate with BOW trading terminal and make use of rich features provided by BOW. Major solution providers are live with all exchange segment.

Few of the notable changes implemented during the year in BEST Application are;

Cover Order: Introduced Cover Order in BEST application. This allows the user to place Open position order along with the Closed Stop-loss order. This provides more margin leverage to the user thereby resulting in more trades and volumes.

BSE STAR MF: Integration of BSE Star MF platform in BEST application. BEST users registered with BSE Star MF can directly place order to BSE STAR MF from BEST trading terminal.

Trade Restriction in dynamic range of Strike price: This feature enables members to restrict users to trade in illiquid option. Based on dynamic LTP of the underlying price member can restrict the user to trade below or above the set percentage. This would help members to restrict users to avoid trading in illiquid option contracts. Users having open positions for such restricted option contracts can square off.

Integration of BSE Commodity segment in BEST along with other Exchanges.

Enhancement of After Market Orders: Order routing of "After Market Orders" without member intervention. By using this feature, trading

members are relieved of collating orders at the start of the market. Additionally, AMO feature also allows the users to place bulk orders in post-closing session.

In both BOW and BEST, direct Connectivity to other Exchanges is implemented: In place of intermediary component for exchange messaging system for trading, BOW & BEST is now connected directly to other exchange. Eliminating intermediary component in all interactive messages like Logins, Orders and Trades has removed one additional hop and improved the latency.

Technology Refresh

Technology upgrade is the prime essence of all IT systems. This year was packed with number of new and on-going technology upgrades. By making use of advanced technologies, the focus of the Company is to get maximum benefit with minimum cost together with long term scalability.

Enterprise Class Storage Refresh

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

To meet the Company's requirements, the solution provider has provided an integrated high-performance solution in terms of higher throughput & better Read/Write response. Also, the solution has innovative (SAN), multi-controllers, and active-active capabilities and support multiple service transmissions, multiple device models, and rapid business growth with 3DC replication.

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

Databases are the major users of Storage. The migration process of databases was initiated in the month of January 2020 with almost every Saturday mock trading. Till date 90% of the database are migrated.

Datacenter Extension at Primary site

As the Company's existing primary site Data center (DC) space was almost full it was necessary to plan for additional DC space for considering future requirements, and the need to segregate the third-party setups installed. In addition, the Interoperability infrastructure demanded additional space to be allocated to other Exchange/ Clearing Corporations.

To meet the above requirement and to make the optimum use of the DC, the Company has built the new modular datacentre. The new extended DC will be used to host the third-party setup. The freed-up space in the existing DC will be utilized for future expansion.

The new datacentre is commissioned and was inaugurated on 21st January, 2020.

Cyber Security

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 365 Days 24*7. The Next Gen SOC is equipped with best in class and niche technologies ensuring comprehensive cyber security coverage and protection for IT Infra and information assets of BSE. The BSE SOC ensures Confidentiality, Integrity and Availability of all systems. It enabled coverage and protection at all level covering end point, network, application, and system level with a well-defined integrated and robust Cyber Security framework. SOC continually monitors all systems in real-time and ensures alerting and protection from Cyber Security Threats. SOC consistently ensured the availability and reachability of systems to users, customers, and partner. It helps gain confidence and control among the users, customers and decision makers as the systems are very well protected, available, and accessible as and when needed.

Niche Technologies like, User Behavioural Analysis, Anti-APT, Deception technology, Real-time Forensics etc. were implemented in BSE next Gen SOC. Subscriptions to multiple global and local Cyber Threat intelligence feed. The USP of BSE Next Gen SOC is implementation of Cognitive Analysis and Artificial Intelligence which Gain deeper insights by ingesting and understanding extensive data sources, including human generated data (for example, blogs, websites, research papers etc.)

BSE has been certified for "ISO 27001:2013 Information Security Management System" Certification and has successfully completed the surveillance audits for this year on March 4, 2020.

BSE has been certified for "ISO 22301:2012 Business Continuity Management System Certification" and has successfully completed surveillance audit for this year on March 4, 2020.

BSE has been identified and notified as national critical infrastructure(CII) by National Critical Information Infrastructure Protection Centre(NCIIPC).

For the year, following are the key highlights of 365 Days 24*7 NextGen Cyber Security Operation Centre

- Cyber Security Incident and Monitoring – During the year with continues round the clock Cyber Security Monitoring and controls implementation, we ensured there are no Cyber Security incident resulting in business impact or downtime. SOC

continuously tracks and monitors worldwide ongoing threats (IOCs-Indicator of Compromise) and ensure BSE systems are up to date and protected against all such know attack vectors. SOC also has Next Gen EDR (End Point Detect and Response) tool which ensures protection from any Zero Day or unknown cyber threat vectors.

- Cyber Security Technology refresh – BSE has rearchitected its entire cyber security stack to achieve horizontally scalable infrastructure and designed it in such a way that it can utilized all the device in active-active mode in compare to old architecture where devices were in active standby mode. This ensures better return of investment, better utilization of devices and improved availability and response time. The new architecture ensures minimum or no downtime for maintenance tasks. As BSE being a national critical infrastructure ensuring availability is highly critical parameter with Cyber Security. To ensure this BSE implemented network packet broker technology which has Software based packet control mechanism to optimize the network traffic and ensure better utilization of tools and technologies.
- Remote Working – To allow business continuity along with Confidentiality, Availability and Integrity during Pandemic situation such as Covid-19. BSE SOC enabled users to work from home ensuring cybersecurity controls and measures are in place to protect systems in-line with zero trust architecture for all in-office and remote users.

Member Security Operations Centre

With SEBI's directive to setup a community SOC for stockbrokers to provide robust cyber security and cyber security framework, Company's wholly owned subsidiary MTPL has setup Member Security Operations Centre. The solution contains minimalistic technology at stockbroker premises with endpoint protection, patch management, unified threat management, security incident and event management, 24*7 monitoring and response. The MSOC was inaugurated on October 7, 2019 by Mr. Ashish Chauhan, MD & CEO, BSE India. In addition to setting up the MSOC, cybersecurity awareness seminars were conducted in Mumbai, Kolkata, Ahmedabad, Delhi and Chennai on May 16, June 13, July 4, July 25, August 22, 2019 with the agenda of explaining the SEBI cybersecurity circular and the solution offered by MTPL.

Cyber Security Conference 2020

BSE in association with SEBI and Maharashtra Cyber hosted Cyber Security Conference on January 10, 2020 at the BSE International Convention Hall, Mumbai. The Conference acted as a platform to discuss and deliberate on various developments and nuances in the area of cyber risk and data privacy for stakeholders in the capital markets. The Exchange hosted speakers and audience members

from Securities and Exchange Board of India (SEBI), National Critical Information Infrastructure Protection Centre (NCIIPC), Maharashtra Police (Cyber Cell), Exchanges, Clearing Corporations, Market Infrastructure Institutions (MII), intermediaries like Brokers and Depository participants. The Conference was a huge success with more than 700 participants.

Disclosures

The efforts made towards technology absorption:

The Company continues to explore in newer and contemporary technologies. The year has been quite engaging with the best in class and innovative implementation in the products and services offered by the Company.

The Company has taken the lead for implementation of;

- Interoperability of Clearing Corporations,
- Scaling the Big Data platform, enhancing the Social Media Analytics engine with use of Artificial Intelligence (AI) and Machine Learning (ML) into newer foray of capturing news and rumour verification thereby enhancing RegTech processes of the Company,
- Newer development and implementation with the use of Open source technologies, enriching the trading interface and aligning the needs of end users into BOLTPlus on Web (BOW) and BSE Electronic and Smart Trader (BEST)
- Most importantly upgrading the Operating System (OS) of the Trading system.

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

The benefits derived like product improvement, cost reduction, product development or import substitution:

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

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- a) the details of technology imported

- b) the year of import
- c) whether the technology been fully absorbed
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

The expenditure incurred on Research and Development - Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Foreign Exchange Earning: ₹ 2,700 Lakh (Previous Year: ₹ 2,613 Lakh)

Foreign Exchange Outgo: ₹ 272 Lakh (Previous Year: ₹ 2,155 Lakh)

RISK MANAGEMENT AND COMPLIANCE

Risk Management is one of the critical elements 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.

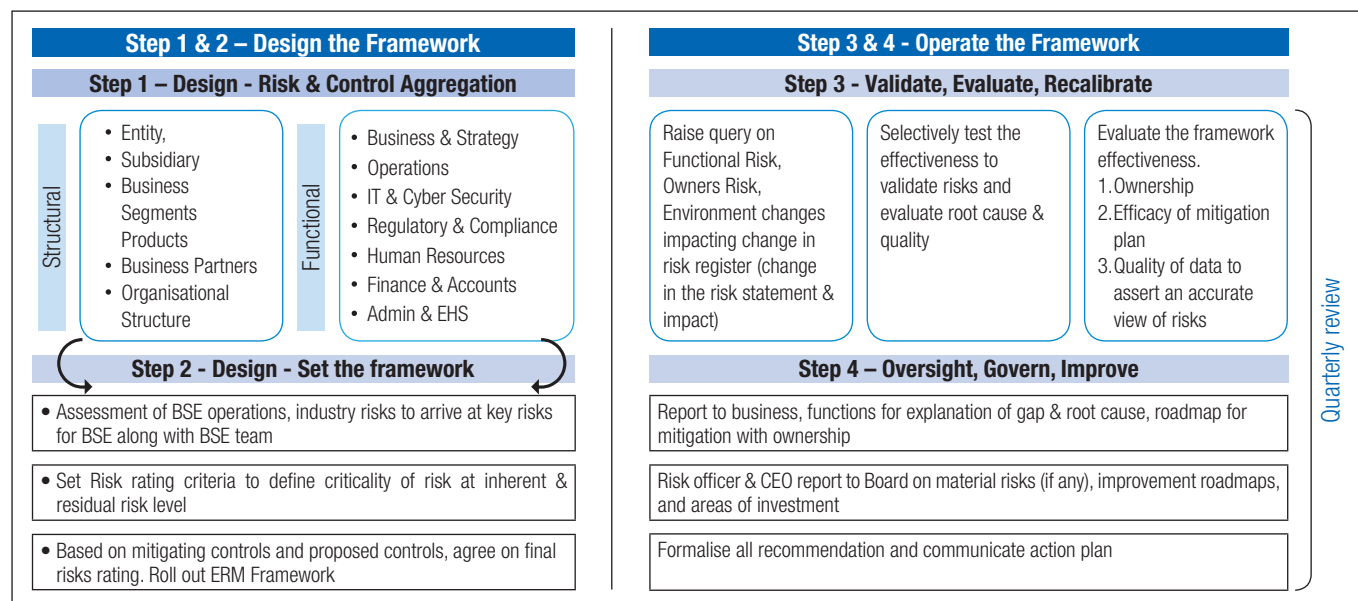
OVERVIEW

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 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

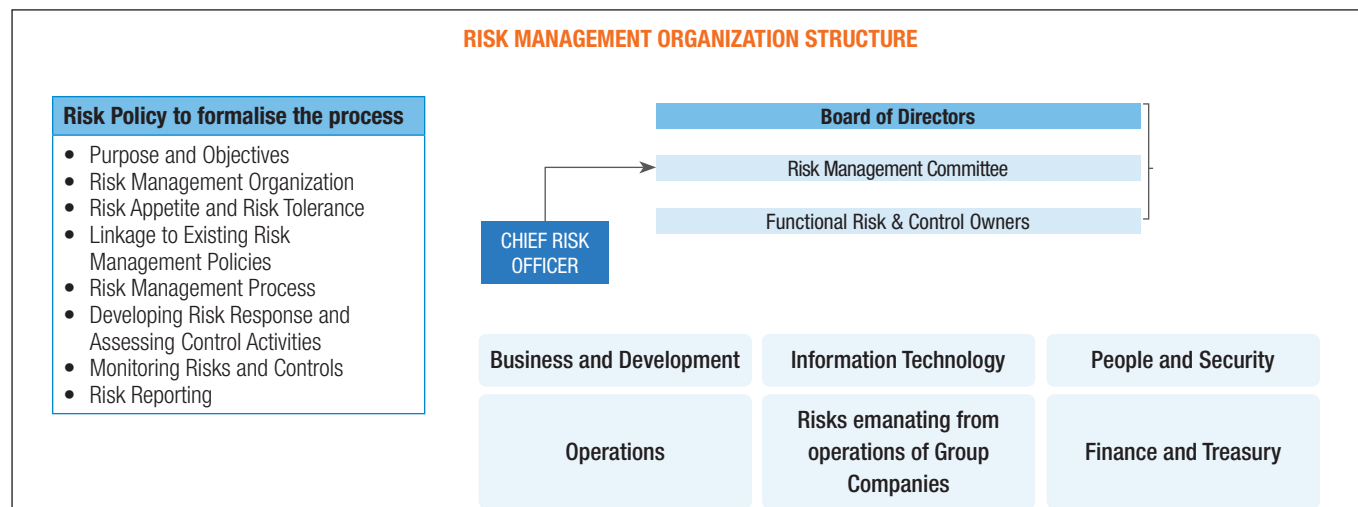
achievement of several business objectives. The focus of risk management is to assess risks, deploy mitigation measures and review them including risk management policy on a periodic basis along with the top ten key risk indicators of the organization. This is done through periodic review meetings of the Risk Management Committee comprising of the Board members.

The risks in relation to internal control over financial recording and reporting is reviewed by the Audit Committee. The Company's internal control systems commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditor. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's financial risk management policies and systems.

KEY 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"> ✓ Comprises of six directors and one independent external expert : <ul style="list-style-type: none"> ▪ Shri David Wright – Chairman ▪ Justice Vikramajit Sen – Member ▪ Shri S. S. Mundra – Member ▪ Shri Sumit Bose – Member ▪ Shri Umakant Jayaram – Member ▪ Sushri Jayshree Vyas – Member ▪ Prof. Sanjay Banerji – Independent External Expert ✓ Review and oversight with regards to identification, evaluation and mitigation of the strategic, operational, technology and compliance risks ✓ Reviewing and approving risk related disclosures ✓ Monitoring and approving the risk management framework and associated practices of the Company
Role of Risk team	<ul style="list-style-type: none"> ✓ Adhering to the risk management policies and procedures ✓ Implementing prescribed risk mitigation actions ✓ Reporting risk events and incidents in a timely manner

RISK CATEGORIES

The Company's risk management framework is broadly categorized as risk pertaining to (a) Business and 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 is carried out using scenario based assessments to decide the potential impact, likelihood of occurrence and in some cases, the detectability of the risk.

Risk Mitigation

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

Risk Reporting

The top risk from the risk registers, its mitigation plans, periodic review of processes and new risks emanating from such reviews, a detailed update on ERM is presented and deliberated upon in the meetings of the RMC on a quarterly basis.

The risks identified by risk management function or roles at different levels in the organization are presented at appropriate level of governance structure. Critical risks or cross functional risks at each level are escalated to the next level in the governance structure. Critical risks under different categories of risks at group level are reviewed by Chief 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.
- g) Reviewed the risk management practices with distinct focus on impact of COVID – 19 on the organisational performance, physical security, trading operations, cyber security and key measures taken for employee well – being, physical and data security along with efforts to keep up overall organisational well-being

Due to the inherent risks in the Company's business activities, it is vital that BSE keeps improving risk management practices to strengthen the organization 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.

COMPANY'S POLICIES

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>

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 E** 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

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

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

The Company has formulated a Vigil Mechanism and Whistle-blower policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, under which the employees are encouraged to raise concerns/alarm or issue involving malpractices, violation of law of the land, abuse of power, financial irregularity, etc. 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 policy is available on the website http://www.bseindia.com/downloads1/Whistle_Blower_policy.pdf.

RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on Related Party Transactions and the same is available on BSE's website at: https://www.bseindia.com/downloads1/Related_Party_Transaction_Policy.pdf.

The Policy intends to ensure that proper approval, reporting 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 during the financial year ended March 31, 2020 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 F**.

POLICY ON MATERIAL SUBSIDIARY

As required under Regulation 16(1)(c) of Listing Regulations, the Company has formulated and adopted a policy for determining 'Material' Subsidiaries, which has been hosted on its website at: https://www.bseindia.com/downloads1/Policy_on_Material_Subsidiaries.pdf.

As per the said Policy, Indian Clearing Corporation Limited (ICCL) is a material subsidiary of the Company as on March 31, 2020. Further, in accordance with Regulation 24A of Listing Regulations, the Secretarial Audit Report submitted by Ms. Shweta Gokarn, Practicing Company Secretary (Certificate of Practice No.: 11001) of ICCL is annexed as **Annexure G**.

INSIDER TRADING REGULATIONS

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

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

DISCLOSURE AS REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

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

During the year ended March 31, 2020, no complaints pertaining to sexual harassment have been received.

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.

- A) Listing Compliance
- B) Member Compliance
- C) Surveillance and Supervision
- D) Inspection
- E) Investor Services

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, 2020, BSE incurred direct and indirect expenses amounting to ₹ 2,116 Lakh as per activity-based accounting methodology towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements.

MARKETING AND COMMUNICATIONS

The company has undertaken several initiatives to keep the members and investors aware of the latest developments in the products and services offered, launch of new products and changes in regulations. These initiatives were well received by all and got prominent coverage in all leading national and regional dailies and television channels. The company continues to work with prominent industry bodies and trade associations with the aim of promoting a business environment which is beneficial to all stakeholders. Further, the company has continued to take several initiatives to promote investor awareness and education. Television, print and social media were used effectively to reach out to investors across the country.

BSE has hosted more than 200 events ranging from international delegations to educational programs and roundtables on important national and international topics.

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

- 1 Shri M. Venkaiah Naidu, Hon'ble Vice President of India
- 2 Shri Bhagat Singh Koshyari, Hon'ble Governor of Maharashtra
- 3 Shri Nitin Gadkari, Minister of Road Transport & Highways, Micro, Small & Medium Enterprises, Government of India
- 4 Shri Subhash Desai, Hon'ble Minister for Industries and Mining, Government of Maharashtra
- 5 Shri Devendra Fadnavis, Former Chief Minister of Maharashtra
- 6 Shri Sudhir S. Mungantiwar, Former Minister for Finance and Planning, Forest, Government of Maharashtra
- 7 Shri Jaykumar Rawal, Former Minister of Food and Drugs, Tourism Development and Protocol, Government of Maharashtra
- 8 Shri Subramanian Swamy, Member of Parliament, Rajya Sabha
- 9 Shri Ram Mohan Mishra, Additional Secretary & Development Commissioner, Ministry of MSME
- 10 Shri Gyaneshwar Kumar Singh, Joint Secretary, Ministry of Corporate Affairs, Government of India
- 11 Ms. Shweta Shalini, Advisor to CM of Maharashtra Executive Director of VSTF, Government of Maharashtra and Spokesperson of Bharatiya Janata Party
- 12 Shri Sanjay Bahl, Director General, Indian Computer Emergency Response Team
- 13 Shri A S Kiran Kumar, Former Chairman, ISRO
- 14 Shri G. Mahalingam, Whole-Time Member, SEBI
- 15 Shri S K Mohanty, Whole-Time Member, SEBI
- 16 Shri Nagendraa Parakh, Executive Director, SEBI
- 17 Shri Lt. Gen. (Retd.) Dr. D B Shekatkar
- 18 Shri Brijesh Singh, IPS, Spl. IGP Maharashtra Cyber
- 19 Shri Balsingh Rajput, Maharashtra Cyber Crime
- 20 Shri Harish Bajjal, Maharashtra Cyber Security
- 21 Shri Rajnish Kumar, Chairman, State Bank of India
- 22 Shri Dinesh Khara, MD, Global Banking & Subsidiaries, State Bank of India
- 23 Mr. David Rasquinha, Managing Director, EXIM Bank
- 24 Shri Ajay Piramal, Chairman, Piramal Group
- 25 Shri Mahendra Pratap Mall, CMD, IRCTC

- 26 Shri P.S. Mishra, Member Traffic (MT), Railway Board and Ex-officio Secretary to the Government of India
- 27 Shri Partha S Bhattacharya, Former Chairman, Coal India
- 28 Shri Dinesh Pangtey, CEO, LIC Mutual Fund
- 29 Ms. Radhika Gupta, CEO, Edelweiss Mutual Fund
- 30 Mr. Thomas Oetterli, Global CEO Schindler Group
- 31 Hon'ble Winston Peters, Deputy Prime Minister and Minister of Foreign Affairs, New Zealand
- 32 Hon'ble Mr. David Parker, Minister of Trade and Export Growth, New Zealand
- 33 Honorable Victor Fedeli, Minister of Economic Development, Job Creation and Trade, Government of Ontario
- 34 Mr. Menno Snel, Hon'ble Minister of Taxation and Customs, Kingdom of Netherlands
- 35 H. E. Y. A. Zepos, Former Ambassador of Greece to India
- 36 Mr. Ugo Astuto, European Union Ambassador to India
- 37 Mr. Mikko Pötsönen, Counsellor (Economic & Commercial), Embassy of Finland
- 38 Mr. Shreyas K Doshi, Honorary Consul, Honorary Consulate of Finland
- 39 Mr. Ralph Hays, Consul General & Trade Commissioner, New Zealand Business
- 40 Ms. Erin Duncan, Deputy High Commissioner, New Zealand Business
- 41 H.E. Dr. K. J. Srinivasa, High Commissioner of India to the Cooperative Republic of Guyana
- 42 Mr. Frank Muller Rosentritt, Member of German Bundestag, Member of Foreign Affair committee and Subcommittee on Culture relations and Economic policy
- 43 Hon. Stephan Bali, Mayor, Black Town and Hon. Nathan Rees, MP and Ex- Premier of State of New South Wales, Australia
- 44 Mr. Michio Harada Consul General of Japan
- 45 Mr. Gavin Chay, Hon'ble Consul General of Singapore
- 46 Ms. Annie Dube, Hon'ble Consul General of Canada
- 47 Mr. Edgard D. Kagan, US Consul General of Mumbai
- 48 Mr. Nakamura-san, Senior Director General, Japan Exchange Group
- 49 Mr. Yoshihiro Isaka, Senior Executive Officer, Japan Exchange Group
- 50 Mr. Xuewen Bi, MD, UBS AG
- 51 Mr. Harvesh Seegolam, CEO, FSC Mauritius
- 52 Mr. Deven Coopoosamy, Head of Projects, FSC Mauritius
- 53 Mr. P. K. Kuriachen, India Representative FSC Mauritius
- 54 Mr. Sialesh Sewpaul Mauritius
- 55 Prof. Jürgen Weigand, Deputy Dean, Professor of Economics
- 56 Mr. Martin McCarthy, Chairman & CEO, The 451 Group
- 57 Mr. Zhuang Xiao, CTO, Shanghai Gold Exchange
- 58 Mr. Harald Egger, UBS country head, India and Head, Group Corporate Services at the UBS, Bloomberg, and State Street Global Advisors
- 59 Mr. Fathi Jerfel, Deputy CEO, Global Head Retail Clients Division, Amundi
- 60 Shri Ashank Desai, VC - SINE/IITB Incubator
- 61 Mr. Joseph Law, Founder and CEO, Living Greatness
- 62 Mr. Daniel Dines, Global CEO and Founder UiPath
- 63 Mr. David Craig, CEO, Refinitiv
- 64 Shri Ashok Agarwal, Chairman, Globe Capital & Chief Mentor, CPAI
- 65 Ms. Rama Vedashree, CEO, DSCI
- 66 Shri Somasundaram PR, MD, World Gold Council India
- 67 Ms. Vandna Ram, Regional Head Corporate Philanthropy, APAC, Bloomberg
- 68 Shri Dr. Vivek Bindra, CEO, Bada Business
- 69 Shri Ashok Shah, Past President, Kutch Corporate Forum
- 70 Dr. Nehal Shukla, Director, Gujarat Secondary and Higher Secondary Education Board
- 71 Dr. Vijay N Deshani, Pro VC, Saurashtra University
- 72 Dr. Mehul Rupani, Managing Trustee, Shri H. N Shukla group of colleges
- 73 Ms. Monika Halan, Consulting Editor, Mint
- 74 Bollywood Director Mr. Vikram Bhatt
- 75 Bollywood Director Shri Vivek Agnihotri
- 76 Bollywood Actor Shri Rajkummar Rao
- 77 Bollywood Actress Ms. Hina Khan
- 78 Bollywood Actress Ms. Shweta Basu
- 79 Bollywood Actress Ms. Mouni Roy
- 80 Bollywood Choreographer Ms. Arsh Tanna
- 81 Bollywood Choreographer Mr. Sameer Tanna

AWARDS & RECOGNITION

1. Financial Services ICON - CIO Power List 2019, awarded by CORE
2. Eminent CIO Forum & InfoTech Forum 2019, awarded by Eminent CIO of India - 2019
3. IT Genius (CIO CROWN 2019), awarded by CORE Centre of Recognition & Excellence

4. Genius Awards 2019 (Robotic Process Automation), awarded by CORE Centre of Recognition & Excellence
5. CIO100- 2019, The Disruptive 100 - Honouree 2019, awarded by IDG International Data Group
6. BFSI 100 - Innovation Leadership Award 2019, awarded by 4th BFSI CTO Summit
7. Express BFSI Technology Awards - BFSI Digital Innovation Award 2020, awarded by Dell Technologies & Express Computers
8. The Economic Times BFSI Innovation Tribe Summit & Awards 2020, awarded by The Economic Times BFSI
9. CSO 100
10. CISO Platform Top 100

OTHER DISCLOSURES

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34 of Listing Regulations, the Business Responsibility Report forms part of this Annual Report.

CORPORATE GOVERNANCE

Pursuant to the SECC Regulations, Listing Regulations and the Act, report on Corporate Governance as on March 31, 2020, forms part of this Annual Report. A Certificate from Practicing Company Secretary confirming status of compliances of the conditions of Corporate Governance is annexed to the Corporate Governance Report.

INVESTOR PROTECTION FUND (IPF)

The Company, through its IPF, regularly conducts Investor Awareness Programmes (IAPs) throughout the country. IPF was instrumental in conducting 6,149 IAPs during FY 2019-20. Out of which 2,553 IAPs were conducted by IPF itself while 3,596 IAPs were conducted using Investors Services Fund (ISF). During the year, IPF conducted 231 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 1000 programs with Universities and Educational Institutions across

India. During FY 2019-20, as part of digital initiative, BSE IPF has created Animated Investor Education Videos on 2 topics in English, Hindi, Gujarati & Bengali languages. These Videos were uploaded on websites of BSE & BSE IPF for benefit of common investors.

Major Initiatives include:

1. Under the aegis of IOSCO and SEBI, IPF has participated in 'World Investor Week' celebrations during September 30, 2019 to October 6, 2019. 187 Investor Awareness Programs were conducted across India of which 29 were conducted jointly with SEBI.
2. Released Common Booklet on Securities Market by Shri G. Mahalingam, Whole Time Member, SEBI at BSE Convention Hall on October 4, 2019 (during WIW 2019). This event was also graced by Shri Nagendraa Parakh, Executive Director - SEBI, Shri Ashishkumar Chauhan, MD & CEO - BSE, Shri Nehal Vora, MD & CEO - CDSL and other Senior SEBI & BSE officials.
3. Common Booklet on Securities Market was prepared jointly by BSE, NSE, MSEI, CDSL & NSDL under guidance of SEBI to provide basic information about securities market to common investor.
4. On January 16, 2020 Regional Seminar on Investor Education was conducted at Gurugram where Shri Nagendraa Parakh, ED, SEBI, Shri Nehal Vora, MD & CEO, CDSL & Shri Gopalkrishnan Iyer, CGM, BSE were speakers.
5. On September 12, 2019, Seminar with Rotary Club was organized at Kolkata wherein SEBI, RBI, ICAI, ICSI & ICWAI were also participants.
6. Regional Seminar was held on June 7, 2019 at Coimbatore, Tamilnadu. Shri G Mahalingam, WTM - SEBI was the Chief Guest. More than 400 investors, professionals attended the event.
7. Awareness Program for Air Force officials at Subroto Park Auditorium, Delhi was conducted on August 25, 2019. Air Marshal R Nambiar presided over the event which was attended by more than 550 Air Force officers.

In order to spread awareness about capital market as part of financial inclusion and to educate investors at national level across India especially in tier 2 and tier 3 cities, IPF has used services of national level TV channels including leading Business channels for spreading financial literacy programs related to capital market education, financial planning etc. Investor Awareness Campaigns were also carried on various themes in both print and following electronic media:

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

GREEN INITIATIVE

The Company disseminates all agenda items of Board and Committee meetings electronically on a real time basis, by uploading them on a secured online application specifically designed for this purpose, thereby eliminating circulation of printed agenda papers.

ACKNOWLEDGEMENTS

The Board sincerely thanks the Government of India, Securities and Exchange Board of India, Reserve Bank of India, Insurance Regulatory and Development Authority, Gujarat International Finance Tec-City, the Government of Maharashtra and other State Governments and various government agencies for their continued support, cooperation and advice.

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

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

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

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

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

For and on behalf of the Board of Directors

Date: May 21, 2020

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.

ANNEXURE 'B' TO BOARDS' REPORT

INFORMATION REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014
A. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF YOUR COMPANY FOR THE FINANCIAL YEAR 2019-20 IS AS FOLLOWS:

Names of Directors	Ratio of the remuneration of Directors to median remuneration
Shri Ashishkumar Chauhan ¹	107.71
Justice Vikramajit Sen	2.34
Shri Sumit Bose	2.62
Shri S. S. Mundra	1.89
Shri David Wright	1.72
Shri Umakant Jayaram	2.75
Sushri Jayshree Vyas ²	1.97
Smt. Usha Sangwan	0.69
Smt. Rajeshree Sabnavis ³	@

1. Total Remuneration considered stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years and including variable pay of prior years which has been paid during the financial year 2019-20 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

2. Appointed as Public Interest Director w.e.f. April 25, 2019

3. Retired from the post of Shareholder Director w.e.f. July 15, 2019

@ Since the remuneration of this Director 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 2019-20 ARE AS FOLLOWS:
Remuneration paid to Managing Director and Chief Executive Officer:

Names of Director	% increase in remuneration in the Financial Year¹ & ²
Shri Ashishkumar Chauhan	15%

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

2. Excludes 50% of the Variable Pay to be paid on deferred basis after 3 years as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

Remuneration paid to Non-Executive Independent Directors:

Names of Directors	% increase in remuneration in the Financial Year
Justice Vikramajit Sen	19%
Shri Sumit Bose	-15%
Shri S. S. Mundra	-29%
Shri David Wright	-15%
Shri Umakant Jayaram	#
Sushri Jayshree Vyas ¹	@
Smt. Usha Sangwan	-15%

1. Appointed as Public Interest Director w.e.f. April 25, 2019.

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

Since he was appointed on February 4, 2019, the percentage increase in his remuneration is not comparable.

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

Names of Directors	% increase in remuneration in the Financial Year
Smt. Usha Sangwan	-15%
Smt. Rajeshree Sabnavis ¹	@

1. Retired from the post of Shareholder Director w.e.f. July 15, 2019

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

Remuneration paid to Key Managerial Personnel (KMP):

Names of KMP	Designation	% increase in remuneration in the Financial Year
Shri Nayan Mehta	Chief Financial Officer ^{1&2}	11%
Smt. Prajakta Powle	Company Secretary and Compliance Officer ²	5%

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

2. Excludes 50% of the Variable Pay to be paid on deferred basis after 3 years as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

C. PERCENTAGE DECREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2019-20: 3%

D. NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON MARCH 31, 2020: 482

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 decrease in the salaries of employees other than the managerial personnel in the last Financial Year is 4%. The average percentile increase in the salaries of managerial personnel is 15%.

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

INFORMATION REQUIRED UNDER REGULATION 27(5) & 27(6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018, FOR THE PERIOD FROM APRIL 1, 2019 TO MARCH 31, 2020

Names of Key Management Personnel	Designation	Compensation (amount in ₹)	Ratio of the compensation of Key Management Personnel to median compensation
Shri Ashishkumar Chauhan @	MD & CEO	7,64,62,712*	107.71
Shri Neeraj Kulshrestha @	Chief Regulatory Officer	1,35,98,282*	19.16
Shri Nayan Mehta @	Chief Financial Officer	1,60,76,120*	22.65
Shri Kersi Tavadia @	Chief Information Officer	1,43,67,763*	20.24
Shri Sameer Patil	Chief Business Officer	1,15,36,556#	16.25
Shri Girish Joshi	Chief Trading Operations and Listing Sales	89,18,293#	12.56
Shri Shivkumar Pandey	Chief Information Security Officer	68,76,953#	9.69
Shri Khushro Bulsara	Chief General Manager	67,67,511#	9.53
Shri Rajesh Saraf	Chief General Manager	88,01,865#	12.40
Shri Gopalkrishnan Iyer	Chief General Manager	80,80,445#	11.38
Shri Ketan Jantre	Senior General Manager	55,34,938#	7.80
Shri Vivek Garg	Senior General Manager	57,48,512#	8.10
Shri Shankar Jadhav	Senior General Manager	83,50,352#	11.76
Shri Mahendra Tawde	Senior General Manager	57,72,352#	8.13
Shri Vijukumar Pillai	Senior General Manager	48,08,385#	6.77
Shri Rahul Sharma	Senior General Manager	64,97,872#	9.15
Shri Ajaykumar Thakur	General Manager	62,42,066#	8.79
Shri Jayesh Shah	General Manager	41,54,444#	5.85
Shri Rajendra Sharma	General Manager	59,27,776#	8.35
Shri Ganesh Ram	General Manager	49,89,802#	7.03
Shri Bhushan Mokashi	Additional General Manager	53,42,330#	7.53
Shri Devendra Kulkarni	Deputy General Manager	37,10,793#	5.23
Smt. Prajakta Powle	Company Secretary and Compliance Officer	32,84,998#	4.63
Ms. Neelam Patel	Assistant General Manager	20,65,634#	2.91

* 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 2019-20 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

Total Remuneration stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years 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, 2019 TO MARCH 31, 2020

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 [@]	52	22-Sep-09	7,64,62,712*	Managing Director & CEO	B.Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta)	29	President and Group Chief Information Officer (CIO) - Reliance Industries Limited.
2.	Shri Nayan Mehta [@]	53	19-Jan-12	1,60,76,120*	Chief Financial Officer	B. Com, ACMA, FCA	28	Joint General Manager (Accounts) - Credit Analysis & Research Ltd.
3.	Shri Kersi Tavadia [@]	57	25-Oct-10	1,43,67,763*	Chief Information Officer	B.Sc., PGDCS, MFM, CISM	37	Chief Technology Officer-HSBC Invest Direct Securities.
4.	Shri Neeraj Kulshrestha [@]	54	05-May-15	1,35,98,282*	Chief Regulatory Officer	B.Sc. (Computer), MBA (Finance).	32	Executive Director at Morgan Stanley India
5.	Shri Sameer Patil	46	07-Jul-15	1,15,36,556 [^]	Chief Business Officer	B.Sc., Dip. In Marketing Management	21	Advisor at NCDEX
6.	Shri Girish B Joshi	52	06-Aug-10	89,18,293 [^]	Chief Trading Operations and Listing Sales	B. Com, A.C.A, AICWA	29	Asst. General Manager at ICICI Bank
7.	Shri Rajesh Saraf	50	30-May-11	88,01,865 [^]	Chief General Manager	BR (Elect), MMS (Finance)	26	Sr. Consultant at Tata Consultancy Services
8.	Shri Shankar Jadhav	53	15-Nov-12	83,50,352 [^]	Senior General Manager	B. Tech (IT Bombay), PGDM (IIM Ahmedabad)	29	President at Quantum Project Infra
9.	Shri Gopalkrishnan Iyer	53	01-Jan-98	80,80,445 [^]	Chief General Manager	B. Com, FCA and CFA from ICFAI	30	Sr. Manager at Nucleus Securities Limited
10.	Shri Shivkumar Pandey	45	27-Apr-16	68,76,953 [^]	Group Chief Information Security Officer	B.E in Electronics and Telecommunication. Master's in information management	20	Chief Information Security Officer at National Payment Corporation of India
11.	Shri Nehal Vora ^{\$\$}	46	20-Jul-09	2,21,94,908 [^]	Chief Regulatory Officer	B. Com., MMS (Finance)	24	Director - DSP Merrill Lynch Ltd.
12.	Shri Amit Mahajan ^{%%}	48	07-Jul-10	65,18,560 [^]	Chief General Manager	BE (Mech), MMS (Finance)	25	Vice President at Reliance Infosolutions

* 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 2019-20 as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

[^] Total Remuneration stated above is excluding 50% of Variable Pay to be paid on deferred basis after 3 years 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 Nehal Vora was Chief Regulatory Officer till September 23, 2019.

[%] Shri Amit Mahajan was Chief General Manager till October 17, 2019.

Notes:

1. Remuneration as shown above includes Salary, Allowances, Ex-Gratia, Leave Encashment, Contribution to Provident Fund.

2. None of the employees named above is relative of any Director of the Company.

3. Except Shri Girish Joshi, none of the employees named above hold any equity shares in the Company.

4. The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.

For and on behalf of the Board of Directors

Date : May 21, 2020

Place : Mumbai

Justice Vikramajit Sen

Chairman

ANNEXURE 'C' TO BOARDS' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2020
[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

CIN	L67120MH2005PLC155188
Registration Date	August 8, 2005
Name of the Company	BSE Limited
Category / Sub-Category of the Company	Company limited by shares Indian Non-Government Company
Address of the Registered office and contact details	25 th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001. Tel. 022-22721233/34 E-mail: bse.shareholders@bseindia.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Unit: BSE Limited, Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Contact Person - Shri Sri Sai Karthik Tikkiseti Manager - Corporate Registry Tel: 91-040-6716 2222 Email: - einward.ris@kfintech.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:

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
Exchange Operation	66110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Indian Clearing Corporation Limited 25 th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001.	U67120MH2007PLC170358	Wholly Owned Subsidiary	100%	2(87)
Marketplace Technologies Private Limited 25 th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001.	U72200MH2005PTC152920	Wholly Owned Subsidiary	100%	2(87)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
BSE Institute Limited 25 th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001.	U80903MH2010PLC208335	Wholly Owned Subsidiary	100%	2(87)
BSE Investments Limited 25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	U65990MH2014PLC253680	Wholly Owned Subsidiary	100%	2(87)
BSE Sammaan CSR Limited 25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	U74999MH2015PLC268298	Wholly Owned Subsidiary	100%	2(87)
India International Exchange (IFSC) Limited 1 st Floor, Unit No. 101, The Signature Building No.13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY Gandhinagar, Gandhinagar - 382 355, Gujarat, India.	U67190GJ2016PLC093684	Subsidiary	92.29%	2(87)
India International Clearing Corporation (IFSC) Limited 1 st Floor, Unit No. 102, The Signature Building, no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT CITY Gandhinagar, Gandhinagar - 382 355, Gujarat, India.	U67190GJ2016PLC093683	Subsidiary	90.1%	2(87)
INDIA INX Global Access IFSC Limited 1 st Floor, Unit No. 103, The Signature Building Road 1C, Zone 1, GIFT SEZ, GIFT CITY Gandhinagar, Gandhinagar - 382 355, Gujarat, India.	U65999GJ2018PLC101658	Subsidiary (Wholly Owned Subsidiary of India International Exchange (IFSC) Limited)	-	2(87)
BSE CSR Integrated Foundation 25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	U85191MH2016NPL273997	Subsidiary	75%	2(87)
Marketplace Tech Infra Services Private Limited 3 rd Floor, B Wing, Aggarwal Trade Centre, Plot No. 62, Sector-11, C. B. D. Belapur, Navi Mumbai - 400 614.	U72900MH2011PTC213218	Subsidiary (Wholly Owned Subsidiary of Marketplace Technologies Private Limited)	-	2(87)
BFSI Sector Skill Council of India 25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	U80904MH2011NPL222074	Subsidiary (additional 2.44% of shares held by BSE Institute Limited)	48.78%	2(87)
BIL– Ryerson Technology Startup Incubator Foundation 18 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	U80904MH2015NPL269911	Subsidiary (51% of shares held by BSE Institute Limited)	-	2(87)
BSE Institute of Research Development & Innovation 25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	U80904MH2019NPL334011	Subsidiary (Wholly Owned Subsidiary of BSE Institute Limited)	-	2(87)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Pranurja Solutions Limited 25 th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001.	U74999MH2018PLC308448	Associate	-	2(6)
Central Depository Services (India) Limited Unit No. A-2501, Marathon Futurex, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013.	L67120MH1997PLC112443	Associate	20%	2(6)
CDSL Ventures Limited A Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013.	U93090MH2006PLC164885	Associate	-	2(6)
CDSL Insurance Repository Limited Marathon Futurex, A Wing, 25 th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013.	U74120MH2011PLC219665	Associate	-	2(6)
CDSL Commodity Repository Limited A Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013.	U74999MH2017PLC292113	Associate	-	2(6)
Asia Index Private Limited 14 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	U74900MH2013PTC247709	Associate	50%	2(6)
BSE EBIX Insurance Broking Private Limited 25 th Floor, P.J Towers, Dalal Street, Mumbai - 400 001.	U66010MH2018PTC306530	Associate	-	2(6)
Marketplace EBIX Technology Services Private Limited 7 th Floor, Manek Plaza Kalina, CST Road, Kolekalyan, Santacruz (East) Mumbai - 400 098.	U72900MH2018PTC307446	Associate	-	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	
A. Promoters								
(1) Indian	0	0	0	0.00	0	0	0	0.00
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00
c) State Government (s)	0	0	0	0.00	0	0	0	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00
Sub-total (A) (1):-	0	0	0	0.00	0	0	0	0.00
(2) Foreign								
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	0	0	0.00	0	0	0	0.00
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	22,84,591	0	22,84,591	4.41	8,78,791	0	8,78,791	1.95
b) Banks / FI	85,482	0	85,482	0.17	45,600	0	45,600	0.10
c) Central Government	0	0	0	0.00	0	0	0	0.00
d) State Government (s)	0	0	0	0.00	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00
f) Insurance Companies	4,27,493	0	4,27,493	0.83	1,49,633	0	1,49,633	0.33
g) FIs (including FPIs)	54,73,499	0	54,73,499	10.57	54,23,832	0	54,23,832	12.05
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00
i) Others (specify)								
a) FDI	43,30,534	0	43,30,534	8.36	34,45,182	0	34,45,182	7.65
b) Alternate Investment Funds	97,000	0	97,000	0.19	2,06,795	0	2,06,795	0.46
Sub-total (B)(1):-	1,26,98,599	0	1,26,98,599	24.52	1,01,49,833	0	1,01,49,833	22.54
2. Non-Institutions								
a) Bodies Corp.								
i) Indian	34,69,181	0	34,69,181	6.70	23,69,984	0	23,69,984	5.26
ii) Overseas	0	0	0	0.00	0	0	0	0.00
								0
								-1.43
								0

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

i) Category-wise Share Holding

Category of Share holders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals										
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,32,82,907	26	1,32,82,933	25.65	1,37,83,022	26	1,37,83,048	30.61	4.96
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	18,75,208	0	18,75,208	3.62	19,94,465	0	19,94,465	4.43	0.81
c) Other (Specify)										
i.	HUF	8,22,025	0	8,22,025	1.59	9,03,664	0	9,03,664	2.01	0.42
ii.	Trust	1,773	0	1,773	0.00	1,958	0	1,958	0.00	0.00
iii.	Non Resident Indians	27,71,747	0	27,71,747	5.35	1,931,728	0	19,31,728	4.29	-1.06
iv.	NBFC	1,334	0	1,334	0.00	18	0	18	0.00	0.00
v.	IEPF	448	0	448	0.00	760	0	760	0.00	0.00
vii.	Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
viii.	CM Pool Position	66,672	0	66,672	0.13	1,73,838	0	1,73,838	0.39	0.26
Sub-total (B)(2):-		22,291,295	26	2,22,91,321	43.04	2,11,59,437	26	2,11,59,463	47.00	3.95
Total Public Shareholding (B)=(B)(1)+(B)(2)		3,49,89,894	26	3,49,89,920	67.56	3,13,09,270	26	3,13,09,296	69.54	1.98
C. Shares held by Custodian for GDRs & ADRs		0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)		3,49,89,894	26	3,49,89,920	67.56	3,13,09,270	26	3,13,09,296	69.54	1.98
D. Trading Members & Associates of Trading Members										
I.	Corporate Trading Member	65,83,159	0	65,83,159	12.71	50,01,740	0	50,01,740	11.11	-1.60
II.	Individual Trading Member	19,40,239	0	19,40,239	3.75	15,47,572	0	15,47,572	3.44	-0.31
III.	Trading Member BANK	18,92,028	0	18,92,028	3.65	18,23,999	0	18,23,999	4.05	0.40
IV.	Notified - Corporate Trading Member	64,000	91,000	1,55,000	0.30	32,286	91,000	1,23,286	0.27	-0.03
V.	Notified – Individual Trading Member	1,95,000	6,500	2,01,500	0.39	1,51,977	6,500	1,58,477	0.35	-0.04
VI.	Associate Trading Member - CORPORATE	7,77,301	0	7,77,301	1.50	7,38,126	0	7,38,126	1.64	0.14
VII.	Associate Trading Member - INDIVIDUAL	15,45,568	0	15,45,568	2.98	15,22,882	0	15,22,882	3.38	0.40
VIII.	Associate Trading Member - HUF	86,549	0	86,549	0.17	72,224	0	72,224	0.16	-0.01
IX.	Associate Trading Member - Banks/FII	19,480	0	19,480	0.04	19,480	0	19,480	0.04	0.01
X.	Associate Trading Member - FDI Banks	58,441	0	58,441	0.11	58,441	0	58,441	0.13	0.02
XI.	Associate Trading Member - Foreign Portfolio Investors	6,37,895	0	6,37,895	1.23	0	0	0	0.00	-1.23
XII.	Associate Trading Member - Insurance Company	28,21,609	0	28,21,609	5.45	25,76,428	0	25,76,428	5.72	0.27
XIII.	Associate Trading Member - NBFC	13,245	0	13,245	0.03	6,346	0	6,346	0.01	-0.01
XIV.	Associate Trading Member - Non Resident Indians	2,068	0	2,068	0.00	1,000	0	1,000	0.00	0.00
XX.	Associate Trading Member - Notified Individuals	0	65,000	65,000	0.13	0	65,000	65,000	0.14	0.02
Sub-total D:		1,66,36,582	1,62,500	1,67,99,082	32.44	1,35,52,501	1,62,500	1,37,15,001	30.46	-1.98
Grand Total (A+B+C+D)		5,16,26,476	1,62,526	5,17,89,002	100.00	4,48,61,771	1,62,526	4,50,24,297	100.00	0.00

Note: The outstanding share capital as on March 31, 2020 is after considering extinguishment of 67,64,705 equity shares pursuant to buyback.

ii) SHAREHOLDING OF PROMOTERS

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	
NOT APPLICABLE							

iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

	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	NOT APPLICABLE			
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.	Names of Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares*	% of total shares of the company*	No. of Shares*	% of total shares of the company*
1	Deutsche Boerse AG		25,49,443	4.92	25,49,443	4.92
	27/09/2019	Sale	-5,62,510	0.51	19,86,933	4.41
	At the end of the year				19,86,933	4.41
2	Life Insurance Corporation of India		25,25,500	4.88	25,25,500	4.88
	At the end of the year				25,25,500	5.61
3	Siddharth Balachandran		18,63,703	3.60	18,63,703	3.60
	05/04/2019	Sale	-18,948	0.04	18,44,755	3.56
	12/04/2019	Sale	-37,769	0.07	18,06,986	3.49
	19/04/2019	Sale	-13,153	0.03	17,93,833	3.46
	26/04/2019	Sale	-31,842	0.06	17,61,991	3.40
	03/05/2019	Sale	-39,531	0.07	17,22,460	3.33
	10/05/2019	Sale	-74,988	0.15	16,47,472	3.18
	17/05/2019	Sale	-83,797	0.16	15,63,675	3.02
	24/05/2019	Sale	-1,10,515	0.21	14,53,160	2.81
	31/05/2019	Sale	-1,04,566	0.21	13,48,594	2.60
	07/06/2019	Sale	-78,818	0.15	12,69,776	2.45
	14/06/2019	Sale	-61,374	0.12	12,08,402	2.33

iv) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

Sr. No.	Names of Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares*	% of total shares of the company*	No of Shares*	% of total shares of the company*
	21/06/2019	Sale	-45,557	0.08	11,62,845	2.25
	28/06/2019	Sale	-1,28,628	0.25	10,34,217	2.00
	23/08/2019	Purchase	16,351	0.03	10,50,568	2.03
	30/08/2019	Purchase	46,964	0.09	10,97,532	2.12
	27/09/2019	Sale	-2,28,190	0.19	8,69,342	1.93
	27/03/2020	Purchase	11,000	0.03	8,80,342	1.96
	31/03/2020	Purchase	16,267	0.03	8,96,609	1.99
	At the end of the year				8,96,609	1.99
4	IDFC Mutual Fund		14,78,800	2.86	14,78,800	2.86
	05/04/2019	Purchase	20,000	0.03	14,98,800	2.89
	26/04/2019	Sale	-6,940	0.01	14,91,860	2.88
	03/05/2019	Sale	-17,915	0.03	14,73,945	2.85
	28/06/2019	Sale	-62,500	0.12	14,11,445	2.73
	05/07/2019	Sale	-23,389	0.05	13,88,056	2.68
	12/07/2019	Sale	-73,636	0.14	13,14,420	2.54
	19/07/2019	Sale	-4,588	0.01	13,09,832	2.53
	26/07/2019	Sale	-49,520	0.1	12,60,312	2.43
	02/08/2019	Sale	-66,444	0.12	11,93,868	2.31
	09/08/2019	Sale	-14,118	0.03	11,79,750	2.28
	16/08/2019	Sale	-54,096	0.11	11,25,654	2.17
	23/08/2019	Sale	-80,686	0.15	10,44,968	2.02
	30/08/2019	Sale	-1,05,712	0.21	9,39,256	1.81
	06/09/2019	Sale	-14,064	0.02	9,25,192	1.79
	13/09/2019	Sale	-14,068	0.03	9,11,124	1.76
	20/09/2019	Purchase	2,58,248	0.50	11,69,372	2.26
	27/09/2019	Sale	-7,05,173	1.23	4,64,199	1.03
	30/09/2019	Sale	-4,173	0.01	4,60,026	1.02
	01/10/2019	Sale	-4,100	0.01	4,55,926	1.01
	11/10/2019	Sale	-10,285	0.02	4,45,641	0.99
	25/10/2019	Sale	-14,843	0.03	4,30,798	0.96
	01/11/2019	Sale	-27,866	0.07	4,02,932	0.89
	13/12/2019	Sale	-2,932	0.00	4,00,000	0.89
	17/01/2020	Sale	-38,371	0.09	3,61,629	0.80
	24/01/2020	Sale	-11,112	0.02	3,50,517	0.78
	28/02/2020	Sale	-10,315	0.02	3,40,202	0.76

iv) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

Sr. No.	Names of Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares*	% of total shares of the company*	No. of Shares*	% of total shares of the company*
	06/03/2020	Sale	-17,915	0.04	3,22,287	0.72
	27/03/2020	Sale	-29,516	0.07	2,92,771	0.65
	31/03/2020	Sale	-32,278	0.07	2,60,493	0.58
	At the end of the year				2,60,493	0.58
5	State Bank of India		12,54,535	2.42	12,54,535	2.42
	27/09/2019	Sale	-1,77,297	0.02	10,77,238	2.39
	At the end of the year				10,77,238	2.39
6	Acacia Banyan Partners Limited		10,07,772	1.95	10,07,772	1.89
	27/09/2019	Sale	-2,22,355		7,85,417	1.74
	At the end of the year				7,85,417	1.74
7	National Westminster Bank PLC as Trustee of The Jupiter India Fund		8,71,399	1.68	8,71,399	1.68
	27/09/2019	Sale	-1,13,232	0.25	7,58,167	1.68
	10/01/2020	Sale	-20,722	0.04	7,37,445	1.64
	21/02/2020	Sale	-8,755	0.02	7,28,690	1.62
	06/03/2020	Sale	-8,856	0.02	7,19,834	1.60
	At the end of the year				7,19,834	1.60
8	Caldwell India Holdings INC		7,73,319	1.49	7,73,319	1.49
	27/09/2019	Sale	-1,00,487		6,72,832	1.49
	At the end of the year				6,72,832	1.49
9	GKFF Ventures		7,34,937	1.42	7,34,937	1.42
	05/04/2019	Sale	-1,55,459	0.3	5,79,478	1.12
	12/04/2019	Sale	-1,00,000	0.19	4,79,478	0.93
	27/09/2019	Sale	-1,37,942	0.17	3,41,536	0.76
	11/10/2019	Sale	-54,404	0.12	2,87,132	0.64
	01/11/2019	Sale	-43,000	0.1	2,44,132	0.54
	08/11/2019	Sale	-80,000	0.18	1,64,132	0.36
	10/01/2020	Sale	-6,871	0.01	1,57,261	0.35
	17/01/2020	Sale	-98,877	0.22	58,384	0.13
	14/02/2020	Sale	-20,000	0.04	38,384	0.09
	At the end of the year				38,384	0.09
10	Akshay Vasantlal Mehta		3,09,462	0.60	3,09,462	0.60
	19/04/2019	Purchase	32,000	0.06	3,41,462	0.66
	26/04/2019	Purchase	96,600	0.19	4,38,062	0.85
	10/05/2019	Purchase	32,370	0.06	4,70,432	0.91
	24/05/2019	Purchase	1,380	0.00	4,71,812	0.91
	07/06/2019	Purchase	29,629	0.06	5,01,441	0.97

iv) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

Sr. No.	Names of Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares*	% of total shares of the company*	No. of Shares*	% of total shares of the company*
	14/06/2019	Purchase	165	0.00	5,01,606	0.97
	28/06/2019	Purchase	49,000	0.09	5,50,606	1.06
	05/07/2019	Purchase	32,500	0.07	5,83,106	1.13
	12/07/2019	Purchase	2,375	0.00	5,85,481	1.13
	26/07/2019	Purchase	25	0.00	5,85,506	1.13
	23/08/2019	Purchase	64,900	0.13	6,50,406	1.26
	30/08/2019	Purchase	20,500	0.04	6,70,906	1.30
	At the end of the year				6,70,906	1.30
11	ICICI Prudential Mutual Fund		6,56,573	1.27	6,56,573	1.27
	03/05/2019	Sale	-69,187	0.14	5,87,386	1.13
	10/05/2019	Sale	-1,25,241	0.24	4,62,145	0.89
	24/05/2019	Sale	-674	0.00	4,61,471	0.89
	14/06/2019	Sale	-18,742	0.04	4,42,729	0.85
	21/06/2019	Sale	-4,346	0.00	4,38,383	0.85
	30/08/2019	Sale	-50,108	0.1	3,88,275	0.75
	27/09/2019	Sale	-55,712	0.01	3,32,563	0.74
	At the end of the year				3,32,563	0.74
12	MSPL Limited		5,99,378	1.16	5,99,378	1.16
	At the end of the year				5,99,378	1.33
13	S Gopalakrishnan		5,30,835	1.02	5,30,835	1.02
	At the end of the year				5,30,835	1.18

*Including buyback transaction.

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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	NOT APPLICABLE			
Date wise Increase / Decrease in 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 deposits	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)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Particulars of Remuneration	Shri Ashishkumar Chauhan, Managing Director and Chief Executive Officer ^{1&2} (in ₹)	Total Amount (in ₹)
Gross salary		
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,42,63,112	7,42,63,112
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	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission	-	-
- as % of profit	-	-
- others, specify	-	-
Others,	21,60,000	21,60,000
- Employer's contribution to Provident Fund		
Total	7,64,62,712	7,64,62,712

Ceiling as per the Companies Act, 2013: As approved via Postal Ballot by the Shareholders under Section 196 & 197 read with schedule V

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 2019-20 as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

2. The remuneration paid to the Managing Director is approved by the Shareholders by Postal Ballot on March 23, 2020.

B. Remuneration to other Directors:

Particulars of Remuneration	Fee for attending board / committee meetings (in ₹)	Commission	Others, please specify	Total Amount (in ₹)
Independent Directors / Public Interest Director				
Justice Vikramajit Sen	16,60,000	-	-	16,60,000
Shri Sumit Bose	18,60,000	-	-	18,60,000
Shri S. S. Mundra	13,40,000	-	-	13,40,000
Shri David Wright	12,20,000	-	-	12,20,000
Shri Umakant Jayaram	19,50,000	-	-	19,50,000
Sushri Jayshree Vyas ¹	14,00,000			14,00,000
Total (1)	94,30,000	-	-	94,30,000
Shareholder Director				
Smt. Usha Sangwan	4,90,000			4,90,000
Smt. Rajeshree Sabnavis ²	2,00,000	-	-	2,00,000
Total (2)	6,90,000	-	-	6,90,000
Total Managerial Remuneration (1) + (2)	1,01,20,000	-	-	1,01,20,000

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. Appointed as Public Interest Director w.e.f. April 25, 2019.

2. Retired from the post of Shareholder Director w.e.f. July 15, 2019.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Particulars of Remuneration	Key Managerial Personnel		
	CFO	Company Secretary	Total (in ₹)
	Shri Nayan Mehta*/** (in ₹)	Smt. Prajakta Powle** (in ₹)	
Gross salary			
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,55,26,390	32,27,179	1,87,53,569
b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,800	219	4,019
c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
- As % of Profit			
- Other specify			
Others			
- Employer's contribution to Provident Fund	5,45,930	57,600	6,03,530
Total	1,60,76,120	32,84,998	1,93,61,118

*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 2019-20 as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

** None of the employees named above is relative of any Director of the Company.

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 21, 2020

Place : Mumbai

Justice Vikramajit Sen

Chairman

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2020** 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, 2020** 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 Byelaws 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. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not Applicable**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2019; - **Not Applicable**
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

- vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:-
- Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
 - Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations 2018.
 - Prevention of Money Laundering Act, 2002.

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

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

I further report that:

- the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Independent Directors and Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- adequate notices is given to all Directors to schedule Board Meetings. Agenda and detailed notes on agenda were sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- all decisions at Board and Committees meetings are were carried out unanimously, as recorded in the minutes of the Board and Committee meetings.
- there are adequate systems and processes exist in place in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- Sushri Jayshree Ashwinkumar Vyas was appointed as Independent Women Director w.e.f. April 25, 2019.
- Smt. Rajeshree Sabnavis, Shareholder Director of the Company retired from the Board of the Company w.e.f. July 15, 2019.
- The members of the Company at the Fourteenth Annual General Meeting of the Company held on July 15, 2019, approved the buy-back of equity shares through the 'tender offer' process. The Company has completed buy-back of its equity shares on September 24, 2019.

For Dhrumil M Shah & Co.
UDIN: F008021B000271561

Dhrumil. M Shah

Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No. 400/2016

Date: May 21, 2020

Place: Mumbai

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

**ANNEXURE I
(TO THE SECRETARIAL AUDIT REPORT)**

To,
The Members,
BSE LIMITED

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

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Dhrumil M Shah & Co.
UDIN: F008021B000271561

Dhrumil. M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No. 400/2016

Date: May 21, 2020

Place: Mumbai

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

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

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

- i. Promoting education and employment enhancing vocation skills among various social and demographic groups, including children, women, elderly, and the differently abled,
- ii. Disaster relief in form of medical aid to promote health care, food supply to eradicate hunger, poverty and malnutrition and supply of clear water to promote sanitation and making available safe drinking water and
- iii. Promoting technology incubators, including those set up as non-academic Technology Business Incubators, as permitted under Companies Act, 2013 and various guidelines issued thereunder.

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

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

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

2. COMPOSITION OF CSR COMMITTEE:

Names of Directors	Category
Sushri Jayshree Vyas ¹	Public Interest Director
Shri Umakant Jayaram	Public Interest Director
Shri Ashishkumar Chauhan	Managing Director & CEO

1. Appointed as Member and Chairperson of the Committee w.e.f. May 15, 2019

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: ₹ 16,087.35 Lakh

4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF ₹ 16,087.35 LAKH): ₹ 321.75 Lakh

5. DETAILS OF CSR EXPENDITURE FOR THE FINANCIAL YEAR ENDING MARCH 31, 2020:

- a. Total amount to be spent for the financial year: ₹ 321.75 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 to incubator funded by Central Government	Mumbai, Maharashtra	250.00	250.00	621.06	Through BSE CSR Integrated Foundation
2.	Disaster Relief	Promoting health, sanitation and eradicating hunger and poverty	1. Odisha 2. Goa 3. Madhya Pradesh 4. Gujarat 5. Maharashtra 6. Andhra Pradesh 7. Bihar 8. Assam 9. Karnataka 10. Kerala 11. Tamilnadu	60.00	60.00	60.00	Through BSE CSR Integrated Foundation
3.	Contribution to BSE CSR Integrated foundation towards undertaking CSR activities	Various sector covered by Schedule VII of the Companies Act, 2013	PAN India	9.73	9.73	9.73	Through BSE CSR Integrated Foundation
	Subtotal			319.73	319.73	690.79	
	Overheads				2.02		
	Total CSR Spend				321.75		

* 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 21, 2020

Ashishkumar Chauhan

Managing Director & CEO

Jayshree Vyas

Chairperson, Corporate Social Responsibility Committee

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 21, 2020

Place: Mumbai

Justice Vikramajit Sen

Chairman

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

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

Based on my verification of the Company's books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ('**Audit Period**'), complied with the Statutory provisions listed hereunder and also that the Company has proper Board Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 read with Circular No. CIR/MRD/DSA/33/2012 dated December 13, 2012 issued by the SEBI (effective upto October 02, 2018);
4. Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (effective from October 03, 2018);
5. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
6. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not applicable to the Company during the year under review as the Company does not have any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings);
7. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(Not applicable to the Company during the year under review);
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the year under review);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999 and The Securities and Exchange Board of India (Shared based Employee Benefits) Regulations, 2014 notified on 28th October 2014; (Not applicable to the Company during the year under review);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the year under review);

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the year under review);
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the year under review) and

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 & SS-2) and
- ii. Regulations 17 to 27, 46(2)(b) to 46(2)(i) and Para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the requirement of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (effective upto October 02, 2018) and Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 (effective from October 03, 2018).

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

- a. In terms of the requirements of Regulation 46 of The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, all the securities of the Company (Clearing Corporation) shall be in Dematerialised format. However, Six Equity Shares of the Company, held by the Nominee Shareholders on behalf of its Holding Company (BSE Ltd) are in physical format.
- b. Per the requirements of Section 92 (3) of the Companies Act, 2013, an extract of the Annual Return in form MGT-9 shall form part of the Board's Report. However, the same has not been annexed to the Board Report of the Company for financial year 2018-19, filed with Registrar of Companies on August 19, 2019.

I further report that:

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

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

For **Shweta Gokarn & Co.**
Practising Company Secretary

Place: Navi Mumbai
Date: April 22, 2020

Ms. Shweta Gokarn
ACS 30393 | CP 11001

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this report.

ANNEXURE 1

(To the Secretarial Audit Report)

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. Where ever required, I have obtained and relied on the Management representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Shweta Gokarn & Co.**
Practising Company Secretary

Place: Navi Mumbai
Date: April 22, 2020

Ms. Shweta Gokarn
ACS 30393 | CP 11001

Management Discussion & Analysis

ECONOMIC OUTLOOK

ECONOMIC ENVIRONMENT – GLOBAL OUTLOOK

'May you live in interesting times' fit very well to the current times. At of 30 May 2020, global economies are under tremendous pressure as they grapple with the COVID-19 escalation and try to assess the economic damage caused by an unprecedented lockdown and business shutdown. Financial and economic conditions have never been so volatile in living memory as it is during the current Covid-19 pandemic. This applies globally as well as to India.

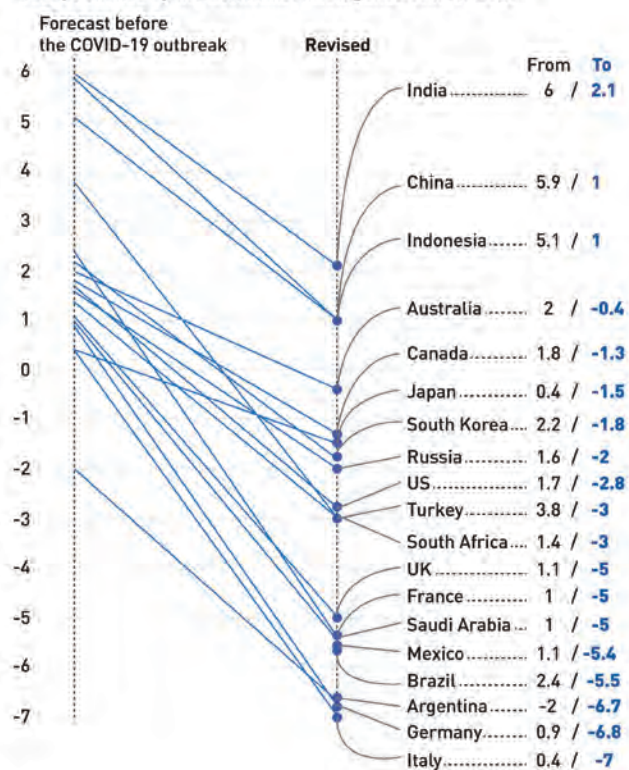
Initial indicators clearly show the impact that the lockdown is having on economic activity. China was first to release shocking data releases; now they're commonplace. Respected forecasters, like the Organization for Economic Co-operation and Development (OECD), the Institute of International Finance (IIF) and the International Monetary Fund (IMF), have all radically changed their outlooks. Others, frustrated by the pace and severity of change, have elected to cease their forecast operations until further notice. There have never been such immediate, large and extensive revisions for global economic outlook that has ever occurred, like in the months of April and May 2020.

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe

impact on economic activity. As a result of the pandemic, the global economy is projected to contract by 3 percent in 2020, according to the International Monetary Fund (IMF) World Economic Report of April 2020. This is much worse than during the 2008-09 financial crisis, in fact as stated by IMF's chief economist Gita Gopinath, this year will very likely be the worst global economic contraction since the Great Depression of the 1930s. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. Similarly, the Economist Intelligence Unit (EIU) expects global real GDP growth to contract by 2.5% this year—a worse outcome than during the global financial crisis.

Revised growth forecasts

Data published by the Economist Intelligence Unit for 2020



In presence of Hon'ble Vice President of India, Shri M. Venkaiah Naidu; Shri Nayan Mehta, CFO, BSE presenting a memento to Shri Bhagat Singh Koshyari, Hon'ble Governor of Maharashtra at the First Late Prof. Yashwantrao Kelkar Memorial event at BSE.

The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions



Shri Gyaneshwar Kumar Singh, Joint Secretary, Ministry of Corporate Affairs, Government of India along with Shri Kersi Tavadia, CIO, BSE posing at the BSE Bull on 3rd April, 2019 at BSE.

of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioral changes (such as people avoiding shopping malls and public transportation), confidence effects, and volatile commodity prices. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices.

A partial recovery for 2021 is anticipated with considerable uncertainty about the strength of the rebound. Assuming that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, IMF forecasts the global economy to grow by 5.8% in 2021 as economic activity normalizes, helped by policy support. Much worse growth outcomes are possible and maybe even likely. This would follow if the pandemic and containment measures last longer, emerging and developing economies are even more severely hit, tight financial conditions persist, and/or if widespread scarring effects emerge due to firm closures and extended unemployment.

Impact of Slowdown in Key Economies

The economic impact is already visible in the countries most affected by the outbreak. In China, industrial production, retail sales, and fixed asset investment dropped dramatically in January and February 2020, before recovering partially in April and May. The extended Lunar New Year holidays, gradual reopening of nonessential businesses across the country and low demand for services because of social distancing imply a significant loss of working days and a severe contraction in first-quarter economic activity. As more countries resort to stern quarantine and containment efforts of the kind seen, for example, in China, Italy, and Spain, this will necessarily cause similar sharp economic activity slowdowns. In the US, jobless claims in the first week of May 2020 exceeded 30 million, compared with about

280,000 in the last week of March 2020. Also, surveys of purchasing managers hinted plummeting economic activity in March 2020 in the Eurozone, Japan, and the US.

By the end of May 2020, most countries that have previously imposed restrictions, including USA, China, India and European countries are beginning to lift lockdown measures, although they've had varying levels of success in tackling their respective outbreaks. People are returning to a changed world, full of restrictions to ensure public spaces aren't overcrowded and workplace operational with necessary precautions. Economic activity that had slumped across the world in April has shown small signs of recovery in May 2020.

Impact on Commodities

The fast deterioration of the global economic outlook as the epidemic has spread and the breakdown of the OPEC+ agreement among oil suppliers have weighed heavily on commodity prices. From mid-January to end-March, base metal prices fell about 15%, natural gas prices declined by 38%, and crude oil prices dropped by about 65%. Futures markets indicate that oil prices will remain below \$45 a barrel through 2023, some 25% lower than the 2019 average price, reflecting persistently weak demand. These developments are likely to weigh heavily on oil exporters with undiversified revenues and exports—particularly on high-cost producers—and compound the shock from domestic infections, tighter global financial conditions, and weaker external demand. However, lower oil and commodity prices may benefit importers.

Impact on Equity Markets

Equity markets have sold off dramatically; high-yield corporate and emerging market sovereign spreads have widened significantly; and



Shri Subhash Desai, Hon'ble Minister for Industries and Mining, Government of Maharashtra; Shri Ashank Desai, VC - SINE/IITB Incubator; Shri Aslam Khan, ED, Transpect Enterprises Ltd.; Shri Anshu Goel, MD, Alpha Techsys Ltd. ringing the BSE Bell to mark First Listing Ceremony on BSE Startups.



Shri Ram Mohan Mishra, Additional Secretary & Development Commissioner, Ministry of Micro, Small and Medium Enterprises, Government of India ringing the BSE Bell along with Shri Ashish Kumar Chauhan, MD & CEO, BSE and many known MSME Industrialists on 3rd October, 2019 at BSE.

portfolio flows to emerging market funds have reversed, particularly in the case of hard currency bonds and equities. Signs of dollar funding shortages have emerged amid the general rebalancing of portfolios toward cash and safe assets. Equity markets which witnessed massive selling in March and April, have recovered partially in May, as major economies recover from easing of from mandated shutdowns. Investor confidence seems to be returning, with most global indices recovering most of their losses since lows of March 2020.

Mitigating Factors

Effective policies would be crucial to prevent the possibility of worse outcomes, and the necessary measures to reduce contagion is essential for long-term human and economic health worldwide. Substantial targeted fiscal, monetary, and financial measures would be needed to maintain the economic ties between workers and firms and lenders and borrowers, keeping intact the economic and financial infrastructure of society. Internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic, including helping financially constrained countries facing health and funding shocks, and for channeling aid to countries with weak health care systems. Economies facing financing constraints to combat the pandemic and its effects may require external support. Broad-based fiscal stimulus can preempt a steeper decline in confidence, lift aggregate demand, and avert an even deeper downturn. But it would most likely be more effective once the outbreak fades and people are able to move about freely.

It is encouraging that policymakers in many countries have risen to this unprecedented challenge by swiftly adopting a broad range of measures. Broad-based stimulus and liquidity facilities to reduce systemic stress in the financial system can lift confidence and prevent

an even deeper contraction in demand by limiting the amplification of the shock through the financial system and bolstering expectations for the eventual economic recovery. Fiscal measures would be required to scale up if the stoppages to economic activity are persistent, or the pickup in activity as restrictions are lifted is too weak.

Recent Developments in Key Economies

The fiscal response in affected countries has been swift and sizable in many advanced economies. The rapidly worsening risk sentiment has driven a series of central bank rate cuts, liquidity support actions, and, in a number of cases, large asset purchase programs, including from the US Federal Reserve, European Central Bank, Bank of England, Bank of Japan, Bank of Canada, and Reserve Bank of Australia, as well as from emerging market central banks in Brazil, China, India, Malaysia, Mexico, the Philippines, Saudi Arabia, South Africa, Thailand, and Turkey. Moreover, several central banks have activated bilateral swap lines to improve access to international liquidity across jurisdictions. According to Fitch Ratings, macro policy easing responses to the coronavirus crisis have reached unprecedented levels, with direct fiscal stimulus measures totaling US\$ 5 trillion (7% of 2019 GDP) for the "Fitch 20" countries covered in its Global Economic Outlook. This would definitely help in offsetting the tightening in financial conditions to some extent. However, the significant tightening of financial conditions will further dampen economic activity in the near term, adding to the direct macroeconomic fallout of the health crisis.

Many emerging market and developing economies (such as China, Indonesia, and South Africa) have also begun providing or announcing significant fiscal support to heavily impacted sectors and workers. Fiscal measures will need to be scaled up if the stoppages to economic activity are persistent, or the pickup in activity as restrictions are lifted is too weak. Economies facing financing constraints to combat the pandemic and its effects may require external support. Broad-based fiscal stimulus can preempt a steeper decline in confidence, lift aggregate demand, and avert an even deeper downturn.

Assuming that there will be a recovery in the second half of the year, downside risks to this baseline scenario were extremely high, as the emergence of second, or third waves of the epidemic would sink growth further. At this stage, it is also hard to see an exit strategy from the lockdowns, which means that uncertainty will remain high. Finally, the combination of lower fiscal revenues, and higher public spending, will put many countries on the brink of a debt crisis.

United States (US)

Coronavirus is rapidly spreading in the US, which now reports the highest number of cases worldwide. The US Commerce Department reported that the GDP fell at an annual rate of 5% in Q1 2020, the biggest quarterly decline since an 8.4% fall in the Q4 2008 during the depths of the financial crisis. However, the impact of the pandemic on growth will be mainly felt during the second quarter (April-June 2020),

expected to contract by 5.9%. The administration's initial response to the coronavirus outbreak was particularly poor, allowing the virus to spread quickly. Factoring in the abrupt implementation of measures needed to contain the virus, the steep jump in jobless claims in late March (about 22 million) and sluggish progress in accelerating testing for coronavirus, real GDP is expected to contract by 2.9% in 2020. This is still an optimistic baseline scenario, which will be derailed if containment measures are not lifted by the second half of this year. It also assumes that federal stimulus measures are implemented quickly, giving workers access to vital financial support. The combination of the coronavirus epidemic, and the slump in global oil prices, means that investment will contract sharply this year, especially in the energy sector, and export growth will slump.

China

China was the first country hit by the coronavirus outbreak. After an initially slow response, the authorities placed Hubei and other provinces on lockdown, significantly restricting economic activity in areas that are crucially important to national and international supply chains. Chinese citizens have cut down on spending, which means that firms working in service sectors have struggled to remain afloat. Recent data also show that industrial output, as well as property and fixed-asset investments, plunged by record-high levels in January-February. China's economic output contracted by 10.9% quarter on quarter in January-March. There are signs that activity is now slowly starting to recover, with the Chinese leadership keen to normalize the situation and lift quarantine measures. Against this backdrop, EIU expects growth to rebound to 9.2% quarter on quarter in April-June, with full-year growth at 1%.

Europe

The eurozone will be one of the hardest hit regions, posting a full-year recession of 6%. Germany (-6%), France (-5%), and Italy (-7%) will register full-year recessions. In Germany, the huge manufacturing sector is highly export-oriented, which means that the country is particularly exposed to both supply chain disruption and weak global demand. The country's recovery will be slower than that of other eurozone countries, such as France, where typically more resilient domestic consumption represents a larger driver of growth.

Southeast Asia

Southeast Asian economies are taking a huge hit in the global economic crisis caused by the spreading pandemic. The economic impact will be huge, on par with the fallout of the 1997-98 Asian Financial Crisis, or perhaps much greater. The ADB's Asian Development Outlook forecasts that Southeast Asia will track closely with China and decelerate growth to +1 percent in 2020. A strong rebound of +4.7 percent is expected in 2021 by the ADB, with the economic crisis brought on by the Covid-19 pandemic a huge, but relatively short-term shock.

Latin America

The decline in global demand and country-specific containment measures owing to the Covid-19 epidemic will push Latin America into a recession in 2020. The EIU expects regional growth to contract by 4.6% this year owing to especially steep contractions in the region's largest economies, such as Brazil, Mexico and Argentina. Still, the impact will be heterogeneous across Latin American economies and will depend on countries' exposure to major foreign markets (such as China and the EU), their reliance on trade to drive growth, the strength of their domestic healthcare systems, their integration in global supply chains and the extent to which they are economically diversified.

Oil Prices Outlook

Containment measures due to the virus will cause global oil demand to contract significantly in 2020 as social distancing measures cut domestic movement of goods and people, and international travel is severely restricted. In China, economic activity began to recover in late March, as the virus's spread has been largely halted; this will help to avoid a sharper contraction in oil demand, given that China represents the largest source of new oil consumption. With oil prices now at a near-record low, this could also encourage some opportunistic consumption, supporting a recovery in demand in this critical economy. However, in many OECD countries—where oil consumption has already been flat in recent years—the containment efforts are just getting into full swing.

As travel restrictions multiply and increasing numbers of workers self-isolate, the EIU expects lost energy consumption in the second quarter to be only partially made up in the second half of the year. Oil prices in the second quarter of 2020 is expected average around US\$ 26/barrel (from US\$20/b previously). If the global economy makes a



Shri Subramanian Swamy, Member of Parliament, Rajya Sabha and Shri Ashishkumar Chauhan, MD & CEO, BSE along with other dignitaries during the launch ceremony of the book named 'RESET: Regaining India's Economic Legacy' by Shri Subramanian Swamy on 30th September, 2019 at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a cheque of ₹ 5 lakhs towards Chief Minister's Relief Fund to Shri Devendra Fadnavis, Former Chief Minister, Maharashtra towards Flood Relief.

modest recovery in the second half of 2020; and global economic activity rebounds from the deep recession in the first half of the year, and as US shale production begins to fall, oil prices is expected to average around US\$34/b in the second half of 2020, bring the full-year average to US\$36/b.

INDIAN OUTLOOK

Economic Performance in FY 2019-20

The National Statistical Office (NSO) and the Ministry of Statistics and Programme Implementation (MOSPI) showed that India's GDP at Constant (2011-12) Prices in Q4 of 2019-20 is estimated at ₹ 38.04 lakh crore, as against ₹ 36.90 lakh crore in Q4 of 2018-19, showing a growth of 3.1 percent. Real GDP at Constant (2011-12) Prices in the year 2019-20 is now estimated to attain a level of ₹ 145.66 lakh crore, as against the First Revised Estimate of GDP for the year 2018-19 of ₹ 139.81 lakh crore, released on 31st January 2020. The growth in GDP during 2019-20 is estimated at 4.2 percent as compared to 6.1 percent in 2018-19.

Meanwhile, the Central Statistics Office (CSO) revised downwards growth in the previous October-December quarter of 2019-20 to 4.1 percent from 4.7 percent. Similarly, the first and second quarter growth figures were revised downwards to 5.2 percent and 4.4 percent from 5.6 percent and 5.1 percent, respectively.

According to the data, gross value added (GVA) growth in the manufacturing sector contracted by 1.4 percent in the fourth quarter of 2019-20, from 2.1 percent expansion a year ago. However, farm sector GVA growth was up at 5.9 percent, compared to 1.6 percent in the corresponding period of 2018-19.

Construction sector GVA contracted 2.2 percent from 6 percent expansion earlier. Mining sector growth came in at 5.2 percent, as against a contraction of 4.8 percent a year ago. Electricity, gas, water supply and other utility services segment grew by 4.5 percent in the fourth quarter, against 5.5 percent growth a year ago.

Similarly, trade, hotel, transport, communication and services related to broadcasting growth declined to 2.6 percent in the fourth quarter from 6.9 percent earlier.

Financial, real estate and professional services growth fell to 2.4 percent in Q4 FY20 from 8.7 percent. Public administration, defense and other services too saw growth slip to 10.1 percent during the quarter under review, from 11.6 percent a year earlier.

Union Budget for FY 2020-21

The budget focused on lifting the basic sectors to bring back economic growth to the government's nominal growth target of 10% for FY2020-21. At the same time, the budget sought to alleviate the various issues related to payment of both direct and indirect taxes. It sought to bring relief on the tax front, by proposing a simplified tax regime for individual taxpayers, abolishing the dividend distribution tax and introducing tax concession on foreign investments, start-ups and MSMEs. The budget also proposed to amend the Income Tax Act to enable faceless appeal on the lines of faceless assessment.

The budget attempted to continue with incremental measures aimed at boosting investment and consumption in the economy while also addressing the complaints related to tax procedures. Within the theme of "Ease of Living", the budget brought about various farmer related schemes in the agriculture sector, expanded existing schemes in the health sector and introduced new reforms in the education sector.

On the economic development front, the budget targeted the facilitation and promotion of Industry and Commerce for the financial year 2020-21. Electronics manufacturing, textiles, transportation & railways infrastructure and digital technology were some of the industries that were given specific allocations in the budget.

On fiscal management, the government revised the fiscal deficit numbers significantly from 3.3% to 3.8% of GDP for FY2019-20, representing a more realistic state of government finances given the current economic scenario.

Major Announcements for Capital Markets:

- Proposal to setup India Bullion Exchange at GIFT City IFSC
- The FPI limit for corporate bonds has been increased to 15% from the existing 9%.
- Plans to float a new Debt-ETF consisting primarily of G-Secs in the wake of the success of the Debt-ETF which will improve retail investors' access to G-Secs.

- Liquidity support to NBFCs/HFCs under Partial Credit Guarantee Scheme to be continued by guaranteeing securities floated.
- Withholding of lower Interest rate of 5% under section 194LD for interest payment to FPIs and QFI in respect of bonds issued by Indian companies and government securities has been extended till 30th June 2023.
- Municipal Bonds is also included under section 194LD, thereby withholding rate of 5% to will be applicable for interest payment to FPIs and QFI.
- 100% tax exemption to their interest, dividend and capital gains income in respect of investment made in infrastructure.
- Investment limit of FPIs in corporate bonds will be increased from 9% to 15%.
- Withholding rate reduced from 5% to 4% on interest payment on the bonds listed on its IFSC exchange.
- Disinvestment target has been pegged for FY 2020-21 at ₹ 2.11 lakh crore, against target of ₹ 1.05 lakh crore in FY 2019-20.
- Stake sale in LIC through IPO
- Proposal to sell balance holding of government in IDBI Bank.
- Air India, BPCL, Shipping Corporation of India is expected to contribute substantially to the FY21 divestment target.

Impact of COVID-19 on Indian Economy

India has not been spared from the exponential spread of COVID-19. The Government of India had initially declared a 21-day nationwide lockdown, extended to more than 60 days in most parts of the country, to tackle the challenge posed by the COVID-19 pandemic. The impact of COVID-19 in India is much lower than other western countries as of 30 May 2020. The proactive intervention by the Government, particularly in terms of implementing a lock-down despite the threat to economic growth has helped contain the spread in India. As of June 3, 2020, India is on the cusp of 200,000 cases which has been reported. While efforts are being mounted on a war footing to arrest its spread, the aftershocks are being felt in the economy.

1. Goods and Services Tax (GST): GST collections fell 8.4% (YoY) in March 2020 to ₹ 97.6 thousand crore, falling short of the minimum target of ₹ 1 lakh crore. According to unofficial data, GST collection fell sharply to a record low of ₹ 28,309 crore in March 2020 as compared to ₹ 1.13 lakh crore recorded in the same month last year. The collection was hit as normal business activities were hit after March 24, when a nationwide lockdown was announced to control the spread of Covid-19 pandemic. The decline in GST collections is expected to be impacted in 1Q and 2Q 2020-21

due to the lockdown, fall in domestic demand and waiver of interest and late fees. The government has extended the last date for filing annual GST return for financial year 2018-19 by three months till September 2020. An extension till 31st May for all the e-way bills generated on or before the March 24th, whose validity were to expire between March 20th and April 15th. This relaxation will allow seamless movement of goods and supplies through road transport carriers ensuring availability of supplies across the country.

2. Purchasing Managers' Index (PMI): India's services sector that contributes 55% to India's GDP declined to its lowest level in over 14 years in April 2020, as the lockdown to contain the covid-19 pandemic forced businesses to shut down and consumers to stay indoors. The services PMI for India fell sharply to 5.4 in April 2020 from 49.3 in March, recording the sharpest deterioration in services output since data analytics firm IHS Markit started collecting the data in December 2005. It recovered marginally to 12.6 in May 2020. Similarly, manufacturing PMI released by the IHS Markit declined to 30.8 in May, only slightly better than 27.4 recorded in April 2020.
3. Trade: Contracting for the second straight month, India's exports shrank by a record 60.28 percent in April 2020 to USD 10.36 billion, mainly on account of the coronavirus lockdown. Imports too plunged by 58.65 percent to USD 17.12 billion in April 2020, leaving a trade deficit of USD 6.76 billion as against USD 15.33 billion in April 2019, according to the data by the commerce and industry ministry. This is the lowest trade deficit since May 2016, when it had stood at USD 6.27 billion. The country's exports had declined by 34.57 percent



Shri Ashishkumar Chauhan MD & CEO, BSE presenting BSE Coffee Table book to Shri Jaykumar Rawal, Former Minister of Food and Drugs, Tourism Development and Protocol, Government of Maharashtra during his visit at the World SME Day and Celebration of the successful listing of 300 Companies on India's Largest SME Platform BSE SME on 27th June, 2019.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Shri Sudhir S. Mungantiwar, Former Minister for Finance and Planning, Forest, Government of Maharashtra at the World SME Day and Celebration of the successful listing of 300 Companies on India's Largest SME Platform BSE SME on 27th June, 2019 at BSE.

in March 2020. The decline in exports has been mainly due to the ongoing global slowdown, which got aggravated due to the current COVID-19 crisis. The latter resulted in large scale disruptions in supply chains and demand resulting in the cancellation of orders. Barring iron ore and pharmaceuticals, all the remaining 28 key sectors registered negative growth in the month. Gems and jewelry shipments declined 98.74 percent, followed by leather (-93.28 percent), petroleum products (-66.22 percent), engineering goods (-64.76 percent), and chemicals (-42 percent). Oil imports in April 2020 were USD 4.66 billion, which was 59.03 percent lower as compared to the same month last year. All 30 key imports sectors like gold, silver, transport equipment, coal, fertiliser, machinery and machine tools posted negative growth during the month. Non-oil imports fell 58.5 percent to USD 12.46 billion in April 2020. Gold imports stood at USD 2.83 million, as against USD 4 billion in April 2019. The drop in exports is in sync with the projections of the World Trade Organisation (WTO), which has stated that world trade is expected to fall between 13-32 percent in 2020 due to the COVID-19 pandemic.

4. Electricity: India's electricity demand is expected to fall 1% in FY 2019-20 due to the impact of a nationwide lockdown to prevent the spread of the coronavirus, the first time in at least 36 years, according to ratings agency ICRA. Electricity demand from industries account for more than two-fifths of India's annual consumption, according to government data. The extension in the lockdown period may have further downside risk for electricity in FY 2020-21.

COVID-19 Relief Measures

To mitigate some of the negative effects the Government has announced an ₹ 1.7 trillion relief package for the poor and migrant workers across the country. The measures included a combination of direct cash transfers, free food and fuel for three months among others. RBI announced a series of steps to soften interest rates, improve liquidity and offer some immediate relief to borrowers. The central bank reduced the policy rate by 75 bps, provided liquidity in the system and allowed moratorium of term loans for three months. The RBI has injected liquidity worth about 3.2% of GDP since February 2020

The RBI in its seventh bi-monthly Monetary Policy Statement of FY20 on 27 March 2020 announced the reducing

- the repo rate by 75 basis points,
- cutting the cash reserve ratio by 100bp to 3.0%
- announcing targeted long-term repo operations (TLTRO) worth ₹1 trillion, were primarily focused on easing the tight monetary conditions building up in the economy

Subsequently on May 22, 2020, RBI again announced a cut in the repo rate by 0.4 percent, which now stands at 4 percent. The reverse repo rate was reduced to 3.35 percent. Besides cutting the repo rate, the RBI has also extended the moratorium period by another three months.

In his address on May 12, the Hon'ble Prime Minister of India announced massive financial incentives on top of previously announced packages for a combined stimulus of ₹ 20 lakh crore or 10% of GDP, addressing the financing and liquidity problems that firms, businesses and utilities are facing due to the lockdown.

Economic Prospects for FY 2020-21

An unprecedented drop in domestic economic activity on account of the lockdown is already visible in macro indicators like industrial and manufacturing activity, merchandise trade, auto sales, and power. 1Q FY2020-21 GDP is expected to witness a significant lockdown-induced contraction, with improvement based on the resumption of normalcy, the stimulus offered by the Government and resumption of global trade. The outlook for India is overcast with massive dislocations in production, supply chains, trade and tourism.

Against this backdrop, forecasts for real GDP growth in India were not provided by Reserve Bank of India, who are awaiting a clear fix on the intensity, spread and duration of COVID-19. The IMF projected a GDP growth of 1.9% for India in CY 2020, and a sharp uptick of 7.4 percent growth in CY 2021. Investment bank Barclays pared its growth forecast for India to 0% for CY 2020 from its earlier projection of 2.5%, and Nomura expects India's GDP to contract by 0.5% in CY 2020, revised downward from its earlier estimate of 4.5%, assuming

6.5% dip in economic growth in the June quarter. The World Bank expects India to grow 1.5% to 2.8% in the FY 2020-21.

Prior to the outbreak of COVID-19, the outlook for growth for FY 2020-21 was optimistic based on the bumper rabi harvest and higher food prices during FY 2019-20, which provided favorable conditions for uptick in rural demand. For the industrial, manufacturing and services sector, the impact of policy rate to bank lending rates has been improving, with positive implications for both consumption and investment demand. The reductions in the goods and services tax (GST) rates, corporate tax rate cuts in September 2019 and measures to boost rural and infrastructure spending also added to the upside. The COVID-19 pandemic has drastically altered this outlook.

The retail inflation estimate for FY 2020-21 is 3.6%. Retail inflation had breached the RBI's upper bound of 6% in December 2019 and peaked in January 2020, before the receding prices of vegetables, fruits and petroleum products brought it down to 5.9% in March 2020. Inflation has receded lately due to adequate buffer stocks in cereals, good rabi harvest, record decline in global crude prices and low pricing power of firms. The RBI expects the retail inflation to fall to 2.7% in 3QFY21 and 2.4% in 4QFY21. The dip in tax/non-tax revenue due to the lockdown/growth slowdown along with the need to provide stimulus will alter the fiscal arithmetic of both union and state Governments. It is expected that the fiscal deficit of the Government of India will rise to 4.4% of GDP in FY2020-21 against the budget estimate of 3.5% of GDP.

On the brighter side, the shift of economic activity to the cloud and the need for mobile and other tech solutions to contain and respond to future outbreaks of the virus could benefit India, which already has an edge since the Government has been pushing for a digital economy. A shift in demand toward digital applications, and government policies designed to support this sector, could spur innovation and boost entrepreneurs working on the digital economy, which would further brighten the growth and development prospects for India once we get to the other side of this global crisis.

Among other positives, the sharp reduction in international crude oil prices, if sustained, could improve the India's terms of trade, but the gain from this channel is not expected to offset the drag from the shutdown and loss of external demand according to the RBI. Assuming an average crude price of US\$35 a barrel in FY 2020-21, as assumed by RBI's Monetary Policy Report, the crude import bill could be substantially lower at US\$ 53 billion, as compared to more than US\$ 100 billion in FY 2019-20. If oil goes below \$20/ barrel, then the import bill could go down even further.

A well-coordinated effort from the Ministry of Commerce and Industry as well as the state governments to lure production from China, as global businesses look to diversify their business risks is an opportunity for India. In the current scenario, the Make in India initiative has the potential to transform the Indian economy with investment in the manufacturing

sector and the advancement of technology. If India takes steps to offer incentives to companies to diversify productions, it has the potential to become the next manufacturing destination for global companies. States like Uttar Pradesh and Telangana have already initiated discussions in this regard.

Despite a moderation caused by the Covid-19 pandemic, the fundamentals of Indian economy remain strong and GDP growth is expected to rebound from the second quarter of FY 2020-21. Fiscal situation remained close to the consolidation path and consumer price inflation was within the targeted limits set by the monetary policy committee (MPC) of RBI. Despite continuing sluggishness in global demand, the Current Account Deficit (CAD) narrowed to 1.5% of GDP in first half (H1) of 2019-20 from 2.1% in 2018-19. Global confidence in the Indian economy improved as reflected in growing inflows of net Foreign Direct Investment (FDI) of US\$ 73.5 billion reflecting a growth of 1% and an all-time high accumulation of foreign exchange reserves of US\$ 490 billion as of May 2019. India has emerged as an important player in the global stage on the back of high GDP growth over the last few years, and growth prospects remain positive on announcement/implementation of critical reforms.

INDUSTRY STRUCTURE AND DEVELOPMENTS

CAPITAL MARKET

Stock Exchanges in India remain among the most resilient globally. Indian Capital Markets demonstrated tremendous growth despite the challenges posed by the Covid-19 pandemic. Stock Exchanges and all associated market infrastructure institutions in India were fully functional despite the lockdown, on back of government and regulatory support, meticulous planning and technological advances, thus ensuring uninterrupted business continuity for market participants. Its role in the economy is vital to ensure India remains among the top destinations for



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento and BSE Coffee Table Book to Shri G. Mahalingam, WTM, SEBI in presence of Shri Nagendra Parakh, ED, SEBI and Shri Nehal Vora, MD & CEO, CDSL at Release of Common Booklet on Securities Market on 4th October, 2019 at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE welcoming Shri S K Mohanty, WTM, SEBI by presenting BSE Coffee Table during his visit to Cyber Security Conference 2020 on 10th January, 2020 at BSE.

domestic and global businesses to expand and invest. India's exchanges have shown extraordinary strength to bounce back with greater stability and sustainability in wake of any crisis and remain confident that they will emerge stronger from the covid-19 pandemic. Raising capital is a strategic priority in this current scenario, and the frontiers of Indian capital markets are not only increasing but has assumed far greater importance and urgency.

Exchanges are organized markets designed to provide centralized facilities for the listing and trading of financial instruments, including securities issued by companies, sovereigns and other entities to raise capital. Exchanges are crucial market intermediaries and are supervised by the SEBI. In certain cases, exchanges may also act as a self-regulatory organization responsible for supervising their members, corporates and market participants. To give an overview of the dimension of the capital markets in India, as of FY 2019-20 there were 5 Stock Exchanges in the Equity Cash Segment, 3 in the Equity and Currency Derivatives Segment and 5 in the Commodities Derivatives Segment, 7 clearing corporations, 2 depositories, 9,679 Foreign Portfolio Investors (FPIs), and 19 custodians, with a market capitalization of all listed companies at ₹ 113.5 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.

MAJOR POLICY DEVELOPMENTS FOR FY 2019-20

Mutual Funds

In the mutual fund space, SEBI revised mutual fund regulations to permit non-bank SEBI-registered custodians to manage gold or gold-related instruments. The move is aimed at reducing the concentration of custodial services for gold or related instruments. Additionally, in order to bring uniformity across schemes, SEBI also allowed sponsors or asset management companies (AMC) to invest in close-ended mutual fund schemes. Following a liquidity crisis in some leading Asset Management Companies (AMC), the regulator made it mandatory for mutual funds selling liquid schemes to hold at least 20% in liquid assets like cash, g-secs, and banned them from entering into standstill agreements with firms into whose debt they have exposure to. SEBI also confirmed that fund houses could levy graded exit load on investors of liquid funds, who exit the scheme within 7 days. SEBI also permitted investors to directly access stock exchange infrastructure to purchase and redeem mutual fund units and allowed AMCs to provide management and advisory services to appropriately regulated foreign portfolio investors (FPIs).

Commodity Derivatives

In January 2020, SEBI undertook a major reform in commodity derivatives markets that allowed stock exchanges to launch 'option in goods' i.e. options on spot prices of commodities. This is in addition to 'options on commodity futures'. This gave greater flexibility to exchanges to introduce products that cater to a large section of stakeholders and help in adding to overall market efficiency. SEBI allowed mutual funds to participate in exchange-traded commodity derivatives (ETCD). However, the regulator has decided to keep away mutual funds from trading in derivatives of sensitive commodities. The mutual fund schemes cannot invest in physical goods except in 'gold' through ETFs.

For the overall development of the commodity derivatives market, broad based participation, enhancing liquidity, facilitating hedging and bringing in more depth to the commodity derivatives market, exchanges with commodity derivative segment were allowed to introduce futures on commodity indices. The regulator also expanded the horizon of all compulsory delivery contracts under staggered delivery, a move that aims to reduce price manipulation and improve liquidity on commodity exchanges. SEBI also cut the minimum staggered delivery period to five days from the existing 10 days, leaving the discretion of fixing the higher number of days on the concerned exchange, depending upon the history of the relevant commodity.

Equity Derivatives

The markets regulator introduced cross margining facility for offsetting positions in co-related equity indices, a move that increased liquidity and trading volumes in stock markets. Cross margining allows market participants to reduce the total margin payment required, if they are taking two mutually offsetting positions. The move helps market participants transfer excess margin from one account to another. Cross margin benefit will be provided on offsetting positions in futures on equity indices pairs if at least 80 percent of constituents of one of the

indices is present in the other index and constituents of smaller index based on free float market capitalisation need to have at least 80 per cent weightage in the larger index. A positive correlation of more than 0.90 for a period of six months between the values of the equity indices was important in order to avail the facility.

Other

- Framework for technology companies to issue differential voting rights (DVR) shares, making it easier for the promoters of tech start-ups to go in for initial public offerings (IPOs) was also allowed.
- Framework for listing of commercial papers (CPs) on stock exchanges in order to broaden investor participation in such securities. To enable listing of CPs and to ensure investor protection, SEBI noted that it is important that issuers, who intend to list such securities, make appropriate disclosures at the time of listing and on a continuous basis.
- In a move that may benefit Indian companies as well as foreign investors, SEBI issued a new framework for issue of depository receipts for greater exposure to world markets for raising capital and enhancing their shareholder base.
- Permitting foreign investors to invest in municipal bonds as a measure to broaden access of non-resident investors to debt instruments in the country. SEBI also eased its norms to allow smart cities to raise funds through 'Muni Bonds'. The entities working in areas of city planning and urban development work, including municipalities, special purpose vehicles (SPVs) set up under the central government's ambitious 'Smart Cities Mission' can also raise funds through debt securities.

A regulatory sandbox regime to allow live testing of new products, processes, services and business models for financial firms allows companies to test their solutions on select real customers for a specified period. This live testing reduces the time to go to the market and allows a room for failure without actually going for a commercial launch. It aims to foster responsible innovation in financial services, promote efficiency and bring benefit to consumers.

GLOBAL CAPITAL MARKETS PERFORMANCE

Calendar Year (CY) 2019: US – China Trade Dispute Drives Markets:

In CY 2019, equities markets generated the best returns in a decade, boosted by aggressive central bank stimulus measures and easing trade tensions toward the end of the year. The MSCI World Index was up 28%, led by US equities (+31%), with European equities (+27%). U.S. stocks soared to record highs in December as the U.S. and China agreed to a limited trade truce with the aim of avoiding the imposition of new tariffs and other protectionist measures. Technology stocks posted the highest returns with a gain of nearly 48% in aggregate. The sector was driven by strong earnings reports from U.S. tech giants such as Apple, Microsoft and Facebook.

U.S. equities posted their strongest annual gains since 2013, on back of resilient U.S. economy and the Federal Reserve's return to accommodative policies. The US central bank cut its policy rate three times in 2019 amid concerns over slowing economic growth. Overall, the Standard & Poor's 500 Composite Index climbed 31% and the tech-heavy Nasdaq Composite gained 37%. The current economic expansion became the longest in U.S. history, surpassing the 10-year boom of the 1990s. The trade dispute with China reached a peak in September, when new tariffs on more than US\$ 125 billion of Chinese goods and US\$ 75 billion of U.S. products were enacted.

European stocks rallied despite signs of slowing economic growth, a near-recession in Germany and Brexit-related uncertainty in the U.K. Boosted by easy monetary policy, European stocks rose 24% for the year as investors cheered aggressive interest rate cuts by the U.S. Federal Reserve and the European Central Bank. The progress of U.S.-China trade negotiations heavily influenced European markets, particularly Germany's auto industry. With Europe's economy highly dependent on global trade, the announcement of a "phase one" trade deal between the U.S. and China in December helped bolster investor sentiment. The British pound also rallied strongly in December after U.K. voters gave Prime Minister Boris Johnson and the Conservative Party a clear majority in Parliament.

The Japanese economy expanded modestly due to a manufacturing slowdown driven largely by the U.S.-China trade dispute. Consumer spending buoyed growth, but retail sales tailed off after a consumption tax increase took effect October 1. Japanese trade deals with the U.S. and the European Union took effect, while a diplomatic dispute with South Korea disrupted trade relations. The Bank of Japan maintained its loose monetary policy but failed to drive inflation toward its 2%



Shri Somasundaram PR, MD, World Gold Council India gives a keynote address at Free Press Journal and BSE Conference on "Gold and its increasing allure for India and the World" on 5th November, 2019 at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting BSE Coffee Table book to Padma Shri A S Kiran Kumar, Former Chairman, ISRO during his visit to BSE.

target. Gross domestic product fell 3.2% in the third quarter, marking the its first recession in a decade. In Hong Kong, months of political protests hurt business confidence, tourism and retail sales. Weakness in global trade also weighed on the economy. Hong Kong stocks rose 10% for the year, well below returns from most other developed markets in the region.

1Q CY 2020: Unprecedented shock due to Covid-19

Nobody could have predicted at the start of this year that large parts of the global economy would be brought to an abrupt halt by the COVID-19 pandemic. The debate has now moved on from whether or not there will be a recession this year, to how deep and long it will be. As markets have moved to reflect this new reality, equities have fallen sharply, with the worst returns coming in March. The S&P500 fell 20% over the quarter and the FTSE all share declined by 25%.

Commodity prices, other than gold, fell sharply over the quarter. As countries halted business activity to try to bring the spread of the virus under control, demand for most commodities declined, hitting prices. Due to lack of agreement between OPEC and Russia, Oil price to fall by more than 60% due to a supply glut and outlook for demand fell.

INDIAN CAPITAL MARKETS PERFORMANCE

In FY 2019-20, Indian equity markets scaled all-time highs when the benchmark S&P BSE Sensex touched 42,273.87 before ending the year 29,468, compared to 38,673 for the previous year, a decrease of 23.8% and the worst since FY 2009. The markets slipped considerably towards the end of the year, with the Sensex falling over 23.1% in March alone. Much of the decrease has come in the month of March due to the disruption of business activity caused by the Covid-19 pandemic.

Foreign institutional investors (FIIs) withdrew ₹ 65,816 crore in the month of March, which was the worst ever for the Sensex. Domestic institutional investors (DIIs), continue to remain buyers in this time and have, to an extent, negated FII outflows in the market downturn. During the same period, DIIs purchased equities worth ₹ 55,595 crore. Market Capitalisation of BSE-listed companies fell by ₹ 37.59 lakh crore to ₹ 113.48 lakh crore at the end of last fiscal. Amid intense selling pressure the Sensex touched one-year lows of 25,638.9 on March 24-just two months after hitting its all-time peak of 42,273.87 on January 20.

Before the Covid-19 pandemic impacted the Indian Economy, the markets reached all-time highs despite the challenges such as 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. A number of Government initiatives focusing on enhancing attractiveness of India as an investment destination were launched, with focus on job creation, infrastructure spending and improvement in farm income to boost domestic demand.

For the third consecutive year, India improved its ranking in the World Bank "Ease of Doing Business" rankings, improving from 130 in 2013 to 63 in 2019. India has seen an improvement in eight out of ten indicators over last five years, with significant improvement registered in resolving insolvency, dealing with construction permits, getting electricity, trading across boards and paying taxes indicators. In September 2019, corporate tax rate was cut India Inc. The Government lowered its corporate tax rate to 22% from 30% for companies that don't seek exemptions. Firms that do receive incentives or exemptions will see their tax rate cut to 25% from 35%. The tax cuts are aimed at boosting spending and shore up investments in India.

Capital Market Outlook

Despite the lockdown, a protracted return to normalcy is expected by August 2020. The unprecedented scale and scope of policy responses will undoubtedly help to limit the extent of the collapse and will help the post-crisis recovery. The equity market crash in March 2020 also reveal the stunning rapidity and severity of the dislocation. Severe economic dislocation and massive pressures on small businesses will weigh heavily on post-crisis activity levels.

Other than the response to the Covid-19 pandemic, major factors to impact Indian capital markets in the coming year include resurrection in consumption demand, growth led by policy reforms, move towards digitization and monetary stance of central banks of major economies, and economic and trade policies. Coupled with strong demographic dividend and economic growth, consumer demand conditions in the country will remain strong for a long period. Additionally, stable fiscal situation, moderate inflation rate, exports growth, rising FDI inflows

point towards fundamental stability in the economy, which augurs well for the capital markets.

If India emerges out of the pandemic stronger, it is widely expected that the equity markets to remain vibrant as the country remains one among the top investment destinations. Among financial assets, majority of household savings in India are concentrated in the form of cash deposits, gold and real estate. This is in sharp contrast to developed economies where households rely on a mix of equities, pension products, insurance and other financial products. As financial literacy levels improve and per capita savings increase, the allocation of savings into more financial products such as insurance, mutual funds and equities is expected to further increase.

CAPITAL MARKETS OVERVIEW

BSE is the world's fastest Stock Exchange and the largest stock exchange in terms of number of companies listed. As of March 31, 2020, BSE is ranked #13 by market capitalization among global stock exchanges, and the largest in India.

PRIMARY MARKET

The total number of companies listed on BSE as on March 31, 2020 was 5,377 as compared to 5,262 as on March 31, 2019.

During FY 2019-20, 14 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 2019-20 was ₹ 20,827 crore as against ₹ 19,814 crore in FY 2018-19.

In addition to 14 IPOs on the Mainboard, another 29 companies raised ₹ 324 crore through the Small and Medium-sized Enterprises ("SME") IPO process in FY 2019-20 and 4 companies raised ₹ 19 crore through the Small and Medium-sized Enterprises -Start Up ("SME Start-up") IPO process in FY 2019-20.

The total amount mobilized through Privately Placed Debt Instruments ("PPDI") at BSE in FY 2019-20 was ₹ 4,71,637 crore as against ₹ 4,34,466 crore in FY 2018-19. During FY 2019-20, there were 35 public issues of bonds, which mobilized ₹ 15,068 crore as against ₹ 36,680 crore in the FY 2018-19. Out of these 35 public issues, 25 issues (71%) 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 95%.

The total amount mobilized through Commercial Paper ("CP") at BSE in FY 2019-20 was ₹ 4,33,480 crore.

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 no. CIR/IMD/DF1/48/2016 dated

April 21, 2016, Circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018 and Circular no. SEBI/HO/DDHS/CIR/P/2018/122 issued on August 16, 2018. BSEBOND platform has been a preferred choice for companies to raise Debt Capital in India. In F.Y. 2019-20, 121 issuers with 417 issues of bonds have successfully raised ₹ 3,36,670 crores using BSE BOND platform.

Mutual Fund Segment

BSE StAR MF platform has emerged as the largest mutual fund distribution Infrastructure with close to 73% of market share amongst similar platforms in mutual funds Industry. In FY 2019-20, BSE StAR MF crossed 5.75 Crore transactions witnessing 60% growth as compared to 3.59 Crore transactions in FY 2018-19. The platform also registered 33,727 new independent financial advisors in FY 2019-20, taking the total number of distributors to approximate 57,000 on the platform. BSE StAR MF App (StAR MF Mobility) has processed over 3.69 lakh transactions since its launch, amounting to ₹ 2,881 crore in FY 2019-20.

40 AMCs, accounting for more than 99.99% of total AUM 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 provided by BSE has created a super highway, which has boosted the mutual funds distribution for traditional distributors as well as new age e-commerce



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting BSE Gong memento to Shri Dinesh Khara, MD, Global Banking & Subsidiaries, SBI at the listing ceremony of SBI Cards & Payments Services Ltd. on 16th March, 2020 at BSE.



Shri Rajnish Kumar, Chairman, SBI interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE at the listing ceremony of SBI Cards & Payments Services Ltd. on 16th March, 2020 at BSE.

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).
- 24X7 order acceptance is available on BSE StAR MF Platform, along with continuous settlement of orders.
- New Value added services Offering:
 - Brokerage Management Services
 - Portfolio Software Services
 - IFA buddy Referral Program
 - Distributor Common Empanelment,
 - New IFA Certification Program
 - Phygital Initiatives
 - Overnight Investment framework facilitates BSE StAR MF Registered Investors:
 - To route idle monies as overnight investments, monies can be invested even for single day i.e. overnight.
 - Subscription and redemption can happen simultaneously on the same day.
- Only Infrastructure in India that supports 3 modes via Systematic Investment Plan ("SIPs"), which can be initiated as under:

- Paperless SIP: Wherein the link for payment is created for 1st Instalment as well as subsequent Instalment, only available with BSE.
- X-SIP/ National Automated Clearing House ("NACH" & "eNach") based SIP Facility: Under this product, a single mandate can be used for investing in SIPs across all schemes and all Asset Management Companies ("AMCs") registered with StAR MF. The SIP administration and the cost of administration is borne by BSE and the money is debited to the client's bank account directly instead of debiting the member pool account.
- X-SIP Facility with First order today flexibility: Enabling BSE StAR MF members to start SIP within couple of minutes instead of waiting for a month.
- Paperless Internet based SIP ("ISIP"), wherein BSE is Biller in leading banks of India, Single ISIP Mandates can be used across all schemes of different AMCs, with "First order today" flexibility. This facility is available only on BSE.
- Any day Systematic Transfer Plan ("STP") and Systematic Switch Plan ("SWP"), with "First order today" facility.
- Completely digital and real time onboarding of investors.
- Connectivity: Multi mode platform access;
 - Web – browser with CO-BRANDING facility,
 - APIs over leased lines,
 - WEB Services - APIs over internet.
 - Multi-ARN facility, useful when settlement of trades can be done for other AMFI registration no. ("ARNs") of same group company or otherwise, only available on BSE.
 - Mobile App for distributors

Municipal Bonds and Green Bonds

The total amount mobilized through Municipal Bonds at BSE in FY 2019-20 was ₹ 100 Crore as against ₹ 2,475 Crore in FY 2018-19. Greater Hyderabad Municipal Corporation raised bonds aggregating to ₹ 100 Crore in FY 2019-20. The total amount mobilized through Green Bonds at BSE in FY 2019-20 was ₹ 1,803 Crore as against ₹ 865 Crore in FY 2018-19.

Sovereign Gold Bonds

With Stock Exchanges being allowed to act as a receiving office for Sovereign Gold Bond ("SGB") Scheme, BSE has become a significant platform for accepting retail bids in this product. BSE aggregates application from its vast network of brokers and distributors and channels the same to RBI. Please find below table on SGB bids received on BSE in the respective Tranches for FY 2019-20.

Tranche	Total No. of Members	Total No. of Bids	Volume in Kgs	Value in ₹Crores
SGB192001	40	803	60.25	18.96
SGB192002	48	725	25.81	8.76
SGB192003	76	1275	91.65	31.61
SGB192004	66	1233	112.73	43.29
SGB192005	58	1382	55.62	20.79
SGB192006	101	3140	116.10	43.94
SGB192007	72	1743	76.00	28.46
SGB192008	72	1465	73.34	29.09
SGB192009	49	1225	63.77	25.64
SGB192010	70	2101	105.64	44.47
Total			780.91	295.01

SECONDARY MARKET

Equity Cash Segment ("ECM")

The S&P BSE SENSEX ended FY 2019-20 at 29,468 compared to 38,673 at year end of FY 2018-19, a decrease of 23.80% over the year. The average daily value of equity turnover on BSE in FY 2019-20 was ₹ 2,676 Crore, a y-o-y decrease of about 14.44% from ₹ 3,127 Crore in FY 2018-19.

Equity Derivatives Segment ("EDX")

In EDX, the daily average value was ₹ 1,062 Crore in FY 2019-20 as compared to ₹ 9 Crore in FY 2018-19. BSE has re-launched Liquidity Enhancement Scheme (LES) from August 26, 2019. The scheme has been further amended from time to time and has resulted in steady increase in turnover to average daily value of ₹ 1,062 Crore. BSE Derivatives has recorded highest turnover of 8,551 Crore on February 26, 2020.

Currency Derivatives Segment ("CDX")

In CDX, BSE's market share decreased to 40.85% in FY 2019-20 from 46.19% in FY 2018-19. Members' participation in this segment increased to 402 (22 Banks, 1 Primary Dealer and 379 Members) during FY 2019-20, compared to 390 (22 Banks and 368 Members) in FY 2018-19.

Interest Rate Derivatives ("IRD")

During FY 2019-20, BSE's market share in IRD decreased to 21.71% from 31.19% in FY 2018-19. Members' participation increased to 132 (9 Banks, 4 Primary Dealers & 119 Members) in FY 2019-20 from 125 (8 Banks, 4 Primary Dealers & 113 Members) in FY 2018-19.

Commodity Derivatives

BSE's Commodity Derivatives Segment has completed more than 18 months since launch on October 1, 2018 with Gold & Silver contracts.

It has since then launched several commodities like Guar seed, Guar Gum, Gold Mini, Silver, Silver KG, Silver Mini, Oman Crude Oil, Turmeric, Cotton, Zinc and Aluminium with a vision to develop commodity value chain by providing delivery-based products to link the underlying with the futures markets. On 27th January 2020, BSE successfully launched Brent Crude Oil Futures based on Intercontinental Exchange (ICE) Europe prices, the benchmark for global crude and serves as a price barometer. It has received positive response from the market participants.

BSE is the only exchange in India, where deliveries have happened in the first month itself after launch. BSE has received encouraging response towards various agricultural products, such as Guar seed, cotton, turmeric by achieving highest volume of around ₹ 200 crores, ₹ 185.63 crores and ₹ 36.42 crores respectively. Total deliveries made for Guar seed, Cotton & Turmeric amounts to 8,360 MT, 1,100 Bales & 320 MT since launch.

With its foray in commodities, BSE has made the market more vibrant and inclusive, thereby benefitting the entire spectrum of market participants from producers to traders and end-consumers. During the year, BSE has signed MoU with physical market players like SUFI (Steel Users Federation of India) for launching Steel Futures.

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.



Ms. Radhika Gupta, CEO, Edelweiss Asset Management addressing the gathering at the 'Launch of IFA STAR MF Mobility Application' on 15th May, 2019 at BSE.



Shri Ashishkumar Chauhan presenting BSE Coffee Table Book to Shri Brijesh Singh, IPS, Spl. IGP Maharashtra Cyber during his visit to the Cyber Security Conference 2020 on 10th January, 2020 at BSE.

On March 31, 2020 the value of this index reached 1364.45. Additionally, the total market capitalization of all the 321 companies listed on BSE SME Platform reached ₹ 15,269.72 Crore. During FY 2019-20 the SME platform continued to be a front-runner with a market share of 60.68%.

During FY 2019-20, 29 companies raised ₹ 335.85 Crore from the market (including 1 FPO of 11.75 Cr).

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 2019-20, 19 BSE SME companies have migrated to the BSE Main Board.

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 ₹ 7,04,258 Crore in FY 2019-20 as against ₹ 5,78,467 Crore in FY 2018-19. BSE has increased its market share to 34% in FY 2019-20 from 32% in FY 2018-19 for Corporate Bonds Reporting. In case of Statutory Liquidity Ratio ("SLR") securities i.e. Government Securities and Treasury Bills, trades worth ₹ 3,44,794 Crore were reported on ICDM in FY 2019-20 as against ₹ 2,04,944 Crore in FY 2018-19. BSE's market share in reporting of SLR securities increased to 49% in FY 2019-20 from 44% in FY 2018-19.

Trading in Non-Convertible Debentures ("NCDs") and Bonds on 'F' group on BOLT BSE's equity platform saw volume of ₹ 5,406 Crore in FY 2019-20 as against ₹ 3,760 Crore in FY 2018-19. BSE has increased its market share to 66% in FY 2019-20 from 63% in FY 2018-19 for the retail trading of Corporate Bonds.

The settlement volume for corporate bonds witnessed business of ₹ 1,52,331 Crore in FY 2019-20 as against ₹ 2,28,010 Crore in FY 2018-2019.

Non – Competitive Bidding ("NCB-GSec")

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

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

For the FY 2019-20 BSE received bids worth ₹ 24.47 Crore through its various bidding platform while the in FY 2018-19 bids worth ₹ 26.47 Crore were received.

Exchange Traded Funds ("ETF")

As on March 31, 2020, BSE had 64 ETFs listed on its platform, as compared with 57 as on March 31, 2019. During FY 2019-20, the average daily turnover in ETF is ₹ 23 Crore compared with ₹ 48 Crore in FY 2018-19.

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 2019-2020, there were 24 OFS issues out of which BSE was appointed as the Designated Stock Exchange in 18 issues (75%). Out of the 18 OFS issues, 6 issues were conducted exclusively on the BSE platform, the total amount raised through OFS issues was more than ₹ 10,823 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 2019-2020, there were 101 such OTB issues, of which BSE was appointed as the Designated Stock Exchange in 97 issues (96%). Out of the 97 OTB issues, 88 issues were conducted exclusively on BSE platform,

the total subscription through OTB issues was more than ₹ 25,536 Crore.

Securities Lending & Borrowing ("SLB")

The SLB turnover at ICCL decreased by 19% from ₹ 9,975 Crore in FY 2018-19 to ₹ 8,043 Crore in FY 2019-20. While the lending fees collected increased by 39.76% from ₹ 31.69 Crore to ₹ 44.29 Crore during this period.

Segment	FY 2019-20 (₹ Crore)	FY 2018-19 (₹ Crore)
Turnover for the period - 1 st Leg of SLB transactions (quantity underlying price of the stocks as on previous day)	8,043	9,975
Lending fees.	44.29	31.69

Disinvestment Drive of GOI and BSE's support

In FY 2019-20, 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 ₹ 23,000 Crore, forming more than 45% of the Total Disinvestment by the Government of India in FY 2019-20.

BSE also has extended the facility for acceptance of subscriptions for Additional Offer for Bharat 22, Further Fund Offer of CPSE ETFs FFO 5 & 6, Bharat Bond ETF 2023 and Bharat Bond ETF 2030 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.

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 2019-20, BSE reversed action initiated against Promoters / Directors of 63 exclusively listed companies, which were found to be compliant with SEBI circular dated October 10, 2016 and August 01, 2017 and consequently these companies were removed from the BSE's Dissemination Board. As on March 31, 2020 there are 706 companies on the Dissemination Board of BSE.

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.

During FY 2019-20, 4 companies raised ₹ 19 Crore from the market. On March 31, 2020 the total market capitalization of all the 4 companies listed on BSE Startups Platform reached ₹ 65.38 Crore. During FY 2019-20 the Startups platform continued to be a front-runner with a market share of 100%

New Products

In its pursuit to continuous offer innovative products for the benefit of India capital markets, new development initiatives of BSE include:

Request for Quote (RFQ) Platform

BSE launched RFQ platform for execution and settlement of trades in NDS-RST system after receiving the markets regulator SEBI's



Shri Nayan Mehta, CFO, BSE presenting a memento and BSE Coffee Table Book to Shri Ajay Piramal, Chairman, Piramal Group at the First Late Prof. Yashwantrao Kelkar Memorial Lecture on 26th September, 2019 at BSE.



Shri Partha S Bhattacharya, Former Chairman, Coal India sharing his thoughts at discussion on the book 'When Coal Turned Gold' by Shri Partha S Bhattacharya on 26th September, 2019 at BSE.

approval w.e.f February 3, 2020. RFQ platform is a web-based online trade execution and settlement platform for trading of Corporate Bonds, Commercial Papers, Certificate of Deposit, G-secs, T-bills, State Development Loans, Municipal Bonds and securitized Debt.

Interest Rate Options (IRO)

BSE launched India's first Exchange traded IRO contracts based on Government of India securities on August 26, 2019. These contracts are part of the Interest rate derivatives in the currency derivatives segment. Interest rate options provide for an efficient tool for managing interest rate risk and exposure through hedging. With a wide array of instruments being made available, investors can hedge their risk across the yield curve.

Non-Competitive Bidding Facility in State Development Loans (SDL's)

BSE has launched non-competitive bidding facility to participate in Auction for State Development Loan (SDLs) Securities conducted by RBI from Monday November 25 2019.

INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED (INDIA INX)

BSE had 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. As on March 31, 2020 BSE is holding 92.29% of shares issued by India INX.

India International Clearing Corporation (IFSC) Limited ("India ICC") is the first clearing corporation established at GIFT IFSC. As on March 31, 2020 BSE is holding 90.10% of shares issued by India ICC. 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.

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 2019-20:

Growth in the core business segment – India INX Derivatives

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

- During the FY 2019-20, India INX was the largest exchange at GIFT IFSC with an overall market share ^[1] of 81.79% based on the notional Trading Turnover for Derivatives. India INX's market share at GIFT IFSC increased to 90% in March 2020.
- INDIA INX is the leading Exchange at GIFT IFSC for Equity Index Futures and Options with market share of 80.64% during FY 2019-20. INDIA INX's market share increased to 89.18% in March 2020.
- India INX's Gold Futures market share^[2] as compared to equivalent Gold Futures traded in Dubai was 55.74% during FY 2019-20.
- India INX's INDIA50 Index Futures and Options market share^[3] as compared to similar India-based equity index derivatives traded in Singapore was 50.48% during FY 2019-20.
- INDIA INX's highest daily trading turnover was USD 4.91 billion achieved on July 25, 2019

Growth in Listings Business – India INX Global Securities Market

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

As on March 31, 2020: India INX's Global Securities Market has cumulatively established USD 48.57 billion of Medium Term Notes ("MTN") and listed USD 21.28 billion of debt securities including masala bonds and green bonds.

^[1] Market share calculated based on the notional trading turnover of the Futures and Options

^[2] Market share for Gold Futures is based on the estimated notional trading turnover of similar contracts in Dubai-based Exchanges

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

During FY 2019-20, approx. 41% of Indian issuers of Debt Securities in the international markets have established their MTN programme on India INX and 36% of the funds raised by Indian issuers was listed on India INX's Global Securities Market. Marquee Foreign Bank Asian Development Bank and several large Indian corporate entities, Public Sector Units (PSU), banks and financial institutions have established / updated MTNs and/or listed debt securities on the Global Securities Market viz

- Asian Development Bank
- Adani Green Energy Limited
- Export-Import Bank of India (EXIM)
- Indian Railway Finance Corporation (IRFC)
- IndusInd Bank
- National Thermal Power Corporation (NTPC)
- ONGC Limited
- Power Finance Corporation (PFC)
- Rural Electrification Corporation (REC)

In pursuance to the commitment to sustainable development the Exchange launched, in August 2019, an exclusive Global Securities Market Green platform for listing of green, social and sustainable financing bonds, aligned to ICMA's principles.

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

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

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

As on March 31, 2020, India INX GA has regulatory approval to offer access to the following international exchanges:

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

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

Key benefits for India INX GA's clients

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

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

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



Mr. Thomas Oetterli, Global CEO, Schindler Group along with Shri Ashishkumar Chauhan, MD & CEO, BSE ringing the bell on 4th February, 2020 at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento and BSE Coffee Table Book to Shri Lt. Gen. (Retd.) Dr. D B Shekatkar during his visit to BSE.

IFSC Authority Act, 2019:

The IFSC Authority Act, 2019, which was notified vide notification no. 50 on December 20, 2019, was a pre-cursor to the setting up of a unified authority for regulating all financial activities in the International Financial Services Centers (IFSCs) in the country. The IFSC Authority will act as a single window for regulating various financial activities in the IFSC and play a pivotal role in inter-regulatory coordination leading to improvement in the ease of doing business for foreign investors.

Some of the key functions of the Authority pertain to:

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

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

It is expected that the IFSC Authority will become operational in the next few quarters.

Introduction of Rupee Derivatives with settlement in foreign currency on the Exchange.

RBI's Task Force on Offshore Rupee Markets had recommended introduction of non-deliverable Rupee Derivatives in IFSCs in a phased manner, starting with exchange traded currency derivatives (ETCD) to be followed by Over the Counter (OTC) derivatives at a later stage. RBI had accepted the above recommendation and announced the same in its 'Statement on Developmental and Regulatory policies' issued on October 04, 2019.

In pursuance to the same, the Reserve Bank of India (RBI) has allowed IBUs to participate in exchange traded currency derivatives on Rupee (with settlement in foreign currency) listed on stock exchanges set up at IFSCs vide RBI notifications dated January 20, 2020¹ on "Introduction of Rupee derivatives of International Financial Services Centre" and (2) dated January 21, 2020² on "Setting up of IFSC Banking Units (IBU's) – Permissible activities." RBI has also issued notification dated April 01, 2015 (updated as on January 21, 2020)³ on "Setting up of IFSC Banking Units (IBUs)". Accordingly, Banks are required to also ensure that their IBUs have necessary expertise to price, value and compute the capital charge and manage the risks associated with the products / transactions intended to be offered and have directed them to obtain their Board's approval for undertaking such transactions. IBUs are also required to follow all prudential risk mitigation measures as applicable while participating in these products.

The Hon'ble Finance Minister had made an announcement in her Budget speech while presenting the Finance Bill 2020 of permitting Rupee derivatives to be traded in the IFSC. Later, SEBI vide its Circular dated February 03, 2020⁴, prescribed the positions limits for eligible market participants for Currency Future and Options Contracts (involving Indian Rupee) on Exchanges in IFSCs.

Further to the above, INDIA INX, had submitted contract specifications for four contracts with SEBI on February 4, 2020 for its approval to commence trading in the same. Upon receipt of SEBI's approval on February 24, 2020, the Exchange, along with India International Clearing Corporation (IFSC) Limited, its clearing arm, had applied to the RBI for grant of authorisation under section 10(1) of FEMA Act 1999 to conduct trading in rupee derivatives. Post its due process, the RBI has granted authorization on March 18, 2020 to both the organisations to undertake activities related to currency futures and options.

Yet another favourable development has been that the RBI on March 27, 2020⁵, has permitted the IBUs to offer offshore non-deliverable Rupee derivative contracts to persons not resident in India. Given the above developments, it is expected that the IBUs will actively participate in the Rupee derivatives and contribute to the broader goal of onshoring the NDF market for the Rupee which has hitherto

being expanding in the offshore global financial centres. Considering the same, and based on inquiries received, the Exchange has been engaging actively with the IBUs and extending relevant assistance to get their registrations initiated faster.

The Exchange is hoping for the current Covid-19 pandemic to subside soon and the Lockdown to be withdrawn. In the meantime, the Exchange has maintained its readiness to commence operations in these products at the earliest possible.

(Notification ref nos: (1) RBI/2019-20/145, (2) RBI/2019-20/147, (3) RBI/2014-15/533, (4) SEBI/HO/ MRD2/DCAP/CIR/P/2020/17, (5) RBI/2019-20/193, AP (DIR Series) Circular No. 23)

Clarification on status of taxation for EFIs

The Central Board of Direct Taxes, vide its notification dated March 13, 2020, has specified that a non-resident Indian (NRI) being an Eligible Foreign Investor (EFI) which operates as per SEBI circular dated January 4, 2017 shall be deemed as a Foreign Institutional Investor (FII) for the purposes of transactions in securities on the stock exchanges in the IFSC where the consideration is paid in a foreign currency. This clarifies the issues about the tax treatment for EFIs and can potentially lead to increased interest from the NRI investors in the securities market at the IFSC.

(Notification ref. No: S.O. 157 (E) Ministry of Finance (Dept of Revenue) CBDT)

Capital Gains tax exemption on securities traded at IFSC

The Ministry of Finance (MoF), vide its notification dated March 5, 2020¹, exempted Foreign Currency denominated Bonds, Units of a Mutual Funds / AIFs / Business Trust and Foreign Currency denominated Equity shares listed and traded on IFSC based stock exchanges from capital gains. While this has been a much-awaited announcement, the Exchange has also sought similar exemption for Global Depository receipts, derivatives and Rupee denominated bonds of Indian companies, all of which are already notified in Finance Act, 2018.

This is expected to level the playing field for IFSC stock exchanges vis-a-vis the global financial centres and make IFSC an attractive jurisdiction for bulge bracket investors and long-term investing funds. This in turn is expected to shore up the liquidity and open interest in the products available for trading in the IFSC. With its leadership position in both the turnover and liquidity amongst the stock exchanges at the IFSC, INDIA INX is likely to benefit from this likely increase in number and the varied participants.

(Notification ref no: (1). MoF Notification No. 16/220 dated March 05, 2020)

Stamp Duty on transactions done on stock exchanges based at the IFSC

Ministry of Finance (Department of Revenue) (MoF-DoR) had vide notification dated 10th December 2019 issued the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories (Rules), 2019 which implied levy of stamp duty on transactions executed on stock exchanges in the IFSC. The Exchange had taken up the matter with relevant authorities while requesting attention to the proviso to Section 3(c) of the Indian Stamp Act, 1899 which exempted such a levy of the duty in connection with the carrying out of purposes of the Special Economic Zone. Further to the same, its implementation was postponed to April 1, 2020 vide a MoF-DoR notification dated January 8, 2020, instead of the previously announced date of January 9, 2020.

Subsequently, the Finance Act 2020, notified on March 27, 2020, has amended the same by insertion of a provision in sub-section (2) of section 9A of the Indian Stamp Act, 1899 which provided that no duty shall be chargeable in respect of the instruments of transaction in stock exchanges and depositories established in any IFSC set up under section 18 of the Special Economic Zones Act, 2005.

Thus, the earlier situation wherein no stamp duty was applicable on the transactions executed on the IFSC Exchanges has been reinstated.

Withholding tax on debt securities reduced from 5% to 4% - Finance Act 2020

The withholding tax on interest payment on debt securities listed on IFSC stock exchanges has been reduced from 5% to 4%. This was part of the budget announcements of the H'ble Finance Minister and,



Ms. Annie Dubé, Hon'ble Consul General of Canada and Shri Ashishkumar Chauhan, MD & CEO, BSE posing with BSE Bull on 19th July, 2019 at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Mr. Michio Harada Consul General of Japan during his visit to BSE on 28th August, 2019.

with the notification of the Finance Act, 2020 on March 27, 2020 it has become effective. This decision by the Government offers an immense boost to all issuers and will help them in attracting more international investors and list their debt securities in the IFSC stock exchanges.

India INX has already listed medium-term note (debt) programs worth \$ 47 billion dollars (about ₹ 3.33 lakh crores) with drawdown of \$ 21 billion dollars. This announcement should greatly incentivise issuers to choose INDIA INX as the preferred platform for listing their international bonds and masala bonds.

IFSC Working Group formation

SEBI, had advised to form an IFSC Working Group comprising of senior officials of the stock exchanges and GIFT IFSC. The working group has been tasked to consider, deliberate and recommend, along with the indicative operational guidelines, various initiatives and matters that require SEBI's interventions. Accordingly, the working group met internally at GIFT City and subsequently with the SEBI officials and discussed various initiatives across intermediaries, products and issuers with an aim to increase the participation in the IFSC Securities Market. Further to the same, SEBI has enabled, vide their circulars dated February 27 and 28, 2020¹ & ², a couple of measures with regard to offering ease of doing business to intermediaries and issuers while a few others are under consideration. The Exchange has been actively contributing in formulating operational guidelines/framework across various products and suitable carve outs from extant statutes while benchmarking with the best practices in global financial centres.

(Circular ref no. (1) SEBI/HO/MRD1/DSAP/CIR/P/2020/30 February 27, 2020 and (2) SEBI/HO/IMD/ DF1/CIR/P/2020/31)

Other key developments

- India ICC received recognition as a Third Country Central Counterparty (TC-CCP) from the European Securities and Markets Authority (ESMA) and the Bank of England (BoE) in May 2019.
- CARE Ratings Limited re-affirmed the AAA rating for India ICC in October 1, 2019 for a further period of one year
- In November 2019, State Bank of India – IBU became the seventh Clearing Bank to empanel with India ICC.
- SEBI registered intermediaries (non trading or clearing members) or their international associates can now provide financial services in IFSC without forming a separate company subject to prior approval of SEBI.

(SEBI Circular SEBI/HO/MRD1/ DSAP/CIR/P/2020/30 dated February 27, 2020)

- SEBI registered intermediaries are now exempted from seeking prior approval of SEBI in case of services offered by them exclusively to institutional investors.

The requirement for prior approval from SEBI is also exempted for non-SEBI registered intermediaries offering the services exclusively to institutional investors, provided the intermediary is recognized in the foreign jurisdictions as defined in the IFSC guidelines.

(SEBI Circular SEBI/HO/MRD1/ DSAP/CIR/P/2020/30 dated February 27, 2020)

- Issuers listing their debt securities on IFSC stock exchanges are now allowed to prepare their statement of accounts as per IFRS / US GAAP / IND-AS or accounting standards as per their place of incorporation. A quantitative summary of significant differences needs to be separately filed in case the above standards are not followed.

(SEBI Circular SEBI/HO/MRD1/ DSAP/CIR/P/2020/30 dated February 27, 2020)

- The operating guidelines for Investment Advisers (IA) in IFSC have been relaxed. The existing recognized entities in the IFSC can now also register as IA without forming a separate company or LLP.

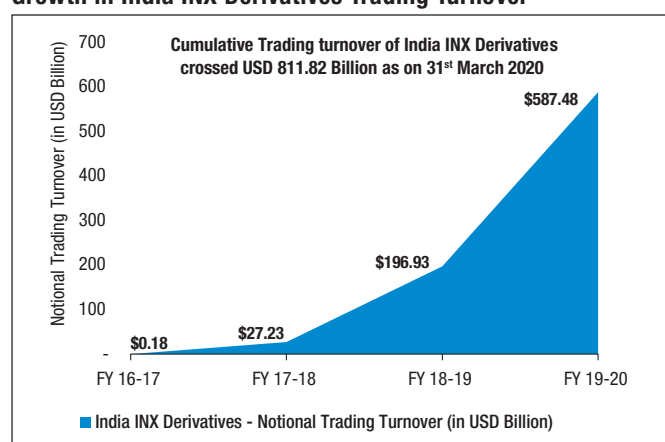
(SEBI Circular SEBI/HO/MRD1/ DSAP/CIR/P/2020/30 dated February 27, 2020)

Markets Business Performance

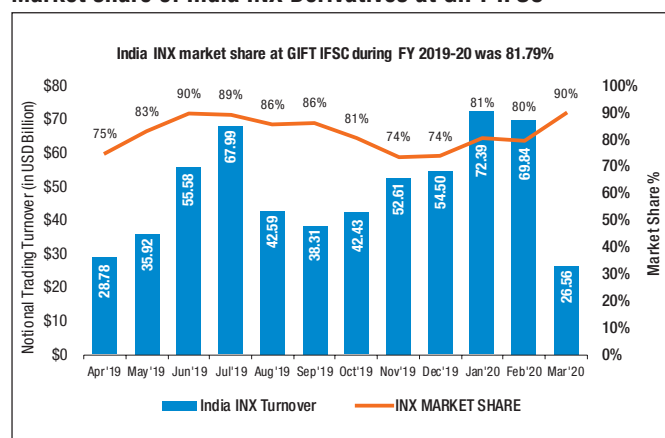
Secondary Markets – India INX's Derivatives

India INX delivered an exponentially increasing growth in trading volume and trading turnover during FY 2019-20 as compared to the previous financial year. The notional trading turnover on INDIA INX's derivatives increased by 198.31% from USD 196.93 billion in the previous financial year FY 2018-19 to USD 587.48 billion in FY 2019-20. During the same period, trading volume increased from 138.81 lakh contracts (FY 2018-19) to 452.88 lakh contracts (FY 2019-20).

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 2259 million per day in during the FY 2019-20. The highest daily trading turnover of USD 4.91 billion was achieved on July 25, 2019 when 4,05,544 contracts (lots) were traded. Cumulative Trading Turnover of India INX Derivatives has crossed USD 811.82 billion (Rupees 61,19,982 Crores) as on March 31, 2020 with the cumulative Trading Volume at 6,08,65,498 contracts (lots).

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

Description	FY 2019-20	FY 2018-19	% change
India INX Futures	92,031	96,667	-4.80%
India INX Options	4,95,452	1,00,267	394.13%
TOTAL	5,87,483	1,96,934	198.31%

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

Description	FY 2019-20	FY 2018-19	% change
India INX Futures	49,79,970	51,82,200	-3.90%
India INX Options	4,03,08,849	86,98,771	363.39%
TOTAL	4,52,88,819	1,38,80,971	226.27%

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

Asset class	FY 2019-20	Share (%)	FY 2018-19	Share (%)	change (%)
Equity Index Futures	49,216	8.38%	43,319	22.00%	13.61%
Equity Index Options	4,95,452	84.33%	1,00,267	50.91%	394.13%
Commodities & Energy Futures	42,815	7.29%	53,343	27.09%	-19.74%
Other Segments	-	-	5	0.00%	-100%
TOTAL	5,87,483	100%	1,96,934	100%	198.31%

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

Segment	FY 2019-20	Share (%)	FY 2018-19	Share (%)	% change
Equity Index Futures	40,59,987	8.96%	37,96,366	27.35%	6.94%
Equity Index Options	4,03,08,849	89.00%	86,98,771	62.67%	363.39%
Commodities & Energy Futures	9,19,983	2.03%	13,85,380	9.98%	-33.59%
Other Segments	-	-	454	0.00%	-100%
TOTAL	4,52,88,819	100%	1,38,80,971	100%	226.27%

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

Product	FY 2019-20	Share (%)	FY 2018-19	Share (%)	% change
INDIA50 Index Futures	49,216	8.38%	43,319	22.00%	13.61%
INDIA50 Index Options	4,95,452	84.33%	1,00,267	50.91%	394.13%
Gold Futures (32 tr oz)	42,815	7.29%	52,409	26.61%	-18.31%
Other Products	-	-	939	0.48%	-100%
TOTAL	5,87,483	100%	1,96,934	100%	198.31%

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

Product	FY 2019-20	Share (%)	FY 2018-19	Share (%)	% change
INDIA50 Index Futures	40,59,987	8.96%	37,96,366	27.35%	6.94%
INDIA50 Index Options	4,03,08,849	89.00%	86,98,771	62.67%	363.39%
Gold Futures (32 tr oz)	9,19,983	2.03%	13,05,591	9.41%	-29.54%
Other Products	-	-	80,243	0.58%	-100%
TOTAL	4,52,88,819	100%	1,38,80,971	100%	226.27%

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 2019-20, the cumulative MTN established on Global Securities Market increased by 14% to USD 48.57 billion as compared to USD 42.57 billion till financial year FY 2018-19. Similarly, during FY 2019-20, cumulative listing of debt securities increased by 53% to USD 21.28 billion as compared to USD 13.87 billion till financial year FY 2018-19 with the number of issuances increasing by 65% from 31 ISINs to 51 ISINs.

Listings Business Performance (USD million)

Description	Till March 2020	Till March 31 2019	% Change
Medium Term Notes established on GSM	48,574	42,574	14%
Debt Securities (Drawdowns and Standalone) Listed on GSM	21,288	13,870	53%
No. of issuers	15	10	50%
No. of issues listed (ISIN's)	51	31	65%

For the period April 1, 2019 to March 31, 2020 total value of bond listed on GSM Platform is USD 7,418 against the relevant Established or Updated MTN / Standalone Programme is given below:

S No	Name of Issuer	MTN established (USD million)	Debt Securities (Bonds) Listed (USD million)	No. of ISINs
1	ASIAN DEVELOPMENT BANK	-	₹ 850 Mn (USD 118 Mn)	1
2	ADANI GREEN LIMITED	500	500	2
3	EXIM BANK LIMITED	10000	1000	2

S No	Name of Issuer	MTN established (USD million)	Debt Securities (Bonds) Listed (USD million)	No. of ISINs
4	INDIAN RAILWAY FINANCE CORPORATION	2000	1000	4
5	INDUSIND BANK	1000	400	1
6	NTPC LIMITED	6000	450	1
7	ONGC LIMITED	2000	300	1
8	POWER FINANCE CORPORATION LIMITED	5000	2500	6
9	RURAL ELECTRIFICATION CORPORATION(REC)	7000	1150	2
Total			7418	20

Seamless conduct of trading and settlements during the Lockdown due to Covid-19 pandemic

Further to the announcement of the WHO of Covid-19 as a global pandemic, the Ministry of Home Affairs has issued an order (no. 40-3/2020-D) dated March 24, 2020 in which various guidelines have been issued laying down the measures to be taken by departments of the Government of India and the State Governments for containment of pandemic. While the Order, inter alia, provided that most commercial establishments should be closed down, the capital market services, being part of 'essential services', as notified by SEBI were exempted from such closures. Accordingly, INDIA INX, being a SEBI recognized stock exchange, continues to offer seamless trading and settlement services even in the current Lockdown.

The management of INDIA INX is seized of the evolving situation pertaining to the pandemic and continues to closely monitor it to ensure safety of all its staff members, the normal conduct of the market operations and prompt identification and resolution of issues, if any. As part of its BCP measures, it continues its systems operations from the "Primary Site" at GIFT IFSC, an isolated and quarantined location similar to a DR site, which has a resilient IT Infrastructure backbone and continues to be on high alert, with minimal required staff strength. Additionally, readiness is maintained to utilize, if required, its BCP site located at Ahmedabad and maintain "Hot Site" state of the "Emergency Operations Centre" at Ahmedabad and its DR Site at Hyderabad, notwithstanding the yet to be resolved matter of regarding trades executed at the DR site to be deemed to have been effected at GIFT SEZ and the resultant lenient tax treatment thereof.

India INX has activated its BCP framework and has already enabled almost 90% of its staff to work from home. Most employees have been given remote access to their computers using a framework

called Virtual Private Network (VPN) keeping in mind the information security needs along with flexibility required in new circumstances. This allows them to work from their homes without affecting the information security protocol. All employees and associates also get secured email and other services at their home PCs.

The Exchange has deployed bare minimum skeletal staff on shift basis for Mission Critical Activities while adopting “Work From Home procedures” towards support to Mission Critical and conduct of Business Critical Activities. Each department has been rotating the staff. Sanitizer bottles have been placed near all doors in all offices. All incoming persons are requested to first sanitize their hands and then enter the office. Thermal scanners have been placed at the building entrance to check down the temperature of the people entering our office building. Adequate stocking of the vending machines in the pantry for dispensing packaged food for the staff in office has ensured continuous availability of food stuff in office. Additionally, coordination with the Police is done through Gift City to ensure that the Exchange staff does not face any difficulty to come to office for doing critical operations. Details of nearby Hospitals is kept ready in case of any emergency.

Communication lines with all stakeholders, SEBI, banks, clearing corporations, other exchanges and market participants have been kept active and constant vigil and monitoring is done of current situation to decide on next course of action to ensure working of the exchange.

Given all of the above, INDIA INX continues to operate normally and seamlessly for 22 hours a day and compete with other international exchanges. All our systems continue to work fine and independently at the GIFT IFSC location. The Exchange's clearing corporation, India ICC also continues to operate normally conducting 2 settlements daily.

BUSINESS OPERATION REVIEW

MEMBERSHIP

During FY 2019-20, 18 Deposit Based Membership (“DBM”) applications were received at BSE. Since launch of new DBM scheme in April 2010, BSE has received 940 DBM applications as on March 31, 2020.

CORPORATE SERVICES (LISTING)

The Corporate Services segment of BSE registered revenue growth in FY 2019-20. Annual Listing Fees (equity, debt and MF) increased by 8.21% to ₹ 158 Crore compared to ₹ 146 Crore in FY 2018-19. BSE also provides other services to corporates such as book building software, buy-back facilities, reverse book building software, etc. Fees earned from such services were ₹ 18 Crore in FY 2019-20 as compared to ₹ 15 Crore in FY 2018-19, a rise of 20% from the previous year on account of new primary market issuances and OTB/OFS facility.

DATA INFORMATION PRODUCTS

BSE and Deutsche Boerse have entered into a partnership in October, 2013 under which Deutsche Boerse would act as the licensor of BSE's market data and information to all international clients. The business for sales and marketing of BSE'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 ₹ 31.52 Crore in FY 2019-20 as compared to ₹ 30 Crore in FY 2018-19. The increase in revenue was on account of increase in subscription for the Company's information products and services by new customers.”

INDEX

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

The Government collected ₹ 4,368.80 Crore in the third follow-on offer of the Bharat 22 ETF. The total collection for the Government from the launch of the Bharat 22 ETF is ₹37,598.65 Crore.

The EPFO has been investing in S&P BSE SENSEX and NIFTY50 linked ETFs since August 2015 in the proportion of 25% and 75% respectively. However, in August 2019 they announced that they will now invest equally in both these index linked ETFs.”



US Consul General Mr. Edgard D. Kagan interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE during his visit to BSE on 13th May, 2019.



Mr. Gavin Chay, Hon'ble Consul General of Singapore with Shri Ashishkumar Chauhan, MD & CEO, BSE ringing the BSE Bell on 11th June, 2019 at BSE.

S & P Dow Jones Indices LLC ("SPDJ") and SPDJ Singapore Pte Ltd ("SPDJS") has filed arbitration proceedings against BSE Limited under Singapore International Arbitration Center's rules, inter alia, challenging the termination of index licensing arrangement by BSE Limited and have sought damages for alleged illegal termination of agreement and violations of certain provisions of agreements. BSE is contesting the said challenge and have also filed its counter claim against SPDJ and SPDJS for violation of certain provisions of Shareholder's Agreement ("SHA"). Currently, the arbitration proceedings are sub-judice.

SIGNIFICANT DEVELOPMENTS **ENHANCED SUPERVISION OF STOCK BROKERS** **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.

Stockbrokers 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

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 stockbroker at an early stage to take appropriate preventive measures. The threshold for such early warning signals is 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.
4. Non-recovery of significant dues from debit balance clients over a period of time.
5. Significant dues to credit balance 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.
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.

SECONDARY MARKET POLICY DEVELOPMENTS **DATA ANALYTICS BASED SYSTEMIC SOLUTION FOR TRACKING COMPANY NEWS**

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

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

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

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

Alerts generated by this social media solution is monitored by the Company from the standpoint of material information and vis-à-vis

possible rumours appearing in various media including print and on-line channels as per SEBI regulations.

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.

The GSM framework became effective from March 14, 2017 and has undergone enhancements from time to time in respect of pre-defined objective criteria prescribed for shortlisting of companies, graded stage-wise actions to be taken on aforesaid companies.

In the year 2019-20, based on joint discussions with SEBI and other Exchanges, the actions under GSM framework were rationalized into lesser number of stages (from erstwhile 6 stages to 4 stages) including reduction of daily price band to 5%, Trade to Trade, Weekly trading, Additional Surveillance Deposit (ASD) up to 100 % and upper freeze of price.

In continuation with the practice of keeping the market participants informed on revisions in GSM framework, a market wide notice no. 20191129-23 was issued on November 29, 2019 on the aforesaid revisions.

As on March 31, 2020, 809 companies have been identified to be a part of GSM framework.

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 & FY 2019-20 based on reviews and market conditions.

There are two parts of ASM framework viz. Short Term ASM and Long Term ASM for the stocks witnessing short term price movement and long-term price movement respectively as per the pre-defined criteria. Under Short Term ASM Framework, securities attract imposition of higher

margins upto 80% with client specific margins subject to fulfilment of certain conditions whereas under Long Term ASM Framework, actions include reduction of daily price band, 100% margin and settlement on gross basis.

As on March 31, 2020, 348 companies have been identified to be a part of ASM framework.

DEALING WITH UNSOLICITED MESSAGES

SEBI / the Company noticed that unsolicited messages are being sent to investors inducing them to trade in the stocks of certain listed companies, indicating target prices and/or potentially misleading information. In view of the same, the Company, since February 2020, started sending advisory messages to the investors on a periodic basis cautioning them to take an informed decision while dealing in stocks and beware of unsolicited stock tips/recommendations.

REGULATORY SURVEILLANCE & INVESTIGATION Statistics for FY 2019-20

As part of market monitoring activities during FY 2019-20; 30,794 surveillance alerts were generated, of which 624 alerts were taken up for snap investigations. Subsequently till March 31, 2020, 130 cases were taken up for preliminary/ detailed investigations, of which 97 preliminary/ investigation reports have been forwarded to SEBI.

Broker Supervision

387 inspections of members were conducted during FY 2019-20, which include 278 routine inspections, 25 special inspections and 84



(L-R) Ms. Harsha Bangari, Deputy Managing Director, EXIM Bank; Shri V. Balasubramaniam, MD & CEO, India International Exchange IFSC Limited; Mr. David Rasquinha, MD, Exim Bank and Shri Arunkumar Ganesan, Head of Business Operations and Technology, India INX ringing the bell at the listing ceremony of Exim Bank USD 1 bn notes under USD 10 bn GMTN Programme on Global Securities Market, India INX on 16th January, 2020 at BSE.



Mr. Ugo Astuto, European Union Ambassador to India and other officials interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE during their visit to BSE on 17th December, 2019.

inspections were jointly conducted with SEBI, other Exchanges and Depositories during FY 2019-20.

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. The Company also conducts orientation program for Arbitrators and IGRC Members at its various regional centres. During the year the company has conducted 6 such programs at Kolkata, Bhubaneswar, Raipur, Pune, Panaji and Guwahati centre.

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 complaints of walk-in investor against entities listed on BSE Limited.

LISTING COMPLIANCE

Update on eXtensible Business Reporting Language ("XBRL")

BSE is the first Exchange in India to introduce the globally accepted reporting format XBRL as it is more popularly known, for certain critical disclosures required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"). The Company had earlier enabled XBRL based filing for Shareholding Pattern, Corporate Governance Report, Voting Results, Financial Results, Share Capital Audit report, Disclosure of Insider Trading under Prohibition of Insider Trading, Unit Holding Pattern for Mutual funds, Financial Results for Insurance Companies and NBFCs and filing of companies' Annual Reports (based on MCA Taxonomy).

The Committee on Corporate Governance (Kotak Committee) in its report had recommended filing of disclosures to Exchange in XBRL format. Accordingly, SEBI has directed the Exchanges to implement XBRL based filing for the disclosures. Since BSE had made significant progress on this front, it was recommended by SEBI that the other nation-wide Exchanges also adopt the BSE Taxonomy and the same may be the common taxonomy for these regulations, across India. In the previous year, other Exchanges had commenced integration of the BSE XBRL taxonomy for these filings and listed companies are now able to use a common file for filing at all Exchanges.

All new XBRL based developments are now being jointly developed by the exchanges with BSE being largely responsible for the development of Taxonomy and the Excel utility used for filing.

Compulsory Delisting

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

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

Till March 31, 2020, the Exchange has delisted 1108 companies which have been suspended for a period of more than 6 months for non-compliance with the erstwhile Listing Agreement/ SEBI (LODR) Regulations, 2015 and which have not completed formalities for revocation within stipulated timelines.

SEBI has now included this provision in its circular on Standard Operating Procedure (SOP) for suspension and revocation. The Exchange accordingly sends advisory letters to companies suspended pursuant to the provisions of SEBI SOP circular, informing about the consequences of not initiating formalities for revocation of suspension of trading.

Corporate Announcement Filing System (“CAFS”)

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

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

During the current year, the system has been periodically enhanced to include additional disclosures under the seamless mode as well as enhancing the security features in line with the regulatory requirements. Filing through CAFS which was available for Equity listed companies has now been extended to other segments like, debt, mutual funds and commercial papers as well. In the FY 2019-20, the Exchange has received 10,35,860 filings by companies using the CAFS system.

COVID19

The COVID – 19 pandemic has impacted the operations of the listed corporates primarily due to restrictions placed on mobility of persons and materials and several corporates have reported temporary or partial / complete shutdown of business/ operations. These have been made public by disclosing the same under Regulation 30 of the Listing

Regulations and are disseminated on the Exchange website. Stringent norms for social distancing and other measures have been instituted by the Central and State Governments, for reducing the rate of spread of the virus. Subsequent to the lockdown, there has been a significant decrease in demand for certain non-essential or less essential goods and services due to which companies functioning in these sectors are impacted. Since the nationwide lockdown was imposed from March 23, 2020, companies have been working with skeletal workforce or have provided work from home facilities to their employees. Due to these circumstances, most companies have not been able to meet their compliance obligations and finalize their annual accounts within the stipulated timelines. Recognizing this practical difficulty SEBI, MCA and other regulatory agencies have given extension of the applicable timelines for various regulatory filings and have also given certain concessions in compliance requirements like allowing holding of Board meetings through video-conferencing and EGM/AGMs through video conferencing or other audio-visual means.

However, stock exchanges were regarded as an essential service and were required to operate as usual, despite the unusual circumstances. Accordingly, the senior management has swung into action and ensured that the working of the equity, derivatives, currency and commodity markets run by your Exchange continued working seamlessly, and efficiently. Thus, not only critical areas like operations, information technology, surveillance and settlement were working but also services like listing, compliance monitoring, member compliance were fully functional. In fact, your exchange takes pride that during the lockdown period (upto June 30, 2020), No less than 5 SME Companies have successfully completed their IPO's and have been listed at BSE.



Dr. Vijay N Deshani, Pro VC, Saurashtra University and Dr. Mehul Rupani, Managing Trustee, Shri H. N Shukla group of colleges along with Shri Ashishkumar Chauhan, MD & CEO, BSE ringing the Bell on 24th July, 2019 at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento and BSE Coffee Table Book to Mr. Xuwen Bi, MD, UBS AG and other officials from UBS AG on 17th July, 2019 at BSE.

COMPETITIVE STRENGTHS AND OPPORTUNITIES

STRENGTHS

Strong brand recognition

Established in 1875, BSE is Asia's oldest Stock Exchange and one of the most identifiable brand names in India with high levels of recognition among investors, intermediaries and the general public. In 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.

Sound corporate governance and regulatory framework

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

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

Technological Prowess

Boosting the Power of Big Data

The Company during the year intensified its development on Big Data implementation on two fronts, one in the area of RegTech and another scaling up the platform to take on larger initiatives. On the RegTech front, the Company explored further areas to strengthen regulatory processes with the use of Artificial Intelligence ("AI") and Machine Learning ("ML"). With use of contemporary technologies, models were created to fetch information from Television channels available in form of Video, audio, ticker and populate this information into Social Media analytics engine developed to monitor news on BSE listed companies and its impact on the stock market. Year after year newer prospects are being planned and achieved. The Company has received many accolades as a leader in the Banking & Financial sector.

On the other hand, the Company has also multiplied its capacity by scaling up the infrastructure to meet future requirements and enhancements. In scaling up the infrastructure, a balance approach has been adopted to gain maximum benefit at reasonable cost.

Expand use of open source technologies

The Company continued its journey of using Open source technologies in newer and existing products. The Company believes that use of Open source technologies provides a competitive edge in terms of service and delivery as well as lesser financial investments compared to proprietary technologies. The Open source technologies are now becoming more flexible due to its wide adoption across the globe.

The Company is extensively using open source technologies in many of its mission critical systems. During the year, the Company has upgraded its Trading system OS successfully. Another big leap the Company has taken is to migrate its BOW platform, the trading interface, to open source technology.

Cloud Initiatives

To drive towards a service-oriented framework, the use of technologies and infrastructure available as part of Cloud package is inevitable. The Company has adopted a mix of cloud initiatives by investing in on-premises cloud infrastructure and seek the public cloud on need basis. The Company has successfully implemented hybrid cloud in its Primary as well as at its Disaster Recovery site. During the year, the Company has shifted its mission critical application and newly developed applications onto its on-premises cloud setup. This has assured the uptime of these systems.

The investment on the infrastructure has also seen a reduction as cloud infrastructure and technologies provides ample room to host more applications compared to traditional infrastructure. Overall the roll-out of newer business products and initiatives are also faster now as the Business and technology team are working as a single unit, where spikes, scaling and capacity planning is effectively managed and monitored.

The digital journey that the Company took a year back, continued to grow for use of its critical office applications like documentation, email management and virtual meetings. The adoption and its usage have grown multi fold. Overall this has helped in faster turnaround time as the information can now be accessed from anywhere and anytime.

Solutions developed by Subsidiary Company Marketplace Technologies Private Limited

The Company's subsidiary, Marketplace Technologies, primarily into development of IT solutions & products, continued its efforts to develop more and more applications that is best suitable for use of the Company and, to leverage the knowledge of business and IT. Further, many enhancements were implemented to keep the products competitive.

Financial ERP solution was one such solution developed and implemented during the year in response to third party expensive product. This financial solution has the best of features available in the third-party solution as well as flexibility of customisation it has been developed by the team that understand the essence of business needs. Another, one such implementation was Application and Performance Monitoring system, with extensive use of Open source stack. The product has best of the class features catering to the needs of Business, Infrastructure, Information security. The Company is in process of evaluating to make it available as a commercial product.

The Company's IT development arm is highly motivated and thrust to look into newer developments and creating solutions that offers business opportunities.

OPPORTUNITIES

Gold Spot Exchange

The Hon'ble Union Finance Minister Smt. Nirmala Sitharaman said while presenting the Budget for FY 2020-21 proposed to set up an international bullion exchange at IFSC in GIFT City, which will lead to better price discovery of gold, create more jobs and enhance India's position in such market. "With the approval of the regulator, GIFT City would set up an International Bullion Exchange(s) in GIFT-IFSC as an additional option for trade by global market participants", she said. 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 operates in the GIFT city IFSC zone via its subsidiary India INX, which is part of discussions with the Government to setup an international bullion exchange at IFSC in GIFT City. The proposed exchange would present an opportunity for all stakeholders including BSE to expand their scope of business. The Company would continue to work closely with the Government and the regulators to launch spot exchange for bullion as and when the framework is finalized.

Commodity Derivatives

Following SEBI approval in October 2018, BSE became India's first universal exchange and currently offers all assets classes permitted for trading that includes equity, equity, currency, interest rate and commodity derivatives in its portfolio. BSE currently offers Oman Crude Oil futures, a tailored product for Indian oil producers and



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento and BSE Coffee Table Book to Hon'ble Winston Peters, Deputy Prime Minister and Minister of Foreign Affairs, New Zealand at the Bell ringing Ceremony on 28th February, 2020 at BSE.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento and BSE Coffee Table Book to Hon'ble Mr. David Parker, Minister of Trade and Export Growth, New Zealand during his visit to BSE.

consumers and first-of-its-kind Brent Crude Oil futures contract settled on Intercontinental Exchange (ICE) price. BSE also offers delivery-based futures contract in copper, aluminum and zinc futures in the Base metals complex. In agri commodities, BSE offers futures trading in Guar Seed and Guar Gum with a trading unit of 10 metric tons, Cotton with trading unit of 25 bales and Turmeric with a trading unit of 10 metric tons. In the coming years, BSE plans to systematically develop the commodity market with launch of more futures 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.

Commodity Options

With a view to further widen and deepen the derivatives and commodity markets in India, a working group to study the introduction of derivatives contracts on new commodity derivative products and new commodities was formed on the advice of SEBI. BSE took the lead and was designated as a coordinator of this working group. One of the major recommendations of this working group was the introduction of the necessary framework for development of options segment by permitting exchanges to introduce options on spot prices of commodities instead of futures prices. In January 2020, SEBI allowed stock exchanges to launch 'options in goods' in commodity derivatives and put in place a product design and risk management framework. This move that will play a major role in stimulating agricultural marketing and enable farmer-friendly options products.

With options on goods, participants can actually give or take delivery of the underlying without getting into the futures contract at the time

of expiry. This will not only enable BSE to launch innovative options contracts by rolling out farmer-friendly products but also paves the way for the integration of the spot market with the derivatives market.

Insurance Distribution Platform

India with a population of 1.3 billion people is on the cusp of an explosive growth in the Fintech space since the past 3-4 years.

With a population of 300m+ people in the middle class and upper middle class across the 200 odd cities coupled with the fact that a major proportion of the population is young, the demand for innovative Fintech solutions across India is phenomenally high. This has fueled steady development in the Fintech space in financial products like mutual fund and Insurance.

BSE is at the forefront of this Fintech revolution happening in India, with its StAR MF platform establishing a strong presence in mutual fund distribution. Similarly, BSE is creating a 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 (BSE-Ebix), a joint venture (JV) between BSE Investments Ltd and Ebix Fincorp, a subsidiary of Ebix Inc, the largest Insurance Exchange in the world, has commenced operation in beta version of its insurance distribution platform. It has already integrated with six leading General Insurance Companies of India for Private Car and Two-Wheeler. Now we are in the process of adding more Insurance companies and products including life to give our distributors and customers a wider choice.

BSE-Ebix seeks to widen distribution outlets, wealth management advisors, Point of Sales Persons (PoSPs) to sell life and non-life insurance products. The Insurance distribution Platform will digitally connect with all insurance companies and deploy state of the art technology platform to provide our distribution outlets and customers a world class experience by being close to where they are. The intent is to go PHYGITAL – owning the last mile and combining the physical reach with technology and processes. Customers will have wider choice to find the best value product with assistance of his trusted distributor Point of Sale Persons (PoSPs) and Broker Qualified Persons.

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.

Social Stock Exchange

During her maiden Budget speech, Hon'ble Union Finance Minister Smt. Nirmala Sitharaman proposed a Social Stock Exchange (SSE) for social enterprises and voluntary organizations working for social welfare to help them raise capital through debt, equity and mutual funds. The proposed exchange will be under the regulation of SEBI, will allow the listing of social enterprises and voluntary organizations and will function as an electronic fundraising platform. Social Stock Exchange would try to provide a platform where investors would invest in social enterprises authorized by the exchange. Such enterprises would have to share with the public the details of their activities and investments in a transparent manner.

A Brookings India report in July 2019 had noted, "India has a thriving social enterprise ecosystem; many organizations, however, struggle to access the capital they need. In a survey of Indian social enterprises, 57% identified access to debt or equity as a barrier to growth and sustainability."

In September 2019, the SEBI constituted a working group to hone this further under chairman Ishaat Hussain, Director, SBI Foundation. The working group shall examine and make recommendations with respect to possible structures and mechanisms, within the securities market domain, to facilitate the raising of funds by social enterprises and voluntary organizations. BSE is part of this working group and collaborating with the regulators on this proposal based on the statement laid out in the budget.

THREATS

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.

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.

IMPACT OF COVID-19

Compliances have taken a backseat during the ongoing lockdown due to Covid-19 pandemic. Regulatory authorities have granted several relaxations to assist businesses to cope with the unprecedented lockdown and economic distress. Some of regulations that directly impacted the exchange business included:

Commodity Derivatives

- In response to Covid-19, SEBI in consultation with exchanges reduced trading timings to 5:00 PM instead of usual 11:30 PM. Normal trading hours were restored since April 21

Equity Derivatives

- Reduction in market-wide position limits to 50 % of existing MWPL for volatile F & O Stocks along with increase in Margins.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento & BSE Coffee Table Book to Mr. Harvesh Seegolam, CEO, FSC Mauritius along with other delegates Mr. Deven Coopposamy, Head of Projects, FSC Mauritius; Mr. P. K. Kuriachen - India Representative FSC Mauritius and Dr. S K Chadda & Mr. Sialesh Sewpaul Mauritius during their visit to BSE.



Shri Ashishkumar Chauhan, MD & CEO presenting a memento to Bollywood Actress Ms. Mouni Roy during her visit to BSE on Diwali Muhurat Trading day.

- Revised position limits in equity index derivatives (futures and options) whereby the;
 - o Mutual Funds and FPI's
- Short Positions cannot exceed their holdings in underlying stocks
- Long Positions cannot exceed their holding in Cash / T Bills / Government instruments and other instruments
 - o Additional Limit in Index Future / Options for all category of investors is ₹ 500 Crore Each in Index Future and Index Options.
 - o A penalty equivalent to the double the amount of Margin applicable on the excess positions built shall be imposed and the same shall be retained for a period of 3 months.
- Increased in margin for non-F&O stocks witnessing high volatility over a period of one month.
- Introduction of cooling off period of 15 minutes for flexing price bands of stocks having derivatives products.

Mutual Funds

- SEBI has extended the reduced cut-off time for subscription and redemption of mutual funds, including liquid and overnight schemes, amid the ongoing nationwide lockdown to deal with coronavirus pandemic.
- A leading AMC has closed six of its debt funds, citing redemption pressures and lack of liquidity in the bond markets.

Insurance

The onset of Covid 19 has resulted in some adverse developments for Insurance industry, with companies expecting losses due to

the disruption in economic activity. Severe economic disruption is expected in all lines of Insurance Business - be it Motor, Commercial, health, travel, media, entertainment etc. Furthermore, stressed equity markets caused by the pandemic will also challenge investment performance in the days ahead. It is expected that Insurance industry will shrink to some extent, and the losses in insurance industry will less investments in innovative products and processes.

The Company's ability to compete in this dynamic environment and ensure that regulations continue to ensure sustained growth and profitability will impact competitiveness.

CYBERSECURITY THREATS

Even though financial organisations have bolstered their defence against cyber-attacks, they remain a vulnerable target for hackers due to the money involved in the financial sector. That's why, cyber-attacks cost financial sector 300 times more than any other industry.

The Company, therefore, continually invests in new niche cybersecurity technologies. Also, a continuous improvement in cybersecurity policies and procedures is undertaken by the Company.

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

- AI-Enhanced Cyberthreats – AI capabilities are used by hackers to launch sophisticated cyberattacks in the form of complex and adaptive malicious software. AI fuzzing and Machine Learning poisoning are the next generation threats.
- Cryptojacking - It is a trend that involves cyber criminals hijacking third-party home or work computers to "mine" for cryptocurrency. Cryptojacked systems can cause serious performance issues and costly down time as IT works to track down and resolve the issue.
- Social engineering - Hackers are continually becoming more and more sophisticated not only in their use of technology, but also psychology. Social engineering is the use of deception to manipulate individuals into divulging confidential or personal information that may be used for fraudulent purposes.
- A Severe Shortage of Cybersecurity Professionals — The cybercrime epidemic has escalated rapidly in recent years, while companies and governments have struggled to hire enough qualified professionals to safeguard against the growing threat.
- Ransomware - Ransomware has been at the heart of attacks that have threatened to take down cities as large as Baltimore and New Orleans in 2019. Healthcare providers and school districts have faced ransomware threats, as well. These entities often have no choice but to pay the ransom to keep vital services running.

- Confidential Data Theft - Customer accounts can be the most vulnerable point of entry to financial systems. The hackers use stolen privileged credentials to steal from their account.
- Advanced Persistent Threat - A stealthy computer network threat actor which gains unauthorized access to a computer network and remains undetected for an extended period.

KEY STRATEGIES

INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED

BSE has made strategic investments in India International Exchange (IFSC) Limited (India INX) and India International Clearing Corporation (IFSC) Limited (India ICC) looking at the long term growth potential of these ventures. The total investments made till date is ₹ 125 crores in India INX and ₹ 80 crores in India ICC. The focus of the government and the regulators is to enable IFSC play a significant role in the coming years. This should augur well for India INX and India ICC. BSE is ready to dilute its share, subject to regulatory requirements and onboard new investors as strategic partners who share BSE's vision for the IFSC. During the year, ICICI Bank Limited has joined as a strategic partner in these ventures. Ongoing discussions are taking place with other potential strategic investors.

International Financial Services Centres (IFSC) Authority - the Government of India, vide notification dated December 20, 2019, notified the International Financial Services Centres Authority Act, 2019, establishing the IFSC Authority to develop and regulate the financial services market in the International Financial Services Centres in India. With this, the government has established a unified authority to regulate all financial services in IFSC, comprising banking, securities, insurance and pension markets. The IFSC Authority, as an unified regulator, would play a pivotal role in inter-regulatory coordination and harmonizing regulations of various inter related markets, leading to improvement in the regulatory regime and ease of doing business at IFSC. As a dedicated regulator for the IFSC, headquartered at Gandhinagar, the authority is expected to play a very significant role in ushering in rapid development and growth of the IFSC as envisioned by the government of India.

India INX continues to position itself as a preferred offshore platform, open 22 hours a day for trading and become the financial gateway of choice for both inbound and outbound investors. The derivatives trading volumes at India INX has grown significantly since inception. It now successfully competes with Singapore Exchange, Chicago Mercantile Exchange and Dubai Gold & Commodities Exchange in some of the India dedicated products such as index and currencies. This has laid the foundation for India INX to become the preferred offshore gateway to India through innovative product offerings, cutting edge technology, competitive regulatory framework, attractive tax structure, easy access to markets and outstanding customer service. India INX continues to innovate and place emphasis on reaching out to global investors through its trading members to improve the liquidity

and depth of the markets. Depending on regulatory approvals, India INX proposes to introduce new and innovative products in future to compete with other international exchanges and cater to the needs of investors across the globe.

One of the primary goals of India INX is to help companies raise funds from the capital markets which can be deployed for the growth and development needs of the company, leading to employment generation and overall economic development. Keeping this in mind India INX launched the Global Securities Market Platform, which is a pioneering concept in India, offering issuers an efficient and transparent method to raise capital. The platform offers a debt listing framework at par with other global listing venues such as London, Luxembourg, Singapore etc. As on date, leading issuers like Asian Development Bank, State Bank of India, EXIM Bank, PFC, ONGC, REC, IRFC, HUDCO, NTPC, NHAI, Adani Group etc. have established their MTN programmes, alongside drawdowns and/or standalone issuances, which are a healthy mix of masala, dollar denominated and green bonds. India INX is also the first introducer of the Green Securities Platform for issuance of green bonds. Till date, Global Securities Market has established USD 48+ Billion in MTN Programmes and more than USD 21+ Billion of bonds. An amendment in Finance Bill 2020, has lowered the withholding tax rate to 4% from the earlier 5%, on interest payments on the bonds listed at IFSC, which would help attract more issuers of bonds to IFSC.

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



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Bollywood Actor, Shri Rajkumar Rao during his visit to BSE on Diwali Muhurat Trading Day.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a bull memento to Bollywood Actress Ms. Shweta Basu during the special screening of the movie Tashkent Files on 12th April, 2019 at BSE.

Finance Minister, Ms. Nirmala Sitharaman, while presenting the budget for 2020-21. 'With the approval of the regulator, GIFT City would set up an International Bullion Exchange(s) in GIFT IFSC as an additional option for trade by global market participants', the Hon'ble Finance Minister, Ms. Nirmala Sitharaman, has said while presenting the budget for 2020-21.

DIVERSIFY OUR PRODUCT AND SERVICE OFFERINGS AND MAINTAIN NEW PRODUCT INNOVATION AND DEVELOPMENT

BSE currently operates in a wide array of segment and offers a bouquet of products including equity, debt, derivatives in equity, currency, commodity and interest rate, mutual fund, insurance, SME and start-ups segment. In addition to our ongoing strength in service offering, we intend to target the investors' needs for all financial products through innovative product and service offerings.

STRENGTHEN OUR POSITION AS THE EXCHANGE OF CHOICE IN INDIA AND EXPAND OUR CROSS-BORDER REACH BY ENTERING INTO STRATEGIC ALLIANCE

In 2018, a new Pan- African multi asset exchange - Afrinex Ltd and a clearing house - Afrinex Clearing House were set up in Mauritius. Financial Services Commission (FSC), Mauritius granted license to both the entities to commence business. The Pan-African Exchange will be using exchange, clearing and settlement technology platform of Market Place Technologies Private Limited, technology arm and subsidiary of BSE along with leveraging BSE and its subsidiaries for capacity building and skill augmentation. In 2019, several global funds, organizations as well as government entities from Mauritius evinced interest and have become investors in Afrinex Ltd."

FOCUS ON INCREASING OUR MARKET SHARE OF DERIVATIVE PRODUCTS

We actively evaluate products and asset classes outside our traditional focus areas 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 positive results, evident in our increasing market share in the equity futures and options, commodity futures and Interest rate options. With the introduction of physical settlement in Equity derivatives, we are once again focusing on this product to increase market share. We have launched weekly futures and options contracts on stocks in equity derivatives with effect from September 19, 2019. We have also launch commodity futures on products such as turmeric, Silver (mini and 1 kg contracts), Brent Crude, Aluminium and Zinc in the FY 2019-20.

USE OF OPEN SOURCE TECHNOLOGIES

One of the primary IT strategies adopted by the Company is to extensively use Open source technologies. With the rise in community using Open source technologies and aggressive forum, there is vast exposure to use of these knowledges and its application in business and other applications compared to third party solutions that restricts flexibility and pose a heavy cost to the company.

The Company is continuously exploring newer areas for use of Open source technologies and over the years has successfully gained experience and strong team of technologists. During the year, the Company has upgraded its Trading system OS successfully. The Company has taken another big leap to migrate its Boltplus on Web platform, the trading interface, to open source technology.

The company now has its Trading system, Databases, Identity and Access Management, Business Intelligence, Log Management and Analysis, Infrastructure monitoring and several other systems/ applications built on open source. These systems are highly flexible, robust and scalable.

CYBER SECURITY

BSE has implemented 365 X 24X7 Next Generation Cybersecurity Operation Centre which comprises of state of the art technologies including cognitive and machine learning technologies. In order to make the exchange ecosystem cyber resilient, BSE has also setup 365 X 24X7 Member Security Operations Centre (MSOC).

As BSE, via it's extended broker network, serves millions of investors every day, a secure and trustworthy data security ecosystem is vital. With ever increasing threat landscape, data continues to be the most sought-after information asset globally. It is therefore imperative to protect information from the risk of unauthorized usage, data theft and tampering.

Regulators and governments globally and in India have either set out regulations or are in the process of formalizing user data protection bills. In order to stay ahead of the regulatory ask, BSE is committed towards ensuring minimal exposure for our investor and customer data. The exchange has created and implemented an Information Security program covering data privacy. The exchange is in the process of streamlining all major business processes to fundamentally embed zero trust architecture to meet local and international data privacy requirements. In order to achieve this some of the existing technological investments will be leveraged and appropriate changes will be made.

Cyber Security is not always an investment that yields profit but prevents loss. In other words, when you invest in security, you expect to reduce the risks threatening your assets. As part of our commitment to protect the technological setup we have been investing on a range of security products and services and have also partnered with some of the leading names in the security industry to support us in this endeavour. In order to provide the right quantitative assessment of Return on Security Investment we will evolve a value at risk model. This model will be based on security Key Performance Indicators (KPIs) which will help project the reduction in potential financial impact by way of implementing the security measures to protect against these adverse impacts. This assessment will help us optimize our efforts towards securing BSE. The initial KPIs have been established and we expect the model to evolve over the course of the year. This is done in addition of the reporting and dashboarding done for the regulators which is done to demonstrate the effectiveness of the security protocol.

In addition to this we plan to further secure our digital assets, i.e. our applications and its underlying infrastructure with state-of-the-art logging and monitoring tools with custom rule cases continuously developed for fraud and anomaly detection. As we normalize work from home at BSE, we also recognize that this widens our cyber-attack surface. We have implemented an array of steps in order to secure the access to the BSE network and ensure its authenticity while in progress. We have been open regarding the process we have in place and have continuously trained our employees regarding the best approach towards keeping BSE secure. Moving forward, we will have advanced training sessions for the important operations support staff so that we minimize human errors which could lead to any large-scale impact to the entity.

BSE is also enabling its business, cyber security and IT strategy to enable the business and functions run uninterrupted with new norm for working due to pandemic situation and implementing controls and solutions to enable users work from home with zero trust, data and information security and Cyber Security in place.

Cyber Security is one of the key strategic components to meet our strategic objective and to improve the overall business resiliency.

RISKS AND CONCERNS

BUSINESS RISKS

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



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento Shri Ashok Agarwal, Chairman, Globe Capital & Chief Mentor, CPAI at 'UDAAN - The Inaugural BSE Members Conference' on 12th October, 2019.



Shri Ashishkumar Chauhan, MD & CEO, BSE presenting a memento to Dr. Nehal Shukla, Director, Gujarat Secondary and Higher Secondary Education Board during his visit to BSE.

trading, settlement and high absenteeism of our employees. Although the exchange is fully prepared for business continuity, meeting all obligations and ensuring safety of our staff, it is possible that our ability to deliver satisfactory services to our customers may be affected.

- Our business, financial condition and result of operations are highly dependent upon the levels of activity on the exchange; and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances. Moreover, they are dependent on, liquidity and similar factors that affect, either directly or indirectly, the trading, listing, clearing and settlement transaction-based fees.
- Integral to our growth is the relative attractiveness of the financial assets traded on the exchange; and the relative attractiveness of the exchange as a market on which to trade these financial assets. All of these variables are primarily influenced by economic, political and market conditions in India as well as, to a lesser degree, the rest of Asia, the United States, Europe and elsewhere in the world.
- Weak economic conditions of the country may adversely affect listing, trading, clearing and settlement volumes as well as the demand for market data. If the return on investments in Indian companies are generally lower than the return on investments in companies based in other countries, we may be unsuccessful in attracting foreign and local investors to our markets.
- Bullion, Base metals and Energy products are linked to International market, Currency and government Duties etc.

- Agri commodities are linked to crop production, monsoon, demand and Government policies.
- Other factors beyond our control, that may materially adversely affect our business, financial condition and result of operations include:
 - ✓ broad trends in business and finance, including industry-specific circumstances, capital market trends and, the mergers and acquisitions environment;
 - ✓ social and civil unrest, terrorism and war;
 - ✓ concerns over inflation and the level of institutional or retail confidence;
 - ✓ changes in government monetary policy and foreign currency exchange rates;
 - ✓ the availability of short-term and long-term funding and capital;
 - ✓ the availability of alternative investment opportunities;
 - ✓ changes and volatility in the prices of securities;
 - ✓ changes in tax policy (including transaction tax) and tax treaties between India and other countries;
 - ✓ the level and volatility of interest rates;
 - ✓ legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets, if significant policy differences emerge among markets;
 - ✓ the perceived attractiveness, or lack of attractiveness, of Indian capital markets; and
 - ✓ unforeseen market closures or other disruptions in trading.

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

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

REGULATORY & COMPLIANCE

BSE operates in a highly regulated industry and may be subject to regulatory proceedings including censures and fines, for non-compliance with its regulatory obligations.

Changes in government policies and regulations could adversely affect trading on BSE on account of various factors like increase in operating costs, higher regulatory requirements, lower trading limits, higher margins etc. on market participants.

Furthermore, we are facing an unprecedented event in the form of the COVID-19 pandemic. This has led to Central/ State Governments and Municipal bodies imposing lockdowns and other restrictions on public as well as businesses. However, these restrictions have not impacted the functioning of Stock Exchanges since the Government of India has exempted capital and debt market services as notified by SEBI from the said closure.

The management and staff of BSE have risen to the situation and ensured that all segments of the Exchange continued to operate seamlessly and efficiently. The lockdown restrictions have truly tested the robustness of the Business continuity capability of BSE to run its operations in a business as usual mode, with less than ten percent employees in office and majority working from home. Despite the challenges, the Exchange has not compromised on any of its Regulatory function either in terms of monitoring or surveillance or enforcement or in terms of its service levels.

The pandemic has resulted in a high volatility in the markets owing to investor concerns relating to spread of the pandemic and the resultant fear of economic slowdown. This has resulted in additional scrutiny and closer monitoring of markets in relation to trading and risk management, with the objective of ensuring orderly functioning and integrity of the markets. SEBI has also announced various regulatory measures which inter-alia included increase in margin in Equity and Equity Derivatives markets, introduction of cooling off period for flexing of price bands for F&O stocks and revision in position limits in equity derivatives markets.

Recognising the challenges faced by brokers and corporates with respect to timely disclosures and compliance with various regulations due to the lockdown, the Exchange has worked with SEBI to mitigate the situation. SEBI has provided temporary relaxations in a number of compliance requirements to ease the difficulties being faced. The relaxations are primarily aimed at providing relief to the listed companies / trading members by extending the deadlines for submissions and from penalties.

For the benefit of investors, Corporates and market participants, BSE has gone the extra mile and organized webinars, investor knowledge seminars and training programs on various topics of interest during this period, free of cost. These have been widely appreciated.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company identifies risk based internal audit scope; and assesses the inherent risk in the processes and activities of all departments to ensure that appropriate risk management limits, control mechanisms and mitigation strategies are in place. The Internal Auditors report observations relating to the deficiencies / non-compliance of various audit areas and give suggestions / recommendations and control directives to mitigate the shortcomings and make the process, procedure, systems and functions more robust, accountable, reliable and compliant. The observations made by the Internal Auditors and the compliances thereof are placed before the Audit Committee.

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

The Company has further implemented pre-audit of vendor payments based on a set criteria. It strives to put in checks and controls like internal approvals, budgetary controls, documentary controls, compliance to statutory requirements, etc.

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



Mr. Mikko Pötsönen, Counsellor (Economic & Commercial), Embassy of Finland and Mr. Shreyas K Doshi, Honorary Consul, Honorary Consulate of Finland, Mumbai along with Mr. Ashishkumar Chauhan, MD & CEO, BSE ringing the BSE Bell during their visit to BSE.



Mr. David Craig, CEO, Refinitiv along with Shri Ashishkumar Chauhan, MD & CEO, BSE ringing the BSE BELL during his visit to BSE on 19th November, 2019.

The processes and quality management systems of the Company are ISO 9001:2015 certified by S & A Certifications having European accreditation of Euro Cert. The Company conducts the audits of the processes as required under ISO 9001:2015 and has successfully obtained certification for the FY 2019-20.

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

The coronavirus pandemic that the world currently faces brings countless challenges. One of these challenges is to safeguard the officials while at the same time maintaining continuity in audit activities. During this crisis which resulted into nation-wide lockdown, the audits functions have been carried out successfully as per schedule, in a secure and remote environment.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED 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, 2020, the Company had 403 management cadre employees and 113 staff level employees.

Human Resource function continues to be a strategic business partner and change catalyst. It plays a pivotal role in change management and creates triggers for unlocking human potential which results in organization transformation and success. With change and transformation characterized by ambiguity and complexity, we in BSE have a two prolonged approach -successfully leveraging the experiential wisdom of our tenured employees as well as infusing high quality talent who bring in multiplicity of experience.

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 career and realize employees potential. We have built a talent pool of around 403 professionals in the officers category with an ideal mix of experience and youth.

During the COVID-19 pandemic, BSE's management took various decisions for the well-being and safety of our employees'. Since the third week of march 2020, BSE sanitation measures include security guards with Infrared Temperature Guns to check temperature for fever symptoms, installation of hand sanitizers on each floor and disinfectant tunnels at entrance / exits. For the safety of our employees, we have enabled Work From Home access for employees and vendors with Virtual Private Network (VPN) access to keep the exchange fully functional and developed an inhouse Geo Fencing based attendance system called Virtual Fingerprint Access System (VFAS) using mobile. We have also developed a daily Health Reporting form to be filled by all the employees & vendor staff. In case any employee or their family members are suffering from any ill health, it needs to be immediately reported. In case the employee or their locality has been quarantined, also needs to be immediately reported in the form. The reports of the same is shared everyday with our Core Management Team on a daily basis. As a norm from the Government of India, we have also advised all the employees to download the AROGYA SETU app.

TRAINING & DEVELOPMENT

During the year 2019-20 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. To ensure that employees are at their productive best, we continued to work on simplifying internal processes through a collaborative effort with various teams. The collaborative deliberations and decisions of the organization leadership, supported by the stakeholders and enabled by the people managers, have resulted in various new initiatives having been implemented towards enabling change and transformation as well as enhancing a positive performance and learning culture.

RECENT GLOBAL INITIATIVES BY BSE IN SUSTAINABILITY SPACE

- In August 2019 at the United Nations Global Compact-Global Reporting Initiative (UNGC-GRI) Sustainability Summit: Empowering Corporate Action through the Sustainable development Goals (SDGs) held at Manila, Philippines, BSE steered an interesting perspective on “Regulatory trends in advancing corporate transparency on sustainability in capital markets”
- In September 2019, at the 3rd Asia Sustainability Reporting Summit 2019, Singapore hosted by CSRWorks, BSE engaged effectively with many Asian Stock Exchanges and other luminaries from the Environment Social Governance (ESG) Space on “Whether comparability in Sustainability Disclosure is important”
- In November 2019, Asian and Oceanian Stock Exchanges Federation (AOSEF) hosted a Working Committee and Investor Education Working Group Meeting at Bangkok, Thailand, where BSE had some noteworthy contributions themed on “Environment Social Governance Investment and New Products for Investors”.
- In January 2020, BSE in association with Environmental Resources Management (ERM), RobecoSAM, World Business Council for Sustainable Development World Business Council for Sustainable Development (WBCSD) hosted and made some noteworthy contribution at the “Strategic Thought Leadership Forum on the Dow Jones Sustainability Indices Dow Jones Sustainability Indices (DJSI) – Putting Principles into Practice”.

FINANCIAL PERFORMANCE

SOURCES OF FUNDS

Equity Share Capital

BSE has one class of shares - equity shares at a face value of ₹ 2 each. The Authorised Share Capital is ₹ 30,000 lakh represented by 1,50,00,00,000 equity shares of ₹ 2 each. The Issued Equity Share Capital stood at ₹ 916 lakh (₹ 1,052 lakh as at March 31, 2019) represented by 4,58,04,297 equity shares of ₹ 2 each (5,25,69,002 equity shares of ₹ 2 each as at March 31, 2019). Out of the same, 4,50,24,297 equity shares of ₹ 2 each (5,17,89,002 equity shares of ₹ 2 each as at March 31, 2019) were subscribed and paid up as at

March 31, 2020. The allotment of 7,80,000 equity shares (7,80,000 equity shares as on March 31, 2019) 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.

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, 2020 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, 2020 reduced to ₹ Nil from ₹ 22,526 Lakh as at March 31, 2019. This was on account of utilization of the Securities Premium Account for the purpose of buy back of 67,64,705 equity shares during the year.



Mr. Joseph Law, Founder and CEO, Living Greatness presenting his book to Shri Ashishkumar Chauhan, MD & CEO, BSE during his visit to BSE on 19th November, 2019.



Shri Ashishkumar Chauhan, MD & CEO, BSE along with Mr. Fathi Jerfel, Deputy CEO, Global Head Retail Clients Division, Amundi posing with the BSE Bull on 19th November, 2019 at BSE.

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, 2020 was reduced to ₹ 44,457 Lakh from ₹ 69,415 Lakh as on March 31, 2019 on a standalone basis and reduced to ₹ 45,512 Lakh from ₹ 70,470 Lakh as at March 31, 2019 on a consolidated basis. This was on account of utilization of the General Reserve for the purpose of buy back of 67,64,705 equity shares during the year.

Capital reserve on business combination: The balance of Capital Reserve on Business Combination as on March 31, 2020 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, 2020 was ₹ 94,258 Lakh, as compared to ₹ 92,895 Lakh in the previous year. Retained Earnings include loss of ₹ 25 Lakh (loss of ₹ 71 Lakh for FY 2018-19) charged to Other Comprehensive Income (OCI) which is mainly on account of remeasurement losses on our defined benefit plans net of taxes.

On a consolidated basis, the balance in Retained Earnings as at March 31, 2020 was ₹ 1,19,173 Lakh as compared to ₹ 1,22,066 Lakh in the previous year. Retained Earnings include gain of ₹ 1,102 Lakh (gain of ₹ 699 Lakh for FY 2018-19) charged to Other Comprehensive Income (OCI) which is mainly on account of remeasurement losses on our defined benefit plans net of taxes and exchange differences on translating the financial statements of International Financial Services Centre (IFSC) operation.

Other Reserves:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
Standalone:			
a)	Share application money pending allotment	1	1
b)	Capital redemption reserve	176	40
	Total	177	41
Consolidated:			
a)	Share application money pending allotment	1	1
b)	Capital Redemption Reserve	176	40
c)	Liquidity enhancement scheme (LES) reserve	39	8
	Total	216	49

Capital Redemption reserve of ₹ 176 Lakh has been created representing the nominal value of equity shares bought back.

Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), India International Exchange (IFSC) Limited (INDIA INX) had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's derivatives contracts traded. LES was launched on November 01, 2017 and which was further extended and amended from time to time. An expense of ₹ 1,562 Lakh (Previous year: ₹ 1,298 Lakh) has been incurred towards the Scheme for the year ended March 31, 2020.

Further, pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2020, India INX has created additional LES reserve of ₹ 1,593 Lakh and incurred an expense of ₹ 1,562 Lakh during the year ended March 31, 2020, accordingly LES reserve balance as on March 31, 2020 is ₹ 39 Lakh (as on March 31, 2019: ₹ 8 Lakh). The LES reserve as on March 31, 2020 will not form part of net worth.

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, 2020	As at March 31, 2019
Opening Balance	8	239

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Add: Transfer from Retained Earning	1,593	1,067
Less: LES expenditure incurred during the year	-1,562	-1,298
Closing Balance	39	8

Total Equity: The Total Equity attributable to Shareholders of the company on consolidated basis decreased to ₹ 2,42,510 Lakh as on March 31, 2020 from ₹ 2,92,856 Lakh as on March 31, 2019. The book value per equity share on consolidated basis decreased to ₹ 539 as at March 31, 2020 as compared to ₹ 565 as at March 31, 2019.

The Total Equity on standalone basis decreased to ₹ 2,16,501 Lakh as on March 31, 2020 from ₹ 2,62,622 Lakh as on March 31, 2019. The book value per equity share on standalone basis decreased to ₹ 481 as at March 31, 2020 as compared to ₹ 507 as at March 31, 2019.

Non-Controlling Interest: New investors had taken minority stake in India INX and India ICC, due to which non-controlling interest of ₹ 1,856 Lakh was generated as at March 31, 2020 on a consolidated basis.

Core Settlement Guarantee Fund: On a consolidated basis, the balance of Core Settlement Guarantee Fund as at March 31, 2020 increased by ₹ 3,375 Lakh to ₹ 43,538 Lakh, as compared to ₹ 40,163 Lakh in the previous year.

APPLICATION OF FUNDS:

Property Plant & Equipment and Investment Property:

Additions to Gross Block - Standalone: During the year, the Company capitalised ₹ 2,407 Lakh to the gross block comprising of ₹ 5 Lakh in Plant & Equipments, ₹ 2 Lakh in Electrical Installations, ₹ 2,365 Lakh in Computer Equipments, ₹ 21 Lakh in Furniture & Fixtures and ₹ 14 Lakh in Office Equipments.

During the previous 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.

Additions to Gross Block - Consolidated: During the year, the Company capitalised ₹ 2,696 Lakh to the gross block comprising of ₹ 5 Lakh in Plant & Equipments, ₹ 4 Lakh in Electrical Installations, ₹ 2,648 Lakh in Computer Equipments, ₹ 23 Lakh in Furniture & Fixtures and ₹ 16 Lakh in Office Equipment.

During the previous year, the Company capitalised ₹ 2,238 Lakh to the gross block comprising of ₹ 14 Lakh in Building Infrastructure, ₹ 28

Lakh in Leasehold Building, ₹ 10 Lakh in Plant & Equipments, ₹ 31 Lakh in Electrical Installations, ₹ 2,041 Lakh in Computer Equipments, ₹ 28 Lakh in Furniture & Fixtures, ₹ 79 Lakh in Office Equipment and ₹ 7 Lakh in Motor Cars.

Deductions from Gross Block - Standalone: During the year the Company disposed of various assets with a gross block of ₹ 534 Lakh as compared to ₹ 635 Lakh during the previous year.

Deductions from Gross Block - Consolidated: During the year the Company disposed of various assets with a gross block of ₹ 534 Lakh as compared to ₹ 723 Lakh during the previous year.

Goodwill and Other Intangible Assets - Standalone: During the year, the Company capitalised ₹ 528 Lakh in Software as compared to ₹ 2,359 Lakh in previous year.

Goodwill and Other Intangible Assets - Consolidated: The carrying value of Goodwill was unchanged at ₹ 3,742 Lakh as at March 31, 2020 as compared to previous year. During the year, the Company capitalised ₹ 854 Lakh in Software as compared to ₹ 2,413 Lakh during previous year.

Capital Work in Progress and Intangible Assets under development

(CWIP) - Standalone: The carrying value of CWIP was ₹ 2,316 Lakh as at March 31, 2020 as compared to ₹ 1,907 Lakh as at March 31, 2019.

Capital Work in Progress and Intangible Assets under development

(CWIP) - Consolidated: The carrying value of CWIP was ₹ 2,187 Lakh as at March 31, 2020 as compared to ₹ 1,824 Lakh as at March 31, 2019.



Mr. Nakamura-san, Senior Director General, Japan Exchange Group and Mr. Yoshihiro Isaka, Senior Executive Officer, Japan Exchange Group interacting with Shri Ashishkumar Chauhan, MD & CEO, BSE and other Senior Officials from BSE.

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. Particulars No.	As at March 31, 2020	As at March 31, 2019
Standalone:		
a) Towards Tangible assets	1,929	1,342
b) Towards Intangible assets	309	125
Total	2,238	1,467
Consolidated:		
a) Towards Tangible assets	2,114	1,384
b) Towards Intangible assets	309	125
Total	2,423	1,509

Financial Assets:

Investments:

Investment in Subsidiaries and Associates:

(₹ in Lakh)		
Sr. Particulars No.	As at March 31, 2020	As at March 31, 2019
Standalone:		
a) Investment in Subsidiaries	68,850	68,850
b) Investment in Associates	4,723	5,667
Total	73,573	74,517
Consolidated:		
a) Investment in Subsidiaries	2	1
b) Investment in Associates	38,622	43,017
Total	38,624	43,018

During the year the Company had further divested its 4% stake in its associate company CDSL through "Offer for Sale" route. The profit on divestment amounting to ₹ 9,158 Lakh is reflected as an "Exceptional Item" in the standalone statement of profit and loss for the year ended March 31, 2020 and profit of ₹ 3,204 Lakh is reflected as an "Exceptional Item" in the consolidated statement of profit and loss for the year ended March 31, 2020.

Other Investments:

(₹ in Lakh)		
Sr. Particulars No.	As at March 31, 2020	As at March 31, 2019
Standalone:		
i. Bonds; Non-Convertible Debentures; Certificate of deposits; and G Sec	3,201	5,855
ii. Exchange traded funds through asset management company	3,699	1,453
iii. Dividend oriented debt schemes of mutual funds	4,344	46,169
iv. Growth oriented debt schemes of mutual funds	1,26,873	1,25,148
v. Less: Provision for diminution	(1,705)	(962)
vi. Earmarked Investments	6,045	4,467
Total	1,42,457	1,82,130
Consolidated:		
i. Investment in Equity Instruments	-	-
ii. Bonds; Non-Convertible Debentures; Certificate of deposits; and G Sec	5,547	8,121
iii. Exchange traded funds through asset management company	3,699	1,453
iv. Dividend oriented debt schemes of mutual funds	7,112	47,666
v. Growth oriented debt schemes of mutual funds	1,30,518	1,28,339
vi. Less: Provision for diminution	(1,705)	(962)
vii. Earmarked Investments	29,405	10,330
Total	1,74,576	1,94,947

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

Trade Receivables: On a standalone basis, trade receivables amounted to ₹ 5,195 Lakh as at March 31, 2020 as compared to ₹ 4,113 Lakh as at March 31, 2019. Average collection period was 44.86 days as compared to 46.13 days in the previous year.

On a consolidated basis, trade receivables amounted to ₹ 6,999 Lakh as at March 31, 2020 as compared to ₹ 4,903 Lakh as at March 31, 2019. Average collection period was 48.21 days as compared to 40.61 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, 2020	As at March 31, 2019
Standalone:		
Opening Balance of Impairment Loss	1,698	1,181
Additional Provision during the Year	1,749	517
Closing Balance of Impairment Loss	3,447	1,698
Consolidated:		
Opening Balance of Impairment Loss	1,763	1,188
Additional Provision during the Year	1,740	575
Closing Balance of Impairment Loss	3,503	1,763

Cash and Cash equivalents and other bank balances: On a standalone basis, balance in current accounts and deposit accounts including accrued interest stood at ₹ 20,387 Lakh as at March 31, 2020, as compared to ₹ 23,942 Lakh as at March 31, 2019. On a consolidated basis, balance in current accounts and deposit accounts including accrued interest stood at ₹ 1,60,918 Lakh as at March 31, 2020, as compared to ₹ 1,54,808 Lakh as at March 31, 2019.

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Standalone:		
In Current Accounts – Own	2,713	428

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
In Deposit Accounts – Own including accrued interest	1,205	2,704
Total Cash and Bank Balance (Own)	3,918	3,132
In Current Accounts – Earmarked	2,055	1,814
In Deposit Accounts – Earmarked including accrued interest	14,414	18,996
Total Cash and Bank Balance (Earmarked)	16,469	20,810
Total Cash and Bank Balance	20,387	23,942
Consolidated:		
In Current Accounts – Own	3,369	5,640
In Deposit Accounts – Own including accrued interest	14,381	14,130
Total Cash and Bank Balance (Own)	17,750	19,770
In Current Accounts – Earmarked	21,824	28,449
In Deposit Accounts – Earmarked including accrued interest	1,21,344	1,06,589
Total Cash and Bank Balance (Earmarked)	1,43,168	1,35,038
Total Cash and Bank Balance	1,60,918	1,54,808

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, 2020	As at March 31, 2019
Standalone:		
Deposit with public bodies and others	209	209
Loan to staff	73	75
Bank deposits including accrued interest (> 1 Year maturity) – Own	3,187	-
Bank deposits including accrued interest (> 1 Year maturity) – Earmarked	5,431	4,182
Due from subsidiaries	172	84
Receivable from portfolio management account	99	500
Total	9,171	5,050
Consolidated:		

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Deposit with public bodies and others	1,040	472
Loan to staff	99	94
Receivable from Portfolio Management Account	99	500
Bank deposits including accrued interest (> 1 Year maturity) – Own	5,176	876
Bank deposits including accrued interest (> 1 Year maturity) – Earmarked	14,922	7,912
Receivable towards incentive scheme	30	14
Others	227	256
Total	21,593	10,124

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

Other Assets:

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Standalone:		
Gratuity Asset (Net)	4	69
Prepaid Expenses	276	277
Advance to Creditors	282	96
Input Credit Receivable	288	777
Total	850	1,219
Consolidated:		
Gratuity Asset (Net)	4	70
Prepaid Expenses	578	426
Advances Recoverable in Cash or in Kind or for value to be received	49	-
Advance to Creditors	287	133

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Input Tax Credit Receivable	1,194	1,551
Total	2,112	2,180

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.

Financial Liabilities:

Trade Payables:

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Standalone:		
Trade Payables	6,772	3,592
Total	6,772	3,592
Consolidated:		
Trade Payables	7,584	4,189
Total	7,584	4,189

Of the Trade Payables shown in standalone financials for FY 2019-20, ₹ 16 Lakh pertains to micro enterprises and small enterprises.

Of the Trade Payables shown in consolidated financials for FY 2019-20, ₹ 16 Lakh pertains to micro enterprises and small enterprises.

Other Financial Liabilities:

(₹ in Lakh)		
Particulars	As at March 31, 2020	As at March 31, 2019
Standalone:		
Accrued employee benefit expenses	2,939	2,780
Deposits received	14,445	13,401
Payable towards Additional Contribution to ISF and IPF	1,861	-
Unpaid dividends	128	134

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Due to subsidiaries	704	442
Payables on purchase of fixed assets	463	108
Earmarked Liabilities	19,822	23,297
Total	40,362	40,162
Consolidated:		
Accrued employee benefit expenses	3,703	3,582
Deposits and margin received	16,322	14,486
Payable towards Additional Contribution to ISF and IPF	1,861	-
Unpaid dividends	128	134
Payables on purchase of fixed assets	463	115
Lease obligations	3	3
Earmarked Liabilities	19,822	23,297
Clearing and Settlement	89,240	56,666
Total	1,31,542	98,283

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. Lease obligations are liabilities which are at a fixed rate of interest having an original repayment period of 5 years. Earmarked liabilities are backed up by corresponding bank balances and bank deposits mentioned above. Clearing and Settlement liability represents the early pay-in received by Indian Clearing Corporation Limited (ICCL) with respect to trades executed on trading platform of the exchanges pending settlement, deposits received from clearing banks and margin money/deposits received from members.

Provisions

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Standalone:		
Compensated Absence	1,114	1,038
Total	1,114	1,038

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Consolidated:		
Provision for Gratuity	281	195
Compensated Absence	1,722	1,507
Total	2,003	1,702

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, 2020	As at March 31, 2019
Standalone:		
Deferred Tax Assets – A	13,165	9,002
Deferred Tax Liabilities – B	2,361	1,233
Deferred Tax Net (A-B)	10,804	7,769
Income Tax Assets – C	5,634	5,464
Income Tax Liabilities – D	944	1,142
Income Tax Net (C-D)	4,690	4,322
Consolidated:		
Deferred Tax Assets – E	16,881	12,276
Deferred Tax Liabilities – F	4,118	2,029
Deferred Tax Net (E-F)	12,763	10,247
Income Tax Assets – G	8,794	7,979
Income Tax Liabilities – H	993	1,147
Income Tax Net (G-H)	7,801	6,832

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, 2020	As at March 31, 2019
Standalone:		
Income received in advance	387	571
Advance from customers	1,304	538
Statutory remittances	6,992	3,655
Other liabilities	7,853	6,066
Total	16,536	10,830
Consolidated:		
Income received in advance	955	1,383
Advance from customers	1,306	544
Statutory remittances	7,349	3,952
Other liabilities	7,857	6,068
Contribution payable to IPF	16	11
Unamortised portion of Capital Subsidy	68	90
Total	17,551	12,048

Statutory remittances include dues payable to statutory bodies, which have been paid off subsequently before the applicable due dates. Other liabilities includes amount set aside to Investors' service fund @ 20% of annual listing fees as per the directive of SEBI and dividend of earlier years in respect of shares held in abeyance (For further details refer schedule 19 of standalone and consolidated financial statements).

Financial Results:

Standalone Performance:

(₹ in Lakh)			
Particulars	FY 2019-20	FY 2018-19	Variance (%)
A. Income			
Securities services	13,516	13,634	-1%
Services to corporates	21,195	21,327	-1%
Data dissemination fees	3,152	3,015	5%
Revenue from operations	37,863	37,976	0%
Investment income	13,956	19,581	-29%
Other income	2,394	3,682	-35%
Total income	54,213	61,239	-11%

(₹ in Lakh)

Particulars	FY 2019-20	FY 2018-19	Variance (%)
B. Expenses			
Employee benefits expense	9,390	8,479	11%
Computer technology related expenses	13,090	12,652	3%
Administration and other expenses	18,795	14,313	31%
Liquidity enhancement scheme expenses	219	-	NA
Total expenses	41,494	35,444	17%
C. EBITDA	12,719	25,795	-51%
EBITDA Margin	23%	42%	
Depreciation and amortisation expense	4,355	4,402	-1%
D. Profit before exceptional items and tax	8,364	21,393	-61%
Exceptional items	9,158	457	1904%
E. Profit before tax	17,522	21,850	-20%
Tax expenses	155	1,745	-91%
F. Net profit after tax	17,367	20,105	-14%
Net margin	32%	33%	
Effective tax rate	1%	8%	
G. Other comprehensive income	-25	-71	
H. Total comprehensive income for the year	17,342	20,034	-13%

Standalone Income:

(₹ in Lakh)

Particulars	FY 2019-20	% of Total Income	% Growth	FY 2018-19	% of Total Income
Securities Services	13,516	25%	-1%	13,634	22%
Services to Corporates	21,195	39%	-1%	21,327	35%
Data Dissemination Fees	3,152	6%	5%	3,015	5%
Investment Income	13,956	26%	-29%	19,581	32%
Other Income	2,394	4%	-35%	3,682	6%
Total Income	54,213	100%	-11%	61,239	100%

The Total Income for the year was lower by ₹ 7,026 Lakh at ₹ 54,213 Lakh (down 11%). The income from Securities services and Services to Corporates has reduced marginally as compared to previous year. The decrease in income from equity cash segment is partially offset by increase in income from Mutual Fund STAR MF platform which has

witnessed a growth of 60% from 3.60 Crore transactions in FY 2018-19 to 5.75 Crore transactions in FY 2019-20 yielding an income from the segment of ₹ 3,788 Lakh in FY 2019-20 from ₹ 2,500 Lakh in the FY 2018-19. The decrease in income from Services to Corporates is mainly due to decrease in listing fees, company reinstatement fees and other fees from ₹ 19,833 Lakh in FY 2018-19 to ₹ 19,377 Lakh in FY 2019-20. The decrease is offset by increase in book building software charges by ₹ 324 Lakh from ₹ 1,494 Lakh in FY 2018-19 to ₹ 1,818 Lakh in FY 2019-20. Income from Data Dissemination Fees increased by ₹ 137 Lakh from ₹ 3,015 Lakh in FY 2018-19 to ₹ 3,152 Lakh in FY 2019-20.

Standalone Expenses:

Particulars	FY 2019-20	% of Total Income	% Growth	FY 2018-19	% of Total Income
Employee Benefits Expenses	9,390	17%	11%	8,479	14%
Computer Technology Related Expenses	13,090	24%	3%	12,652	21%
Regulatory Fees	6,861	13%	42%	4,830	8%
Legal Fees	872	2%	246%	252	0%
Professional Fees	1,159	2%	-22%	1,493	2%
Electricity Charges	988	2%	-13%	1,131	2%
Repairs & Maintenance	851	2%	-11%	952	2%
Travelling Expenses	385	1%	-19%	477	1%
Operating lease expenses	71	0%	13%	63	0%
Impairment loss allowance on trade receivable and financial assets	2,540	5%	31%	1,937	3%
Clearing house expenses	1,723	3%	560%	261	0%
Others	3,345	6%	15%	2,917	5%
Depreciation	4,355	8%	-1%	4,402	7%
Liquidity enhancement scheme expenses	219	0%	NA	-	0%
Total	45,849	85%	15%	39,846	65%

The Total Expenses for the year were higher by ₹ 6,003 Lakh at ₹ 45,849 Lakh (up 15%). The increase in expenses is mainly due to increase in regulatory cost by ₹ 2,031 Lakh from ₹ 4,830 Lakh in FY 2018-19 to ₹ 6,861 Lakh in FY 2019-20, this increase in regulatory cost includes Provision for Additional Contribution to ISF and IPF of ₹ 1,861 Lakh in FY 2019-20 which was not incurred in FY 2018-19. Due to the introduction of interoperability among clearing corporations,

there was a sharp increase in clearing house expenses by ₹ 1,462 Lakh from ₹ 261 Lakh in FY 2018-19 to ₹ 1,723 Lakh in FY 2019-20. Also, BSE has incurred a cost of ₹ 219 Lakh due to introduction of liquidity enhancement scheme in FY 2019-20, which was not present in the previous year.

Exceptional items:

Particulars	FY 2019-20	% of Total Income	% Growth	FY 2018-19	% of Total Income
Net gain on partial disposal of investment in subsidiary/associate measured at cost	9,158	17%	1692%	511	1%
Voluntary Retirement Scheme	-	0%	-100%	-54	-0%
Total	9,158	17%		457	1%

During the FY 2019-20, the Company had further divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through "Offer for Sale" route. The profit on divestment amounting to ₹ 9,158 Lakh is reflected as an "Exceptional Items" in the standalone statement of profit and loss for the year ended March 31, 2020. Exceptional items of FY 2018-19 includes profit on divestment based on estimated expenditure withheld by CDSL. In the quarter ended September 30, 2018, the amount of expenditure was crystallized, and hence excess amount of ₹ 511 Lakh was 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 of ₹ 54 Lakh towards voluntary retirement scheme for some employees.

Consolidated Performance:

Particulars	FY 2019-20	FY 2018-19	Variance (%)
A. Income			
- Securities Services	16,897	17,167	-2%
- Services to Corporates	21,215	21,344	-1%
- Data Dissemination Fees	3,152	3,015	5%
- Training Institute	2,182	2,301	-5%
- IT Services	1,605	1,203	33%
Revenue from Operations	45,051	45,030	0%
- Investment Income	15,866	20,218	-22%
- Other Income	2,083	3,496	-40%
Total Income	63,000	68,744	-8%

(₹ in Lakh)

Particulars	FY 2019-20	FY 2018-19	Variance (%)
B. Expenses			
- Employee Benefits Expense	15,120	13,921	9%
- Computer Technology Related Expenses	11,760	11,342	4%
- Administration & Other Expenses	21,318	18,105	18%
- Liquidity Enhancement Scheme Expenses	1,781	1,298	37%
Total Expenses	49,979	44,666	12%
C. EBITDA	13,021	24,078	-46%
EBITDA Margin	21%	35%	
Depreciation & Amortization	5,104	5,108	0%
Finance Cost	237	87	172%
D. Profit before Exceptional Items and Tax	7,680	18,883	-59%
Exceptional Items [income/ (expenses)]	3,204	-54	-6033%
E. Profit before tax and share of net profits of investments accounted for using equity method	10,884	18,829	-42%
Share of profit of associates	2,665	2,923	-9%
F. Profit before tax	13,549	21,752	-38%
Tax Expenses	1,488	2,335	-36%
G. Net Profit for the year from continuing operation	12,061	19,417	-38%
H. Net profit for the year from discontinued operation	-	511	-100%
I. Net Profit for the year from total operation	12,061	19,928	-39%
Net Profit attributable to the shareholders of the Company	12,227	19,928	-39%
Net Profit attributable to the non-controlling interest	-166	-	NA
Net Margin	19%	29%	-34%
Effective Tax Rate	11%	11%	
J. Other Comprehensive Income	1,102	699	58%
K. Total comprehensive	13,163	20,627	-36%

(₹ in Lakh)

Particulars	FY 2019-20	FY 2018-19	Variance (%)
Total comprehensive income attributable to the shareholders of the Company	13,230	20,627	-36%
Total comprehensive income attributable to the non-controlling interest	-67	0	NA

Consolidated Income:

(₹ in Lakh)

Particulars	FY 2019-20	% of Total Income	% Growth	FY 2018-19	% of Total Income
Securities services	16,897	27%	-2%	17,167	25%
Services to corporates	21,215	34%	-1%	21,344	31%
Data dissemination fees	3,152	5%	5%	3,015	4%
Training institute	2,182	3%	-5%	2,301	3%
Sale of Software Licenses, Development, Customization & Maintenance of Software	1,605	3%	33%	1,203	2%
Investment Income	15,866	25%	-22%	20,218	29%
Other Income	2,083	3%	-40%	3,496	5%
Total Income	63,000	100%	-8%	68,744	100%

The Total Income for the year was lower by ₹ 5,744 Lakh at ₹ 63,000 Lakh (down 8%). The income from Securities services and Services to Corporates has reduced marginally as compared to previous year. The decrease in income from equity cash segment is partially offset by increase in income from Mutual Fund StAR MF platform which has witnessed a growth of 60% from 3.60 Crore transactions in FY 2018-19 to 5.75 Crore transactions in FY 2019-20 yielding an income from the segment of ₹ 3,788 Lakh from ₹ 2,500 Lakh in the FY 2018-19. The decrease in income from Services to Corporates is mainly due to decrease in listing fees, company reinstatement fees and other fees from ₹ 19,850 Lakh in FY 2018-19 to ₹ 19,397 Lakh in FY 2019-20. The decrease is offset by increase in book building software charges by ₹ 324 Lakh from ₹ 1,494 Lakh in FY 2018-19 to ₹ 1,818 Lakh in FY 2019-20. Income from Data Dissemination Fees increased by ₹ 137 Lakh from ₹ 3,015 Lakh in FY 2018-19 to ₹ 3,152 Lakh in FY 2019-20.

Consolidated Expenses:

(₹ in Lakh)					
Particulars	FY 2019-20	% of Total Income	% Growth	FY 2018-19	% of Total Income
Employee Benefits Expenses	15,120	24%	9%	13,921	20%
Computer Technology Related Expenses	11,760	19%	4%	11,342	16%
Regulatory Fees	7,031	11%	25%	5,616	8%
Legal Fees	877	1%	227%	268	0%
Professional Fees	2,046	3%	-13%	2,350	3%
Electricity Charges	1,077	2%	-12%	1,220	2%
Repairs & Maintenance	942	1%	-10%	1,049	2%
Travelling Expenses	668	1%	-19%	820	1%
Operating lease expenses	269	0%	40%	192	0%
Clearing House Expenses	802	1%	7191%	11	0%
Others	5,075	8%	10%	4,633	7%
Impairment loss on financial assets	2,531	4%	30%	1,946	3%
Depreciation	5,104	8%	0%	5,108	7%
Finance cost	237	0%	172%	87	0%
Liquidity enhancement scheme expenses	1,781	3%	37%	1,298	2%
Total Expenses	55,320	88%	11%	49,861	73%

The Total Expenses for the year were higher by ₹ 5,459 Lakh at ₹ 55,320 Lakh (up 11%). The increase in expenses is mainly due to increase in regulatory cost by ₹ 1,415 Lakh from ₹ 5,616 Lakh in FY 2018-19 to ₹ 7,031 Lakh in FY 2019-20, this increase in regulatory cost includes Provision for Additional Contribution to ISF and IPF of ₹ 1,861 Lakh in FY 2019-20 which was not incurred in FY 2018-19. Due to the introduction of interoperability among clearing corporations, there was a sharp increase in clearing house expenses by ₹ 791 Lakh from ₹ 11 Lakh in FY 2018-19 to ₹ 802 Lakh in FY 2019-20. Apart from India INX, BSE also, incurred a cost of ₹ 219 Lakh towards liquidity enhancement scheme (LES) in FY 2019-20. The total cost incurred towards was ₹ 1,781 Lakh in FY 2019-20 as compared to ₹ 1,298 Lakh in FY 2018-19.

Exceptional items:

(₹ in Lakh)					
Particulars	FY 2019-20	% of Total Income	% Growth	FY 2018-19	% of Total Income
Net gain on partial disposal of investment in associate measured at cost	3,204	5%	NA	-	-
Voluntary Retirement Scheme	-	0%	-100%	-54	0%
Total	3,204	5%		-54	0%

During the FY 2019-20, the Company had further divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through "Offer for Sale" route. The profit on divestment amounting to ₹ 3,204 Lakh is reflected as an "Exceptional Items" in the consolidated statement of profit and loss for the year ended March 31, 2020. Exceptional items of FY 2018-19 includes payment of ₹ 54 Lakh towards voluntary retirement scheme for some employees.

Cash Flow Standalone:

Summary of standalone cash flow statement is given below:

(₹ in Lakh)		
Particulars	FY 2019-20	FY 2018-19
Operating activities	6,608	885
Investing activities	58,038	32,821
Financing activities	(63,463)	(34,845)
Net increase / (decrease) in cash & cash equivalents	1,183	(1,139)
Cash & cash equivalents at the end of the year	3,011	1,828
Cash and cash equivalents at the beginning of the year	1,828	2,967

In FY 2019-20, there was a cash inflow from operating activities amounting to ₹ 6,608 Lakh as compared to cash inflow of ₹ 885 Lakh in FY 2018-19.

There was cash inflow from investing activities amounting to ₹ 58,038 Lakh in FY 2019-20 as compared to cash inflow of ₹ 32,821 Lakh in FY 2018-19.

The cash outflow from financing activities was higher in FY 2019- 20 at ₹ 63,463 Lakh as compared to cash outflow of ₹ 34,845 Lakh in FY 2018-19 mainly on account of higher amount paid on buyback of shares during the year as compared to previous year.

Consolidated:

Summary of consolidated cash flow statement is given below:

(₹ in Lakh)		
Particulars	FY 2019-20	FY 2018-19
Operating activities	39,671	(31,833)
Investing activities	47,029	34,740
Financing activities	(61,777)	(35,201)
Net increase / (decrease) in cash and cash equivalents from Continuing Operations	24,923	(32,294)
Net increase / (decrease) in cash and cash equivalents from Discontinued Operations	-	511
Net increase / (decrease) in cash and cash equivalents from Total Operations	24,923	(31,783)
Cash & cash equivalents at the end of the year	72,866	47,943
Cash and cash equivalents at the beginning of the year	47,943	79,726

In FY 2019-20, there was a cash inflow from operating activities amounting to ₹ 39,671 Lakh as compared to cash outflow of ₹ 31,833 Lakh in FY 2018-19.

There was cash inflow from investing activities amounting to ₹ 47,029 Lakh in FY 2019-20 as compared to cash inflow of ₹ 34,740 lakh in FY 2018-19.

The cash outflow from financing activities was higher in FY 2019-20 at ₹ 61,777 Lakh as compared to cash outflow of ₹ 35,201 Lakh in FY 2018-19 mainly on account of higher amount paid on buyback of shares during the year as compared to previous year.

Earnings per Share (EPS)

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

Particulars	FY 2019-20	FY 2018-19	% Increase
Standalone:			
Basic and diluted EPS before exceptional items (₹) – Continuing Operations	16.72	37.18	-55%
Basic and diluted EPS after exceptional item (₹) – Continuing Operations	35.37	38.08	-7%
Basic and diluted EPS after exceptional item (₹) – Total Operations	35.37	38.08	-7%
Consolidated:			
Basic and diluted EPS before exceptional items (₹) – Continuing Operations	18.04	36.85	-51%
Basic and diluted EPS after exceptional item (₹) – Continuing Operations	24.57	36.78	-33%
Basic and diluted EPS after exceptional item (₹) – Total Operations	24.57	37.75	-35%

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".

Material developments after balance sheet date

No major developments to be reported.

Corporate Governance Report

The Corporate Governance Report for Financial Year (FY) 2019-20, 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").

The Company ("BSE" or "Exchange") is in compliance with all the requirements stipulated under Listing Regulations and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations").

PHILOSOPHY

BSE believes in adopting the best Corporate Governance practices since its inception. BSE has always stated that good governance stems from mindset of the organization and a strong mindset is a product of values and principles which are reinforced at all levels within the organization. BSE as an organization is committed to do things in a right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislations in true letter and spirit. BSE emphasizes on maintaining highest levels of transparency, accountability, integrity and equity in all the areas of operations. Thus, for BSE, Corporate Governance is not merely about compliance with legislations but also about commitment to values, principles, ethical business conduct and transparency by ensuring honest and professional business practices and establishing an environment of trust and confidence among stakeholders.

Apart from being, the first Universal and listed Exchange of the country, BSE is the oldest Exchange in Asia as well as the fastest and largest Exchange in the world in terms of equity stocks listed. BSE has been demonstrating the highest standards of Corporate Governance principles and is striving to improve them continually by setting its standard in line with the best Corporate Governance practices in the world.

The Corporate Governance philosophy of BSE has been further strengthened with the adoption of the Code of Conduct and Code of Ethics for Board of Directors and Senior Management including Key Managerial Personnel and its entire management cadre. BSE has also devised a Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

BOARD OF DIRECTORS

BSE actively seeks to adopt best global practices and believes in having a diverse Board of Directors ("Board") to allow better Corporate Governance. Hence, the Board of BSE is an ideal mix of knowledge, professionalism and experience and discharges its responsibilities and provides effective leadership to business. The Board of BSE, being at the core of the Corporate Governance practices, plays a pivotal role in overseeing the management in serving and protecting the long-term interests of all its stakeholders.

The Managing Director & CEO (MD & CEO) is responsible for the day-to-day management of the Company, subject to the supervision, direction and control of the Board, and ensures to apprise them at every meeting on the performance of the Company. He is ably assisted by the Executive Management Committee for implementing the decisions and strategic policies of the Board for effective execution.

Being a Recognized Stock Exchange, appointment of all the categories of Directors of the Company have been approved by Securities and Exchange Board of India (SEBI).

COMPOSITION OF THE BOARD

As per Regulations 23(1) and 23(3) of SECC Regulations, the Board of the Company shall comprise of Public Interest Directors, Shareholder Directors and Managing Director, and the number of Public Interest Directors shall not be lesser than the number of Shareholder Directors of the Company. Further, Regulation 23(4) of SECC Regulations prescribes that the Managing Director shall be included in the category of Shareholder Directors. As per Regulation 2(1)(o) of SECC Regulations, Public Interest Director has been defined as an Independent Director representing the interest of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of SEBI, is in conflict with the role.

Pursuant to Regulation 20 of SECC Regulations, all the Directors of the Company ensured to be fit and proper persons during the FY 2019-20.

As on March 31, 2020, the Board consisted of eight Directors, out of which six were Public Interest Directors and two were Shareholder Directors (including Shri Ashishkumar Chauhan, MD & CEO of the Company), all being professionals having experience in diverse areas. The said composition of the Board was in compliance with the Companies Act, 2013 ("the Act"), Listing Regulations and SECC Regulations.

Smt. Usha Sangwan, Shareholder Director, nominated on the Board of the Company by Life Insurance Corporation of India (LIC), is liable to retire by rotation, has not offered herself for re-appointment and as a result would retire at the 15th Annual General Meeting of the Company. The Board places on record its deep sense of gratitude and appreciation for Smt. Usha Sangwan's immense contribution and strategic guidance provided during her tenure as a Shareholder Director of the Company.

DETAILS OF DIRECTORS, BOARD MEETINGS, ATTENDANCE RECORDS OF BOARD AND OTHER DIRECTORSHIP(S)

During the FY 2019-20, five Board Meetings were held on May 7, 2019, July 13, 2019, August 2, 2019, November 6, 2019, February 11, 2020 and not more than one hundred and twenty days elapsed between any two meetings.

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 business 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.

The details of Board including the category, attendance of the Directors at the aforesaid Board Meetings and the last Annual General Meeting along with the number of Directorship(s) and Committee membership(s) in other companies of Directors are as follows:

Names of Directors, DIN & Category	Attendance at the Board Meetings	Attendance at last AGM held on July 15, 2019	Other Directorship*	Committee position**		Name of listed entity and Category of Directorship***
				Chairperson	Member	
Public Interest Directors						
Justice Vikramajit Sen ¹ (DIN 00866743)	5/5	Yes	1	-	-	DCM Shriram Limited
Shri Sumit Bose ² (DIN 03340616)	5/5	Yes	3	2	1	Coromandel International Limited HDFC Life Insurance Company Limited
Shri S. S. Mundra (DIN 00979731)	4/5	Yes	3	1	-	Indiabulls Housing Finance Limited
Shri David Wright (DIN 08064288)	5/5	Yes	-	-	-	Nil
Shri Umakant Jayaram (DIN 08334815)	5/5	Yes	-	-	-	Nil
Sushri Jayshree Vyas ³ (DIN 00584392)	5/5	Yes	3	-	-	Equitas Holdings Limited
Shareholder Directors						
Smt. Usha Sangwan (DIN 02609263)	3/5	No	3	-	1	Grasim Industries Limited Century Enka Limited Ultratech Cement Limited
Smt. Rajeshree Sabnavis ⁴ (DIN 06731853)	2/2	Yes	-	-	-	Not Applicable
Shri Ashishkumar Chauhan (MD & CEO) (DIN 00898469)	5/5	Yes	5	-	-	Nil

1. Re-appointed as Public Interest Director w.e.f. May 19, 2019 and appointed as Chairman w.e.f. May 22, 2019.

2. Re-appointed as Public Interest Director w.e.f. May 19, 2019.

3. Appointed as Public Interest Director w.e.f. April 25, 2019.

4. Retired as Shareholder Director w.e.f. July 15, 2019.

*While calculation of number of other Directorships, BSE Limited and other Companies i.e. private limited companies, foreign companies and Section 8 companies under the Act are not considered.

***For purpose of determination of committee position, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.*

****All Directors are Non-Executive Director in other listed Companies.*

All Directors, excluding Shri Ashishkumar Chauhan, MD & CEO, are Non-Executive Directors. None of the Directors of your Company are inter-se related to each other.

CONFIRMATION OF INDEPENDENCE

The Board at its meeting held on May 21, 2020, reviewed the declaration of independence submitted by the Public Interest Directors and carried out due assessment of the veracity of the same noting that the Public Interest Directors of the Exchange fulfill the conditions specified under Section 149(6) of the Act and under Regulation 16(1)(b) and 25(8) of the Listing Regulations and are independent of the Management.

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 2019-20 and is attached as **Annexure A**.

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

FAMILIARIZATION PROGRAMMES

Pursuant to Regulation 25(7) of the Listing Regulations, the management conducts familiarization programmes for its Directors which includes discussion on industry outlook and updates on various matters viz. Regulatory, Business, Trading Operations, Finance, Internal Control, Information Technology etc.

The details of programmes for familiarization of Directors are available on the Company's website: https://www.bseindia.com/downloads1/Familiarisation_Programme_for_Independent_Directors.pdf

MATRIX SETTING OUT SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:

Names of Directors	Areas of Expertise							
	Technology	Legal & Administrative	Stakeholder relationship	Strategy development	Finance	Corporate Governance	Leadership	Capital Market Understanding
Justice Vikramajit Sen (Public Interest Director)	✓	✓	✓	✓	✓	✓	✓	✓
Shri Ashishkumar Chauhan (MD & CEO)	✓	✓	✓	✓	✓	✓	✓	✓
Shri Sumit Bose (Public Interest Director)	✓	✓	✓	✓	✓	✓	✓	✓
Shri S. S. Mundra (Public Interest Director)	-	✓	-	✓	✓	✓	✓	✓
Shri David Wright (Public Interest Director)	✓	-	-	-	-	✓	✓	✓
Shri Umakant Jayaram (Public Interest Director)	✓	-	-	-	✓	✓	✓	✓
Sushri Jayshree Vyas (Public Interest Director)	-	✓	✓	-	✓	✓	✓	✓
Smt. Usha Sangwan (Shareholder Director)	-	-	✓	✓	✓	✓	✓	✓

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

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

The Audit Committee meetings are attended by Statutory Auditors, Internal Auditors and other Officials from the Finance function of the Company. The minutes of the meetings of the Committee are placed before the Board for noting. Smt. Prajakta Powle, Company Secretary & Compliance Officer functions as the Secretary of the Committee.

Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
5. Reviewing, with the management, the annual financial statements and the Auditor's 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 Boards' report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, financial statements before submission to the Board for approval.
7. To review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
8. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.
10. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
12. Discussion with internal auditors any significant findings and follow up there on.
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

16. To review the functioning of the Whistle Blower mechanism.
17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
18. Valuation of undertakings or assets of the Company, wherever it is necessary.
19. Scrutiny of inter-corporate loans and investments.
20. Evaluation of internal financial controls and risk management systems.
21. Approval or any subsequent modification of transactions of the Company with related parties.
22. To appoint a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the Audit Committee for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a Company or its liabilities.
23. To ensure proper system for storage, retrieval, display or printout of the electronic records as deemed appropriate and such records shall not be disposed of or rendered unusable, unless permitted by law provided that the back-up of the books of account and other books and papers of the Company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.
24. Reviewing the utilization of loans and/ or advances from investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
25. Reviewing the compliances under SEBI (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
26. Carrying out any other function as is mentioned in the terms of reference of the Committee.

Powers

The Audit Committee shall have powers, which should include the following:

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

Review of Information

The 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.

Composition and Attendance

During the F.Y. 2019-20, five Audit Committee Meetings were held on May 7, 2019, July 13, 2019, August 2, 2019, November 6, 2019 and February 11, 2020. The gap between any two meetings did not exceed one hundred and twenty days.

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

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Names of Members	Category of Directors	Nature of Membership	Number of Meetings	
			Held	Attended
Shri Sumit Bose	Public Interest Director	Chairman	5	5
Shri S. S. Mundra	Public Interest Director	Member	5	4
Shri Umakant Jayaram	Public Interest Director	Member	5	5
Sushri Jayshree Vyas ¹	Public Interest Director	Member	4	4
Smt. Usha Sangwan	Shareholder Director	Member	5	3

1. Sushri Jayshree Vyas was appointed as Member w.e.f. May 15, 2019.

The previous Annual General Meeting of the Company was held on July 15, 2019 with presence of the Chairman of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Company has complied with the requirements of Section 178 of the Act, Regulation 19 of the Listing Regulations and Regulation 29 of SECC Regulations, applicable in relation to composition of the Nomination and Remuneration Committee.

The Committee is vested with all the necessary powers and authority to identify persons who are qualified to become Directors and who may be appointed in senior management capacity in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out evaluation of every Director's performance.

The Committee invites those executives, as it considers appropriate. The minutes of the meetings of the Committee are placed before the Board for noting. Smt. Prajakta Powle, Company Secretary & Compliance Officer, functions as the Secretary of the Committee.

Terms of Reference

1. Identification and nomination of suitable candidates for the Boards' approval in relation to appointment and removal of Directors and Key Managerial Personnel and Senior Management;
2. Identification of the key job incumbents in senior management and recommend to the Board whether the concerned individual be: (a) granted an extension in term/service; or (b) replaced with an identified internal or external candidate or recruit other suitable candidates;
3. Making recommendations to the Board in relation to the remuneration payable to the Directors and Key Managerial Personnel and Senior Management, in terms of the policy of the Company;
4. Determining the tenure of Key Management Personnel other than a Director, posted in a regulatory department;
5. Selecting the Managing Director;
6. Formulating criteria for evaluation of performance of the Board of Directors and Independent Directors;
7. Devising a policy on Board diversity;
8. Laying out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals;
9. Developing a succession plan to ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence and to regularly review the plan;
10. Framing & Reviewing the performance review policy to carry out evaluation of every Director's performance including that of PID;
11. Recommend to the Board, all remuneration in whatever form, payable to senior management;
12. Recommending whether to extend the tenure of appointment of the PID on the basis of internal and external performance evaluation and

13. Carrying out such other functions as may be specified by the Board from time to time.

As per Section 178(4) of the Act, the Nomination and Remuneration Committee shall, while formulating the policy under sub section (3) ensure that:

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Composition and Attendance

During the FY 2019-20, three Nomination and Remuneration Committee Meetings were held on May 6, 2019, November 5, 2019 and February 10, 2020. The necessary quorum was present for all the meetings with the presence of majority of Public Interest Directors.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Names of Members	Category of Directors	Nature of Membership	Number of Meetings	
			Held	Attended
Shri S. S. Mundra	Public Interest Director	Chairman	3	2
Shri David Wright	Public Interest Director	Member	3	3
Shri Umakant Jayaram	Public Interest Director	Member	3	3
Sushri Jayshree Vyas ¹	Public Interest Director	Member	2	2

1. Sushri Jayshree Vyas was appointed as Member w.e.f. May 15, 2019.

The previous Annual General Meeting of the Company was held on July 15, 2019 with presence of the Chairman of the Nomination and Remuneration Committee.

Performance Evaluation Criteria of the Board

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee, adopted board evaluation policy to comply with the various provisions of the Act, Listing Regulations, SECC Regulations, 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:

Internal Evaluation of Individual Directors

The individual Director's performance has largely been evaluated based on his/ her level of participation and contribution to the performance of Board/ Committee(s). Furthermore, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he/ she is a member are considered for evaluation. Additionally, timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., are also taken into account.

External Evaluation of Public Interest Directors

As per SECC Regulations, Public Interest Directors can be nominated by SEBI on the Board of a Recognized Stock Exchange for an initial term of three years, extendable by another term of three years subject to performance review prescribed by SEBI. SEBI vide its circular dated February 5, 2019, has mandated 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 resource consulting firm.

Chairman's Performance Evaluation

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

Performance Evaluation of the Board as a whole

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

Evaluation of the Board Committees

The performances of the Committees are evaluated based on following parameters:

- Mandate and composition
- Effectiveness of the Committees
- Structure of the Committees and their meetings
- Independence of the Committees from the Board
- Contribution to the decisions of the Board

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

Observations of Board evaluation carried out for the year

No observations.

Previous year's observations and actions taken

Since no observations were received, no actions were taken.

Proposed actions based on current year observations

Since no observations were received, no actions were taken.

STAKEHOLDERS' RELATIONSHIP / SHARE ALLOTMENT COMMITTEE

The Company has complied with the requirements of Section 178(5) of the Act and Regulation 20 of the Listing Regulations, as applicable for constitution of the Stakeholders' Relationship/ Share Allotment Committee.

Composition and Attendance

During the FY 2019-20, two Stakeholders' Relationship / Share Allotment Committee Meetings were held on May 6, 2019 and February 11, 2020.

The necessary quorum was present for the meetings. Smt. Prajakta Powle, Company Secretary & Compliance Officer, functions as the Secretary of the Committee.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Names of Members	Category of Directors	Nature of Membership	Number of Meetings	
			Held	Attended
Smt. Usha Sangwan	Shareholder Director	Chairperson	2	1
Shri S. S. Mundra	Public Interest Director	Member	2	1
Sushri Jayshree Vyas ¹	Public Interest Director	Member	1	1
Shri Ashishkumar Chauhan	MD & CEO	Member	2	2

1. Sushri Jayshree Vyas was appointed as Member w.e.f. May 15, 2019.

Status Report of Investor Complaints for the year ended March 31, 2020

Opening balance	Received during the year	Resolved during the year	Closing balance
0	24	24	0

All complaints were resolved to the satisfaction of Shareholders of the Company.

The previous Annual General Meeting of the Company was held on July 15, 2019 and Smt. Usha Sangwan, Shareholder Director and Chairperson of Stakeholders' Relationship/ Share Allotment Committee had authorized MD & CEO to attend the meeting and respond to Shareholders queries.

PUBLIC INTEREST DIRECTORS MEETINGS

The Company has complied with Regulation 26 read with part A of Schedule II of SECC Regulations. As per the aforesaid Regulations, Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues. Smt. Prajakta Powle, Company Secretary & Compliance Officer, facilitates conduct of Public Interest Directors Meetings.

Composition and Attendance

During the FY 2019-20, three Public Interest Directors Meetings were held on May 6, 2019, November 5, 2019 and February 10, 2020.

The necessary quorum was present for the meetings.

The details of the meetings held and attended during the aforesaid period is tabled below:

Names of Members	Category of Directors	Nature of Membership	Number of Meetings	
			Held	Attended
Justice Vikramajit Sen	Public Interest Director	Chairman	3	3
Shri S. S. Mundra	Public Interest Director	Member	3	2
Shri Sumit Bose	Public Interest Director	Member	3	3
Shri David Wright	Public Interest Director	Member	3	3
Shri Umakant Jayaram	Public Interest Director	Member	3	3
Sushri Jayshree Vyas ¹	Public Interest Director	Member	3	3

1. Sushri Jayshree Vyas was appointed as Member w.e.f. April 25, 2019.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Composition and Attendance

During the FY 2019-20, two Corporate Social Responsibility Committee Meetings were held on November 5, 2019 and February 10, 2020. The necessary quorum was present for the meetings.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Names of Members	Category of Directors	Nature of Membership	Number of Meetings	
			Held	Attended
Sushri Jayshree Vyas ¹	Public Interest Director	Chairperson	2	2
Shri Ashishkumar Chauhan	MD & CEO	Member	2	2
Shri Umakant Jayaram	Public Interest Director	Member	2	2
Smt. Rajeshree Sabnavis ²	Shareholder Director	Member	NA	NA

1. Sushri Jayshree Vyas was appointed as Member and Chairperson w.e.f. May 15, 2019.

2. Smt. Rajeshree Sabnavis ceased to be Member w.e.f. July 15, 2019.

REMUNERATION OF DIRECTORS**PECUNIARY RELATIONSHIPS OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS**

All Directors, excluding Shri Ashishkumar Chauhan, MD & CEO, are Non-Executive Directors. None of the Non-Executive Directors had any other pecuniary relationship or transactions with the Company during FY 2019-20.

CRITERIA/DETAILS OF REMUNERATION TO NON-EXECUTIVE DIRECTORS

As per Regulation 24(9) of SECC Regulations, Public Interest Directors shall be remunerated only by way of sitting fees. The following table sets out the details of sitting fees paid to the Directors for FY 2019-20:

Names of Non-Executive Directors	Sitting Fees (₹)
Justice Vikramajit Sen	16,60,000
Shri Sumit Bose	18,60,000
Shri S. S. Mundra	13,40,000
Shri David Wright	12,20,000
Shri Umakant Jayaram	19,50,000
Sushri Jayshree Vyas	14,00,000
Smt. Usha Sangwan	4,90,000
Smt. Rajeshree Sabnavis ¹	2,00,000

1. Smt. Rajeshree Sabnavis retired as Shareholder Director w.e.f. July 15, 2019.

None of the Directors were in receipt of any Commission from the Company or any remuneration from its subsidiaries.

DETAILS OF REMUNERATION PAID TO MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

The details of remuneration paid to MD & CEO during the FY 2019-20 are tabled below:

Particulars	Amount (₹)
Basic Salary	1,80,00,000
Allowances & Perquisites	3,90,92,413
Variable Pay based on performance	1,72,10,299
PF Contribution	21,60,000
Total¹	7,64,62,712

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 2019-20 as per the SECC Regulations.

- As per SECC Regulations, Managing Director being a Key Management Personnel of the Exchange is not entitled to any stock options.
- Appointment of MD & CEO is governed by a service contract for a period of five years and a notice period of three months.

GENERAL BODY MEETINGS**THE DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS AND SPECIAL RESOLUTIONS PASSED (IF ANY)**

Details of General Meetings	Date and Time	Venue	Description of Special Resolution
12 th Annual General Meeting (2016-17)	Monday, September 4, 2017 at 11.30 a.m.	Sir Dinshaw Petit International Convention Hall, 1 st Floor, P. J. Towers, Dalal Street, Mumbai - 400 001	-
13 th Annual General Meeting (2017-18)	Thursday, August 2, 2018 at 11.00 a.m.		-
14 th Annual General Meeting (2018-19)	Monday, July 15, 2019 at 11.30 a.m.		Approval for buyback of equity shares of the Company

DETAILS OF POSTAL BALLOT

During the year, the Company had passed the Special Resolution through postal ballot in accordance with the procedure prescribed in Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act, read with the related Rules, for payment of remuneration to MD & CEO, the results of which were announced on March 24, 2020 by Shri N.L. Bhatia, Partner of N. L. Bhatia and Associates, Practicing Company Secretaries, who was appointed as the Scrutinizer for conducting the Postal Ballot / e-voting process in accordance with law, in a fair and transparent manner.

This Resolution was passed on March 23, 2020 on last day of e-voting.

Description of Resolution	Total No. of valid votes	Votes assenting the resolution	% of Votes casted in favour	Votes dissenting the resolution	% of Votes casted against
Payment of Remuneration to MD & CEO	1,08,70,713	96,60,799	88.87	12,09,914	11.13

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.

Due to the outbreak of COVID-19 pandemic, the subsequent lockdown announced by the Government and the relaxations granted by SEBI, via circular dated May 12, 2020, the Company has not published the financial results for the quarter and year ended March 31, 2020 in the newspapers.

The results are available on the website of the Company https://www.bseindia.com/static/investor_relations/announcement.html. The website also contains link to official news releases, investor presentations along with all material information pertaining to the Company. Meetings with Institutional Investors/ Analysts organized by the Company are also hosted on the website of the Company.

The Company's website contains a separate dedicated section 'Investor Relations'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company. The basic information about the Company in terms of the Listing Regulations is provided on the Company's website and the same is updated regularly. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchange are filed through NSE Electronic Application Processing System (NEAPS) for dissemination on their website.

GENERAL SHAREHOLDER INFORMATION

FIFTEENTH ANNUAL GENERAL MEETING

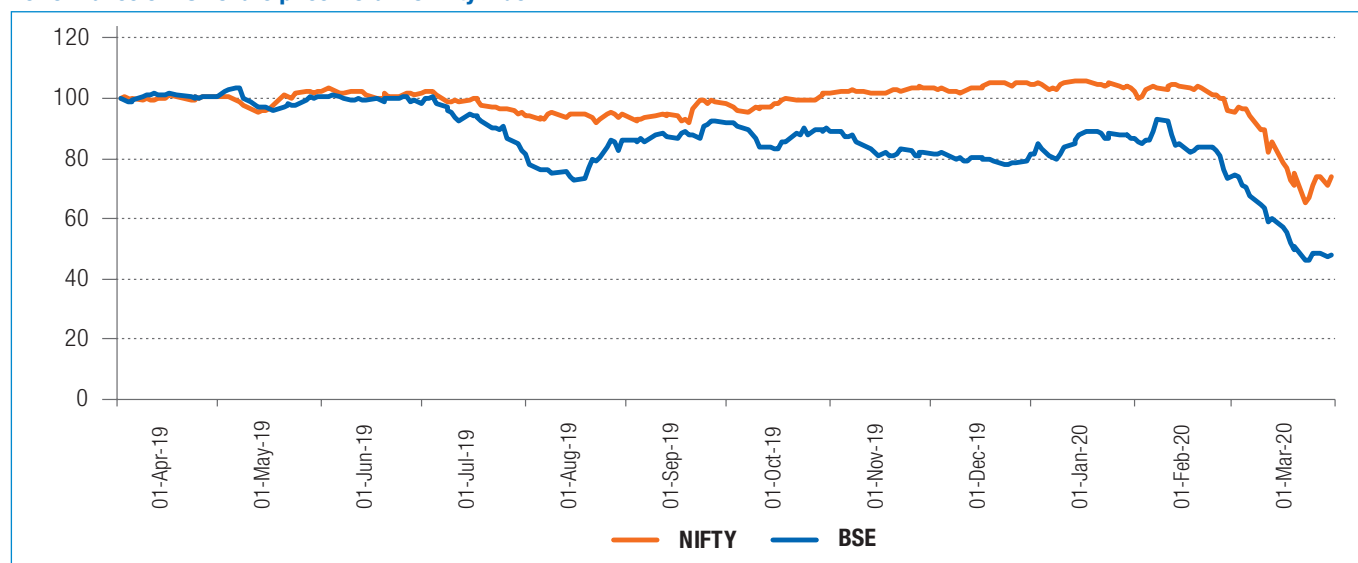
Day and Date	Thursday, July 30, 2020
Time	3.00 p.m.
Venue	The Company is conducting meeting through Video Conferencing/Other Audio Visual Means pursuant to the MCA Circular dated May 5, 2020. For details, please refer Notice of this AGM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 25 th Floor, P. J. Towers, Dalal Street, Mumbai, Maharashtra - 400 001, which shall be the deemed venue of AGM.
Financial year	April 1, 2019 to March 31, 2020
Dividend Payment date and record date for such dividend	Dividend, if declared at 15 th Annual General Meeting will be paid on or before August 28, 2020. The record date for such dividend is Thursday, July 23, 2020.
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	The Company hereby confirms that Annual Listing Fees for financial year 2019-20 is paid to NSE
Stock Code/Symbol	BSE
ISIN	INE118H01025

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 2019	₹ 630.8	₹ 606.5	20,27,555
May 2019	₹ 648	₹ 589	28,14,462
June 2019	₹ 627	₹ 599.8	16,71,360
July 2019	₹ 618.95	₹ 501	21,80,305
August 2019	₹ 539.4	₹ 446.2	30,78,533
September 2019	₹ 575	₹ 521.2	20,34,643
October 2019	₹ 572.95	₹ 507.2	16,62,089
November 2019	₹ 563	₹ 495	15,06,489
December 2019	₹ 511.8	₹ 475	12,75,643
January 2020	₹ 555.55	₹ 486.35	30,79,391
February 2020	₹ 590	₹ 450.1	38,43,556
March 2020	₹ 464.9	₹ 275	45,06,196

Source: NSE data

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



Note: BASE = 100 (April 1, 2019)

SHARE TRANSFER SYSTEM

99.64% of equity shares of the Company are in Demat mode. Transfer of these shares is done through depositories with no involvement of the Company. As per Regulation 46 of SECC Regulations, securities of Recognized Stock Exchange shall be in dematerialized form only. Further, as per provision of Regulation 40 of Listing Regulations, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Also, SEBI vide its circular, had emphasized on dematerialized shares, in cases where shares of a listed entity, have been held in physical mode. Therefore, shareholders holding physical shares are instructed to get the same dematerialized by making an application to their respective Depository Participant(s).

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020:

Range of Equity Shares held	No. of Shareholders/Accounts	Percentage of Shareholders/Accounts (%)	No. of Shares held	Percentage of Shares held (%)
1-5000	1,75,463	99.30	1,16,45,028	25.86
5001-10000	467	0.26	16,84,355	3.74
10001-20000	257	0.14	18,27,658	4.06
20001-30000	102	0.06	12,65,885	2.81
30001-40000	71	0.04	12,62,559	2.80
40001-50000	55	0.03	12,47,536	2.77
50001-100000	158	0.09	54,45,697	12.10
100001 and above	123	0.07	2,06,45,579	45.85
TOTAL	1,76,696	100.00	4,50,24,297	100.00

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, 2020 is given below:

Category	No. of Shareholders	No. of Shares held	Percentage of Shares held (%)
Physical	6	1,62,526	0.36
NSDL	97,349	3,13,12,559	69.55
CDSL	79,341	1,35,49,212	30.09
Total	1,76,696	4,50,24,297	100.00

OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY: Not Applicable**COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:** Not Applicable**PLANT LOCATIONS:** Not Applicable**ADDRESS FOR CORRESPONDENCE:****BSE Limited****Smt. Prajakta Powle**

Company Secretary and Compliance Officer

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

Tel. 022-22721233

E-mail: bse.shareholders@bseindia.com

The Company is registered in SEBI Complaints Redressal System (SCORES). The investors can send their complaints through SCORES by visiting <https://www.scores.gov.in>.

Registrar and Transfer Agent**Unit: BSE Limited****KFin Technologies Private Limited**

Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032

Email: einward.ris@kfintech.comWebsite: <https://www.kfintech.com/>

Tel. No.: 040 6716 2222 Toll Free No: 1800-3454-001

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

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2020

Category	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares	Percentage of Shares (%)
Resident Individuals	1,64,976	93.37	1,90,71,444	42.36
Bodies Corporate	1,157	0.65	82,33,136	18.29
HUF	8,071	4.57	9,75,888	2.17
Trust	6	0.00	1,958	0.00
Banks/Financial Institutions	24	0.01	18,89,079	4.20
Non-Resident Indians	2,181	1.23	19,32,728	4.29
Foreign Bodies Corporate	4	0.00	35,03,623	7.78
Foreign Institutional Investor	1	0.00	38,384	0.09
Foreign Portfolio Investors	92	0.05	53,85,448	11.96
Insurance Company	7	0.00	27,26,061	6.05
Mutual Funds	9	0.01	8,78,791	1.95
NBFC	3	0.00	6,364	0.01
Alternate Investment Fund	7	0.00	2,06,795	0.46
IEPF	1	0.00	760	0.00
CM Pool Position	157	0.09	1,73,838	0.39
Total	1,76,696	100.00	4,50,24,297	100.00

LIST OF TOP 10 SHAREHOLDERS AS ON MARCH 31, 2020

Sr. No.	Name of Shareholder	No. of Shares held	Percentage of Shareholders (%)
1	Life Insurance Corporation of India	25,25,500	5.61
2	Deutsche Boerse AG	19,86,933	4.41
3	State Bank of India	10,77,238	2.39
4	Siddharth Balachandran	8,96,609	1.99
5	Acacia Banyan Partners Limited	7,85,417	1.74
6	Jupiter India Fund	7,19,834	1.60
7	Caldwell India Holdings Inc	6,72,832	1.49
8	Akshay Vasantlal Mehta	6,70,906	1.49
9	MSPL Limited	5,99,378	1.33
10	S Gopalakrishnan	5,30,835	1.18

OTHER DISCLOSURES

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). For details on material RPT's please refer the section 'Related Party Transaction' as mentioned in the Boards' Report.

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Please refer section 'Whistle Blower Policy and Vigil Mechanism' as mentioned under the Boards' Report.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements prescribed under the Listing Regulations.

THE COMPANY HAS COMPLIED WITH THE FOLLOWING NON-MANDATORY AND DISCRETIONARY REQUIREMENTS AS PER SCHEDULE II PART E OF THE LISTING REGULATIONS

- Chairperson's office is maintained at Company's expense and all reimbursements are allowed to the Chairperson in performance of his duties.
- The quarterly and half-yearly financial performance are published in the newspaper and are also posted on the website of the Company and hence, it is not being sent to the shareholders.
- The Internal Auditors of the Company make presentation to the Audit Committee on their reports.
- The Company's financial statement for FY 2019-20 does not contain any audit qualification. The Company's audited financial statements are accompanied with unmodified opinion from the statutory auditor of the Company.

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

Please refer Boards' Report for this policy.

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Please refer Boards' Report for this policy.

DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES – NIL

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A) OF LISTING REGULATIONS – Not applicable

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 SEBI, Ministry of Corporate Affairs or any other statutory authorities is attached as **Annexure B**.

DETAILS OF FEES PAID TO STATUTORY AUDITOR

Network Entity:

Ernst & Young LLP: ₹ 22.07 Lakh

Statutory Auditor S. R. Batliboi & Co. LLP

Payment to Auditors	Amount (₹ in Lakhs)
a) Statutory audit fee	53
b) Tax audit fee	5
c) Other services	2
d) Out of pocket	3
Total	63

DETAILS OF SEXUAL HARASSMENT COMPLAINTS RECEIVED AND REDRESSED

Opening balance	Received during the year	Resolved during the year	Closing balance
Nil	Nil	Nil	Nil

COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations, to the extent as applicable, with regards to Corporate Governance.

CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER CERTIFICATE

In terms of Regulation 17(8) of the Listing Regulations, the MD & CEO and the CFO made a certification to the Board of Directors in the prescribed format for the year at the review, which has been reviewed by the Audit Committees and taken on record by the Board. The same is attached as **Annexure C**.

COMPLIANCE CERTIFICATE

Certificate from Dhruvil Shah & Co, Practicing Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached as **Annexure D**.

EQUITY SHARES IN THE SUSPENSE ACCOUNT: NIL**DIVIDEND**

The Company provides the facility of direct credit of dividend to the Member's bank account. Listing Regulations also mandate Companies to credit the dividend to the Members electronically. Members holding shares in Demat/Physical form whose Bank details for receiving dividend are not registered/updated are requested to register/update the same by following the procedure as mentioned in the Notice of the AGM. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their Bank account. Please refer Boards' Report for the link of the Dividend Distribution policy.

If the Company is unable to pay the dividend to any Member by electronic mode due to non-registration of bank account, the Company shall dispatch the dividend warrant / cheque to such Members at the earliest once the normalcy is restored.

ANNUAL REPORT

Annual Report containing, inter alia, Audited Accounts, Auditor's Report, Boards' Report, Corporate Governance Report, Business Responsibility Report and other material and related matters/ information is circulated by email to the Shareholders and others entitled thereto. The copy of Annual Report is also available on Company's website at www.bseindia.com, www.nseindia.com (where the Company is listed) and <https://evoting.karvy.com/> (agency providing e-voting facility).

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

**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 2019-20.

Place: Mumbai

Date: May 21, 2020

Ashishkumar Chauhan

Managing Director & Chief Executive Officer

ANNEXURE 'B' TO CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C sub-clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **BSE Limited** having **CIN L67120MH2005PLC155188** and having registered office at 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number [DIN] status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 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.

Names of Directors	DIN	Date of appointment in Company
Justice Vikramajit Sen	00866743	May 19, 2016
Shri Sumit Bose	03340616	May 19, 2016
Shri Subhash Sheoratan Mundra	00979731	January 17, 2018
Shri David Wright	08064288	March 16, 2018
Shri Umakant Jayaram	08334815	February 4, 2019
Sushri Jayshree Vyas ¹	00584392	April 25, 2019
Smt. Usha Sangwan	02609263	September 4, 2015
Smt. Rajeshree Rajnikant Sabnavis ²	06731853	September 4, 2015
Shri Ashishkumar Chauhan	00898469	November 2, 2012

1. Appointment as Public Interest Director w.e.f. April 25, 2019.

2. Retired from the designation of Shareholder Director w.e.f. July 15, 2019.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dhruvil M Shah & Co.
UDIN: F008021B000387554

Dhruvil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No. 400/2016

Place: Mumbai
Date: May 21, 2020

ANNEXURE 'C' TO CORPORATE GOVERNANCE REPORT

CHIEF EXECUTIVE OFFICER/ CHIEF FINANCIAL OFFICER COMPLIANCE CERTIFICATE

The Board of Directors

BSE LIMITED

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

Mumbai – 400 001

We, Ashishkumar Chauhan, Managing Director & 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, 2020 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, 2020 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, based on most recent evaluation, wherever applicable, to the auditors and the Audit Committee:
 - significant changes, if any, in internal control over financial reporting during the year;
 - significant changes, if any, 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.

Place: Mumbai

Date: May 21, 2020

Ashishkumar Chauhan

Managing Director & Chief Executive Officer

Nayan Mehta

Chief Financial Officer

ANNEXURE 'D' TO CORPORATE GOVERNANCE REPORT

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined all the relevant records of BSE Limited ('the Company') for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in terms of Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations") for the financial year ended March 31, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the said Listing Regulations and SECC Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Dhrumil M Shah & Co.
UDIN: F008021B000271592

Dhrumil M Shah
Practising Company Secretary
C.P. No. 8978 & FCS No. 8021
PR No 400/2016

Place: Mumbai
Date: May 21, 2020

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Particulars	Details
Corporate Identification Number (CIN) of the Company	L67120MH2005PLC155188
Name of the Company	BSE Limited
Registered Office & Corporate Office	25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001
Website	www.bseindia.com
Email	bse.shareholders@bseindia.com
Financial year reported	2019-20
Sector(s) that the Company is engaged in (industrial activity code-wise)	Name and Description of main products / services - Exchange Operation NIC Code - 66110
List three key products/services that the Company manufactures/ provides (as in balance sheet)	<ul style="list-style-type: none"> • Trading platform for Securities • Financial Services Distribution • Listing of Securities
Total number of locations where business activity is undertaken by the Company	
a. Number of International Locations	None
b. Number of National Locations	31
Markets served by the Company	National

SECTION B: FINANCIAL DETAILS

Particulars	Company information
Paid up Capital as on 31.03.2020 (Amount In Lakhs)	₹ 900
Total Income (Amount In Lakhs)	₹ 54,213
a) Profit after Tax (Amount In Lakhs)	₹ 17,367
b) Adjusted profit for last 3 years (Amount in Lakhs)	₹ 16,087.35
Total Spending on Corporate Social Responsibility (CSR)	
a) in Rupees (Amount in Lakhs)	₹ 321.75
b) As a percentage of average net profits of the Company made during the three immediately preceding financial years as per CSR requirement (%)	2.00
List the activities, in which expenditure in 4 above, has been incurred	a) Promoting Technology Incubators b) Socio economic development and relief

SECTION C: OTHER DETAILS**1. DOES THE COMPANY HAVE ANY SUBSIDIARY COMPANY/COMPANIES?**

- Yes, The Company has following 13 subsidiary Companies (direct and indirect) and 8 Associates as on March 31, 2020 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
- 13) BSE Institute of Research Development & Innovation (w.e.f. December 5, 2019)

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
- 8) Pranurja Solutions Limited (w.e.f. May 7, 2019)

2. DO THE SUBSIDIARY COMPANY/COMPANIES PARTICIPATE IN THE BUSINESS RESPONSIBILITY (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 Business Responsibility ("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:**DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR****a) Details of the Director/Directors responsible for implementation of the BR policy/policies**

Particulars	Details
DIN	00898469
Name	Shri Ashishkumar Chauhan
Designation	Managing Director & CEO

b) Details of BR Head :

Particulars	Details
DIN	06924145
Name	Shri Shankar Jadhav
Designation	Head - Strategy
Telephone number	022-22728001/8147
E-mail id	shankar.jadhav@bseindia.com

PRINCIPLE-WISE (AS PER NATIONAL VOLUNTARY GUIDELINES) BUSINESS RESPONSIBILITY POLICY/POLICIES**a) Details of compliance (Reply in Y/N)**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#
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
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
Indicate the link for the policy to be viewed online?	Y##	Y##	Y##	Y##	Y##	Y##	Y##	Y##	Y##
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y###	Y###	Y###	Y###	Y###	Y###	Y###	Y###	Y###
Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
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
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)

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The company has not understood the Principles									
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
The company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months									
It is planned to be done within the next 1 year									
Any other reason (please specify)									

Not Applicable

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 2019-20 which can be viewed on the website of the Company at www.bseindia.com.

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes, there is policy in place and it covers on ethics, bribery and corruption. The policy applies to everyone, who is connected with BSE directly and indirectly as a Regulatory Body or as a Corporate Body			
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	Opening Balance	Received during the year	Resolved during the year	Closing Balance
		NIL	NIL	NIL	NIL

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> <p>a) The Company has launched three indices based on the theme of Sustainability called S&P BSE 100 ESG INDEX, S&P BSE CARBONEX and S&P BSE GREENEX which drives both issuers as well as investors to augment sustainability of the environment and complete echo system</p> <p>b) The Company being a stock exchange has also listed Green Bonds on its trading platform. A Green Bond is like any other bond where a debt instrument is issued by an entity for raising funds from investors. However, what differentiates a Green Bond from other bonds is that the proceeds of a Green Bond offering are 'ear- marked' for use towards financing green project</p> <p>c) The Company 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.</p> <p>d) Based on the ongoing MOU, between Global Reporting Initiative ("GRI") and BSE, the company continues to work collaboratively as well as supports various Listed Corporates in establishing sustainability reporting process. The collaboration led to the successful creation and launch of a linkage document that is designed to show companies how requirements under the SEBI Business Responsibility Report Framework correspond to the GRI Standards and disclosures.</p> <p>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 actively contributes to this group by guiding and encouraging the companies of listed arena to adapt integrated thinking, sustainable business portfolio, value innovation and integrated reporting.</p> <p>f) BSE's Star MF, a mutual fund distribution business with around 60 lakh paperless transactions per month is a fully digitalised and a sustainable business model. It contributed approx 66% of the Net Equity AUM to Mutual Fund Industry during 2019-2020.</p> <p>Distributor empanelment is also paperless and done online without requirement of physical travel of distributors. BSE encourages Webinars for distributors over physical seminars resulting in reduction of carbon footprint.</p>			
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2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	
a)	Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain	Not Applicable
b)	Reduction during usage by consumers (energy, water) has been achieved since the previous year	Not Applicable
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	BSE Procurement activities largely include outsourcing of services related to software development, IT & network Infrastructure support and business process support. Detailed guidelines for procurement processes have been laid out and followed for procurements. The goal of BSE's sustainable sourcing is to build strong, long-term relationships with suppliers leading to improving performance in environmental, social and ethical issues.
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendor	The Manpower services, procurement of stationery and other items required for offices and regional offices are generally hired from local agencies wherever possible. BSE has various Investor service offices in Tier-2 city and Tier-3 city. This endeavors procurement of services from local and small producers in those cities
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Since our products/services are virtual in nature, no waste is generated and hence there is no such requirement of recycling products and waste. Computers, Servers etc are used to provide our virtual products/services to our customers. The e waste generated out of these systems are recycled by our certified vendor.

Principle 3: Businesses should promote the wellbeing of all employees

1	Please indicate the Total number of employees (including trainees and associates) as on March 31, 2019	403 Officers + 113 Staff = 516																
2	Please indicate the total number of employees hired on temporary / contractual / casual basis	493																
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	<table><tr><th>Sr. No.</th><th>Category</th><th>No. of complaints filed during the financial year</th><th>No. of complaints pending as on end of the financial year</th></tr><tr><td>1</td><td>Child labour/ forced labour/ involuntary labour</td><td>Nil</td><td>Nil</td></tr><tr><td>2</td><td>Sexual harassment</td><td>Nil</td><td>Nil</td></tr><tr><td>3</td><td>Discriminatory employment</td><td>Nil</td><td>Nil</td></tr></table>	Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year	1	Child labour/ forced labour/ involuntary labour	Nil	Nil	2	Sexual harassment	Nil	Nil	3	Discriminatory employment	Nil	Nil
Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year															
1	Child labour/ forced labour/ involuntary labour	Nil	Nil															
2	Sexual harassment	Nil	Nil															
3	Discriminatory employment	Nil	Nil															

8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year	Sr. No.	Category	% of employees given skill upgradation training	% of employees given safety training
a)	Permanent Employees	1	Permanent Employees	92%	16%
b)	Permanent Women	2	Permanent Women Employees	21%	4%
c)	Casual/Temporary/ Contractual Employees	3	Casual/Temporary/ Contractual Employees	94%	38%
d)	Employees with Disabilities	4	Employees with Disabilities	100%	NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1	Has the Company mapped its internal and external stakeholders? Yes/No	
2	Out of the above, has the Company identified the Yes disadvantaged, vulnerable & marginalized stakeholders	
3	Are there any special initiatives taken by the Company to 1. engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so	<p>BSE have been providing bus services during lockdown period for market participants like trading members, depository partners, vendors, employees etc. This service has been helping the people involved in providing essential services travel between home and office safely.</p> <p>2. In view of COVID-19 outbreak, BSE regularly sanitizes all the office areas and has installed hand sanitizer dispensers at all the entry points of the BSE buildings thus ensuring hygiene and safety of all its stake holders.</p> <p>3. 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.</p> <p>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>4. A special lift is used for senior and disabled stake holders for reaching upper floors in the BSE building.</p> <p>5. 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 does not use one-time use plastic material. Water Jugs and Paper Cups are being used in place of onetime use plastic water bottle. Employees are encouraged to use their own reusable water bottles. Thus BSE contributes to sustainable use of resources. BSE communicates with its stake holders including employees to conserve water, paper and electricity through various means such as posters in various places, screen savers, email foot notes etc. BSE has applied cool coating on its terrace area which is a high-performance heat reflective cool coating. The application of cool coating on the rooftop aims to provide a low ambient temperature at the interiors of the confined space. This helps minimize power consumption towards air conditioning of the confined space. The Company has introduced Corporate Announcement Filing System (CAFS) to the equity listed companies. This is paperless submission. Paperless SIP: Wherein the link for payment is created for 1st Installment as well as subsequent Installment which is only available with BSE. Digital and real time investor's registration. Digital filing and document submissions. E-waste management. |

- 6 Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported Not Applicable
- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year Not Applicable

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 1 Is your company a member of any trade chamber or association? If Yes, Name only those major ones that your business deals with
- Yes, we are the member of various associations. Major ones are as under:
- International**
- The International Organization of Securities Commissions (IOSCO)
 - Asian and Oceanic Stock Exchange (AOSEF)
- Domestic**
- Federation of Indian Chambers of Commerce and Industry
 - Confederation of Indian Industry
 - Indo-German Chamber of Commerce
 - Bombay Chamber of Commerce and Industry
 - The Associated Chamber of Commerce and Industry of India (ASSOCHAM)
 - IMC Chamber of Commerce and Industry
- 2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
- | Name of Association | Area of Advocacy |
|--|---|
| 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. Importance of Environmental, Social and Governance (ESG) and sustainability for listed companies, Market Infrastructure Institutes (MII) and other stake holders in the financial markets
5. Ethics in the securities markets |
| Asian and Oceanic Stock Exchange (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	1. Advancement of Capital Markets. 2. Policy Recommendations 3. Economic Research 4. Economic Forums
Confederation of Indian Industry	1. Advancement of Capital Markets 2. Publishing Research 3. Promoting Public Policy
Indo-German Chamber of Commerce	Promote economic co-operation between India and Germany. Corporate and cultural understanding.
Bombay Chambers of Commerce and Industry	Promotion and protection of trade and other objectives. Communication between regulatory bodies, society and corporate.
The Associated Chamber of Commerce and Industry of India (ASSOCHAM)	ASSOCHAM represents the interests of industry and trade, interfaces with Government on policy issues
IMC Chamber of Commerce and Industry	Agenda of identifying opportunities, addressing critical issues and driving Indian businesses with the single-minded focus of sustainable growth

Principle 8: Business should support inclusive growth and equitable development

1	Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof	Yes. Programs and initiatives undertaken during the financial year are detailed below: <ul style="list-style-type: none"> • Innovation and entrepreneurship programs/workshops • Since 2014, 356 startups have been supported through different initiatives. • Supporting technology entrepreneurs • Supporting women entrepreneurs for running technology businesses • Tech community building
2	Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	BSE and some of its group companies have established a Section 8 Company namely "BSE CSR Integrated Foundation" to carry out the CSR activities on their behalf
3	Have you done any impact assessment of your initiative?	There is an internal system to assess the impact at regular intervals (quarterly & yearly) for effectiveness of the initiative
4	What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?	Refer Annexure 'F' to Boards' Report

-
- 5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so
- Yes. Following activities were carried out in this regard:
- Next BIG Idea 2019** - 10 startups selected from the pool of over 700+ applicants & provided with market access program in Canada.
- Empower 2019** - 10 women entrepreneurs - selected from the pool of over 280+ applicants and provided with 6-week acceleration support & Access to Finance.
- ZSI Booster Program** : 7 startups selected from a pool of over 100 applications for Zone Startups India's first pre-accelerator program in which selected startup get access to bootcamps & Master classes, workspace for 2 Co-founders, feedback from Industry Experts/Mentors, Peer-to-peer learning.
- DSTx - India's largest Diagnostics Led Service + Therapeutics program:** An initiative of Abbott India in partnership with Zone Startups India was launched in mid-2019, to catalyze innovations in the pharmaceutical industry through collaboration with different industry stakeholders such as innovators, growth stage technology companies, researchers, and experts. The program aimed to provide a unique platform to emerging technologies and co-develop sustainable solutions to increase the potential of success in the marketplace and revolutionize the Diagnostics-Led Service + Therapeutics Space. 25+ startups supported through this program.
-
- Industry Sessions, Peer-to-peer learning sessions, Workshops, Industry Demo, Bootcamp** - Over 250 startups benefited from the capacity building activities hosted at Zone Startups India.
- Further to support inclusive growth and equitable development below programs were held at BSE
- RI Dialogue on Business Innovation and Leadership for UN Sustainable Development Goals
 - All India interactive session on Cyber Security & Cyber Resilience framework for Stock Brokers / Depository Participants
 - Yoga Sessions
 - MedscapeIndia National Awards -Save the girl child to Women Empowerment
 - The Hindu Young World Quiz Competition
 - BSE Bull Run
 - The Hindu World Painting Competition 2019.
-

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 2018-2019	Fresh Complaints received in FY 2019-20	Complaints resolved in FY 2019-20	Complaints un-resolved in FY 2019-20
		Shareholders	0	24	24	0
		Investors	678	1506	1517	667
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 2020, there are no pending cases filed by a stake holder regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior				
4	Did your Company carry out any consumer survey/ consumer satisfaction trends	Yes, we interact with our client on regular basis and across multiple platforms. Customer satisfaction surveys are conducted on periodic basis to assess customer satisfaction levels and benchmark the Company's performance with industry peers				

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BSE LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of BSE Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (together referred to as "the Group") and its associates comprising of the consolidated Balance Sheet as at March 31, 2020, 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, 2020, 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.

Emphasis of Matter

We draw attention to Note 47 to the consolidated Ind AS financial statements, in respect of contribution to be made of Rs. 1,264 lakhs to Core Settlement Guarantee Fund ('core SGF') by the Holding Company to clearing corporations ('CCs') other than Indian Clearing Corporation Limited ("ICCL"). Considering the representation made by the CCs and to be made by the Holding Company to Securities Exchange Board of India ("SEBI") and pending clarification to be received from them in this regard, no impact has been considered in the consolidated Ind AS financial statements.

Our opinion is not modified in respect of this matter.

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, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Valuation of investments and its impairment (as described in note 32 of the consolidated Ind AS financial statements)	
Quoted investments and unquoted investments represent the most significant amount on the balance sheet. The total of these Rs. 2,13,200 Lakhs represented 48% of total assets of the Group as at March 31, 2020.	<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.

Key audit matters	How our audit addressed the key audit matter
<p>There is a risk that the fair value of investments is not determined appropriately and also considering the current impact of the covid 19 on the impairment of the investment. Accordingly, the valuation of investments and its impairment is considered as a key audit matter.</p>	<ul style="list-style-type: none"> • 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. • We assessed and tested the management procedures for performing impairment analysis of investments, including likely impact of Covid-19 on value of investments
Information Technology (IT) systems and controls	
<p>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.</p> <p>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.</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 included the following:</p> <ul style="list-style-type: none"> • Assessed the information systems used by the Company for IT General Controls (ITGC) and Application controls; • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs; - to understand the design and test the operating effectiveness of such controls in the system; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
Provisions for litigation and claims (as described in note 36 of the consolidated Ind AS financial statements)	
<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.</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>Considering the judgement and estimate involved, matter is considered as a key audit matter.</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 the operating effectiveness of the Group's key controls over the identification, estimation, monitoring and disclosure of provisions for litigations and claims. • We examined the relevant correspondence with regulators to assess developments in key areas and litigation reports to identify potentially material cases. • Obtained independent confirmations from lawyers in respect of material cases outstanding. • We reviewed the Board and other board level committee meeting minutes to assess the effectiveness of management's review controls and conclusions reached. • For the significant provisions made, we understood, and assessed the provisioning methodology. We tested the underlying data and assumptions used in the determination of the provisions recorded, including expected claim rates. • For cases where a provision was not recognized, we evaluated the adequacy of disclosure made in the Consolidated Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and its associates are also responsible for overseeing the financial reporting process of the respective entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of seven subsidiaries, whose Ind AS financial statements include total assets of Rs. 2,02,196 lakhs as at March 31, 2020, and total revenues of Rs. 15,537 lakhs and net cash inflows of Rs. 21,990 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

Our opinion above on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- 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;
- 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;
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- 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, 2020 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 associate incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, its subsidiary companies and associate companies, incorporated in India, refer to our separate Report in Annexure 1 to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2020 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, 2020;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India, during the year ended March 31, 2020.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACT2564

Place of Signature: Mumbai

Date: May 21, 2020

Re: BSE Limited**ANNEXURE 1 referred to in paragraph (f) under the heading “Report on other legal and regulatory requirements” of our report of even date****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of BSE Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of BSE Limited (hereinafter referred to as the “Holding Company”), its subsidiary companies and its associates, which are incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associates, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

A company’s internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associates, which are incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of

internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to all seven subsidiary companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such subsidiary companies.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACT2564

Place of Signature: Mumbai

Date: May 21, 2020

Consolidated Balance Sheet as at March 31, 2020

		(₹ in Lakh)	
PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	12,001	12,477
b. Capital work-in-progress		827	929
c. Investment property	4	353	372
d. Goodwill	5	3,742	3,742
e. Other intangible assets	6	2,915	3,767
f. Intangible assets under development		1,360	895
g. Financial assets			
i. Investments			
a. Investments in subsidiaries	7	2	1
b. Investments in associates	8	38,622	43,017
c. Other investments	9	53,539	78,291
ii. Other financial assets	11	20,477	9,186
h. Income tax assets (net)	21	8,794	7,979
i. Deferred tax assets (net)	18	12,777	10,253
j. Other assets	13	18	5
Total non-current assets		1,55,427	1,70,914
2 Current assets			
a. Financial assets			
i. Investments	9	1,21,037	1,16,656
ii. Trade receivables	10	6,999	4,903
iii. Cash and cash equivalents	12	72,866	47,943
iv. Bank balances other than (iii) above	12	88,052	1,06,865
v. Other financial assets	11	1,116	938
b. Other assets	13	2,094	2,175
Total current assets		2,92,164	2,79,480
Total assets (1+2)		4,47,591	4,50,394
EQUITY AND LIABILITIES			
3 Equity			
a. Equity share capital	14	900	1,036
b. Other equity	15	2,41,610	2,91,820
Equity attributable to shareholders of the Company		2,42,510	2,92,856
Non controlling interest	46	1,856	-
Total equity		2,44,366	2,92,856
4 Core settlement guarantee fund		43,538	40,163
Liabilities			
5 Non-current liabilities			
a. Financial liabilities			
Other financial liabilities	16	739	690
b. Deferred tax liabilities (Net)	18	14	6
c. Provisions	17	240	186
d. Other liabilities	19	135	285
Total non-current liabilities		1,128	1,167
6 Current liabilities			
a. Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	16	10
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	7,568	4,179
ii. Other financial liabilities	16	1,30,803	97,593
b. Provisions	17	1,763	1,516
c. Income tax liabilities (Net)	21	993	1,147
d. Other liabilities	19	17,416	11,763
Total current liabilities		1,58,559	1,16,208
Total equity and liabilities (3+4+5+6)		4,47,591	4,50,394
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. Battiboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership No.: 037924

Date: May 21, 2020

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, 2020

		(₹ in Lakh)	
PARTICULARS	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing Operation			
1 Revenue from operations: Income from			
Securities services	22	16,897	17,167
Services to corporates	23	21,215	21,344
Data dissemination fees		3,152	3,015
Training institute		2,182	2,301
Sale of Software Licenses, Development, Customisation & Maintenance of Software		1,605	1,203
Revenue from operations		45,051	45,030
2 Investment income	24	15,866	20,218
3 Other income	25	2,083	3,496
4 Total income (1+2+3)		63,000	68,744
5 Expenses			
Employee benefits expense	26	15,120	13,921
Finance costs		237	87
Depreciation and amortisation expense	38&46	5,104	5,108
Computer Technology Related Expenses	27	11,760	11,342
Administration and other expenses	28	21,318	18,105
Liquidity enhancement scheme expenses		1,781	1,298
Total expenses		55,320	49,861
6 Profit before exceptional items and tax (4-5)		7,680	18,883
7 Exceptional items [Income / (expense)]:	43		
Voluntary retirement scheme		-	(54)
Net gain on partial disposal of investment in associate measured at cost		3,204	-
Total exceptional items		3,204	(54)
8 Profit before tax and share of net profits of investments accounted for using equity method (6+7)		10,884	18,829
9 Share of net profits of investments accounted for using equity method			
Share of profit of associates		2,665	2,923
10 Profit before tax (8+9)		13,549	21,752
11 Tax expense:	29		
Current tax		3,982	4,490
Current tax of earlier years		-	(665)
Deferred tax		(2,494)	(1,490)
Total tax expenses		1,488	2,335
12 Net profit for the year from continuing operation (10-11)		12,061	19,417
Net Profit attributable to the shareholders of the Company		12,227	19,417
Net Profit attributable to the non controlling interest		(166)	-
13 Discontinued operation	43		
Gain on sale of subsidiary on loss of control		-	511
Net profit for the year from discontinued operation		-	511
14 Net profit for the year from total operation (12+13)		12,061	19,928
Net profit attributable to the shareholders of the Company		12,227	19,928
Net profit attributable to the non controlling interest		(166)	-
15 Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss			
i. Remeasurements loss on the defined employee benefit plans;		(88)	(121)
ii. Income tax on above		(23)	(38)
Items that will be subsequently reclassified to profit or loss			
iii. Foreign Currency Translation reserve		1,167	782
Total other comprehensive income for the year (i - ii + iii)		1,102	699
16 Total comprehensive income for the year from total operation (14+15)		13,163	20,627
Total comprehensive income attributable to the shareholders of the Company		13,230	20,627
Total comprehensive income attributable to the non controlling interest		(67)	-
17 Earnings per equity share :	30		
Basic and diluted before exceptional items & discontinued operation (₹)		18.04	36.85
Basic and diluted before discontinued operation after exceptional items (₹)		24.57	36.78
Basic and diluted from total operation (₹)		24.57	37.75
Face value of share (₹)		2	2
Weighted average number of equity shares (Nos.)		4,90,94,235	5,27,89,971
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 21, 2020

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 Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing operations		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	12,061	19,417
Adjustments for		
Income tax expenses recognised in profit and loss	1,488	2,335
Share of profit of associates	(2,665)	(2,923)
Foreign currency translation reserve	1,167	782
Depreciation and amortisation expense	5,104	5,108
Net gain on disposal of property, plant and equipment	(10)	(1)
Impairment loss on financial assets	2,544	2,301
Net gain on partial disposal of investment in associate	(3,204)	-
Finance cost	237	87
Contribution to core settlement guarantee fund	74	684
Investment income on core settlement guarantee fund	3,042	2,736
Penalties / contribution received towards settlement guarantee fund	146	182
Net gain on derecognition of financial assets measured at amortised cost	-	(3,074)
Net gain arising on financial assets measured at FVTPL	(11,830)	(8,958)
Interest income	(2,734)	(6,192)
Dividend income	(1,302)	(1,994)
Provision for compensated absences	981	870
Operating profit before working capital changes	5,099	11,360
Movements in working capital		
Decrease / (Increase) in trade receivables	(4,640)	(1,717)
Increase / (Decrease) in trade payables	3,395	(2,105)
Increase / (Decrease) in provision	247	150
Decrease / (Increase) in other assets and other financial assets	(208)	(76)
Increase / (decrease) in other liabilities and other financial liabilities	40,685	(35,364)
Cash generated from / (used in) operations	44,578	(27,752)
Direct taxes paid (net of refunds)	(4,907)	(4,081)
Net cash generated from / (used in) operating activities	39,671	(31,833)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets		
Purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances	(3,785)	(6,179)
Proceeds from sale of property, plant and equipment	23	6
Investments		
Net decrease / (increase) in investment in equity and debt instruments	34,247	(71,476)
Investment in Government Securities	(3,408)	(1,918)
Proceeds from certificate of deposits	-	2,998
Proceeds from bonds and non-convertible debentures	2,500	90,148
Proceeds on partial sale of investment in associate	10,102	-
Investments in Associates	(1,048)	(1,541)
Investment in fixed deposits	(70,088)	(25,603)
Proceeds from fixed deposits	73,552	37,813
Interest received	3,632	8,498
Dividend received	1,302	1,994
Net cash generated from / (used in) investing activities	47,029	34,740

Consolidated Cash Flow Statement for the year ended March 31, 2020 (Contd.)...

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(237)	(87)
Dividend and taxes paid thereon	(15,843)	(22,814)
Issue of share by subsidiary	1,923	-
Payment towards buyback including transaction cost	(47,620)	(12,300)
Net cash used in financing activities	(61,777)	(35,201)
D. Net increase / (decrease) in cash and cash equivalents from continuing Operations (A+B+C)	24,923	(32,294)
Discontinued Operations		
E. Net cash generated from / (used in) financing activities	-	511
F. Net increase in cash and cash equivalents from Discontinued Operations	-	511
G. Net increase / (decrease) in cash and cash equivalents from Total Operations (D+F)	24,923	(31,783)
Cash and cash equivalents at the beginning of the year	47,943	79,726
Cash and cash equivalents at the end of the year *	72,866	47,943
Balances with banks including earmarked balances		
In current accounts	23,138	32,275
In deposit accounts with original maturity of 3 months	49,728	15,668
* Cash and cash equivalents at the end of the year comprises (refer note 12)	72,866	47,943

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 21, 2020
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, 2020

A. EQUITY SHARE CAPITAL												(₹ in Lakh)
Balance as at April 1, 2018												1,065
Changes in equity share capital during the year												(29)
- Shares extinguished during the year												
Balance as at March 31, 2019												1,036
Changes in equity share capital during the year												(136)
- Shares extinguished during the year												
Balance as at March 31, 2020												900
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	Foreign Currency Translation Reserve	Capital Redemption Reserve			
Balance as at April 1, 2018	1	66,179	10,530	34,796	70,470	1,24,702	239	(507)	10	3,06,420	-	3,06,420
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 44)	-	-	-	-	(12,270)	-	-	-	-	(12,270)	-	(12,270)
Amount transferred to capital redemption reserve upon Buyback (refer note 44)	-	-	-	-	-	(30)	-	-	30	-	-	-
Payment of Dividend	-	-	-	-	-	(18,924)	-	-	-	(18,924)	-	(18,924)
Payment of Dividend Distribution Tax	-	-	-	-	-	(3,890)	-	-	-	(3,890)	-	(3,890)
Transfer to Core Settlement Guarantee Fund	-	-	-	-	-	(106)	-	(37)	-	(143)	-	(143)
Balance as at March 31, 2019	1	66,179	10,530	22,526	70,470	1,21,828	8	238	40	2,91,820	-	2,91,820
Issue of share capital	-	-	-	-	-	-	-	-	-	-	1,923	1,923
Profit for the year pertaining to equity shareholders	-	-	-	-	-	12,227	-	-	-	12,227	(166)	12,061
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	-	(164)	-	-	-	(164)	99	(65)
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	1,167	-	1,167	-	1,167
Liquidity enhancement scheme (LES) reserve	-	-	-	-	-	(1,593)	1,593	-	-	-	-	-
LES expenditure during the year	-	-	-	-	-	1,562	(1,562)	-	-	-	-	-
Amount paid upon buyback (refer note 44)	-	-	-	(22,526)	(23,338)	-	-	-	-	(45,864)	-	(45,864)
Amount transferred to capital redemption reserve upon Buyback (refer note 44) and buyback expenses	-	-	-	-	(1,620)	(136)	-	-	136	(1,620)	-	(1,620)
Payment of Dividend	-	-	-	-	-	(13,142)	-	-	-	(13,142)	-	(13,142)
Payment of Dividend Distribution Tax	-	-	-	-	-	(2,701)	-	-	-	(2,701)	-	(2,701)
Transfer to Core Settlement Guarantee Fund	-	-	-	-	-	(46)	-	(67)	-	(113)	-	(113)
Balance as at March 31, 2020	1	66,179	10,530	-	45,512	1,17,835	39	1,338	176	2,41,610	1,856	2,43,466

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 21, 2020

Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen
Chairman
DIN: 00866743Nayan Mehta
Chief Financial OfficerAshishkumar Chauhan
Managing Director & CEO
DIN: 00898469Prajakta Powle
Company Secretary

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

1. COMPANY OVERVIEW

BSE Limited (Formerly known as Bombay Stock Exchange Limited) herein after referred to as the “The Exchange” or “The Company” was established in 1875 and is Asia’s first Stock Exchange and one of India’s leading exchange groups. The registered office of the Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. Over the past 145 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 21, 2020.

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, 2020 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, 2020 (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, 2020
 (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, 2020	Percentage of Voting Power as at March 31, 2019
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*	Stock Exchange	India	92.29	100
h) India International Clearing Corporation (IFSC) Limited*	Clearing and Settlement	India	90.10	100
- Indirect				
a) Marketplace Tech Infra Services Private Limited	IT Support Services	India	100	100
b) BFSI Sector Skill Council of India**	Training	India	51.22	51.22
c) BIL-Ryerson Technology Start-up Incubator Foundation**	Training	India	51	51
d) India INX Global Access IFSC Limited (w.e.f. April 5, 2018)*	Intermediary for trading in overseas Exchanges	India	92.29	100
e) BSE Institute of Research Development & Innovation (w.e.f. December 5, 2019)**	Training	India	100	-
II. Associate				
a) Central Depository Services (India) Limited (CDSL)	Depository Services	India	20	24
b) CDSL Ventures Limited	Depository related Services	India	20	24
c) CDSL Insurance Repository Limited	Repository Services	India	20	24
d) CDSL Commodity Repository Limited	Repository Services	India	34.40	36.48
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	40
h) Pranurja Solutions Limited (subsidiary w.e.f. April 24, 2018 upto May 6, 2019) (Associate w.e.f. May 7, 2019)	Power Exchange	India	41.08	100

* Based out of Gift City Gandhinagar Gujarat, India.

** Not considered for consolidation considering not meeting control criterion in terms of Ind AS 110.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

2.1.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- (i) Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- (ii) Defined benefit and other long-term employee benefits.

2.1.4 Functional and presentation currency

The financial statements of the Group are presented in Indian rupees, the national currency of India, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates. All financial information presented in Indian rupees has been rounded to the nearest Lakh except share and per share data in terms of Schedule III unless otherwise stated.

However, in case of three subsidiaries i.e. India International Exchange (IFSC) Limited, India International Clearing Corporation (IFSC) Limited and India INX Global Access IFSC Limited, United State Dollar (USD) is the functional currency and the currency of the primary economic environment in which these companies operate. The financial statements are presented in Indian Rupees. The presentation currency is different from functional currency to comply with Income tax and other statutory law.

2.1.5 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) Income taxes and deferred tax: The Group's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes and deferred tax assets and liabilities, including the amount expected to be paid or recovered in connection with uncertain tax positions.
- (ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. The management estimate the Group to pay normal tax and benefit associated with MAT will flow to the Group within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.
- (iii) Impairment of goodwill: Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. The value in use calculation requires to estimate the future cash flows expected to arise from the cash-generating unit and discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Goodwill is tested for impairment on annual basis.
- (iv) Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Group with advice from an independent qualified actuary.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

- (v) Property plant and equipment: The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values at the end of its useful life of Group's assets are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (vi) Impairment of trade receivables: The Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances is made.

2.1.6 Summary of significant accounting policies

(i) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

Income and expenses of the entities / operations in other than Indian currency are translated at average rates and the assets and liabilities are translated at closing rate. The net impact of such changes are accounted under other comprehensive income.

(ii) Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of assets for the current and comparative period of investment property are as follows:

Category	Useful life
Buildings	60 years

Freehold land is not depreciated.

Investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit or Loss in the period in which the property is derecognised.

(iii) Investment in subsidiaries (not consolidated)

Investment in subsidiaries not consolidated is measured at cost less provision for impairment loss, if any. Dividend income from subsidiaries not consolidated is recognised when its right to receive the dividend is established.

(iv) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(regular way trade) are recognised on trade date. While, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: financial assets comprising amortised cost, financial assets (debt instruments) at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI and fair value through profit and loss account (FVTPL), financial liabilities at amortised cost or FVTPL.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets

(a) Financial assets (debt instrument) at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

(b) Financial asset (debt instrument) at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income,

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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.

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

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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.

(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

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(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	3-6 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(viii) Leases

As a Lessee:

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

1. the contract involves the use of an identified asset;
2. the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
3. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

As a Lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(ix) Impairment

(a) Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss.

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral

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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(b) Impairment of equity investments measured at cost

Investments in subsidiaries (not considered for consolidation) are measured at cost are tested for impairment at the end of each reporting period. Any impairment loss is recognized in the consolidated statement of profit and loss, if the amount of impairment loss decreases subsequently then the previously recognized impairment loss is reversed in the consolidated statement of profit and loss.

(c) Non-financial assets

The Group assesses at each reporting date whether there is any observable evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

(d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis. Any Impairment loss for goodwill is recognized in profit or loss. An Impairment loss recognized for goodwill is not reversed in subsequent periods.

(x) Employee benefit

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no 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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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 company, Indian Clearing Corporation Limited, BSE Sammaan CSR Limited and BSE Institute Limited and its employees' contribution to provident fund is managed by BSE Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

(xi) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are recognized when economic outflow is probable and disclosed when economic outflow is possible. Contingent assets are not disclosed but recognized when economic inflow is certain.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(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.

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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

(b) Deferred income tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred tax liabilities are also recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

(xv) Earnings per share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, consolidation of shares, etc. as appropriate.

(xvi) Current / Non-current classification

The Group present assets and liabilities in the balance sheet based on current/non-current classification

Assets: An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;

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2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

- (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.

(xviii) Core Settlement Guarantee Fund (Core SGF):

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. The Clearing Corporation (CC) shall have a fund called Core SGF for each segment of each Recognised Stock Exchange (SE) to guarantee the settlement of trades executed in the respective segment of the SE. In the event of a clearing member (member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Clearing Corporation (ICCL a wholly owned subsidiary of the Group) and Stock exchange (BSE Limited) and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments (ICCL) is credited to the respective contributor's funds. Penalties and fines levied by the Clearing Corporation (ICCL) are directly transferred to Core SGF as Other Contributions.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Freehold land	Buildings	Leasehold Buildings	Plant and equipments	Electrical installations	Computers -		Furniture & 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, 2018	1,057	3,863	1,125	1,714	3,287	11,414	130	912	1,474	98	25,074
Additions during the year	-	14	28	10	31	2,041	-	28	79	7	2,238
Deductions / adjustments	-	-	28	4	15	612	-	7	-	57	723
Foreign currency translation adjustments	-	-	72	-	19	72	-	3	17	1	184
Balance as at March 31, 2019	1,057	3,877	1,197	1,720	3,322	12,915	130	936	1,570	49	26,773
Balance as at April 1, 2019	1,057	3,877	1,197	1,720	3,322	12,915	130	936	1,570	49	26,773
Additions during the year	-	-	-	5	4	2,648	-	23	16	-	2,696
Deductions / adjustments	-	-	-	18	4	474	-	18	-	20	534
Foreign currency translation adjustments	-	-	107	-	29	139	-	6	27	2	310
Balance as at March 31, 2020	1,057	3,877	1,304	1,707	3,351	15,228	130	947	1,613	31	29,245
Accumulated depreciation											
Balance as at April 1, 2018	-	924	49	747	1,764	6,254	106	439	962	37	11,282
Depreciation for the year	-	302	40	187	377	2,387	11	127	206	5	3,642
Deductions / Adjustments	-	-	-	3	12	609	-	7	-	19	650
Foreign currency translation adjustments	-	-	3	-	2	13	-	-	4	-	22
Balance as at March 31, 2019	-	1,226	92	931	2,131	8,045	117	559	1,172	23	14,296
Balance as at April 1, 2019	-	1,226	92	931	2,131	8,045	117	559	1,172	23	14,296
Depreciation for the year	-	249	42	152	283	2,348	13	99	176	3	3,365
Deductions / Adjustments	-	-	-	18	2	468	-	17	-	16	521
Foreign currency translation adjustments	-	-	10	-	8	68	-	2	15	1	104
Balance as at March 31, 2020	-	1,475	144	1,065	2,420	9,993	130	643	1,363	11	17,244
Net book value											
As at March 31, 2020	1,057	2,402	1,160	642	931	5,235	-	304	250	20	12,001
As at March 31, 2019	1,057	2,651	1,105	789	1,191	4,870	13	377	398	26	12,477

Notes:

- The Group's obligations under leases are secured by the lessors' title to the leased assets.
- The land and building having a carrying amount of ₹ 579 (₹ 724 as at March 31, 2019) shown under the head "Property Plant and Equipment" in the books of accounts, out of which title deeds of two properties are not available and title deeds of the remaining two properties are in the name of erstwhile legal entity. Further, The process for transfer of the same in the name of BSE is currently under process.

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4. INVESTMENT PROPERTY

PARTICULARS	Freehold Land	Buildings	Total
Cost or deemed cost			
Balance as at April 1, 2018	9	446	455
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2019	9	446	455
Balance as at April 1, 2019	9	446	455
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2020	9	446	455
PARTICULARS	Freehold Land	Buildings	Total
Accumulated depreciation			
Balance as at April 1, 2018	-	62	62
Depreciation for the year	-	21	21
Deductions / Adjustments	-	-	-
Balance as at March 31, 2019	-	83	83
Balance as at April 1, 2019	-	83	83
Depreciation for the year	-	19	19
Deductions / Adjustments	-	-	-
Balance as at March 31, 2020	-	102	102
PARTICULARS	Freehold Land	Buildings	Total
Net book value			
As at March 31, 2020	9	344	353
As at March 31, 2019	9	363	372

Notes:

- The fair value of the Group's investment properties as at March 31, 2020 and March 31, 2019 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, 2020 and March 31, 2019 are as follows:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
Rental income derived from investment properties	1,627	979
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	248	189

- 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.

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4. INVESTMENT PROPERTY (Contd.)..

5 Minimum lease payments receivable under non-cancellable operating lease of investments properties are as follows:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Not later than 1 year	64	119
Later than 1 year and not longer than 5 years	-	58
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, 2018	3,742	785	4,527
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2019	3,742	785	4,527
Balance as at April 1, 2019	3,742	785	4,527
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2020	3,742	785	4,527
PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Accumulated impairment			
Balance as at April 1, 2018	-	785	785
Impairment for the year	-	-	-
Deductions / Adjustments	-	-	-
Balance as at March 31, 2019	-	785	785
Balance as at April 1, 2019	-	785	785
Impairment for the year	-	-	-
Deductions / Adjustments	-	-	-
Balance as at March 31, 2020	-	785	785
PARTICULARS	Goodwill on consolidation	Goodwill on amalgamation	Total
Net book value			
As at March 31, 2020	3,742	-	3,742
As at March 31, 2019	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, 2020
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6. OTHER INTANGIBLE ASSETS

PARTICULARS	Software	Total
Cost or deemed cost		
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
Balance as at April 1, 2019	8,319	8,319
Additions during the year	854	854
Deductions / adjustments	-	-
Foreign currency translation adjustments	25	25
Balance as at March 31, 2020	9,198	9,198
PARTICULARS	Software	Total
Accumulated amortisation		
Balance as at April 1, 2018	3,105	3,105
Amortisation for the year	1,446	1,446
Deductions / Adjustments	-	-
Foreign currency translation adjustments	1	1
Balance as at March 31, 2019	4,552	4,552
Balance as at April 1, 2019	4,552	4,552
Amortisation for the year	1,720	1,720
Deductions / Adjustments	-	-
Foreign currency translation adjustments	11	11
Balance as at March 31, 2020	6,283	6,283
PARTICULARS	Software	Total
Net Book Value		
As at March 31, 2020	2,915	2,915
As at March 31, 2019	3,767	3,767

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7. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
Non-current Investments				
Un-quoted Investments (all fully paid)				
Investment in Equity Instruments at cost				
- BFSI Sector Skill Council of India (Equity shares of ₹ 1 each)	1,05,00,000	105	1,05,00,000	105
- BSE CSR Integrated Foundation (Equity shares of ₹ 10 each)	50,000	5	50,000	5
- BIL - Ryerson Technology Startup Incubator Foundation (Equity shares of ₹ 1 each)	51,000	1	51,000	1
- BSE Institute of Research Development & Innovation (Equity shares of ₹ 10 each)	10,000	1	-	-
Less : Provision for diminution in value investment		(110)		(110)
Total		2		1
Aggregate carrying value of un-quoted investments		112		111
Aggregate amount of impairment in value of investments in subsidiaries		110		110

8. INVESTMENTS IN ASSOCIATES

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	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 (Equity shares of ₹ 10 each)	5,000	798	5,000	548
- CDSL Commodity Repository Limited (Equity shares of ₹ 10 each)	1,20,00,000	1,235	1,20,00,000	1,230
- Marketplace EBIX Technology Services Private Limited (Equity shares of ₹ 10 each)	4,000	(2)	4,000	(1)
- BSE EBIX Insurance Broking Private Limited (Equity shares of ₹ 10 each)	20,04,000	203	20,04,000	196
- Pranurja Solutions Limited (Equity shares of ₹ 1 each)	10,47,46,100	1,043	-	-
Total - (A)		3,277		1,973

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(Rupees in lakhs, except share and per share data, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (Contd.)..

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
Investment in Preference Share Capital				
- Marketplace EBIX Technology Services Private Limited (0.01% Non-cumulative compulsarily convertible Preference Share of ₹ 10 each)	14,00,000	140	14,00,000	140
Total - (B)		140		140
Associates measured at cost				
Quoted Investments (all fully paid)				
Investment in Equity Instruments				
- Central Depository Services (India) Limited (Equity shares of ₹ 10 each)	2,09,00,000	35,205	2,50,80,000	40,904
Total - (B)		35,205		40,904
Total - (A+B)		38,622		43,017
Aggregate book value of quoted investments		35,205		40,904
Aggregate market value of quoted investments		44,810		60,832
Aggregate carrying value of un-quoted investments		3,417		2,113
Aggregate amount of impairment in value of investments in associates		-		-

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Associates		
Asia Index Private Limited		
Opening Balance	548	373
Share of profit and loss for the year	251	174
Other comprehensive income for the year	(1)	1
Closing Balance	798	548
CDSL Commodity Repository Limited		
Opening Balance	1,230	-
Investment made during the year	-	1,200
Share of profit and loss for the year	5	30
Other comprehensive income for the year	-	-
Closing Balance	1,235	1,230

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (Contd.)..

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Marketplace EBIX Technology Services Private Limited		
Opening Balance	(1)	-
Share of profit and loss for the year	(1)	(1)
Other comprehensive income for the year	-	-
Closing Balance	(2)	(1)
BSE EBIX Insurance Broking Private Limited		
Opening Balance	196	-
Investment made during the year	-	201
Share of profit and loss for the year	7	(5)
Other comprehensive income for the year	-	-
Closing Balance	203	196
Pranurja Solutions Limited		
Opening Balance	-	-
Investment made during the year	1,047	-
Share of profit and loss for the year	(4)	-
Other comprehensive income for the year	-	-
Closing Balance	1,043	-
Central Depository Services (India) Limited		
Opening Balance	40,904	39,238
Share of profit and loss for the year	2,406	2,724
Other comprehensive income for the year	2	-
Dividend received during the year (including dividend distribution tax)	(1,209)	(1,058)
Adjustment on account of partial sale	(6,898)	-
Closing Balance	35,205	40,904

Note: The Group has not made any commitments with respect to its interests in associates at the reporting date.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non-current Investments		
Un-quoted Investments (all fully paid)		
Investment in Equity Instruments at FVTPL		
- Calcutta Stock Exchange Limited (Equity share of ₹ 1 each)	-	-
Total Investment in Equity Instruments at FVTPL	-	-
Quoted Investments		
Investments in Bonds, Debentures and G Sec measured at amortised cost		
Owned		
- Bonds	2,025	2,025
- Non-Convertible Debentures	-	2,000
Earmarked		
- G Sec	11,348	5,863
	13,373	9,888
Investments in Mutual Funds measured at FVTPL		
Owned		
- Units of Growth Oriented Debt Schemes of Mutual Funds	40,166	68,653
	40,166	68,653
Less : Provision for diminution	-	250
Total Non-current Investments	53,539	78,291
Aggregate amount of quoted investments	53,539	78,541
Aggregate market value of quoted investments	54,554	78,882
Aggregate amount of unquoted investments	-	-
Aggregate market value of unquoted investments	-	-
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, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Current Investments		
Quoted Investments		
Investments in Mutual Funds measured at FVTPL		
Owned Fund		
- Units of Dividend Oriented Debt Schemes of Mutual Funds	7,112	47,666
- Units of Growth Oriented Debt Schemes of Mutual Funds	90,352	59,686
- Investment in exchange traded funds through asset management company	3,699	1,453
	1,01,163	1,08,805
Earmarked Fund		
- Units of Dividend Oriented Debt Schemes of Mutual Funds	18,057	4,467
	18,057	4,467
Current Investments	1,19,220	1,13,272
Current Portion of Long Term Investments		
Un-quoted investments		
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 Fund		
- Non-Convertible Debentures	3,200	2,702
Current Portion of Long Term Investments	3,200	2,702
Accrued interest	322	394
Less : Provision for diminution	1,705	712
Total Current Investments	1,21,037	1,16,656
Aggregate amount of quoted investments	1,22,742	1,16,364
Aggregate market value of quoted investments	1,22,775	1,16,367
Aggregate amount of unquoted investments	-	1,004
Aggregate market value of unquoted investments	-	1,007
Aggregate amount of impairment in value of investments	1,705	712

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(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, 2020		Balance as on March 31, 2019	
		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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
Investments in Bonds, Debentures and G Sec (Quoted)					
(a) Own Funds					
Bonds					
1	8.14%-Housing And Urban Development Corporation Limited-25Oct2023-Tax Free	2,500	25	2,500	25
2	8.41%-India Infrastructure Finance Company Limited - 22Jan2024 - Tax Free	1,00,000	1,000	1,00,000	1,000
3	8.23%-Indian Railway Finance Corporation Limited - 18Feb2024 - Tax Free	1,00,000	1,000	1,00,000	1,000
Total			2,025		2,025
Non Convertible Debentures					
1	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	-	-	50,000	500
2	8.60%-LIC Housing Finance Limited-28Dec2020	-	-	150	1,500
Total			-		2,000
(b) Earmarked Funds					
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	1,950	20,00,000	1,935
3	7.37% Govt Sec 16-Apr-2023	15,00,000	1,502	15,00,000	1,503
4	7.17% Govt Sec 08-Jan-2028	15,00,000	1,502	-	-
5	7.32% Govt Sec 28-Jan-2024	10,00,000	1,033	-	-
6	6.84% Govt Sec 19-Dec-2022	20,00,000	1,945	20,00,000	1,929
7	7.17% Govt Sec 08-Jan-2028	35,00,000	3,416	-	-
Total			11,348		5,863

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
Investments in Mutual Funds measured at FVTPL					
(a) Own Funds					
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)					
1	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	-	-	50,00,000	578
2	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	-	-	3,00,00,000	3,460
3	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	-	-	50,00,000	579
4	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	-	-	1,00,00,000	1,113
5	Aditya Birla Sun Life - Fixed Term Plan - Series PR - 1134 Days - Direct - Growth Plan	1,50,00,000	1,766	1,50,00,000	1,620
6	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	-	-	90,000	1,038
7	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	-	-	50,000	579
8	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	-	-	2,00,000	2,232
9	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	-	-	50,00,000	577
10	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	-	-	30,00,000	345
11	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	-	-	50,00,000	577
12	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224 Days - Direct - Growth Plan	1,00,00,000	1,188	1,00,00,000	1,090
13	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	-	-	50,00,000	578
14	ICICI Prudential - Fixed Maturity Plan - Series 80 1231 Days Plan P - Direct - Growth Plan	-	-	50,00,000	579
15	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J 1253 Days - Direct - Growth Plan	-	-	50,00,000	580
16	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	-	-	1,00,00,000	1,159
17	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1225 Days - Direct - Growth Plan	-	-	50,00,000	577
18	ICICI Prudential - Fixed Maturity Plan - Series 82 - 1236 Days Plan A - Direct - Growth Plan	1,00,00,000	1,195	1,00,00,000	1,096

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
19	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	-	-	20,00,000	230
20	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	-	-	50,00,000	578
21	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	-	-	1,00,00,000	1,153
22	Kotak - Fixed Maturity Plan - Series 200 - 1158 Days - Direct - Growth Plan	-	-	50,00,000	578
23	Kotak - Fixed Maturity Plan - Series 202 - 1144 Days - Direct - Growth Plan	-	-	1,00,00,000	1,151
24	Kotak - Fixed Maturity Plan - Series 204 - 1141 Days - Direct - Growth Plan	-	-	50,00,000	569
25	Kotak - Fixed Maturity Plan - Series 211 - 1105 Days - Direct - Growth Plan	-	-	50,00,000	550
26	Kotak - Fixed Maturity Plan - Series 212 -1260 Days -Direct - Growth Plan	50,00,000	596	50,00,000	546
27	Kotak - Fixed Maturity Plan - Series 213 -1230 Days -Direct - Growth Plan	50,00,000	596	50,00,000	547
28	Reliance - Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	-	-	50,00,000	581
29	Reliance - Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	-	-	50,00,000	579
30	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	-	-	1,00,00,000	1,159
31	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201 Days - Direct - Growth Plan	-	-	3,00,00,000	3,463
32	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	-	-	80,00,000	923
33	Reliance - Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	-	-	50,00,000	567
34	Reliance - Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	-	-	1,50,00,000	1,691
35	Reliance - Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	-	-	1,20,00,000	1,344
36	Reliance - Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	50,00,000	598	50,00,000	548
37	Reliance - Fixed Horizon Fund - XXXV Series 6 -1263 Days - Direct - Growth Plan	1,00,00,000	1,198	1,00,00,000	1,098
38	Reliance - Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	1,00,00,000	1,174	1,00,00,000	1,076

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
39	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	-	-	1,00,00,000	1,155
40	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	-	-	30,00,000	345
41	Aditya Birla Sun Life - Fixed Term Plan - Series PU - 1463 Days - Direct - Growth	1,00,00,000	1,203	1,00,00,000	1,093
42	Aditya Birla Sun Life Fixed Term Plan Series PV 1462 Days - Direct-Growth	1,00,00,000	1,204	1,00,00,000	1,094
43	Aditya Birla Sun Life Fixed Term Plan - Series RC - 1295 days - Direct - Growth	2,00,00,000	2,333	2,00,00,000	2,131
44	Aditya Birla Sun Life Fixed Term Plan - Series RL - 1254 days - Direct Growth	40,00,000	463	40,00,000	422
45	Canara Robeco Fixed Maturity Plan Series-8- 1103 Days - Direct Growth	30,00,000	347	30,00,000	318
46	DSP BlackRock Fixed Maturity Plan Series 232 - 36M - Direct - Growth	1,00,00,000	1,180	1,00,00,000	1,082
47	HDFC Fixed Maturity Plan 1115 Days Sep 2018 Plan Direct Growth	1,00,00,000	1,168	1,00,00,000	1,068
48	HDFC Fixed Maturity Plan 1274 Days October 2018 Direct Growth	1,00,00,000	1,170	1,00,00,000	1,064
49	ICICI Prudential Fixed Maturity Plan - Series 84 - 1286 Days - Plan F - Direct Growth	50,00,000	585	50,00,000	532
50	ICICI Prudential Fixed Maturity Plan - Series 84 - 1275 Days - Plan K - Direct Growth	1,00,00,000	1,166	1,00,00,000	1,061
51	IDFC Fixed Term Plan Series 156 - 1103 Days - Direct - Growth	50,00,000	585	50,00,000	536
52	Invesco India Fixed Maturity Plan Series 31-Plan Days-1468D-Direct Growth	1,00,00,000	1,197	1,00,00,000	1,088
53	Invesco India Fixed Maturity Plan Sr. 32 Plan E - 1099 Days - Direct Growth	1,00,00,000	1,167	1,00,00,000	1,068
54	Kotak Fixed Maturity Plan Series 226 - 1470 Days - Direct - Growth	1,00,00,000	1,202	1,00,00,000	1,092
55	Kotak Fixed Maturity Plan Series 245 - 1140 Days - Direct-Growth	1,00,00,000	1,160	1,00,00,000	1,060
56	Kotak Fixed Maturity Plan Series 248 - 1300 Days Direct Growth	1,00,00,000	1,172	1,00,00,000	1,065
57	Kotak Fixed Maturity Plan Series 250 - 1314 Days Direct Growth	1,00,00,000	1,166	1,00,00,000	1,059
58	L&T Fixed Maturity Plan Series XVIII 1104 Days Direct Growth	50,00,000	578	50,00,000	530
59	Reliance Fixed Horizon Fund XXXVII-Series 5-Direct Growth - 1105 Days	1,00,00,000	1,181	1,00,00,000	1,082
60	RelianceFixed Horizon Fund XXXVII Series 6 - 1417 Days - Direct - Growth	1,00,00,000	1,206	1,00,00,000	1,095
61	Reliance Fixed Horizon Fund XXXVIII Series 6 - 1119 Days - Direct - Growth	1,00,00,000	1,150	1,00,00,000	1,066

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
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9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
62	Reliance Fixed Horizon Fund XXXIX Series 4 - 1323 Days - Direct - Growth	1,00,00,000	1,184	1,00,00,000	1,075
63	Reliance Fixed Horizon Fund XXXIX Series 6 - 1316 Days - Direct - Growth	1,00,00,000	1,180	1,00,00,000	1,072
64	Reliance Fixed Horizon Fund XXXIX Series 9 - 1296 Days - Direct - Growth	1,00,00,000	1,170	1,00,00,000	1,063
65	Reliance Fixed Horizon Fund XXXIX Series 14 - 1275 Days - Direct - Growth	1,20,00,000	1,401	1,20,00,000	1,273
66	Sundaram Fixed Term Plan - IK - 1098 Days -Direct - Growth	50,00,000	586	50,00,000	536
67	UTI Fixed Term Income Fund - XXX-V - 1135 Days - Direct - Growth	1,00,00,000	1,167	1,00,00,000	1,068
68	UTI Fixed Term Income Fund Series XXX - VIII - 1286 days - Direct Growth	50,00,000	586	50,00,000	534
69	UTI Fixed Term Income Fund Series XXX - X - 1267 days - Direct Growth	50,00,000	581	50,00,000	529
70	ICICI Prudential - Fixed Maturity Plan - Series 82 - 1185 Days - Plan M	25,00,000	297	25,00,000	272
71	Aditya Birla Sun Life - Fixed Term Plan - 1190 Days - Series PB - Direct - Growth Plan	20,00,000	238	20,00,000	218
72	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	-	-	20,00,000	231
73	ICICI Prudential - Fixed Maturity Plan - Series 84 - 1101 Days Plan A	10,00,000	116	10,00,000	106
74	Aditya Birla Sun Life - Fixed Term Plan - 1100 Days - Series RI - Direct - Growth Plan	15,00,000	171	15,00,000	158
75	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	-	-	20,01,215	231
76	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	-	-	30,00,000	347
77	HSBC - Fixed Term Plan - Series 130 (HFTS 130)	25,00,000	297	25,00,000	273
78	KOTAK NFO Fixed Maturity Plan 11	25,00,000	298	25,00,000	273
Total			40,166		68,653

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
Current Investments					
Investment in Mutual Funds					
(a) Own Funds					
Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)					
1	ICICI Prudential Liquid - Direct - Daily Dividend Reinvestment	-	-	6,76,712	678
2	HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment	9,588	102	15,509	165
3	HDFC Liquid Fund Direct Plan	32,201	328	18,650	190
4	SBI Liquid Fund - Direct - Daily Dividend Reinvestment	1,14,006	1,185	1,14,006	1,142
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
8	ICICI Prudential Overnight Fund - Direct - Daily Dividend Reinvestment	4,326	4	-	-
9	Nippon India Overnight Fund - Direct -Daily Dividend Reinvestment	19,99,929	2,000	-	-
10	Sundaram Overnight Fund - Direct - Daily Dividend Reinvestment	2,34,003	2,340	-	-
11	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	20,00,000	249	-	-
12	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment	84,041	904		
Total			7,112		47,666
(a) Own Funds					
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)					
1	IDFC Super Saver Income Fund Medium Term	10,78,579	368	10,78,579	337
2	HDFC Corporate Debt Opportunities Fund	9,22,944	154	9,22,944	141
3	IDFC Corporate Bond Fund - Direct - Growth Plan	46,98,504	656	46,98,504	604
4	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	20,01,215	249	-	-
5	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	30,00,000	372	-	-
6	Sundaram Banking And PSU Debt Fund Direct - Growth Plan	1,13,65,057	3,642	1,13,65,057	3,342
7	Aditya Birla Sun Life Short Term Fund - Direct - Growth Plan	31,11,334	2,454	31,11,334	2,245
8	DSP BR Banking and PSU Debt Fund - Direct - Growth Plan	69,74,911	1,235	69,74,911	1,121
9	DSP BR Short Term Fund - Direct - Growth Plan	67,79,661	2,436	67,79,661	2,229

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
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9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
10	HDFC Medium Term Opportunities Fund - Direct - Growth Plan	2,67,71,755	6,180	2,67,71,755	5,605
11	IDFC Corporate Bond Fund - Direct - Growth Plan	6,07,20,257	8,478	6,07,20,257	7,809
12	Kotak Bond Short Term Plan - Direct - Growth Plan	-	-	1,04,07,748	3,796
13	L&T Triple Ace Bond Fund - Direct - Growth Plan	1,23,86,929	6,846	1,23,86,929	5,998
14	Reliance Floating Rate Fund Short Term - Direct - Growth Plan	-	-	-	-
15	L&T Short Term Bond Fund - Direct - Growth Plan	1,11,72,248	2,250	1,11,72,248	2,052
16	Reliance Nivesh Lakshya Fund - Direct - Growth Plan	7,16,88,726	9,376	9,45,77,039	10,496
17	Reliance Banking & PSU Debt Fund - Direct - Growth Plan	3,01,30,692	4,545	3,01,30,692	4,097
18	Sundaram Corporate Bond Fund - Direct - Growth Plan	38,89,628	1,143	38,89,628	1,032
19	Kotak Banking & PSU Debt Fund - Direct - Growth Plan	35,82,363	1,707	35,82,363	1,539
20	Invesco India Corporate Bond Fund - Direct - Growth Plan	70,730	1,703	70,730	1,549
21	HDFC Liquid Fund - Direct - Growth Plan	22,295	870	98,356	3,618
22	BOI AXA Arbitrage Fund - Direct - Growth Plan	-	-	49,55,500	519
23	Edelweiss Arbitrage Fund - Direct - Growth Plan	36,54,677	553	36,54,677	515
24	IDFC Arbitrage Fund - Direct - Growth Plan	21,66,444	557	21,66,444	522
25	L&T Arbitrage Opportunities Fund - Direct - Growth Plan	37,31,343	557	37,31,343	520
26	ICICI Prudential Equity Arbitrage Fund - Direct Plan	7,78,292	210	-	-
27	L&T Triple Ace Bond Fund – Direct – Growth	3,96,959	219	-	-
28	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	50,00,000	621	-	-
29	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	3,00,00,000	3,725	-	-
30	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	50,00,000	622	-	-
31	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	1,00,00,000	1,203	-	-
32	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	90,000	1,116	-	-
33	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	50,000	623	-	-
34	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	2,00,000	2,415	-	-
35	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	50,00,000	620	-	-
36	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	30,00,000	370	-	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
37	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	50,00,000	620	-	-
38	HDFC - Fixed Maturity Plan - 1150 Days - Series 37(l) - Direct - Growth Plan	50,00,000	621	-	-
39	ICICI Prudential - Fixed Maturity Plan - Series 80 1231 Days Plan P - Direct - Growth Plan	50,00,000	626	-	-
40	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J 1253 Days - Direct - Growth Plan	50,00,000	624	-	-
41	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	1,00,00,000	1,249	-	-
42	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1225 Days - Direct - Growth Plan	50,00,000	623	-	-
43	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	20,00,000	248	-	-
44	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	50,00,000	620	-	-
45	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	1,00,00,000	1,242	-	-
46	Kotak - Fixed Maturity Plan - Series 200 - 1158 Days - Direct - Growth Plan	50,00,000	621	-	-
47	Kotak - Fixed Maturity Plan - Series 202 - 1144 Days - Direct - Growth Plan	1,00,00,000	1,237	-	-
48	Kotak - Fixed Maturity Plan - Series 204 - 1141 Days - Direct - Growth Plan	50,00,000	614	-	-
49	Kotak - Fixed Maturity Plan - Series 211 - 1105 Days - Direct - Growth Plan	50,00,000	596	-	-
50	Reliance - Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	50,00,000	627	-	-
51	Reliance - Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	50,00,000	626	-	-
52	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	1,00,00,000	1,252	-	-
53	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201 Days - Direct - Growth Plan	3,00,00,000	3,736	-	-
54	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	80,00,000	995	-	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
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9. OTHER INVESTMENTS (Contd.)..

Sr. No.	SCHEME NAME	Balance as on March 31, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
55	Reliance - Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	50,00,000	613	-	-
56	Reliance - Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	1,50,00,000	1,823	-	-
57	Reliance - Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	1,20,00,000	1,452	-	-
58	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	1,00,00,000	1,242	-	-
59	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	30,00,000	370	-	-
Total			90,352		59,686
(a) Own Funds					
Investment in Exchange Traded Funds (Quoted)					
1	ICICI Prudential Sensex Iwin - Exchange Traded Fund	1,26,759	412	5796	24
2	HDFC Sensex - Exchange Traded Fund	1,02,000	3,287	36,000	1,429
Total			3,699		1,453
(b) Earmarked Funds					
Units Of Dividend Oriented Debt Schemes Of Mutual Funds (Quoted)					
1	Baroda Liquid Fund Plan B - Direct Growth - Investor Services Fund	-	-	2,07,160	4,457
2	Baroda Liquid Fund Plan B - Direct Growth- Investor Services Fund (Commodity)	-	-	458	10
3	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - Investor Services Fund	5,60,834	6,034	-	-
4	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - (Commodity)	1,066	11	-	-
5	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - (SEBI Regulatory Fees)	27	-	-	-
6	Sundaram Money Fund Direct DDR	4,49,75,173	4,544	-	-
7	Nippon India Overnight Fund-Dir-DDR	29,99,894	3,000	-	-
8	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment	4,15,299	4,468	-	-
Total			18,057		4,467

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
Current Portion of Long Term Investments					
Investments in Debentures (Unquoted)					
Own Funds					
Non-Convertible Debentures					
1	9.25%-TATA Sons Limited-19Jun2019	-	-	100	1,000
	Total		-		1,000
Investments in Debentures (Quoted)					
Own Funds					
Non Convertible Debentures					
1	9.49%-HDB Financial Services Limited-18Jun2019	-	-	50	500
2	9.51%-LIC Housing Finance Limited-24Jul2019	-	-	100	1,002
3	8.90%-IL&FS Financial Services Limited-21Mar2019	20,000	200	20,000	200
4	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	1,00,000	1,000	1,00,000	1,000
5	8.60%-LIC Housing Finance Limited-28Dec2020	150	1,500	-	-
6	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	50,000	500	-	-
	Total		3,200		2,702

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

10. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Current		
Trade Receivables		
- Secured, considered good	425	1,211
- Unsecured, considered good	6,574	3,692
- Doubtful	3,503	1,763
- Allowance for doubtful debts	(3,503)	(1,763)
Total	6,999	4,903

- 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, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	1,763	1,188
Impairment loss allowance during the year	1,740	575
Balance at the end of the year	3,503	1,763

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non-current		
(Unsecured, considered good, unless otherwise stated)		
a Security deposits;		
Deposit with public bodies and others	303	319
b Loans, advances and others receivables		
Loan to staff	76	79
c Bank deposits with more than 12 months maturity		
Owned fund		
- In deposit accounts	5,079	824
Earmarked - Others		
- In deposit accounts	10,297	3,976
Earmarked - SGF		
- In deposit accounts	4,244	3,730
d Accrued interest		
Owned		
- On deposits	97	52
Earmarked - Others		
- On deposits	381	206
(Unsecured and considered doubtful)		
Receivable from Punjab & Sindh bank	316	316
Less Impairment loss on receivable from Punjab & Sindh bank	(316)	(316)
Total	20,477	9,186
Current		
(Unsecured, considered good, unless otherwise stated)		
a Loan		
Loan to staff	23	15
b Others		
- Unbilled revenue	-	1
- Expenses recoverable from subsidiaries	57	-
- Receivable from Portfolio Management Account	99	500
- Deposit with public bodies and others	737	153
- Receivable towards incentive scheme	30	14
- Others	10	4
c Deposits with financial institution	160	251
(Unsecured and considered doubtful)		
a Deposit made under protest for property tax and claim pending with court	785	771
b Others receivable from defaulter member	104	104
Less: Provision for Doubtful Advances	(889)	(875)
Total	1,116	938

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(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, 2020	As at March 31, 2019
Balance with Banks		
Owned fund		
- In Current Accounts	3,369	5,640
- In Deposit Accounts original maturity less than 90 days	2,860	3,789
Earmarked - Others		
- In Current Accounts	19,743	26,604
- In Deposit Accounts original maturity less than 90 days	44,404	5,320
Earmarked - SGF		
- In Current Accounts	25	31
- In Deposit Accounts original maturity less than 90 days	2,464	6,559
Earmarked - IPF		
- In Current Accounts	1	-
Total	72,866	47,943
Bank balance other than above		
Balance with banks		
Owned fund		
- In Deposit Accounts	11,379	9,149
Earmarked - Others		
- In Current Accounts (unpaid dividend) (refer note 12.1)	1,522	1,333
- In Current Accounts (refer note 12.1)	533	481
- In Deposit Accounts	28,058	44,753
Earmarked - SGF		
- In Deposit Accounts	45,874	48,871
Earmarked - IPF		
- In Deposit Accounts	15	11
Accrued interest		
Owned		
- On deposits	142	1,192
Earmarked - Others		
- On deposits	524	1,072
Earmarked - SGF		
- On deposits	5	3
Total	88,052	1,06,865

Note:

12.1. The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities of the Group.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

13. OTHER ASSETS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non Current		
Prepaid Expenses	18	5
Total	18	5
Current		
Gratuity asset (net) (refer note 42)	4	70
Prepaid Expenses	560	421
Advances Recoverable in Cash or in Kind or for value to be received	49	-
Advance to Creditors	287	133
CENVAT Credit Receivable	1,194	1,551
Total	2,094	2,175

14. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Authorised share capital:		
150,00,00,000 (150,00,00,000 as at March 31, 2019) equity shares of ₹ 2/- each	30,000	30,000
Issued share capital:		
4,58,04,297 (5,25,69,002 equity shares as at March 31, 2019) equity shares of ₹ 2/- each	916	1,052
Subscribed and Paid-up share capital		
4,50,24,297 (5,17,89,002 equity shares as at March 31, 2019) equity shares of ₹ 2/- each fully paid-up.		
Outstanding share capital	900	1,036
Total	900	1,036

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

PARTICULARS	As at March 31, 2020	As at March 31, 2019
No. of shares at the beginning of the year	5,17,89,002	5,32,59,532
Additions during the year	-	-
Shares bought back and extinguished during the year (refer note. 44)	(67,64,705)	(14,70,530)
No. of shares at the end of the year	4,50,24,297	5,17,89,002

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020	As at March 31, 2019
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, 2019) 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, 2019) of ₹ 2/- each have been kept in abeyance for specific reasons pursuant to the provisions of the Scheme. However, all corporate benefits as declared from time to time, including dividend and bonus are accrued to all the 4,77,75,000 equity shares, as per the provisions of the Scheme.
- (d) As a part of the Demutualisation process, the Exchange in order to fulfill its obligations under the Scheme and the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 (the SEBI Regulations) dated 13th November, 2006, and further amendments thereto on 23rd December, 2008, had issued shares to Deutsche Boerse AG (DBAG) and Singapore Exchange Limited (SGX).
- (e) i) The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Shareholder holds more than 5 % of the Share Capital of the Company is as below.

NAME OF THE SHAREHOLDERS	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Percentage holding	No. of shares	Percentage holding
LIC Corporation of India Limited	25,25,500	5.61%	25,25,500	4.88%

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
General Reserve	45,512	70,470
Capital Reserve	66,179	66,179
Capital Reserve on business combination	10,530	10,530
Securities Premium Account	-	22,526
Retained earnings	1,19,173	1,22,066
Share application money pending allotment	1	1
Capital redemption reserve (refer note 44)	176	40
Liquidity enhancement scheme (LES) reserve	39	8
Total	2,41,610	2,91,820

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 21, 2020, have proposed a final dividend of ₹ 17/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2020. 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 ₹ 7,787.

15.5 Liquidity Enhancement Scheme (LES) Reserve

Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), India INX had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's derivatives contracts traded. LES was launched on November 01, 2017 and which was further extended and amended from time to time. An expense of ₹ 1,562 (Previous year: ₹ 1,298) has been incurred towards the Scheme for the year ended March 31, 2020.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS (Contd.)..

Further Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017, during the year ended March 31, 2020, India INX has created additional LES reserve of ₹ 1,593 and incurred an expense of ₹ 1,562 during the year ended March 31, 2020, accordingly LES reserve balance as on March 31, 2020 is ₹ 39 (as on March 31, 2019: ₹ 8). The LES reserve as on March 31, 2020 will not form part of net worth.

16. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non-current		
Accrued employee benefit expenses (refer note 16.5)	736	583
Lease obligations (refer note 16.1 below)	3	3
Other deposits	-	104
Total	739	690
Current		
Owned :		
Deposits received from trading members	9,613	9,618
Other deposits received from members	4,469	3,352
Other deposits	1,568	1,339
Margin from Clients	672	73
Accrued employee benefit expenses (refer note 16.5)	2,967	2,999
Unpaid dividends (refer note 16.3)	128	134
Payables on purchase of fixed assets	463	115
Payable towards Additional Contribution to ISF and IPF	1,861	-
Total (A)	21,741	17,630
Earmarked :		
From companies - 1% of their public issue (refer note 16.2)	8,441	12,313
Defaulters' liabilities (refer note 16.2)	2,697	2,548
Withheld liabilities (refer note 16.2)	4,926	4,985
Others (refer note 16.4)	3,758	3,451
Total (B)	19,822	23,297

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

16. OTHER FINANCIAL LIABILITIES (Contd.)..

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Clearing and Settlement		
Deposit from Clearing banks	13,811	12,489
Deposit and Margins from Members	56,795	27,891
Settlement Obligation payable	1,192	4,729
Others	17,442	11,557
Total (C)	89,240	56,666
Total (A+B+C)	1,30,803	97,593

16.1 Secured by lease asset. Liability is at a fixed rate of interest with original repayment period of 5 years.

16.2 Bank balance and bank deposits have been earmarked against these liabilities.

16.3 Current accounts have been earmarked against this liability.

16.4 Income earned on earmarked funds.

16.5 Bank deposits of ₹ 511 (₹ 397 as at March 31, 2019) and accrued interest of ₹ 54 (₹ 48 as at March 31, 2019) have been earmarked against these liabilities.

17. PROVISIONS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non-current		
Employee benefits		
Provision for gratuity (refer note 42)	240	186
Total	240	186
Current		
Employee benefits		
Compensated absences (refer note 42)	1,722	1,507
Provision for gratuity (refer note 42)	41	9
Total	1,763	1,516

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSET AND LIABILITIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Deferred tax assets (net)		
Deferred tax assets	16,881	12,276
Deferred tax liabilities	4,104	2,023
Deferred tax assets (net)	12,777	10,253
Deferred tax liabilities (net)		
Deferred tax liabilities	14	6
Deferred tax assets	-	-
Deferred tax liabilities (net)	14	6

Details of Deferred tax assets and liabilities are given below:

PARTICULARS	Opening balance as at April 1, 2018	Recognised in Profit or loss (continuing operation)	Recognised in other comprehensive income	Closing balance as at March 31, 2019	Recognised in Profit or loss (continuing operation)	Recognised in other comprehensive income	Closing balance as at March 31, 2020
Deferred tax assets							
MAT Credit entitlement	8,765	(1,825)	-	10,590	(3,593)	-	14,183
Impairment of financials assets	298	(732)	-	1,030	(875)	-	1,905
Expenses allowed on payment basis	426	109	(38)	355	5	(23)	373
Voluntary Retirement Scheme	102	77	-	25	7	-	18
Property, Plant and Equipment, Intangible assets and goodwill	31	(245)	-	276	(126)	-	402
Total - A	9,622	(2,616)	(38)	12,276	(4,582)	(23)	16,881
Deferred tax liabilities							
Others (Mainly on mutual fund fair valuation)	826	(1,203)	-	2,029	(2,089)	-	4,118
Total - B	826	(1,203)	-	2,029	(2,089)	-	4,118
Net - (A-B)	8,796	(1,413)	(38)	10,247	(2,493)	(23)	12,763

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSET AND LIABILITIES (Contd.)..
Notes:

1. Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
- Tax losses (revenue in nature)	11,066	9,655
- Tax losses (capital in nature)	4,527	5,220
Total	15,593	14,875

Note: The unrecognised tax credits will expire in following years

PARTICULARS	As at March 31, 2020	As at March 31, 2019
2019-20 - Capital in Nature	-	325
2020-21 - Capital in Nature	4,428	4,796
2021-22 - Capital in Nature	47	47
2023-24 - Revenue in Nature	-	330
2024-25 - Revenue in Nature	4	1,569
2024-25 - Capital in Nature	52	52
2025-26 - Revenue in Nature	1,193	1,500
2026-27 - Revenue in Nature	2,301	2,302
2027-28 - Revenue in Nature	3,466	3,470
2028-29 - Revenue in Nature	3,906	-
Unabsorbed Depreciation	196	484

2. The management expects the Company to pay normal tax and benefit associated with MAT credit will flow to the Group within permissible time limit stipulated under Income Tax Act, 1961 to the extent MAT asset recognised.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

19. OTHER LIABILITIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non Current		
Income received in advance	88	223
Unamortised portion of Capital Subsidy	47	62
Total	135	285
Current		
Owned :		
Income received in advance	867	1,160
Advance from customers	1,306	544
Statutory remittances	7,349	3,952
Other liabilities (refer note below)	7,857	6,068
Unamortised portion of Capital Subsidy	21	28
Earmarked :		
Contribution payable to IPF	16	11
Total	17,416	11,763

Note: Other liabilities includes :

a) Investors' Services Fund (ISF):

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Annual listing fees received for the year	15,650	14,477
20% of the above (Amount to be contributed annually)	3,130	2,895
Investment income accrued to ISF	254	278
Expenses incurred on behalf of ISF	1,886	1,635
Cumulative balance as at end of year	5,837	4,339

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Fund. Investments in Mutual Funds have been earmarked against these liabilities.

b) Other liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Cumulative balance as at end of year (refer note 16.3)	1,394	1,199

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

20. TRADE PAYABLES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Current		
A) Total outstanding due of Micro & Small Enterprises		
Payable to service providers	16	10
B) Total outstanding due of Creditors other than Micro & Small Enterprises		
Payable to service providers	7,568	4,179
Total	7,584	4,189

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2020	As at March 31, 2019
(a) Principal amount and interest thereon remaining unpaid at the end of year. Interest paid including payment made beyond appointed day during the year.	16	10
(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, 2020	As at March 31, 2019
Non Current tax assets		
Advance tax (net of provisions)	8,794	7,979
Total	8,794	7,979
Current tax liabilities		
Income tax provision (net of advance tax)	993	1,147
Total	993	1,147

22. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Transaction charges	11,306	11,385
Other charges	1,594	1,618
Annual subscription and admission fees	515	450
Processing fees	269	307
Treasury Income from Clearing and Settlement Funds	2,293	3,065
Clearing and Settlement Charges	867	254
Auction Charges	53	88
Total	16,897	17,167

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020	For the year ended March 31, 2019
Listing fees	18,821	18,826
Book building software charges	1,818	1,494
Company reinstatement fees	405	574
Other fees	171	450
Total	21,215	21,344

24. INVESTMENT INCOME

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
Bank deposits (at amortised cost)	1,983	2,395
Investments in debt instruments (at amortised cost)	751	3,797
b) Dividend income		
Dividends from investment in equity shares (designated at cost or at FVTPL)		
Dividend income from others	6	5
Dividends from investment in mutual funds (designated at FVTPL)		
Dividend income	1,296	1,989
c) Other gains or losses:		
Net gains / (loss) on derecognition of financial assets measured at amortised cost	-	3,074
Net gains / (loss) arising on financial assets measured at FVTPL	11,830	8,958
Total	15,866	20,218

25. OTHER INCOME

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income	1,627	979
Website income	91	210
Net gain on disposal of property, plant and equipment	10	1
Net foreign exchange gain / (loss)	(32)	1
Interest on income tax refunds	18	785
Miscellaneous income	313	305
Incentives from Government authorities	52	130
Excess Provision written back	4	1,085
Total	2,083	3,496

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

26. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, allowances and bonus	13,029	11,966
Contribution to provident and other Funds	688	673
Staff welfare expenses	422	412
Compensated absences	981	870
Total	15,120	13,921

27. COMPUTER TECHNOLOGY RELATED EXPENSES

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Computer technology related expenses	8,164	7,842
Technology programmes	3,596	3,500
Total	11,760	11,342

28. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertising and marketing expenses	981	708
Bad debts written off	13	355
Building repairs and maintenance expenses	792	907
Charity and donations	-	1
Clearing House Expenses	802	11
Contribution to investors service fund	3,130	2,895
Contribution to investors' protection fund	156	145
Contribution to core settlement guarantee fund	74	684
Contribution to SEBI	1,565	1,448
Contribution to corporate social responsibility (refer note below 28.1)	409	391
Data entry charges	276	279
Datafeed expenses	475	422
Directors' sitting fees	51	75
Provision for Additional Contribution to ISF and IPF (refer note 36)	1,861	-
Settlement of service tax matter (refer note 49)	366	-
Electricity charges (net of recoveries)	1,077	1,220
Insurance	306	294
Impairment loss allowance on trade receivables	1,740	575
Impairment loss on financial assets carried at cost	791	1,371
Legal fees	877	268

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020	For the year ended March 31, 2019
Miscellaneous expenses	1,577	1,484
Payment to auditors		
a) Statutory audit fee	71	63
b) Tax audit fee	6	5
c) Other services	3	1
d) Out of Pocket	3	3
Professional fees	2,046	2,350
Postage and telephone expenses	204	220
Printing and stationery	106	117
Property taxes (net of recoveries)	228	215
Operating lease expenses	269	192
Repairs to other assets	150	142
SEBI regulatory fees	245	444
Travelling expenses	668	820
Total	21,318	18,105

28.1 CSR Expenditure

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
a) The gross amount required to be spent by the Group during the year	409	391
b) Amounts debited to Profit or Loss account were paid in cash during the respective year and were incurred for the purpose other than the construction / acquisition of any asset.		

29. TAX EXPENSE
(a) Income tax expenses

The major components of income tax expenses for the year ended March 31, 2020

- (i) Profit or loss section

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expense	3,982	4,490
Current tax expense of earlier years (refer note 29.1)	-	(665)
Deferred tax	(2,494)	(1,490)
Total income tax expense recognised in Profit or Loss	1,488	2,335

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

29. TAX EXPENSE (Contd.)..

29.1 Based on the assessment orders received during the year ended March 31, 2019, the Group has written back an amount of ₹ 665 Lakh in respect of previous years.

29.2 A Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance") on September 20, 2019 has amended the Income Tax Act, 1961 and Finance (No. 2) Act, 2019, by which the option has been provided for the lower tax regime without any incentives for the domestic companies. Under the revised tax regime, accumulated Minimum Alternate Tax (MAT) credit is not allowed. Considering the substantial accumulated MAT credit, the company and certain subsidiaries have assessed that it is beneficial not to opt for the option of availing revised income tax rate for certain period of time. The tax liability for the current year has been accordingly calculated. For the remaining subsidiaries the tax liability has been made, applying the revised tax rate.

(ii) Other comprehensive income section

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurements of the defined benefit plans	(23)	(38)
Total income tax expense recognised in other comprehensive income	(23)	(38)

(b) Reconciliation of effective tax rate

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Income before income tax	10,884	18,829
(B) Enacted tax rate in india	34.944%	34.944%
(C) Expected tax expenses (A*B)	3,803	6,580
(D) Other than temporary differences		
Tax difference on account of lower enacted rate for subsidiaries	(247)	-
Investment Income	(2,915)	(4,173)
Income from House Property and Related expenditure	(91)	(52)
Expenses disallowed / (allowed)	301	227
Total	(2,952)	(3,998)
(E) Temporary difference on which deferred tax assets not recognised		
Business Loss Carried Forward	637	418
Total	637	418
(F) Net adjustments (D+E)	(2,315)	(3,580)
(G) Current tax expense of earlier years (refer note 29.1)	-	(665)
(H) Tax expense recognised in profit and loss (C+F+G)	1,488	2,335

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (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, 2020	For the year ended March 31, 2019
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	4,90,94,235	5,27,89,971
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	4,90,94,235	5,27,89,971
Face Value per Share	₹ 2 each	₹ 2 each
Continuing operations		
Profit after tax before exceptional items (net of tax)	8,857	19,452
Profit after tax after exceptional items	12,061	19,417
Discontinued operations		
Profit after tax	0	511
Total operations		
Profit after tax after exceptional items	12,061	19,928
Continuing operations		
Basic and Diluted EPS before exceptional items	18.04	36.85
Basic and Diluted EPS after exceptional items	24.57	36.78
Discontinued operations		
Basic and Diluted EPS after exceptional items	0	0.97
Total operations		
Basic and Diluted EPS after exceptional items	24.57	37.75

Note:

The Board of Directors of the Company at its meeting held on May 7, 2019 recommended the proposal of buyback, and the Shareholders of the Company at its meeting held on July 15, 2019, has inter-alia approved the proposal of buyback by the Company, of its fully paid-up equity shares of face value of ₹ 2/- each from the shareholders/beneficial owners of the Company. The scheme of buyback was commenced on August 30, 2019 and closed on September 16, 2019 and the Company bought back and extinguished 67,64,705 equity shares. Accordingly, the weighted average number of equity shares (issued share capital) for the calculation of Earnings Per Share is worked out to 4,90,94,235 equity shares for the year ended March 31, 2020 and 5,27,89,971 equity shares for the year ended March 31, 2019.

31. LEASE

As per the assessment of management, there are no lease contracts for which IND AS 116 – Leases is required to be applied.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (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, 2020 and March 31, 2019 is as follows:

PARTICULARS	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments	15,190	13,022	16,238	13,369
Trade receivable	6,999	4,903	6,999	4,903
Cash and cash equivalents	72,866	47,943	72,866	47,943
Bank balances other cash and cash equivalents	88,052	1,06,865	88,052	1,06,865
Other financial assets	21,593	10,124	21,593	10,124
Total	2,04,700	1,82,857	2,05,748	1,83,204
b) FVTPL				
Investment in equity instruments	-	-	-	-
Investment in Exchange Traded Funds	3,699	1,453	3,699	1,453
Investment in mutual funds	1,55,687	1,80,472	1,55,687	1,80,472
Total	1,59,386	1,81,925	1,59,386	1,81,925
c) Others				
Investment in subsidiaries and associates	38,624	43,018	48,229	62,946
ii) Financial liabilities				
a) Amortised Cost				
Trade payables	7,584	4,189	7,584	4,189
Other financial liabilities	1,31,542	98,283	1,31,542	98,283
Total	1,39,126	1,02,472	1,39,126	1,02,472

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, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

32. FINANCIAL INSTRUMENTS (Contd.)..

Fair value hierarchy

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of the financial assets (other than subsidiaries) and liabilities:

PARTICULARS		Fair values As at March 31, 2020	Fair values As at March 31, 2019	Fair Value Hierarchy (Level)
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments (quoted)	16,238	12,362	Level 1	
Investment in debt instruments (unquoted)	-	1,007	Level 2	
Total	16,238	13,369		
b) FVTPL				
Investment in equity instruments	-	-	Level 3	
Investment in Exchange Traded Funds	3,699	1,453	Level 1	
Investment in mutual funds	1,55,687	1,80,472	Level 1 & Level 3	
Total	1,59,386	1,81,925		
c) Others				
Investment in equity instruments of associates	44,810	60,832	Level 1	

Except as detailed in the above table, the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

There were no transfers between level 1 and 2 in the period.

33. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

It is the Group's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (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 provided the collaterals and other securities for trading done on its platform), hence the Group operates with large number of customers portfolio and its revenue is not concentrated on small number of customers.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2020 and March 31, 2019.

- **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:

- Mark to Market Margin payments: Open positions in futures are settled at least daily. ICCL has to ensure that sufficient funds are available to fulfil their obligations.
- 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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..

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.

ICCL provides full novation and has the responsibility of guaranteeing contractual performance by playing the role of a central counterparty for all trades on BSE, thereby eliminating counterparty risk for the members. In essence, it splits the original contract between the initiating counterparties into two new contracts; one each between ICCL and the initiating counterparties. ICCL has put in place a risk management framework to mitigate the risk it undertakes in its capacity as a Clearing Corporation.

Further, as a second line of defense to the margining and risk management systems, ICCL has subscribed to the Insurance policy. As per the default waterfall, in the case of loss arising out of defaults, the capital of Clearing Corporation and its non-defaulting members would be at risk. The magnitude of potential loss due to default that a clearing corporation can undertake without affecting the capital of non-defaulting members is contingent upon the networth of the Clearing Corporation and additional capital cushions, which insulate the default loss and the non-defaulting members' resources.

ICCL remains committed to the safety of investors and members and to further add to this security, ICCL has subscribed to a unique Insurance Policy across all segments. The objective of the Policy is to protect ICCL against counterparty defaults and add a further capital cushion to the ICCL net-worth making the resources of the non-defaulting members even safer. The policy also adds to the ability of ICCL to absorb higher losses before any resources of the non-defaulting members are put at risk.

ICCL, with its net-worth of over ₹ 600 Crore, is well capitalized and instills a high level of confidence in its members and investors in the ability of ICCL to handle extreme loss situations. The additional capital cushion provided by the Insurance cover, along with the net-worth covers nearly 3 times the Core SGF requirement of ICCL and further increases the safety for domestic and international participants alike.

ICCL conducts daily liquidity stress tests on a hypothetical stress scenario basis to ensure that it maintains sufficient liquid resources to manage liquidity risk from its clearing members. ICCL carries out the stress tests on the liquidity position by assuming the default of the two clearing participants which would hypothetically cause the highest loss. In addition, ICCL has lines of credit with various commercial banks in excess of its entire average daily funds pay-out, to build redundancy in case of one or more banks being unable to provide the liquidity support. The investments made in liquid resources are based on ICCL's investment policy, which is periodically reviewed by its investment committee and duly approved by its audit committee and the board of directors. The investment policy specifies the quality as well as exposure limits for each type of the qualified liquid resources.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 and March 31, 2019:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Trade payable		
< 1 year	7,584	4,189
1-5 years	-	-
> 5 years	-	-
Total	7,584	4,189
Other financial liabilities		
< 1 year	1,30,803	97,593
1-5 years	736	687
> 5 years	3	3
Total	1,31,542	98,283
Total	1,39,126	1,02,472

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2020 and March 31, 2019:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Investments*		
< 1 year	1,21,037	1,16,656
1-5 years	53,539	78,291
> 5 years	-	-
Total	1,74,576	1,94,947
Other financial assets		
< 1 year	1,116	938
1-5 years	20,477	9,186
> 5 years	-	-
Total	21,593	10,124
Trade receivables		
< 1 year	6,999	4,903
1-5 years	-	-
> 5 years	-	-
Total	6,999	4,903

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
< 1 year	72,866	47,943
1-5 years	-	-
> 5 years	-	-
Total	72,866	47,943
Bank balances other than cash and cash equivalents		
< 1 year	88,052	1,06,865
1-5 years	-	-
> 5 years	-	-
Total	88,052	1,06,865
Total	3,64,086	3,64,782

* 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.

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.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..

Interest rate risk primarily arises from floating rate investment. The Group's investments in floating rate are primarily short-term, which do not expose it to significant interest rate risk.

Regulatory risk

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Group have licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange, setting up an SME platform and trading in government securities. Some of these approvals are required to be renewed from time to time. The Group's operations are subject to continued review and the governing regulations may change. The Group's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary Indian Clearing Corporation Limited (ICCL). ICCL guarantees the settlement of trade executed on the Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

Clearing Corporations (CCPs) have been the focus of the Global as well as Indian Regulators. SEBI introduced the guidelines on stress testing, Core Settlement Guarantee Fund ("Core SGF") and Default Waterfall, to ensure that Indian CCPs are compliant with International benchmarks and regulations, including the Principles for Financial Market Infrastructures ("PFMI") issued by the Committee on Payments and Market Infrastructures ("CPMI") and the International Organisation of Securities Commissions ("IOSCO") and the European Market Infrastructure Regulation ("EMIR"). IOSCO has issued discussion papers on Recovery and Resolution and Cyber Risk, areas which are expected to witness regulatory guidance in the next few years. The CPMI and the IOSCO continue to closely monitor the implementation of the PFMI. The Third Update to the Level 1 Assessment Report of the Implementation Monitoring of PFMIs has accorded India with the highest rating of 4. SEBI being a member of IOSCO, these international regulatory changes would impact ICCL. ICCL has received Third Country Central Counterparty ("TC-CCP") recognition from the European Securities and Markets Authority ("ESMA") under EMIR on September 27, 2017. ICCL has also received temporary recognition pursuant to the UK Statutory Instrument the Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 ("the SI"). The Temporary Recognition Regime ("TRR") enables ICCL to provide clearing services and activities in the UK for up to three years from the commencement of the TRR, extendable by HM Treasury in increments of twelve months.

The Company and Subsidiary continues to focus on remaining well positioned to respond to regulatory developments and further opportunities exist for the Group to deliver solutions to help the market address the changing regulatory environment.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

34. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed which is evident from the capital structure. Further, the Group has always been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the Company shall have a minimum network of ₹ 100 Crore at all times.

Capital requirement of the Subsidiary Company Indian Clearing Corporation Limited is regulated by Securities and Exchange Board of India (SEBI). As per SEBI notification dated June 20, 2012 Clearing corporation shall be mandated to build up to prescribed network of ₹ 300 Crore over a period of three years from the date of notification. As per SECC Regulations 2018, "Every recognized clearing corporation shall maintain, at all times, a minimum net worth of one hundred crore rupees or capital as determined under regulation 14(3)(a) and 14(3)(b), whichever is higher." Minimum requirement of net worth is maintained throughout the period from effective date of notification. ICCL has been compliant with the capital requirement since the date of notification.

In accordance with regulation 13 of Securities and Exchange Board of India (Depository and Participants) Regulations, 1996, the Associate Company, Central Depositories Services (India) Limited shall have a minimum network of ₹ 100 Crore at all times.

In accordance with the SEBI (International Financial Services Centre) Guidelines, 2015, Subsidiary Company India International Clearing Corporation (IFSC) Limited shall have a minimum net worth equivalent of ₹ 50 Crore initially and it shall enhance its net worth to a minimum equivalent of ₹ 100 Crore or risk based capital whichever is higher, over the period of three years from commencement of operations, i.e. by January 15, 2020. Further, SEBI has relaxed the net-worth requirement of ₹ 100 Crore or risk based capital whichever is higher for a period of one year, i.e. till January 15, 2021, vide its letter dated July 3, 2019, subject to maintenance of minimum net-worth of ₹ 50 Crore or risk based capital whichever is higher at all times.

In accordance with SEBI (International Financial Services Centre) Guidelines, 2015, Subsidiary Company India International Exchange (IFSC) Limited shall have a minimum net worth equivalent of ₹ 25 Crore 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 i.e. December 28, 2019. Further SEBI has relaxed the net-worth requirement of ₹ 100 Crore for 1 year i.e. December 28, 2020 subject to maintenance of minimum net-worth of ₹ 25 Crore at all times as mandated under SEBI (International Financial Services Centre) Guidelines, 2015.

35. RELATED PARTY TRANSACTIONS

Sr.	CONTROL	ENTITIES
a.	Subsidiary Companies (not consolidated)	BSE CSR Integrated Foundation BFSI Sector Skill Council of India BIL - Ryerson Technology Startup Incubator Foundation BSE Institute of Research Development & Innovation (w.e.f December 5, 2019)

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

Sr.	CONTROL	ENTITIES
b.	Trusts set-up by the Group	BSE Investors' Protection Fund (Formerly known as "The Stock Exchange Investors' Protection Fund Trust") The Stock Exchange Education & Research Services The Stock Exchange Foundation The Stock Exchange Charities Seth K. R. P. Shroff Stock Exchange Sarvajanik Fund Shri Phiroze Jeejeebhoy Memorial Trust BSE Employee's Gratuity Fund BSE Employee's Provident Fund ICCL Employee's Gratuity Fund India International Exchange (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme (Employee Gratuity Fund) India International Clearing Corporation (IFSC) Limited Employees Group Gratuity Cash Accumulation Scheme
c.	Associate	Central Depository Services (India) Limited CDSL Ventures Limited CDSL Insurance Repository Limited CDSL Commodity Repository Limited Asia Index Private Limited BSE EBIX Insurance Broking Private Limited (w.e.f March 15, 2018) Marketplace EBIX Technology Services Private Limited (w.e.f April 3, 2018) Pranurja Solutions Limited (w.e.f. May 7, 2019)
d.	Key Management Personnel and their relatives (KMP)	Justice Vikramajit Sen – Chairman (with effect from May 22, 2019) and Public Interest Director Shri Sethurathnam Ravi – Chairman and Public Interest Director (upto February 4, 2019) Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer Shri Sumit Bose - Public Interest Director Shri S S Mundra - Public Interest Director Shri David Wright - Public Interest Director Shri Umakant Jayaram - Public Interest Director (w.e.f February 4, 2019) Smt. Usha Sangwan - Shareholder Director Sushree Jayshree Vyas - Public Interest Director (with effect from April 25, 2019) Smt. Rajeshree Sabnavis - Shareholder Director (Upto July 15, 2019) 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, 2020
(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, 2020	For the year ended March 31, 2019
Subsidiary Companies		
Income		
BFSI Sector Skill Council of India		
Rent and Infrastructure Charges	51	23
Administrative and Other Expenses (Recoveries)	0^	1
BSE CSR Integrated Foundation		
Administrative and Other Expenses (Recoveries)	-	0^
Expenditure		
BSE CSR Integrated Foundation		
Contribution to corporate social responsibility	395	391
Trusts set-up by the Company		
Income		
BSE Investors' Protection Fund		
Administrative and Other Expenses (Recoveries)	231	230
Rent	14	14
Expenditure		
Contribution to IPF (a proportion of listing fee)	156	145
Rent	67	58
Associate		
Income		
Asia Index Private Limited		
Rent and Infrastructure Charges	144	138
Administrative and Other Expenses (Recoveries)	27	29
Central Depository Services (India) Limited		
Rent and Infrastructure Charge	1	1
Miscellaneous Income	17	19
Other Charges	38	37
Recovery of IPO expenses withheld	-	511
BSE EBIX Insurance Broking Private Limited		
Rent and Infrastructure Charges	2	0^
Administrative and Other Expenses (Recoveries)	0^	0^
Pranurja Solutions Limited (w.e.f May 7, 2019)		
Rent and Infrastructure Charges	2	-
Administrative and Other Expenses (Recoveries)	0^	-
Expenditure		
Central Depository Services (India) Limited		
Administrative and Other Expenses	103	90

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
KMP		
Expenditure		
Salaries, Allowances and Bonus *		
Short term Employee benefits		
Shri Ashishkumar Chauhan	764	664

*Includes the variable pay of the prior years and variable pay charged in the statement of profit and loss to the extent of payment made as required by Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2018.

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, 2020	As at March 31, 2019
Subsidiary		
Assets		
Investments		
BSE CSR Integrated foundation	5	5
BFSI Sector Skill Council of India	105	105
BIL - Ryerson Technology Startup Incubator Foundation	1	1
BSE Institute of Research Development & Innovation	1	-
Receivable		
BFSI Sector Skill Council of India	24	-
Trusts set-up by the Group		
Assets		
Receivable		
BSE Investors' Protection Fund	58	62
Net defined benefit assets		
BSE Employee's Gratuity Fund	2,680	2,478
ICCL Employee's Gratuity Fund	164	145
Liabilities		
Deposit		
BSE Investors' Protection Fund	6	6

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Direct Associates		
Assets		
Investments		
Asia Index Private Limited	1	1
Central Depository Services (India) Limited	31,141	37,369
Receivable		
Asia Index Private Limited	18	2
Indirect Associates		
Assets		
Receivable		
BSE EBIX Insurance Broking Private Limited	2	1
Pranurja Solutions Limited (w.e.f May 7, 2019)	2	-
Liabilities		
Deposit		
Asia Index Private Limited	92	92
Payable		
Central Depository Services (India) Limited	45	11

^ Less than ₹ 50,000/-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

36. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2020	As at March 31, 2019
a)	Claims against the Group not acknowledged as debts in respect of:		
i)	Income tax matters	7,695	7,728
ii)	Service tax matters	405	168
iii)	Department of telecommunication license matters (Refer Note below)	-	706
iv)	Investors' Services Fund and Investors' protection Fund (Refer Note below)	-	2,799
v)	Claims not acknowledged as debts	16,778	51,282
vi)	Out of 'v' above, in the opinion of the Management are remote	16,777	51,281
b)	Guarantees given by the Group	50,192	31

Notes:

- During the year 2012-13, the 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 in the previous financial year. During the current year the Company has received no dues balance confirmation and accordingly this has been removed from contingent liability during the current year.
- 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. During the current year, the Company has received no dues balance confirmation and accordingly this has been removed from contingent liability during the current year.
- The Company had earlier received observations from SEBI in respect of inspection conducted for the period 2005 – 2017, in which the Company was asked to plough back certain amount to Investors' Services Fund ("ISF") and BSE Investors Protection Fund Trust ("IPF") against expenses charged in the earlier years to these funds. On the basis of response submitted by the Company, SEBI concluded and instructed the Company in March 2020 to plough back an amount of ₹ 1,037 along with interest to the said funds. Consequently, an expense of ₹ 1,385 has been charged to the profit and loss account for the year ended March 31, 2020. For the said matter, a further charge of ₹ 476 has also been recognized for the subsequent period. Accordingly, an amount aggregating to ₹ 1,861 has been disclosed as "Provision for Additional Contribution to ISF and IPF" during the current financial year.
- During the current year, The Company has received SEBI Directives on BSE towards Cyber Security Audit and in response to the above, the company has submitted its reply to SEBI for reconsideration and to the extent the amount of ₹ 55 is considered as contingent liability.
- The Group's pending litigations comprise of claims against the Group primarily by the customers/ vendors and proceedings pending with Tax and Other Regulatory authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on its financial statements at March 31, 2020.

37. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are ₹ 2,423 as at March 31, 2020 (₹ 1,509 as at March 31, 2019).

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

38. The MD & CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources.

38.1 The Group operates only in one Operating Segment i.e. "Facilitating Trading in Securities and other related ancillary Services", hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

38.2 Information about geographic areas

38.2.1 Revenues from external customers

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Within India	60,300	66,131
Outside India	2,700	2,613
Total	63,000	68,744

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, 2020		March 31, 2019	
	Net assets, i.e., total assets minus total liabilities			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
The Company	58%	1,40,868	65%	1,89,764
Indian Subsidiaries				
Indian Clearing Corporation Limited	15%	35,740	11%	33,357
Marketplace Technologies Private Limited	2%	3,770	1%	3,404
BSE Institute Limited	3%	6,819	2%	6,303
BSE Investments Limited	2%	3,851	1%	3,796
BSE Sammaan CSR Limited	0%	52	0%	92
India International Exchange (IFSC) Limited	2%	4,874	2%	6,527
India International Clearing Corporation (IFSC) Limited	3%	8,054	3%	6,736
Indian Associates (Investment as per equity method)				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	14%	35,205	14%	40,904
Asia Index Private Limited	0%	798	0%	548
CDSL Commodity Repository Limited	1%	1,235	1%	1,230
BSE EBIX Insurance Broking Private Limited	0%	203	0%	196
Marketplace EBIX Technology Services Private Limited	0%	(2)	0%	(1)
Pranurja Solutions Limited	0%	1,043	-	-
Total	100%	2,42,510	100%	2,92,856

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

39. (Contd.)..

NAME OF THE ENTITY	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Share in profit or loss			
	As % of consolidated net Profit and Loss	Amount	As % of consolidated net Profit and Loss	Amount
The Company	96%	11,748	98%	19,475
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	19%	2,331	13%	2,512
Marketplace Technologies Private Limited	(19%)	(2,364)	(13%)	(2,523)
BSE Institute Limited	8%	927	4%	880
BSE Investments Limited	0%	46	0%	68
BSE Sammaan CSR Limited	(0%)	(36)	(0%)	(54)
India International Exchange (IFSC) Limited	(26%)	(3,136)	(16%)	(3,163)
India International Clearing Corporation (IFSC) Limited	(1%)	(120)	(1%)	(190)
Share of Non-controlling Interest in all Subsidiaries	1%	166	-	-
Indian Associates				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	18%	2,406	14%	2,724
Asia Index Private Limited	2%	251	1%	174
CDSL Commodity Repository Limited	0%	5	0%	31
BSE EBIX Insurance Broking Private Limited	0%	7	(0%)	(5)
Marketplace EBIX Technology Services Private Limited	(0%)	(1)	(0%)	(1)
Pranurja Solutions Limited	(0%)	(3)	-	-
Total	100%	12,227	100%	19,928

NAME OF THE ENTITY	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Share in Other Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
The Company	(2%)	(25)	(10%)	(71)
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	(0%)	(4)	(1%)	(8)
Marketplace Technologies Private Limited	(3%)	(26)	(1%)	(4)
BSE Institute Limited	(0%)	(1)	(1%)	(6)
India International Exchange (IFSC) Limited	44%	441	46%	322
India International Clearing Corporation (IFSC) Limited	71%	716	67%	465
Share of Non-controlling Interest in all Subsidiaries	(10%)	(99)	-	-
Indian Associate				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	0%	2	0%	0
Asia Index Private Limited	(0%)	(1)	0%	1
Total	100%	1,003	100%	699

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

39. (Contd.)..

NAME OF THE ENTITY	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Share in Total Comprehensive Income			
	As % of consolidated net Total Comprehensive Income	Amount	As % of consolidated net Total Comprehensive Income	Amount
The Company	89%	11,723	94%	19,404
Indian Direct Subsidiaries				
Indian Clearing Corporation Limited	18%	2,327	12%	2,504
Marketplace Technologies Private Limited	(18%)	(2,390)	(12%)	(2,527)
BSE Institute Limited	7%	926	4%	874
BSE Investments Limited	0%	46	0%	68
BSE Sammaan CSR Limited	(0%)	(36)	(0%)	(54)
India International Exchange (IFSC) Limited	(20%)	(2,695)	(13%)	(2,841)
India International Clearing Corporation (IFSC) Limited	5%	596	1%	275
Share of Non-controlling Interest in all Subsidiaries	1%	67	-	-
Indian Associate				
Central Depository Services (India) Limited (w.e.f June 30, 2017)	18%	2,408	13%	2,724
Asia Index Private Limited	2%	250	1%	175
CDSL Commodity Repository Limited	0%	5	0%	31
BSE EBIX Insurance Broking Private Limited	0%	7	(0%)	(5)
Marketplace EBIX Technology Services Private Limited	(0%)	(1)	(0%)	(1)
Pranurja Solutions Limited	(0%)	(3)	-	-
Total	100%	13,230	100%	20,627

Note: Above information has been prepared based on consolidated financials of Subsidiaries wherever applicable.

- 40.** As per SEBI circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, ICCL has established a fund called Core SGF for each segment (Equity, Equity Derivative, Debt & Currency Derivative) of each Recognised SE to guarantee the settlement of trades executed in respective segment of the SE. Accordingly, an amount ₹ 26,111 as at March 31, 2020 (₹ 24,188 as at March 31, 2019) 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 ₹ 15,072 as at March 31, 2020 (₹ 14,001 as at March 31, 2019) 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) ₹ 1,477 as at March 31, 2020 (₹ 1,229 as at March 31, 2019) includes (i) amount received under the Scheme of amalgamation between United Stock Exchange of India Limited and BSE Ltd, (ii) as per SEBI direction, BSE has transferred the penalty collected from the client to Core SGF of Currency Derivative and Equity Derivative segment respectively, (iii) fines & penalties collected from members by ICCL and income earned thereon.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

40. (Contd.)..

PARTICULARS	BSE Contribution	ICCL Contribution	Other Contributions	Total
Equity Segment	5,507	16,456	608	22,571
Equity Derivative Segment	525	1,563	119	2,207
Currency Derivative Segment	7,180	7,174	742	15,096
Commodity Derivative Segment	758	758	8	1,524
Debt	-	160	-	160
Others	1,102	-	-	1,102
Grand Total	15,072	26,111	1,477	42,660

- 41.** SEBI vide its circular no. SEBI/HO/MRD/DSA/CIR/P/2016/125 dated November 28, 2016, had inter alia specified that Clearing Corporations in IFSC shall establish and maintain a Fund to guarantee the settlement of trades executed in the stock exchanges in IFSC. To begin with such fund shall have a corpus equivalent to at least 10% of the net-worth of the clearing corporation. Clearing corporations shall evolve a detailed framework for the Fund, subject to approval of SEBI.

In view of the above, before commencement of operations, i.e. on January 10, 2017, a Core Settlement Guarantee Fund (Default Fund) of ₹ 596 has been created through earmarking investments. Default Fund size as on March 31, 2020 is ₹ 878. Further India ICC had applied to Central Board of Direct Tax for the purpose of issuance of notification notifying the Core Settlement Guarantee Fund (Core SGF – Default Fund) set up by the Company u/s 10 (23EE) of the Income Tax Act 1961 and approval of the same is awaited.

From current year 2019-20, contribution to default fund is transferred out of retained earnings. However, contribution to default fund in earlier years was earmarked from Investments and not transferred from retained earnings. Due to this comparative figures of the previous years have been re-stated. The details of financial statement line items have been given below:

BALANCE SHEET AS ON MARCH 31, 2019	As reported previously	Amount re-stated
Assets		
(a) Non Current Assets	1,71,075	1,71,075
(b) Total Current Assets	2,79,313	2,79,313
Total Assets	4,50,388	4,50,388
Equity and Liabilities		
Equity		
(a) Equity Share capital	1,036	1,036
(b) Other Equity	2,92,533	2,91,820
(c) Core settlement guarantee fund	39,450	40,163
(d) Total Non-current liabilities	1,135	1,135
(e) Total Current liabilities	1,16,234	1,16,234
Total Equity and Liabilities	4,50,388	4,50,388

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS

42.1 Defined Benefit Plan – Gratuity

The Group offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees.

Such plan exposes the Group to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements as at March 31, 2020 and March 31, 2019:

PARTICULARS	March 31, 2020	March 31, 2019
Change in benefit obligation		
Benefit obligations at the beginning	2,833	2,408
Service cost	200	185
Interest expense	193	160
Benefits paid	(159)	(80)
Liabilities settled on transfer	(5)	(1)
Remeasurements – Actuarial (gains)/ losses	151	161
Benefit obligations at the end	3,213	2,833
Change in Plan assets		
Fair value of plan assets at the beginning	2,708	2,058
Interest income	188	141
Contribution by employer	140	626
Remeasurements – Actuarial (gains)/ losses	65	40
Benefits paid	(153)	(80)
Assets settled on transfer	(11)	(77)
Fair value of plan assets at the end	2,937	2,708
Funded status	2,937	2,708
Prepaid / (payable) gratuity benefit	(276)	(125)
Prepaid / (payable) gratuity benefit (unfunded)	(1)	-

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)..

Amount for the year ended March 31, 2020 and year ended March 31, 2019 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2020	March 31, 2019
Continuing operations		
Service cost	200	185
Net interest on the net defined benefit liability/asset	4	19
Net gratuity cost	204	204

Amount for the year ended March 31, 2020 and year ended March 31, 2019 recognised in the other comprehensive income:

PARTICULARS	March 31, 2020	March 31, 2019
Remeasurements of the net defined benefits liability / asset		
Experience adjustments	40	(131)
(Gain)/loss from change in financial assumptions and actual return on plan assets less interest on plan asset	49	254
Changes in demographic assumptions	0	(1)
Amount recognised in OCI	89	122

The weighted-average assumptions used to determine benefit obligations for the year ended March 31, 2020 and year ended March 31, 2019:

PARTICULARS	March 31, 2020	March 31, 2019
Discount rate	5.75 - 6.90%	6.95 - 7.78%
Increase in compensation levels	6.00 - 9.80%	6.00 - 9.80%

The Group assesses these assumption with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:-

PARTICULARS	For the year ended March 31, 2020	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(81)	81
Impact of decrease in 50 bps on defined benefit obligation	85	(79)

Sensitivity for the significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50 basis points, keeping all other actuarial assumption constant.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)..

Composition of Plan Assets

PARTICULARS	March 31, 2020	March 31, 2019
Government of India Securities	15%	15%
State Government Securities	6%	9%
Insurer Managed assets	75%	76%
Others	4%	0%

Actual return on the assets for the year ended March 31, 2020 and March 31, 2019 were ₹ 253 and ₹ 140 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 ₹ 213.

Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2020
Expected benefits for year 1-3	1,373
Expected benefits for year 4-5	754
Expected benefits for year 6-10	1,316
Expected benefits for above year 10	1,290

The weighted average duration to the payment of these cash flows is 5.29 years.

- **Discount Rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- **Salary Escalation Rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

42.2 Defined Contribution Plan- Provident fund, Pension Fund and New pension Scheme:

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Group offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover substantially all regular employees. While both, the employees and the Group pay predetermined contributions into the provident fund and New National Pension Scheme, contributions into the family pension fund are made by only the Group. The contributions are based on a certain proportion of the employee's salary.

The Group has an obligation to fund any shortfall on the yield of the trust's investment over the administered interest rates on an annual basis. These administered interest rates are determined annually predominantly considering the social rather than economic factors and, in most cases, the actual return earned by the Group has been higher in the past years. 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, 2020 and March 31, 2019 of ₹ 399 and ₹ 390 respectively for provident fund and family pension fund contribution in the statement of Profit or Loss under continuing operations.

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020 (Rupees in lakhs, except share and per share data, unless otherwise stated)

42. EMPLOYEE BENEFITS (Contd.)..

The Group recognised charge for the year ended March 31, 2020 and March 31, 2019 of ₹ 100 and ₹ 92 respectively for New National Pension Scheme contribution in the statement of Profit or Loss under continuing operations.

42.3 Compensated Absences

The Group recognised charge for the year ended March 31, 2020 and for the year ended March 31, 2019 of ₹ 981 and ₹ 870 respectively for Compensated Absences in the statement of Profit or Loss.

43. 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 has been disclosed as an "Exceptional Item".
- b) The 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.

Further, the 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.

Profit on sale, disclosed as a discontinued operation, 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 "Discontinued operation".

- c) During the year, the Company had further divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through offer for sale. The profit on divestment amounting to ₹ 3,204 is recorded during the year ended March 31, 2020 and shown as "Exceptional Items".

44. BUYBACK

- a) The Board of Directors of the Company at its meeting held on May 7, 2019 recommended the proposal of buyback, and the Shareholders of the Company at its meeting held on July 15, 2019, has inter-alia approved the proposal of buyback by the Company, 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, which is in compliance with the maximum permissible limit of 25% of the total paid-up equity share capital and free reserves in accordance with Section 68(2) of the Companies Act, 2013.

The buyback opened on August 30, 2019 and closed on September 16, 2019 and the Company bought back 67,64,705 equity shares at ₹ 680 per share resulting in cash outflow of ₹ 46,000 (excluding expenses towards buyback). As provided in the scheme, an amount of ₹ 22,526 was utilized from Securities Premium Account, ₹ 23,338 was utilized from General Reserve and Share capital is reduced by ₹ 136. Further, Capital Redemption Reserve of ₹ 136 (representing the nominal value of the shares bought back and extinguished) has been created from balance in retained earnings as per the requirements of the Companies Act, 2013.

- b) 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

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

44. BUYBACK (Contd.)..

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.

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.

45. The Company and its provident fund trust have an investment of ₹ 1,700 and ₹ 353 (including interest of ₹ 72) respectively in secured Non-convertible Debentures of IL&FS Group. Considering the recent developments a provision of ₹ 798 and ₹ 1,254 has been made on the above exposure during the year ended March 31, 2020 and March 31, 2019, respectively. Further, unrealised interest of ₹ 44 and ₹ 146 has been reversed during the year ended March 31, 2020 and March 31, 2019, respectively.

46. NON-CONTROLLING INTEREST RECONCILIATION

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance	-	-
Add: Share capital issued during the year	1,923	-
Add: Share of profit		
Profit/(loss) for the year	(166)	-
Other comprehensive income for the year	99	-
Closing Balance	1,856	-

- 47 Interoperability among clearing corporations was implemented from June, 2019. After implementation of interoperability, the members have the option to choose the clearing corporation to clear their trades. Based on their selection, the trades of BSE are cleared by respective clearing corporations.

As per the requirement arising out of August 27, 2014 SEBI Circular on CIR\MRD\DRMNP\25\2014, for contribution by exchange to Core SGF, BSE needs to contribute to Core SGFs of all the Clearing corporations through which its trades are cleared.

BSE has already contributed ₹ 15,072 to Indian Clearing Corporation Ltd., which is in excess by ₹ 12,388 as compared to the requirement, as of March 31, 2020, of the above mentioned circular relating to Core SGF. Based on the transactions executed on BSE and which are cleared by other Clearing Corporations, requirement of Core SGF is ₹ 1,264 as on March 31, 2020. The Board of the Company has decided to represent SEBI for allowing to utilize the excess contribution by BSE lying with Indian Clearing Corporation Ltd. to be adjusted with the said contribution to the other clearing corporations. requirement.

The Clearing Corporations have also represented to SEBI that the contribution by exchanges towards Core SGF of clearing corporations may be allowed to be contributed in the form of Bank Fixed Deposit / Government Securities. The Company is awaiting clarification from SEBI in this regard.

In view of the above, no contribution has been made to other clearing corporations and the Company has not taken any charge for the contribution

Significant Accounting Policies and Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

47. (Contd.)..

to Core SGF in the current year's statement of profit and loss. The Management has also assessed that there is no impact on their operations with clearing corporations due to non payment of contribution to Core SGF to them.

- 48** The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The Indian government had announced countrywide lockdown which is continued at present.

In this nation-wide lock-down period, though all the services across the nation were suspended, some essential services establishments including securities market participants could operate and were exempted from the lock-down.

The management has assessed the potential impact of the COVID-19 on the Group. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Group and the carrying value of its assets and liabilities is not likely to be material.

- 49** The Company has opted for the Sabka Vishwas (Legacy Dispute Resolution) scheme, 2019 for the settlement of service tax matter of earlier years. Accordingly, an amount of ₹ 366 was paid under the said scheme, which was charged to the statement of profit and loss for the year ended March 31, 2020.

- 50** 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 21, 2020

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, 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the Ind AS 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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.

Emphasis of Matter

We draw attention to Note 43 to the Ind AS financial statements, in respect of contribution to be made of Rs. 1,264 lakhs to Core Settlement Guarantee Fund ('core SGF') by the Company to clearing corporations ('CCs') other than Indian Clearing Corporation Limited ("ICCL"). Considering the representation made by the CCs and to be made by the Company to Securities Exchange Board of India ("SEBI") and pending clarification to be received from them in this regard, no impact has been considered in the Ind AS financial statements.

Our opinion is not modified in respect of this matter.

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, 2020. 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
Valuation of investments and its impairment (as described in note 32 of the Ind AS financial statements)	
<p>Quoted investments and unquoted investments represent the most significant amount on the balance sheet. The total of these aggregating to Rs. 2,16,030 Lakhs represented 77% of total assets of the Company as at March 31, 2020.</p> <p>There is a risk that the fair value of investments is not determined appropriately and also considering the current impact of the covid 19 on the impairment of the investment. 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. We traced the quantity held from the independent confirmation provided by Custodian and Fund houses. We tested the valuation of the quoted and unquoted investments to independent pricing sources. We assessed and tested the management procedures for performing impairment analysis of investments, including likely impact of Covid-19 on value of investments.
Information Technology (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 included the following:</p> <ul style="list-style-type: none"> Assessed the information systems used by the Company for IT General Controls (ITGC) and Application controls; The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs; - to understand the design and test the operating effectiveness of such controls in the system; Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
Provisions for litigation and claims (as described in note 36 of the Ind AS financial statements)	
<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</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 judgement and estimate involved, matter is considered as a key audit matter.</p>	<ul style="list-style-type: none"> We obtained and evaluated the Company's accounting policy in relation to accounting, assessing and disclosure of claims against the Company. We understood the design and tested the operating effectiveness of the Company's key controls over the identification, estimation, monitoring and disclosure of provisions for litigations and claims. We examined the relevant correspondence with regulators to assess developments in key areas and litigation reports to identify potentially material cases. Obtained independent confirmations from lawyers in respect of material cases outstanding. We reviewed the Board and other board level committee meeting minutes to assess the effectiveness of management's review controls and conclusions reached. For the significant provisions made, we understood, and assessed the provisioning methodology. We tested the underlying data and assumptions used in the determination of the provisions recorded, including expected claim rates. For cases where a provision was not recognized, we evaluated the adequacy of disclosure made in the Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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 for which there were any material foreseeable losses;
 - iii. During the year, there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACU5730

Place of Signature: Mumbai

Date: May 21, 2020

Re: BSE Limited**Annexure 1 referred to in paragraph 2 (f) 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 nature of business does not require holding of any inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable. According to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect investments made by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services rendered by the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. As informed, the provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and 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. The provisions of clause 3(xii) of the order are, therefore, not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review

and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACU5730

Place of Signature: Mumbai

Date: May 21, 2020

Re: BSE Limited**Annexure 2 referred to in paragraph 2 (f) under the heading
“Report on other legal and regulatory requirements” of our report of even date****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of BSE Limited (“the Company”) as of March 31, 2020, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls 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 with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A company’s internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 20037924AAAACU5730

Place of Signature: Mumbai

Date: May 21, 2020

Balance Sheet as at March 31, 2020

		(₹ in Lakh)	
PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	9,096	9,518
b. Capital work-in-progress		827	929
c. Investment properties	4	412	432
d. Goodwill	5	-	-
e. Other intangible assets	6	2,334	3,325
f. Intangible assets under development		1,489	978
g. Financial assets			
i. Investments			
a. Investments in subsidiaries	7	68,850	68,850
b. Investments in associates	8	4,723	5,667
c. Other investments	9	38,749	68,294
ii. Other financial assets	11	8,856	4,437
h. Deferred tax assets (net)	18	10,804	7,769
i. Income tax assets (net)	21	5,634	5,464
j. Other assets	13	14	5
Total non-current assets		1,51,788	1,75,668
2 Current assets			
a. Financial assets			
i. Investments	9	1,03,708	1,13,836
ii. Trade receivables	10	5,195	4,113
iii. Cash and cash equivalents	12	3,011	1,828
iv. Bank balances other than (iii) above	12	17,376	22,114
v. Other financial assets	11	315	613
b. Other assets	13	836	1,214
Total current assets		1,30,441	1,43,718
Total assets (1+2)		2,82,229	3,19,386
EQUITY AND LIABILITIES			
3 Equity			
a. Equity share capital	14	900	1,036
b. Other equity	15	2,15,601	2,61,586
Total equity		2,16,501	2,62,622
Liabilities			
4 Non-current liabilities			
a. Financial liabilities			
Other financial liabilities	16	676	636
b. Other liabilities	19	88	223
Total non-current liabilities		764	859
5 Current liabilities			
a. Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	20	16	2
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	6,756	3,590
ii. Other financial liabilities	16	39,686	39,526
b. Provisions	17	1,114	1,038
c. Income tax liabilities (net)	21	944	1,142
d. Other liabilities	19	16,448	10,607
Total current liabilities		64,964	55,905
Total equity and liabilities (3+4+5)		2,82,229	3,19,386
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 21, 2020

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, 2020

(₹ in Lakh)

PARTICULARS	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
1 Revenue from operations: Income from			
Securities services	22	13,516	13,634
Services to corporates	23	21,195	21,327
Data dissemination fees		3,152	3,015
Revenue from operations		37,863	37,976
2 Investment income	24	13,956	19,581
3 Other income	25	2,394	3,682
4 Total revenue (1+2+3)		54,213	61,239
5 Expenses			
Employee benefits expense	26	9,390	8,479
Depreciation and amortisation expense	3&4&6	4,355	4,402
Computer technology related expenses	27	13,090	12,652
Administration and other expenses	28	18,795	14,313
Liquidity enhancement scheme expenses		219	-
Total expenses		45,849	39,846
6 Profit before exceptional items and tax (4-5)		8,364	21,393
7 Exceptional items [income/(expenses)]:			
Net gain on partial disposal of investment in subsidiary/associate measured at cost	40	9,158	511
Voluntary retirement scheme	40	-	(54)
Total exceptional items		9,158	457
8 Profit before tax (6+7)		17,522	21,850
9 Tax expense:	29		
Current tax		3,177	3,713
Current tax of earlier years		-	(661)
Deferred tax		(3,022)	(1,307)
Total tax expenses		155	1,745
10 Profit for the year (8-9)		17,367	20,105
11 Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
i. Remeasurements loss on the defined employee benefit plans;		(38)	(109)
ii. Income tax on above	29	13	38
Total other comprehensive income for the year (i+ii)		(25)	(71)
12 Total comprehensive income for the year (10+11)		17,342	20,034
13 Earning per equity share :	30		
Basic and diluted before exceptional items (₹)		16.72	37.18
Basic and diluted after exceptional items (₹)		35.37	38.08
Face value of share (₹)		2	2
Weighted average number of equity shares (Nos.)		4,90,94,235	5,27,89,971
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 21, 2020
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, 2020

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	17,367	20,105
Adjustments for		
Income tax expenses recognised in profit and loss	155	1,745
Depreciation and amortisation expenses	4,355	4,402
Impairment loss on financial assets carried at cost	791	1,420
Net gain on disposal of property, plant and equipment and intangible assets	(10)	(1)
Impairment loss on financial assets and bad debts write off	1,749	869
Net gain on derecognition of financial assets measured at amortised cost	-	(3,074)
Net gain on partial disposal of investment in associate measured at cost	(9,158)	(511)
Net gain arising on financial assets measured at FVTPL	(11,529)	(8,737)
Interest income	(403)	(3,902)
Dividend income	(2,024)	(3,868)
Provision for compensated absences	497	499
Operating cash flow before working capital changes	1,790	8,947
Movements in working capital		
(Increase) / decrease in trade receivables	(2,831)	134
Increase/ (decrease) in trade payables	3,180	(2,175)
Increase/ (decrease) in provisions	76	99
(Increase) / decrease in other financial assets and other assets	(407)	(3,165)
Increase / (decrease) in other financial liabilities and other liabilities	8,302	(344)
Cash generated from / (used in) operations	10,110	3,496
Direct taxes paid (net of refunds)	(3,502)	(2,611)
Net cash generated from / (used in) operating activities	6,608	885
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed assets		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(2,981)	(5,698)
Proceeds from sale of fixed assets	15	5
Investments		
Net (increase)/decrease in investment in mutual funds	47,910	(68,356)
Proceeds from certificate of deposits	-	2,998
Proceeds from bonds and non-convertible debentures	2,500	90,148
Investment in fixed deposits	(41,422)	(1,387)
Proceeds from fixed deposits	39,298	10,435
Investment in subsidiaries	-	(7,215)
Proceeds on partial sale of investment in subsidiary/associate	10,102	511
Interest received	592	7,512
Dividend received from Subsidiaries/Associates and Mutual Fund	2,024	3,868
Net cash generated from / (used in) investing activities	58,038	32,821

Cash Flow Statement for the year ended March 31, 2020 (Contd.)...

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment towards buyback including transaction cost	(47,620)	(12,300)
Dividend and taxes paid thereon	(15,843)	(22,545)
Net cash used in financing activities	(63,463)	(34,845)
Net increase in cash and cash equivalents (A+B+C)	1,183	(1,139)
Cash and cash equivalents at the beginning of the year	1,828	2,967
Cash and cash equivalents at the end of the year *	3,011	1,828
Balances with banks		
In current accounts	2,713	428
In deposit accounts with original maturity of 3 months	298	1,400
* Cash and cash equivalents at the end of the year comprises (Refer note 12)	3,011	1,828

The accompanying notes form an integral part of the financial statements

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
2. Movement in earmarked liabilities and assets are not considered.
3. Previous years' figures have been regrouped wherever necessary.

In terms of our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership No.: 037924

Date: May 21, 2020

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 Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital		₹ in Lakh)						
Balance as at April 1, 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					
Changes in equity share capital during the year								
-	Shares extinguished during the year		(136)					
Balance as at March 31, 2020			900					
B. Other Equity								
PARTICULARS		Reserves and Surplus		Total				
	Share application money pending allotment	Capital Reserve	Capital Reserve on Business Combination	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	
Balance as at April 1, 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)
Transaction costs related to buyback (refer note 41)	-	-	-	-	-	-	-	-
Amount transferred to capital redemption reserve upon Buyback (refer note 41)	-	-	-	-	-	(30)	30	-
Rebate of Dividend Distribution Tax	-	-	-	-	-	269	-	269
Payments of Dividends	-	-	-	-	-	(18,924)	-	(18,924)
Payments 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
Profit for the year	-	-	-	-	-	17,367	-	17,367
Other comprehensive income for the year	-	-	-	-	-	(25)	-	(25)
Amount paid upon buyback (refer note 41)	-	-	-	(22,526)	(23,338)	-	-	(45,864)
Transaction costs related to buyback (refer note 41)	-	-	-	-	(1,620)	-	-	(1,620)
Amount transferred to capital redemption reserve upon Buyback (refer note 41)	-	-	-	-	-	(136)	136	-
Rebate of Dividend Distribution Tax	-	-	-	-	-	-	-	-
Payments of Dividends	-	-	-	-	-	(13,142)	-	(13,142)
Payments of Dividend Distribution Tax	-	-	-	-	-	(2,701)	-	(2,701)
Balance as at March 31, 2020	1	66,179	10,530	-	44,457	94,258	176	2,15,601

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 21, 2020

Place: Mumbai

For and on behalf of the Board of Directors

Justice Vikramajit Sen

Chairman

DIN: 00866743

Ashishkumar Chauhan

Managing Director & CEO

DIN: 00898469

Nayan Mehta

Chief Financial Officer

Prajakta Powle

Company Secretary

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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 145 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 21, 2020.

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, 2020 have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.1.2 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- (i) Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- (ii) Defined benefit and other long-term employee benefits.

2.1.3 Functional and presentation currency

The financial statements of the Company are presented in Indian rupees, the national currency of India, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest lakh except share and per share data in terms of Schedule III unless otherwise stated.

2.1.4 Use of estimates and judgment

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) *Income taxes and deferred tax:* The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

- (ii) Minimum Alternate Tax ("MAT") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.
- (iii) *Impairment of Goodwill:* Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. The value in use calculation requires to estimate the future cash flows expected to arise from the cash-generating unit and discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Goodwill is tested for impairment on annual basis.
- (iv) Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- (v) *Property plant and equipment and investment property:* The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets at the end of its useful life are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful life are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (vi) *Impairment of trade receivables:* The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances is made.
- (vii) *Fair value measurement of financial instruments:* The Company estimates fair values of the unquoted equity shares using discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments (refer note 32).

2.1.5 Summary of significant accounting policies**(i) Foreign currency transactions and balances**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

(ii) Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost including transaction costs, Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of assets for the current and comparative period of investment property are as follows:

Category	Useful life
Buildings	60 years

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Freehold land is not depreciated.

Investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit or Loss in the period in which the property is derecognised.

(iii) 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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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:

- the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- the asset's contractual cash flow represent SPPI debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs.

Fair value movements are recognised in Other Comprehensive Income ("OCI"). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in Profit or Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Currently the Company has not classified any interest bearing debt instrument under this category.

(c) Equity instruments at FVTOCI and FVTPL

All equity instruments are measured at fair value other than investment in subsidiaries, joint venture and associate. Equity instruments held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to Profit or Loss.

Currently the Company has not classified any equity instrument at FVTOCI.

If the Company decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument and dividend are recognised in Profit or Loss.

(d) Equity investments in Subsidiaries and Associates

All equity investment in subsidiaries and associates are measured at cost less provision for impairment loss, if any.

(e) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Earmarked Funds

Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument measured at amortised cost is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. The Gain/ (Loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through the Profit or Loss.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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.

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

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Profit or Loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

(vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over their respective estimated useful life on a "Written Down Value", from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful life of intangibles are as follows:

Category	Useful life
Computer software	6 years

Amortisation methods, useful life and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(vii) Leases:**As a Lessee:**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. the contract involves the use of an identified asset;
2. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
3. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(viii) Impairment

(a) Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable by individual departments.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the Statement of Profit and Loss.

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(b) Impairment of equity investments measured at cost

Investments in subsidiaries and associates which are measured at cost are tested for impairment at the end of each reporting period. Any impairment loss is recognized in the statement of profit and loss, if the amount of impairment loss decreases subsequently then the previously recognized impairment loss is reversed in the statement of profit and loss.

(c) Non-financial assets:

The Company assesses at each reporting date whether there is any observable evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through profit or loss except for goodwill.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

(d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis. Any Impairment loss for goodwill is recognized in profit or loss. An Impairment loss recognized for goodwill is not reversed in subsequent periods.

(ix) Employee Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following employee benefit plans:

(a) Gratuity:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

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.

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.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (Contd.)..

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are recognized when economic outflow is probable and disclosed when economic outflow is possible. Contingent assets are not disclosed but recognized when economic inflow is certain.

(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, 2020

(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, 2020

(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, 2020

(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, 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
Balance as at April 1, 2019	1,056	3,417	1,720	3,007	11,211	130	796	1,211	20	22,568
Additions during the year	-	-	5	2	2,365	-	21	14	-	2,407
Deductions / adjustments	-	-	18	4	474	-	18	-	20	534
Balance as at March 31, 2020	1,056	3,417	1,707	3,005	13,102	130	799	1,225	-	24,441
Accumulated depreciation										
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
Balance as at April 1, 2019	-	1,121	932	2,063	7,307	117	497	998	15	13,050
Depreciation for the year	-	223	152	251	1,983	13	84	109	1	2,816
Deductions / adjustments	-	-	18	2	468	-	17	-	16	521
Balance as at March 31, 2020	-	1,344	1,066	2,312	8,822	130	564	1,107	-	15,345
Net Book Value										
As at March 31, 2020	1,056	2,073	641	693	4,280	-	235	118	-	9,096
As at March 31, 2019	1,056	2,296	788	944	3,904	13	299	213	5	9,518

Note:

The land and building having a carrying amount of ₹ 579 (₹ 724 as at March 31, 2019) shown under the head "Property Plant and Equipment" in the books of accounts, out of which title deeds of two properties are not available and title deeds of the remaining two properties are in the name of erstwhile legal entity. Further, The process for transfer of the same in the name of BSE is currently under process.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020
(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, 2018	10	516	526
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2019	10	516	526
Balance as at April 1, 2019	10	516	526
Additions during the year	-	-	-
Deductions / adjustments	-	-	-
Balance as at March 31, 2020	10	516	526
PARTICULARS	Freehold Land	Buildings	Total
Accumulated depreciation and impairment			
Balance as at April 1, 2018	-	72	72
Depreciation for the year	-	22	22
Deductions / adjustments	-	-	-
Balance as at March 31, 2019	-	94	94
Balance as at April 1, 2019	-	94	94
Depreciation for the year	-	20	20
Deductions / adjustments	-	-	-
Balance as at March 31, 2020	-	114	114
PARTICULARS	Freehold Land	Buildings	Total
Net Book Value			
As at March 31, 2020	10	402	412
As at March 31, 2019	10	422	432

Notes:

- The fair value of the Company's investment properties as at March 31, 2020 and March 31, 2019 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, 2020 and March 31, 2019 are as follows:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
Rental income derived from investment properties	1,658	1,266
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year)	253	245

- 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, 2020
(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, 2020	As at March 31, 2019
Not later than 1 year	64	119
Later than 1 year and not longer than 5 years	-	58
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, 2020	As at March 31, 2019
Cost or deemed cost	785	785
Accumulated impairment losses	785	785
Net Book value	-	-
PARTICULARS	As at March 31, 2020	As at March 31, 2019
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
Impairment loss recognised during the year	-	-
Balance at the end of the year	785	785

6. OTHER INTANGIBLE ASSETS

PARTICULARS	Software	Total
Cost		
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
Balance as at April 1, 2019	7,421	7,421
Additions during the year	528	528
Deductions / adjustments	-	-
Balance as at March 31, 2020	7,949	7,949

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

6. OTHER INTANGIBLE ASSETS (Contd.)..

PARTICULARS	Software	Total
Accumulated amortisation		
Balance as at April 1, 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
Balance as at April 1, 2019	4,096	4,096
Amortisation for the year	1,519	1,519
Deductions / adjustments	-	-
Balance as at March 31, 2020	5,615	5,615
PARTICULARS	Software	Total
Net Book Value		
As at March 31, 2020	2,334	2,334
As at March 31, 2019	3,325	3,325

7. INVESTMENTS IN SUBSIDIARIES

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
Non-current Investments				
Un-quoted Investments (all fully paid)				
Investment in Equity Instruments at Cost				
Wholly owned subsidiaries				
- Indian Clearing Corporation Limited (Equity shares of ₹ 1 each)	3,54,00,00,000	35,400	3,54,00,00,000	35,400
- Marketplace Technologies Private Limited (Equity shares of ₹ 1 each)	5,00,00,000	4,250	5,00,00,000	4,250
- BSE Institute Limited (Equity shares of ₹ 1 each)	50,00,00,000	5,000	50,00,00,000	5,000
- BSE Investments Limited (Equity shares of ₹ 1 each)	37,00,00,000	3,700	37,00,00,000	3,700
- BSE Sammaan CSR Limited (Equity shares of ₹ 10 each)	26,00,000	260	26,00,000	260
- India International Exchange (IFSC) Limited (Equity shares of ₹ 1 each)	1,25,00,00,000	12,500	1,25,00,00,000	12,500
- India International Clearing Corporation (IFSC) Limited (Equity shares of ₹ 1 each)	80,00,00,000	8,000	80,00,00,000	8,000

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

7. INVESTMENTS IN SUBSIDIARIES (Contd.)..

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
Other subsidiaries				
- BSE CSR Integrated Foundation (Equity shares of ₹ 10 each) (Voting right - 75%, (March 31, 2019 - 75%))	37,500	4	37,500	4
- BFSI Sector Skill Council of India (Equity shares of ₹ 1 each) (Voting right - 48.78%, (March 31, 2019 - 48.78%))	1,00,00,000	100	1,00,00,000	100
		69,214		69,214
Less : Provision for diminution		(364)		(364)
Total		68,850		68,850
Aggregate carrying value of un-quoted		69,214		69,214
Aggregate amount of impairment in value of investments in subsidiaries		364		364

Note: Principle place of business of all the above investments are based out in India.**8. INVESTMENTS IN ASSOCIATES**

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
Non-current Investments				
Associates - Investments in equity shares measured at cost				
Un-quoted Investments (all fully paid)				
- Asia Index Private Limited (Equity shares of ₹ 10 each) (Voting right - 50%, (March 31, 2019 - 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, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (Contd.)..

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	Quantity	Amount	Quantity	Amount
Associate				
Quoted Investments (all fully paid)				
- Central Depository Services (India) Limited (Equity shares of ₹ 10 each) (Voting right - 20%, (March 31, 2019 - 24%))	2,09,00,000	4,722	2,50,80,000	5,666
Total (B)		4,722		5,666
Total (A+B)		4,723		5,667
Aggregate book value of quoted investments		4,722		5,666
Aggregate market value of quoted investments		44,810		60,832
Aggregate carrying value of un-quoted investments		1		1
Aggregate amount of impairment in value of investments in associate		-		-

Note : Principle place of business of all the above investments are based out in India.**9. OTHER INVESTMENTS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non-current investments		
Un-quoted investments (all fully paid)		
Investment in equity instruments at FVTPL		
- Calcutta Stock Exchange Limited (Equity share of ₹ 1 each)	-	-
Total investment in equity instruments at FVTPL	-	-
Quoted investments		
Investments in debentures measured at amortised cost		
Owned		
- Non-convertible debentures	-	2,000
	-	2,000
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	38,749	66,544
	38,749	66,544
Less : Provision for diminution	-	250
Total non-current investments	38,749	68,294

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

9. OTHER INVESTMENTS (Contd.)..

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Aggregate amount of quoted investments	38,749	68,544
Market value of quoted investments	38,749	68,557
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	250
Current investments		
Quoted investments		
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	88,124	58,604
- Units of dividend oriented debt schemes of mutual funds	4,344	46,169
- Investment in exchange traded funds through asset management company	3,699	1,453
	96,167	1,06,226
Earmarked		
- Units of dividend oriented debt schemes of mutual funds	6,045	4,467
	6,045	4,467
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	3,200	2,702
	3,200	2,702
Accrued interest	1	153
Less : Provision for diminution	1,705	712
Total current investments	1,03,708	1,13,836
Aggregate amount of quoted investments	1,05,413	1,13,544
Market value of quoted investments	1,05,446	1,13,547
Aggregate amount of unquoted investments	-	1,004
Market value of unquoted investments	-	1,007
Aggregate amount of impairment in value of investments	1,705	712

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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, 2020		Balance as on March 31, 2019	
		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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
(a) Own Funds					
Investments in Debentures (Quoted)					
Non Convertible Debentures					
1	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	-	-	50,000	500
2	8.60%-LIC Housing Finance Limited-28Dec2020	-	-	150	1,500
Total			-		2,000
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
2	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	-	-	3,00,00,000	3,460
3	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	-	-	50,00,000	579
4	Aditya Birla Sun Life - Fixed Term Plan - Series PR - 1134 Days - Direct - Growth Plan	1,50,00,000	1,766	1,50,00,000	1,620
5	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	-	-	1,00,00,000	1,113
6	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	-	-	2,00,000	2,232
7	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	-	-	90,000	1,038
8	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	-	-	50,000	579
9	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	-	-	50,00,000	577
10	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	-	-	30,00,000	345

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
11	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	-	-	50,00,000	577
12	Franklin India - Fixed Maturity Plan - Series 2 - Plan A - 1224D - Direct - Growth Plan	1,00,00,000	1,188	1,00,00,000	1,090
13	HDFC - Fixed Maturity Plan - 1150D - Series 37(I) - Direct - Growth Plan	-	-	50,00,000	578
14	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1231 D - Direct - Growth Plan	-	-	50,00,000	579
15	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J - 1253 Days - Direct - Growth Plan	-	-	50,00,000	580
16	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	-	-	1,00,00,000	1,159
17	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan T - 1225 Days - Direct - Growth Plan	-	-	50,00,000	577
18	ICICI Prudential - Fixed Maturity Plan - Series 82 Plan A - 1236 Days - Direct - Growth Plan	1,00,00,000	1,195	1,00,00,000	1,096
19	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	-	-	20,00,000	230
20	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	-	-	50,00,000	578
21	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	-	-	1,00,00,000	1,153
22	Kotak - Fixed Maturity Plan - Series 200 - 1158 D - Direct - Growth Plan	-	-	50,00,000	578
(a) Own Funds					
Units of Growth Oriented Debt Schemes of Mutual Funds					
23	Kotak - Fixed Maturity Plan - Series 202 - 1144D - Direct - Growth Plan	-	-	1,00,00,000	1,151
24	Kotak - Fixed Maturity Plan - Series 204 - 1141D - Direct - Growth Plan	-	-	50,00,000	569
25	Kotak - Fixed Maturity Plan - Series 211 - 1105D - Direct - Growth Plan	-	-	50,00,000	550
26	Kotak - Fixed Maturity Plan - Series 212 -1260D -Direct - Growth	50,00,000	596	50,00,000	546
27	Kotak - Fixed Maturity Plan - Series 213 -1230D -Direct - Growth	50,00,000	596	50,00,000	547
28	Reliance - Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	-	-	50,00,000	581
29	Reliance - Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	-	-	50,00,000	579
30	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	-	-	1,00,00,000	1,159
31	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201D - Direct - Growth Plan	-	-	3,00,00,000	3,463
32	Reliance - Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	-	-	50,00,000	567
33	Reliance - Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	-	-	1,50,00,000	1,691

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020
(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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
34	Reliance - Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	-	-	1,20,00,000	1,344
35	Reliance - Fixed Horizon Fund - XXXV Series 11 - 1242 Days - Direct - Growth Plan	50,00,000	598	50,00,000	548
36	Reliance - Fixed Horizon Fund - XXXV Series 6 -1263 Days - Direct - Growth Plan	1,00,00,000	1,198	1,00,00,000	1,098
37	Reliance - Fixed Horizon Fund - XXXVI Series 9 - 1139 Days - Direct - Growth Plan	1,00,00,000	1,174	1,00,00,000	1,076
38	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	-	-	80,00,000	923
39	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	-	-	1,00,00,000	1,155
40	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	-	-	30,00,000	345
41	Aditya Birla Sun Life Fixed Term Plan Series PU 1463 Days Direct - Growth	1,00,00,000	1,203	1,00,00,000	1,093
42	Aditya Birla Sun Life Fixed Term Plan Series PV 1462 Days Direct-Growth	1,00,00,000	1,204	1,00,00,000	1,094
43	Aditya Birla Sun Life Fixed Term Plan - Series RC (1295 days) Direct - Growth	2,00,00,000	2,333	2,00,00,000	2,131
44	Aditya Birla Sun Life Fixed Term Plan - Series RL (1254 days) Direct Growth	40,00,000	463	40,00,000	422
45	Canara Robeco Fixed Maturity Plan Series-8(1103 Days) Direct Growth	30,00,000	347	30,00,000	318
46	DSP BlackRock Fixed Maturity Plan Series 232 - 36M - Direct - Growth	1,00,00,000	1,180	1,00,00,000	1,082
47	HDFC Fixed Maturity Plan 1115D Sep 2018 Plan Direct Growth	1,00,00,000	1,168	1,00,00,000	1,068
48	HDFC Fixed Maturity Plan 1274D October 2018 Direct Growth	1,00,00,000	1,170	1,00,00,000	1,064
49	ICICI Prudential Fixed Maturity Plan - Series 84 1286 Days - Plan F - Direct Growth	50,00,000	585	50,00,000	532
50	ICICI Prudential Fixed Maturity Plan - Series 84 1275 Days - Plan K - Direct Growth	1,00,00,000	1,166	1,00,00,000	1,061
51	IDFC Fixed Term Plan Series 156 - 1103D - Direct - Growth	50,00,000	585	50,00,000	536
52	Invesco India Fixed Maturity Plan Series 31-Plan D-1468D-Direct Growth	1,00,00,000	1,197	1,00,00,000	1,088
53	Invesco India Fixed Maturity Plan Sr. 32 Plan E (1099 Days)- Direct Growth	1,00,00,000	1,167	1,00,00,000	1,068
54	Kotak Fixed Maturity Plan Series 226 - 1470D - Direct - Growth	1,00,00,000	1,202	1,00,00,000	1,092
55	Kotak Fixed Maturity Plan Series 245 - 1140 D - Direct-Growth	1,00,00,000	1,160	1,00,00,000	1,060
56	Kotak Fixed Maturity Plan Series 248 - 1300 Days Direct Growth	1,00,00,000	1,172	1,00,00,000	1,065

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
57	Kotak Fixed Maturity Plan Series 250 - 1314 Days Direct Growth	1,00,00,000	1,166	1,00,00,000	1,059
58	L&T Fixed Maturity Plan Series XVIII 1104 Days Direct Growth	50,00,000	578	50,00,000	530
59	Reliance Fixed Horizon Fund XXXVII-Series 5-Direct Growth(1105 D)	1,00,00,000	1,181	1,00,00,000	1,082
60	Reliance Fixed Horizon Fund XXXVII Series 6 - 1417D - Dir - Growth	1,00,00,000	1,206	1,00,00,000	1,095
61	Reliance Fixed Horizon Fund XXXVIII Series 6 - 1119D - Dir - Growth	1,00,00,000	1,150	1,00,00,000	1,066
62	Reliance Fixed Horizon Fund XXXIX Series 4 - 1323 Days - Direct - Growth	1,00,00,000	1,184	1,00,00,000	1,075
63	Reliance Fixed Horizon Fund XXXIX Series 6 - 1316 Days - Direct - Growth	1,00,00,000	1,180	1,00,00,000	1,072
64	Reliance Fixed Horizon Fund XXXIX Series 9 - 1296 Days - Direct - Growth	1,00,00,000	1,170	1,00,00,000	1,063
65	Reliance Fixed Horizon Fund XXXIX Series 14 - 1275 Days - Direct - Growth	1,20,00,000	1,401	1,20,00,000	1,273
66	Sundaram Fixed Term Plan - IK - 1098 days -Direct - Growth	50,00,000	586	50,00,000	536
67	UTI Fixed Term Income Fund - XXX-V - 1135D - Dir - Growth	1,00,00,000	1,167	1,00,00,000	1,068
68	UTI Fixed Term Income Fund Series XXX - VIII (1286 days) Direct Growth	50,00,000	586	50,00,000	534
69	UTI Fixed Term Income Fund Series XXX - X (1267 days) Direct Growth	50,00,000	581	50,00,000	529
Total			38,749		66,544
Current Investment					
(a) Own Funds					
Investments in Mutual Funds measured at FVTPL					
Units Of Growth Oriented Debt Schemes Of Mutual Funds					
1	Aditya Birla Sun Life Short Term Fund - Direct -Growth Plan	31,11,334	2,454	31,11,334	2,245
2	DSP BR Banking and PSU Debt Fund - Direct - Growth Plan	69,74,911	1,235	69,74,911	1,121
3	DSP BR Short Term Fund - Direct - Growth Plan	67,79,661	2,436	67,79,661	2,229
4	HDFC Medium Term Opportunities Fund - Direct - Growth	2,67,71,755	6,180	2,67,71,755	5,605
5	IDFC Corporate Bond Fund - Direct - Growth Plan	6,07,20,257	8,478	6,07,20,257	7,809
6	Kotak Bond Short Term Plan - Direct - Growth Plan	-	-	1,04,07,748	3,796
7	L&T Triple Ace Bond Fund - Direct - Growth Plan	1,23,86,929	6,846	1,23,86,929	5,998
8	Sundaram Banking and PSU Debt Fund - Direct - Growth Plan	1,13,65,057	3,642	1,13,65,057	3,342
9	L&T Short Term Bond Fund Direct - Growth Plan	1,11,72,248	2,250	1,11,72,248	2,052
10	Reliance Nivesh Lakshya Fund Direct - Growth Plan	7,16,88,726	9,376	9,45,77,039	10,496
11	Reliance Banking & PSU Debt Fund Direct - Growth Plan	3,01,30,692	4,545	3,01,30,692	4,097
12	Sundaram Corporate Bond Fund Direct - Growth Plan	38,89,628	1,143	38,89,628	1,032
13	Kotak Banking & PSU Debt Fund - Direct Growth Plan	35,82,363	1,707	35,82,363	1,539
14	Invesco India Corporate Bond Fund Direct - Growth Plan	70,730	1,703	70,730	1,549

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020
 (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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
15	HDFC Liquid Fund - Direct - Growth Plan	22,295	870	98,356	3,618
16	BOI AXA Arbitrage Fund Direct Growth Plan	-	-	49,55,500	519
17	Edelweiss Arbitrage Fund Direct Growth Plan	36,54,677	553	36,54,677	515
18	IDFC Arbitrage Fund Direct Growth Plan	21,66,444	557	21,66,444	522
19	L&T Arbitrage Opportunities Fund Direct Growth Plan	37,31,343	557	37,31,343	520
20	Aditya Birla Sun Life - Fixed Term Plan - Series OE - 1153 Days - Direct - Growth Plan	50,00,000	621	-	-
21	Aditya Birla Sun Life - Fixed Term Plan - Series OK - 1135 Days - Direct - Growth Plan	3,00,00,000	3,725	-	-
22	Aditya Birla Sun Life - Fixed Term Plan - Series OI - 1120 Days - Direct - Growth Plan	50,00,000	622	-	-
23	Aditya Birla Sun Life - Fixed Term Plan - Series OT - 1117 Days - Direct - Growth Plan	1,00,00,000	1,203	-	-
24	DHFL Pramerica - Fixed Duration Fund - Series AH - 1106 Days - Direct - Growth Plan	2,00,000	2,415	-	-
25	DHFL Pramerica - Fixed Duration Fund - Series AG - 1120 Days - Direct - Growth Plan	90,000	1,116	-	-
26	DHFL Pramerica - Fixed Duration Fund - Series AE - Direct - Growth Plan	50,000	623	-	-
27	DSP Blackrock - Fixed Maturity Plan - Series 204 - Direct - Growth Plan	50,00,000	620	-	-
28	DSP Blackrock - Fixed Maturity Plan - Series 209 - 37M - Direct - Growth Plan	30,00,000	370	-	-
29	DSP Blackrock - Fixed Maturity Plan - Series 205 - 37M - Direct - Growth Plan	50,00,000	620	-	-
30	HDFC - Fixed Maturity Plan - 1150D - Series 37(I) - Direct - Growth Plan	50,00,000	621	-	-
31	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan P - 1231 D - Direct - Growth Plan	50,00,000	626	-	-
32	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan J - 1253 Days - Direct - Growth Plan	50,00,000	624	-	-
33	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan O - 1233 Days - Direct - Growth Plan	1,00,00,000	1,249	-	-
34	ICICI Prudential - Fixed Maturity Plan - Series 80 Plan T - 1225 Days - Direct - Growth Plan	50,00,000	623	-	-
35	IDFC - Fixed Term Plan - Series 131 - 1139 Days - Direct - Growth Plan	20,00,000	248	-	-
36	IDFC - Fixed Term Plan - Series 129 - 1147 Days - Direct - Growth Plan	50,00,000	620	-	-
37	Invesco - Fixed Maturity Plan - Series 29 - Plan B - 1150 Days - Direct - Growth Plan	1,00,00,000	1,242	-	-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020
(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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
(a) Own Funds					
Units of Growth Oriented Debt Schemes of Mutual Funds					
38	Kotak - Fixed Maturity Plan - Series 200 - 1158 D - Direct - Growth Plan	50,00,000	621	-	-
39	Kotak - Fixed Maturity Plan - Series 202 - 1144D - Direct - Growth Plan	1,00,00,000	1,237	-	-
40	Kotak - Fixed Maturity Plan - Series 204 - 1141D - Direct - Growth Plan	50,00,000	614	-	-
41	Kotak - Fixed Maturity Plan - Series 211 - 1105D - Direct - Growth Plan	50,00,000	596	-	-
42	Reliance - Fixed Horizon Fund - XXXIII Series 1 - Direct - Growth Plan	50,00,000	627	-	-
43	Reliance - Fixed Horizon Fund - XXXIII Series 3 - Direct - Growth Plan	50,00,000	626	-	-
44	Reliance - Fixed Horizon Fund - XXXIII Series 4 - 1208 Days - Direct - Growth Plan	1,00,00,000	1,252	-	-
45	Reliance - Fixed Horizon Fund - XXXIII Series 6 - 1201D - Direct - Growth Plan	3,00,00,000	3,736	-	-
46	Reliance - Fixed Horizon Fund - XXXIV Series 4 - 1132 Days - Direct - Growth Plan	50,00,000	613	-	-
47	Reliance - Fixed Horizon Fund - XXXIV Series 7 - 1105 Days - Direct - Growth Plan	1,50,00,000	1,823	-	-
48	Reliance - Fixed Horizon Fund - XXXIV Series 9 - 1130 Days - Direct - Growth Plan	1,20,00,000	1,452	-	-
49	Reliance - Fixed Horizon Fund - XXXIII Series 7 - 1197 Days - Direct - Growth Plan	80,00,000	995	-	-
50	UTI - Fixed Term Income Fund - XXVI - 1146 Days - Direct - Growth Plan	1,00,00,000	1,242	-	-
51	UTI - Fixed Term Income Fund - XXVI - VIII - 1154 Days - Direct - Growth Plan	30,00,000	370	-	-
Total			88,124		58,604
Units Of Dividend Oriented Debt Schemes Of Mutual Funds					
1	ICICI Prudential Liquid - Direct - Daily Dividend Reinvestment	-	-	6,76,712	678
2	Baroda Liquid Fund - Plan B - Direct - Daily Dividend Reinvestment	-	-	19,01,258	19,052
3	DSP BlackRock Liquidity Fund - Direct -Daily Dividend Reinvestment	-	-	9,99,849	10,008
4	JM Liquid Fund Direct - Daily Dividend Reinvestment	-	-	15,75,33,871	16,431
5	ICICI Prudential Overnight Fund - Direct - Daily Dividend Reinvestment	4,326	4	-	-
6	Nippon India Overnight Fund - Direct -Daily Dividend Reinvestment	19,99,929	2,000	-	-
7	Sundaram Overnight Fund - Direct - Daily Dividend Reinvestment	2,34,003	2,340	-	-
Total			4,344		46,169

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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, 2020		Balance as on March 31, 2019	
		Units	Amount	Units	Amount
Investment in Exchange Traded Funds through Asset Management Company					
1	ICICI Prudential Sensex Iwin - Exchange Traded Fund	1,26,759	412	5,796	24
2	HDFC Sensex - Exchange Traded Fund	1,02,000	3,287	36,000	1,429
Total			3,699		1,453
(b) Earmarked Funds					
Units Of Dividend Oriented Debt Schemes Of Mutual Funds					
1	Baroda Liquid Fund Plan B - Direct Growth - Investor Services Fund	-	-	2,07,160	4,457
2	Baroda Liquid Fund Plan B - Direct Growth- Investor Services Fund (Commodity)	-	-	458	10
3	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - Investor Services Fund	5,60,834	6,034	-	-
4	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - (Commodity)	1,066	11	-	-
5	Mirae Asset Cash Management Fund Direct -Daily Dividend Reinvestment - (SEBI Regulatory Fees)	27	-	-	-
Total			6,045		4,467
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	8.90%-IL&FS Financial Services Limited-21Mar2019	20,000	200	20,000	200
2	9.95%-Infrastructure Leasing & Financial Services Limited-04Feb2019	1,00,000	1,000	1,00,000	1,000
3	9.49%-HDB Financial Services Limited-18Jun2019	-	-	50	500
4	9.51%-LIC Housing Finance Limited-24Jul2019	-	-	100	1,002
5	8.60%-LIC Housing Finance Limited-28Dec2020	150	1,500	-	-
6	8.75%-Infrastructure Leasing & Financial Services Limited-29Jul2020	50,000	500	-	-
Total			3,200		2,702

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

10. TRADE RECEIVABLES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Current		
Trade receivables		
- Secured, considered good	346	1,195
- Unsecured, considered good	4,849	2,918
- Doubtful	3,447	1,698
- Impairment allowance for doubtful debts	(3,447)	(1,698)
Total	5,195	4,113

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The Normal credit period allowed by the Company ranges from 0 to 60 days.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivable by individual departments.
4. There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.
5. Movement in expected credit loss allowance

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Balance at the beginning of the year	1,698	1,181
Impairment loss allowance on trade receivable	1,749	517
Balance at the end of the year	3,447	1,698

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

11. OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non-current		
(Unsecured, Considered good, unless otherwise stated)		
a Security deposits;		
- Deposit with public bodies and others	180	190
b Loan		
- Loan to staff	58	65
c Bank deposits with remaining maturity more than 12 months		
Owned fund		
- In deposit accounts	3,125	-
Earmarked fund		
- In deposit accounts	5,050	3,976
d Accrued interest		
Owned		
- On deposits	62	-
Earmarked		
- On deposits	381	206
Total	8,856	4,437
Current		
(Unsecured, Considered good, unless otherwise stated)		
a Loan		
- Loan to staff	15	10
b Advances to related parties		
- Due from subsidiaries (refer note 35)	172	84
c Others		
- Receivable from portfolio management account	99	500
- Deposit with public bodies and others	29	19
(Unsecured and considered doubtful)		
Deposits made under protest for property tax and others	785	771
Less: Provision for doubtful advances	(785)	(771)
Total	315	613

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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, 2020	As at March 31, 2019
Balance with banks		
Owned fund		
- In current accounts	2,713	428
- In deposit accounts (Original maturity less than three months)	298	1,400
Total	3,011	1,828
Bank balance other than above		
Balance with banks		
Owned fund		
- In deposit accounts (Remaining maturity less than twelve months)	884	1,177
Earmarked fund		
- In current accounts (unpaid dividend) (refer note 12.1)	1,522	1,333
- In current accounts (refer note 12.1)	533	481
- In deposit accounts	14,065	17,929
Accrued interest		
Owned		
- On deposits	23	127
Earmarked		
- On deposits	349	1,067
Total	17,376	22,114

Note:

12.1. The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities of the Company.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

13. OTHER ASSETS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non-current		
Prepaid expenses	14	5
Total	14	5
Current		
Gratuity asset (net)	4	69
Prepaid expenses	262	272
Advance to creditors	282	96
Input credit receivable	288	777
Total	836	1,214

14. EQUITY SHARE CAPITAL

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Authorised share capital: 150,00,00,000 (150,00,00,000 as at March 31, 2019) equity shares of ₹ 2/- each	30,000	30,000
Issued share capital: 4,58,04,297 (5,25,69,002 equity shares as at March 31, 2019) equity shares of ₹ 2/- each	916	1,052
Subscribed and paid-up share capital 4,50,24,297 (5,17,89,002 equity shares as at March 31, 2019) equity shares of ₹ 2/- each fully paid-up.		
Outstanding share capital	900	1,036
Total	900	1,036

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

PARTICULARS	As at March 31, 2020	As at March 31, 2019
No. of shares at the beginning of the year	5,17,89,002	5,32,59,532
Additions during the year	-	-
Shares bought back and extinguished during the year (refer note 41)	(67,64,705)	(14,70,530)
No. of shares at the end of the year	4,50,24,297	5,17,89,002

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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, 2020	As at March 31, 2019
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, 2019) 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, 2019) of ₹ 2/- each have been kept in abeyance for specific reasons pursuant to the provisions of the Scheme. However, all corporate benefits as declared from time to time, including dividend and bonus are accrued to all the 4,77,75,000 equity shares, as per the provisions of the Scheme.
- (d) As a part of the demutualisation process, the Exchange in order to fulfill its obligations under the Scheme and the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 (the SEBI Regulations) dated 13th November, 2006, and further amendments thereto on 23rd December, 2008, had issued shares to Deutsche Boerse AG (DBAG) and Singapore Exchange Limited (SGX).
- (e) i) The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) shareholder holds more than 5 % of the Share Capital of the Company is as below.

NAME OF THE SHAREHOLDERS	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Percentage holding	No. of shares	Percentage holding
LIC Corporation of India Limited	25,25,500	5.61%	25,25,500	4.88%

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

15. OTHER EQUITY

PARTICULARS	As at March 31, 2020	As at March 31, 2019
General reserve (refer note 41)	44,457	69,415
Capital reserve	66,179	66,179
Capital reserve on business combination	10,530	10,530
Securities premium reserve (refer note 41)	-	22,526
Retained earnings	94,258	92,895
Share application money pending allotment	1	1
Capital redemption reserve (refer note 41)	176	40
Total	2,15,601	2,61,586

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 21, 2020, have proposed a final dividend of ₹ 17/- per equity share of face value ₹ 2/- per share for the financial year ended March 31, 2020. 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 ₹ 7,787.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

16. OTHER FINANCIAL LIABILITIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non-current		
Accrued employee benefit expenses (refer note 16.4)	676	532
Other deposits	-	104
Total	676	636
Current		
Owned :		
Unpaid dividends (refer note 16.2)	128	134
Deposits received from trading members	8,516	8,684
Other deposits received from members	4,469	3,352
Other deposits	1,460	1,261
Accrued employee benefit expenses (refer note 16.4)	2,263	2,248
Due to subsidiaries (refer note 35)	704	442
Payables on purchase of fixed assets	463	108
Payable towards Additional Contribution to ISF and IPF	1,861	-
Total (A)	19,864	16,229
Earmarked :		
From companies - 1% of their public issue (refer note 16.1)	8,441	12,313
Defaulters' liabilities (refer note 16.1)	2,697	2,548
Withheld liabilities (refer note 16.1)	4,926	4,985
Others (refer note 16.3)	3,758	3,451
Total (B)	19,822	23,297
Total (A+B)	39,686	39,526

16.1 Bank Balance and Bank Deposits have been earmarked against these liabilities.**16.2** Current accounts have been earmarked against this liability.**16.3** Income earned on earmarked funds.**16.4** Bank deposits of ₹ 511 (₹ 397 as at March 31, 2019) and accrued interest of ₹ 54 (₹ 48 as at March 31, 2019) have been earmarked against these liabilities.**17. PROVISIONS**

	As at March 31, 2020	As at March 31, 2019
Current		
Employee benefits		
Compensated absences (refer note 39)	1,114	1,038
Total	1,114	1,038

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	13,165	9,002
Deferred tax liabilities	2,361	1,233
Deferred tax balance (net)	10,804	7,769

Deferred tax assets and liabilities in relation to:

PARTICULARS	Opening balance as at April 1, 2018	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2019	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2020
Deferred tax assets							
MAT credit entitlement	6,028	(1,471)	-	7,499	(3,179)	-	10,678
Impairment of financial assets	298	(677)	-	975	(888)	-	1,863
Expenses allowed on payment basis	403	90	-	313	(18)	-	331
Voluntary retirement scheme	102	77	-	25	7	-	18
Property, plant and equipment , intangible assets and goodwill	1	(189)	-	190	(86)	-	276
Others	9	47	(38)	-	14	(13)	(1)
Total - A	6,841	(2,123)	(38)	9,002	(4,150)	(13)	13,165
Deferred tax liabilities							
Property, plant and equipment, intangible assets and goodwill	-	-	-	-	-	-	-
Financial assets measured at FVTPL & interest income at effective interest rate	417	(816)	-	1,233	(1,128)	-	2,361
Total - B	417	(816)	-	1,233	(1,128)	-	2,361
Net - (A-B)	6,424	(1,307)	(38)	7,769	(3,022)	(13)	10,804

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

18. DEFERRED TAX ASSETS AND LIABILITIES (Contd.)..**Notes:**

1. Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
- Tax losses (revenue in nature)	548	-
- Tax losses (capital in nature)	4,527	5,220
Total	5,075	5,220

Note: The unrecognised tax credits will expire in following years

PARTICULARS	As at March 31, 2020	As at March 31, 2019
2019-20 - Capital in nature	-	325
2020-21 - Capital in nature	4,428	4,796
2021-22 - Capital in nature	47	47
2024-25 - Capital in nature	52	52
2028-29 - Revenue in nature	548	-

2. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.

19. OTHER LIABILITIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non Current		
Income received in advance	88	223
Total	88	223
Current		
Income received in advance	299	348
Advance from customers	1,304	538
Statutory remittances	6,992	3,655
Other liabilities (refer note below)	7,853	6,066
Total	16,448	10,607

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

19. OTHER LIABILITIES (Contd.)..**Note:** Other liabilities includes :**a) Investors' Services Fund (ISF):**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Annual listing fees received for the year	15,650	14,477
20% of the above (Amount to be contributed annually)	3,130	2,895
Investment income accrued to Investors' services fund	254	278
Expenses incurred on behalf of ISF	1,886	1,635
Cumulative balance as at end of year	5,837	4,339

As per SEBI directive, from 1996-97, BSE decided to set aside 20% of the Annual listing fees received to an Investors' Services Fund. Investments in Mutual Funds have been earmarked against these liabilities.

b) Other liabilities includes dividend for earlier years in respect of shares held in abeyance

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Cumulative balance as at end of year (refer note 16.2)	1,394	1,199

20. Trade payables

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Current		
Total outstanding dues of micro enterprises and small enterprises	16	2
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,756	3,590
Total	6,772	3,592

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

PARTICULARS	As at March 31, 2020	As at March 31, 2019
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day during the year	16	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	-	-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

21. INCOME TAX ASSETS AND LIABILITIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Non Current tax assets		
Advance tax (net of provision)	5,634	5,464
Total	5,634	5,464
Current tax liabilities		
Income tax provision (net of advance tax)	944	1,142
Total	944	1,142

22. INCOME FROM SECURITIES SERVICES

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Transaction charges	11,306	11,385
Other charges	1,508	1,565
Annual subscription and admission fees	436	380
Processing fees	266	304
Total	13,516	13,634

23. INCOME FROM SERVICES TO CORPORATES

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Listing fees	18,801	18,809
Book building software charges	1,818	1,494
Company reinstatement fees	405	574
Other fees	171	450
Total	21,195	21,327

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020
 (Rupees in lakhs, except share and per share data, unless otherwise stated)

24. INVESTMENT INCOME

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
a) Interest income earned on financial assets that are not designated as at fair value through profit or loss		
Bank deposits (at amortised cost)	215	364
Investments in debt instruments (at amortised cost)	188	3,538
b) Dividend income		
Dividends from investment in equity shares (designated at cost or at FVTPL)		
Dividend income from subsidiaries	-	1,307
Dividend income from others	1,009	883
Dividends from investment in mutual funds (designated at FVTPL)		
Dividend income	1,015	1,678
c) Other gains or losses:		
Net gains on derecognition of financial assets measured at amortised cost	-	3,074
Net gains arising on financial assets measured at FVTPL	11,529	8,737
Total	13,956	19,581

25. OTHER INCOME

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Other non-operating income		
Rental income	2,182	1,402
Website income	91	210
Net gain on disposal of property, plant and equipment and intangible assets	10	1
Net foreign exchange gains / (loss)	(28)	(2)
Interest on income tax refunds	18	781
Miscellaneous income	121	1,290
Total	2,394	3,682

26. EMPLOYEE BENEFITS EXPENSE

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Salaries, allowances and bonus	8,195	7,267
Contribution to provident and other Funds	420	425
Staff welfare expenses	278	288
Compensated absences	497	499
Total	9,390	8,479

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

27. COMPUTER TECHNOLOGY RELATED EXPENSES

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Computer technology related expenses	9,494	9,152
Technology programmes	3,596	3,500
Total	13,090	12,652

28. ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Advertising and marketing expenses	782	530
Bad debts written off	-	352
Building repairs and maintenance expenses	705	816
Contribution to investors service fund	3,130	2,895
Contribution to investors' protection fund	156	145
Contribution to SEBI	1,565	1,448
Contribution to corporate social responsibility (refer note below 28.1)	322	284
Clearing house expenses	1,723	261
Data entry charges	276	279
Datafeed expenses	444	392
Directors' sitting fees	34	56
Provision for Additional Contribution to ISF and IPF (refer note 36)	1,861	-
Settlement of service tax matter (refer note 45)	366	-
Electricity charges (net of recoveries)	988	1,131
Insurance	86	69
Impairment loss allowance on trade receivable	1,749	517
Impairment loss on financial assets carried at cost	791	1,420
Legal fees	872	252
Miscellaneous expenses	569	499
Payment to auditors		
a) Statutory audit fee	53	45
b) Tax audit fee	5	5
c) Other services	2	1
d) Out of pocket	3	3
Professional fees	1,159	1,493
Postage and telephone expenses	126	127
Printing and stationery	77	72
Property taxes (net of recoveries)	200	203
Operating lease expenses	71	63
Repairs to other assets	146	136
SEBI regulatory fees	149	342
Travelling expenses	385	477
Total	18,795	14,313

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

28. ADMINISTRATION AND OTHER EXPENSES (Contd.)..**28.1 CSR Expenditure**

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
a) The gross amount required to be spent by the Company during the year	322	284
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, 2020

(i) Profit or loss section

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Current tax expense	3,177	3,713
Current tax expense of Earlier Years	-	(661)
Deferred tax	(3,022)	(1,307)
Total income tax expense recognised in profit or loss	155	1,745

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.

29.2 A Taxation Laws (Amendment) Ordinance, 2019 ("Ordinance") on September 20, 2019 has amended the Income Tax Act, 1961 and Finance (No. 2) Act, 2019, by which the option has been provided for the lower tax regime without any incentives for the domestic companies. Under the revised tax regime, accumulated Minimum Alternate Tax (MAT) credit is not allowed. Considering the substantial accumulated MAT credit, the management has assessed that it is beneficial not to opt for the option of availing revised income tax rate for certain period of time. The tax liability for the current year has been accordingly calculated.

(ii) Other comprehensive income section

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Remeasurements of the defined benefit plans	13	38
Total income tax expense recognised in other comprehensive income	13	38

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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, 2020	For the year ended March 31, 2019
(A) Income before income tax	17,522	21,850
(B) Enacted tax rate in india	34.944%	34.944%
(C) Expected tax expenses (A*B)	6,123	7,635
(D) Other than temporary differences		
Investment income	(6,237)	(5,339)
Income from house property and related expenditure	(91)	(52)
Expenses disallowed / (allowed)	169	162
Total	(6,159)	(5,229)
(E) Temporary difference on which deferred tax assets not recognised		
Business loss carried forward	191	-
Total	191	-
(F) Net adjustments (D+E)	(5,968)	(5,229)
(G) Current tax expense of Earlier Years	-	(661)
(H) Tax expenses recognised in Profit or Loss	155	1,745

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, 2020	March 31, 2019
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	4,90,94,235	5,27,89,971
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	4,90,94,235	5,27,89,971
Face Value per Share	₹ 2 each	₹ 2 each
Profit after tax before exceptional items (net of tax)	8,209	19,629
Profit after tax after exceptional items	17,367	20,105
Basic and Diluted EPS before exceptional items (net of tax)	16.72	37.18
Basic and Diluted EPS after exceptional items	35.37	38.08

Note: The Board of Directors of the Company at its meeting held on May 7, 2019 recommended the proposal of buyback, and the Shareholders of the Company at its meeting held on July 15, 2019, has inter-alia approved the proposal of buyback by the Company, of its fully paid-up equity shares of face value of ₹ 2/- each from the shareholders/beneficial owners of the Company. The scheme of buyback was commenced on August 30, 2019 and closed on September 16, 2019 and the Company bought back and extinguished 67,64,705 equity shares. Accordingly, the weighted average number of equity shares (issued share capital) for the calculation of Earnings Per Share is worked out to 4,90,94,235 equity shares for the year ended March 31, 2020 and 5,27,89,971 equity shares for the year ended March 31, 2019.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

31. LEASE

As per the assessment of management, there are no lease contracts for which IND AS 116 – Leases is required to be applied.

32. FINANCIAL INSTRUMENTS

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

PARTICULARS	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments	1,496	4,893	1,529	4,912
Trade receivable	5,195	4,113	5,195	4,113
Cash and cash equivalents	3,011	1,828	3,011	1,828
Bank balances other cash and cash equivalents	17,376	22,114	17,376	22,114
Other financial assets	9,171	5,050	9,171	5,050
Total	36,249	37,998	36,282	38,017
b) FVTPL				
Investment in equity instruments	-	-	-	-
Investment in exchange traded fund	3,699	1,453	3,699	1,453
Investment in mutual funds	1,37,262	1,75,784	1,37,262	1,75,784
Total	1,40,961	1,77,237	1,40,961	1,77,237
c) At Cost				
Investment in subsidiaries and associates	73,573	74,517	1,13,661	1,29,683
ii) Financial liabilities				
a) Amortised Cost				
Trade payables	6,772	3,592	6,772	3,592
Other financial liabilities	40,362	40,162	40,362	40,162
Total	47,134	43,754	47,134	43,754

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted bonds and debentures are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities except for unquoted instruments where observable inputs are available.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

32. FINANCIAL INSTRUMENTS (Contd.)..

- (b) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Fair value hierarchy

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of the financial assets (other than subsidiaries) and liabilities:

PARTICULARS	Fair values As at March 31, 2020	Fair values As at March 31, 2019	Fair Value Hierarchy (Level)
i) Financial assets			
a) Amortised Cost			
Investment in debt instruments (Quoted)	1,529	3,905	Level 1
Investment in debt instruments (Unquoted)	-	1,007	Level 2
Total	1,529	4,912	
b) FVTPL			
Investment in mutual funds	1,40,961	1,77,237	Level 1
c) At cost			
Investment in equity instruments of associates	44,810	60,832	Level 1

Except as detailed in the above table, the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

There were no transfers between Level 1 and 2 in the period.

33. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

It is the Company's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..**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, 2020 and March 31, 2019.

- Investments**

The Company limits its exposure to credit risk by making investment as per the investment policy. The Company addresses credit risk in its investments by mandating a minimum rating against the security / institution where the amounts are invested and is further strengthened by mandating additional requirement like Capital Adequacy Ratio (CAR), Allowable Net Non-Performing Asset (NNPA) Levels, Minimum Average Assets Under Management (AAUM) etc. for certain types of investments. Further the investment committee of the Company reviews the investment portfolio on bi-monthly basis and recommend or provide suggestion to the management. The Company does not expect any losses from non-performance by these counter-parties, other than losses which are provided, and does not have any significant concentration of exposures to specific industry sectors. The Company does not invest in equity instruments unless they are strategic in nature.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 and March 31, 2019.

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Trade payable		
< 1 year	6,772	3,592
1 - 5 years	-	-
> 5 years	-	-
Total	6,772	3,592
Other financial liabilities		
< 1 year	39,686	39,526
1 - 5 years	676	636
> 5 years	-	-
Total	40,362	40,162
Total	47,134	43,754

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2020 and March 31, 2019

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Investments*		
< 1 year	1,03,708	1,13,836
1 - 5 years	38,749	68,294
> 5 years	-	-
Total	1,42,457	1,82,130
Other financial assets		
< 1 year	315	613
1 - 5 years	8,856	4,437
> 5 years	-	-
Total	9,171	5,050
Trade receivables		
< 1 year	5,195	4,113
1 - 5 years	-	-
> 5 years	-	-
Total	5,195	4,113

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

33. FINANCIAL RISK MANAGEMENT (Contd.)..

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Cash and cash equivalents		
< 1 year	3,011	1,828
1 - 5 years	-	-
> 5 years	-	-
Total	3,011	1,828
Bank balances other than cash and cash equivalents		
< 1 year	17,376	22,114
1 - 5 years	-	-
> 5 years	-	-
Total	17,376	22,114
Total	1,77,210	2,15,235

* 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, 2020

(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, 2020

(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 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 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 and upto May 6, 2019) India INX Global Access IFSC Limited (w.e.f. April 5, 2018) BSE Institute of Research Development & Innovation (w.e.f. December 5, 2019)
b.	Trusts set-up by the Company	
		BSE Investors' Protection Fund (Formerly known as "The Stock Exchange Investors' Protection Fund Trust") The Stock Exchange Education & Research Services The Stock Exchange Foundation The Stock Exchange Charities Seth K. R. P. Shroff Stock Exchange Sarvajanik Fund Shri Phiroze Jeejeebhoy Memorial Trust BSE Employee's Gratuity Fund BSE Employee's Provident Fund
c.	Associates	
	Direct	Central Depository Services (India) Limited Asia Index Private Limited
	Indirect	CDSL Ventures Limited CDSL Insurance Repository Limited CDSL Commodity Repository Limited BSE EBIX Insurance Broking Private Limited Marketplace EBIX Technology Services Private Limited (w.e.f. April 3, 2018) Pranurja Solutions Limited (w.e.f. May 7, 2019)

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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	Shri Sethurathnam Ravi – Chairman and Public Interest Director (upto February 4, 2019) Justice Vikramajit Sen – Chairman (w.e.f. May 22, 2019) & Public Interest Director Shri Ashishkumar Chauhan - Managing Director and Chief Executive Officer Shri Sumit Bose - Public Interest Director Shri S S Mundra - Public Interest Director Shri David Wright - Public Interest Director Shri Umakant Jayaram - Public Interest Director (w.e.f. February 4, 2019) Smt. Usha Sangwan - Shareholder Director Sushree Jayashree Vyas - Public Interest Director (w.e.f. April 25, 2019) Ms. Rajeshree Sabnavis - Shareholder Director (Upto July 15,2019) Shri Roland Schwinn - Shareholder Director (upto April 2, 2018) Dr. Sriprakash Kothari - Shareholder Director (upto February 28, 2019)

Following are the transactions with related parties and the year-end balances:

PARTICULARS	For the year ended	
	March 31, 2020	March 31, 2019
Subsidiary Companies		
Income		
Indian Clearing Corporation Limited		
Rent and Infrastructure Charges	214	164
Miscellaneous Income	0^	8
Dividend Income	-	1,307
Staff Welfare Expenses	17	12
Administrative and Other Expenses (Recoveries)	148	135
Marketplace Technologies Private Limited		
Administrative and Other Expenses (Recoveries)	-	0^
BSE Institute Limited		
Staff Welfare Expenses	8	10
Rent and Infrastructure Charges	393	279
Administrative and Other Expenses (Recoveries)	76	77
BSE Sammaan CSR Limited		
Administrative and Other Expenses (Recoveries)	1	1
Rent and Infrastructure Charges	6	4
Staff Welfare Expenses	1	2

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.).

PARTICULARS	For the year ended	
	March 31, 2020	March 31, 2019
BSE CSR Integrated Foundation		
Administrative and Other Expenses (Recoveries)	-	0 [^]
BFSI Sector Skill Council of India		
Rent and Infrastructure Charges	51	23
Administrative and Other Expenses (Recoveries)	0 [^]	1
India International Exchange (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	2	4
Rent and Infrastructure Charges	35	35
Staff Welfare Expenses	4	2
India International Clearing Corporation (IFSC) Limited		
Administrative and Other Expenses (Recoveries)	1	0 [^]
Rent and Infrastructure Charges	16	16
Staff Welfare Expenses	2	2
Expenditure		
Indian Clearing Corporation Limited		
Clearing house expenses	938	261
Administrative and Other Expenses	11	16
Other transaction		
Transfer of Compensated absence liabilities	24	3
Marketplace Technologies Private Limited		
Computer Technology Related Expenses (net of recovery)	2,957	2,786
Purchase of Intangible Assets	281	60
Intangible assets under development	358	310
BSE Institute Limited		
Reimbursement of services	23	37
BSE CSR Integrated Foundation		
Contribution to corporate social responsibility	322	284
Others		
Investments		
India International Exchange (IFSC) Limited	-	5,000
BSE Investments Limited	-	2,215
Trusts set-up by the Company		
Income		
BSE Investors' Protection Fund		
Administrative and Other Expenses (Recoveries)	231	230
Rent	14	14

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.).

PARTICULARS	For the year ended	
	March 31, 2020	March 31, 2019
Expenditure		
Contribution to IPF (a proportion of listing fee)	156	145
Rent	67	58
Associates		
Income		
Asia Index Private Limited		
Rent and Infrastructure Charges	144	138
Administrative and Other Expenses (Recoveries)	27	29
Central Depository Services (India) Limited		
Rent and Infrastructure Charges	1	1
Miscellaneous Income	17	19
Other charges	38	37
Dividend Income	1,003	879
Recovery of IPO expenses withheld	-	511
Expenditure		
Central Depository Services (India) Limited		
Administrative and Other Expenses	103	90
Indirect Subsidiary		
Income		
Pranurja Solutions Limited (upto May 6, 2019)		
Rent and Infrastructure Charges	0 [^]	0 [^]
Administrative and Other Expenses (Recoveries)	0 [^]	0 [^]
Indirect Associate		
Income		
BSE EBIX Insurance Broking Private Limited		
Rent and Infrastructure Charges	2	0 [^]
Administrative and Other Expenses (Recoveries)	0 [^]	0 [^]
Income		
Pranurja Solutions Limited (w.e.f May 7, 2019)		
Rent and Infrastructure Charges	2	-
Administrative and Other Expenses (Recoveries)	0 [^]	-
Key Managerial Personal:		
Expenditure		
Salaries, Allowances and Bonus* (Short term Employee benefits)		
Shri Ashishkumar Chauhan	764	664

*Includes the variable pay of the prior years and variable pay charged in the statement of profit and loss to the extent of payment made as required by Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2018.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

Company provides long term benefits in the form of Gratuity to Key managerial person along with all employees, cost of same is not identifiable separately and not disclosed.

PARTICULARS	As at March 31, 2020	As at March 31, 2019
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	3,700
BSE Sammaan CSR Limited	260	260
BSE CSR Integrated foundation	4	4
BFSI Sector Skill Council of India	100	100
India International Exchange (IFSC) Limited	12,500	12,500
India International Clearing Corporation (IFSC) Limited	8,000	8,000
Receivable (Net)		
BSE Institute Limited	155	83
BSE Sammaan CSR Limited	4	0^
India International Exchange (IFSC) Limited	8	-
India International Clearing Corporation (IFSC) Limited	4	-
BFSI Sector Skill Council of India	24	-
Liabilities		
Payable (Net)		
Marketplace Technologies Private Limited	461	386
Indian Clearing Corporation Limited	242	56
Trusts set-up by the Company		
Assets		
Receivable		
BSE Investors' Protection Fund	58	62
Net defined benefit assets		
BSE Employee's Gratuity Fund	2,680	2,478
Liabilities		
Deposit		
BSE Investors' Protection Fund	6	6

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

35. RELATED PARTY TRANSACTIONS (Contd.)..

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Associates		
Assets		
Investments		
Asia Index Private Limited	1	1
Central Depository Services (India) Limited	4,722	5,666
Receivable		
Asia Index Private Limited	18	2
Liabilities		
Deposit		
Asia Index Private Limited	92	92
Payable		
Central Depository Services (India) Limited	45	11
Indirect Subsidiary		
Assets		
Receivable		
Pranurja Solutions Limited (Upto May 6, 2019)	-	1
Indirect Associates		
Assets		
Receivable		
BSE EBIX Insurance Broking Private Limited	2	1
Pranurja Solutions Limited (w.e.f May 7, 2019)	2	-

Note : ^ Less than ₹ 50,000/-

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

36. CONTINGENT LIABILITIES

Sr. No.	PARTICULARS	As at March 31, 2020	As at March 31, 2019
a)	Claims against the Exchange not acknowledged as debts in respect of :		
i)	Income tax matters	6,601	6,908
ii)	Service tax matters	266	127
iii)	Department of telecommunication license matters (Refer Note below)	-	706
iv)	Investors' Services Fund and Investors' protection Fund (Refer Note below)	-	2,799
v)	Others matters	16,777	51,281
vi)	Out of 'v' above in the opinion of the Management unfavorable outcome are remote	16,777	51,281
b)	Guarantees given by the Company	184	17

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 in the previous financial year. During the current year the company has received no dues balance confirmation and accordingly this has been removed from contingent liability during the current year.
- 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. During the current year the company has received no dues balance confirmation and accordingly this has been removed from contingent liability during the current year.
- The Company had earlier received observations from SEBI in respect of inspection conducted for the period 2005 – 2017, in which the Company was asked to plough back certain amount to Investors' Services Fund ("ISF") and BSE Investors Protection Fund Trust ("IPF") against expenses charged in the earlier years to these funds. On the basis of response submitted by the Company, SEBI concluded and instructed the Company in March 2020 to plough back an amount of ₹ 1,037 along with interest to the said funds. Consequently, an expense of ₹ 1,385 has been charged to the profit and loss account for the year ended March 31, 2020. For the said matter, a further charge of ₹ 476 has also been recognized for the subsequent period. Accordingly, an amount aggregating to ₹ 1,861 has been disclosed as "Provision for Additional Contribution to ISF and IPF" during the current financial year.
- During the current year, The company has received SEBI Directives on BSE towards Cyber Security Audit and in response to the above, the company has submitted its reply to SEBI for reconsideration and to the extent the amount of ₹ 55 is considered as contingent liability.
- The Company's pending litigations comprise of claims against the Company primarily by the customers/ vendors and proceedings pending with Tax and other regulatory authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements at March 31, 2020.

37. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for are ₹ 2,238 as at March 31, 2020 (₹ 1,467 as at March 31, 2019)

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

- 38.** The Managing Director and CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources.
- 38.1** The "Company" or the "Exchange" operates only in one Operating Segment i.e. "Facilitating Trading in Securities and other related ancillary Services", hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

38.2 Information about geographical area**38.2.1 The Company revenue from customers**

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
Within India	51,513	58,626
Outside India	2,700	2,613
Total Income	54,213	61,239

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, 2020

(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, 2020 and March 31, 2019:

PARTICULARS	March 31, 2020	March 31, 2019
Change in benefit obligation		
Benefit obligations at the beginning	2,409	2,040
Service cost	143	133
Interest expense	163	132
Benefits paid	(121)	(72)
Remeasurements – Actuarial (gains)/ losses	103	149
Liabilities assumed / settled *	(21)	27
Benefit obligations at the end	2,676	2,409
Change in Plan assets		
Fair value of plan assets at the beginning	2,478	1,952
Employer Contribution	96	493
Interest income	173	132
Remeasurements – Actuarial (gains)/ losses	65	40
Assets assumed / settled *	(11)	(67)
Benefits paid	(121)	(72)
Fair value of plan assets at the end	2,680	2,478
Funded status	2,680	2,478
Prepaid / (payable) gratuity benefit	4	69

* On account of transfer to other trust.

Amount for the year ended March 31, 2020 and year ended March 31, 2019 recognised in the Profit or Loss under employee benefits expense:

PARTICULARS	March 31, 2020	March 31, 2019
Service cost	143	134
Net interest on the net defined benefit liability/asset	(10)	(1)
Net gratuity cost	133	133

Amount for the year ended March 31, 2020 and year ended March 31, 2019 recognised in the other comprehensive income:

PARTICULARS	March 31, 2020	March 31, 2019
Remeasurements of the net defined benefits liability / (asset)		
Experience adjustments	5	(145)
(Gain)/loss from change in financial assumptions & Actual return on plan assets less interest on plan asset	33	255
Changes in demographic assumptions	-	(1)
Amount recognised in OCI	38	109

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(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, 2020 and year ended March 31, 2019:

PARTICULARS	March 31, 2020	March 31, 2019
Discount rate	5.75%	6.95%
Increase in compensation levels	9.80%	9.80%
Withdrawal rate	18.27%	18.27%
Rate of return on plan assets	5.75%	6.95%

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, 2020	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(55)	54
Impact of decrease in 50 bps on defined benefit obligation	57	(53)

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, 2020	March 31, 2019
Government of India Securities	16%	16%
Corporate Bonds	6%	10%
Insurer Managed Assets	73%	74%
Others	5%	0%

Actual return on the assets for the period ended March 31, 2020 and year ended March 31, 2019 were ₹ 238 and ₹ 132 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 ₹ 193.

Maturity profile of defined benefit obligations

PARTICULARS	March 31, 2020
Expected benefits for year 1-3	1,306
Expected benefits for year 4-5	627
Expected benefits for year 6-10	1,166
Expected benefits for above year 10	374

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

39. EMPLOYEE BENEFITS (Contd.)..

The weighted average duration to the payment of these cash flows is 4.15 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.

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, 2020 and for the year ended March 31, 2019 of ₹ 231 and ₹ 235 respectively for provident fund and family pension fund contribution in the Profit or Loss.

The Company recognised charge for the year ended March 31, 2020 and for the year ended March 31, 2019 of ₹ 55 and ₹ 55 respectively for New National pension Scheme contribution in the Profit or Loss.

39.3 Compensated Absences

The Company recognised charge for the year ended March 31, 2020 and for the year ended March 31, 2019 of ₹ 497 and ₹ 499 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 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".
- d)** During the year, the Company had further divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through offer for sale. The profit on divestment amounting to ₹ 9,158 is recorded during the year ended March 31, 2020 and shown as "Exceptional Items".

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

41. BUY BACK

- a) The Board of Directors of the Company at its meeting held on May 7, 2019 recommended the proposal of buyback, and the Shareholders of the Company at its meeting held on July 15, 2019, has inter-alia approved the proposal of buyback by the Company, 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, which is in compliance with the maximum permissible limit of 25% of the total paid-up equity share capital and free reserves in accordance with Section 68(2) of the Companies Act, 2013.

The buyback opened on August 30, 2019 and closed on September 16, 2019 and the Company bought back 67,64,705 equity shares at ₹ 680 per share resulting in cash outflow of ₹ 46,000 (excluding expenses towards buyback). As provided in the scheme, an amount of ₹ 22,526 was utilized from Securities Premium Account, ₹ 23,338 was utilized from General Reserve and Share capital is reduced by ₹ 136. Further, Capital Redemption Reserve of ₹ 136 (representing the nominal value of the shares bought back and extinguished) has been created from balance in retained earnings as per the requirements of the Companies Act, 2013.

- b) 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.

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.

42. The Company and its provident fund trust has an investment of ₹ 1,700 and ₹ 353 (including interest of ₹ 72) respectively in secured Non-convertible Debentures of IL&FS Group. Considering the recent developments a provision of ₹ 798 and ₹ 1,254 has been made on the above exposure during the year ended March 31, 2020 and March 31, 2019, respectively. Further, unrealised interest of ₹ 44 and ₹ 146 has been reversed during the year ended March 31, 2020 and March 31, 2019, respectively.
43. Interoperability among clearing corporations was implemented from June, 2019. After implementation of interoperability, the members have the option to choose the clearing corporation to clear their trades. Based on their selection, the trades of BSE are cleared by respective clearing corporations.

As per the requirement arising out of August 27, 2014 SEBI Circular on CIR\MRD\DRMNP\25\2014, for contribution by exchange to Core SGF, BSE needs to contribute to Core SGFs of all the Clearing corporations through which its trades are cleared.

Significant accounting policies and notes to the financial statements for the year ended March 31, 2020

(Rupees in lakhs, except share and per share data, unless otherwise stated)

BSE has already contributed ₹ 15,072 to Indian Clearing Corporation Ltd., which is in excess by ₹ 12,388 as compared to the requirement, as of March 31, 2020, of the above mentioned circular relating to Core SGF. Based on the transactions executed on BSE and which are cleared by other Clearing Corporations, requirement of Core SGF is ₹ 1,264 as on March 31, 2020. The Board of the Company has decided to represent SEBI for allowing to utilize the excess contribution by BSE lying with Indian Clearing Corporation Ltd. to be adjusted with the said contribution to the other clearing corporations requirement.

The Clearing Corporations have also represented to SEBI that the contribution by exchanges towards Core SGF of clearing corporations may be allowed to be contributed in the form of Bank Fixed Deposit / Government Securities. The Company is awaiting clarification from SEBI in this regard.

In view of the above, no contribution has been made to other clearing corporations and the Company has not taken any charge for the contribution to Core SGF in the current year's statement of profit and loss. The Management has also assessed that there is no impact on their operations with clearing corporations due to non payment of contribution to Core SGF to them.

- 44.** The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The Indian government had announced countrywide lockdown which is continued at present.

In this nation-wide lock-down period, though all the services across the nation were suspended, some essential services establishments including securities market participants could operate and were exempted from the lock-down. The management has assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material.

- 45.** The Company has opted for the Sabka Vishwas (Legacy Dispute Resolution) scheme, 2019 for the settlement of service tax matter of earlier years. Accordingly, an amount of ₹ 366 was paid under the said scheme, which was charged to the statement of profit and loss for the year ended March 31, 2020.

- 46.** Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report of even date attachedFor **S. R. Batliboi & Co. LLP****Chartered Accountants**

ICAI Firm registration number: 301003E/E300005

Per Jayesh Gandhi

Partner

Membership No.: 037924

Place: Mumbai

Date: May 21, 2020

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	BSE Sammaan CSR Limited	Marketplace Technologies Private Limited	BFSI Sector Skill Council of India ¹	Marketplace Tech Infra Services Private Limited ²	BIL-Ryerson Technology Startup Incubator Foundation ³	BSE CSR Integrated Foundation ⁴	India International Exchange (IFSC) Limited	India International Clearing Corporation (IFSC) Limited	India INX Global Access IFSC Limited ⁵	BSE Institute of Research Development & Innovation ⁶
1	The date since when subsidiary was acquired	26-Apr-07	28-Sep-10	27-Feb-14	10-Sep-14	29-Sep-09	16-Sep-11	9-Feb-11	5-Nov-15	7-Mar-16	12-Sep-16	12-Sep-16	5-Apr-18	5-Dec-19
2	Share capital	35,400	5,000	3,700	260	500	205	701	1	5	13,544	8,879	1,000	1
3	Reserves & surplus	26,700	1,668	128	(211)	3,440	588	339	12	423	(8,571)	43	7	(1)
4	Total assets	167,589	7,654	3,830	58	5,104	1,054	1,257	1,015	429	6,664	10,112	1,715	61
5	Total Liabilities	105,489	986	2	9	1,164	261	217	1,002	1	1,691	1,190	708	61
6	Investments	24,264	5,630	2,448	-	3,172	385	619	177	-	1,104	-	-	-
7	Turnover	6,088	2,878	71	31	5,203	643	943	368	406	240	228	44	-
8	Profit before taxation	2,618	480	68	(44)	327	(39)	299	-	93	(3,112)	(174)	(28)	(1)
9	Provision for taxation	15	37	17	-	84	-	75	-	-	-	-	-	-
10	Profit after taxation	2,603	443	51	(44)	243	(39)	224	-	93	(3,112)	(174)	(28)	(1)
11	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
12	% of shareholding	100%	100%	100%	100%	100%	51.21%	100%	51%	100%	92.29%	90.10%	92.29%	100%
		India	India	India	India	India	India	India	India	India	India	India	India	India

Note:

- 1 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.
- 2 Wholly owned subsidiary of Marketplace Technologies Private Limited.
- 3 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.
- 4 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.
- 5 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.
- 6 BSE Institute of Research Development & Innovation (wholly owned Subsidiary of BSE Institute Limited and was incorporated on December 5, 2019) is a Section 8 company under the Companies Act, 2013. Hence, the same has not been considered for consolidation.

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	Marketplace EBIX Technology Services Private Limited ²	Pranurja Solutions Limited ³
1	Latest audited Balance Sheet Date (Financial year ended)	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
2	Date on which the Associate or Joint Venture was associated or acquired	30-Aug-13	16-Jun-10	15-Mar-18	3-Apr-18	7-May-19
3	Shares of Associate/Joint Ventures held by the company on the year end					
	a. No. of shares	5,000	2,09,00,000	20,04,000	4,000	10,47,46,100
	b. Amount of Investment in Associates/Joint Venture (₹)	1	4,722	200	140	1,047
	c. Extent of Holding %	50%	20%	40%	40%	41.08%
4	Description of how there is significant influence	50% Equity Shares Stake	20% Equity Shares Stake	40% Equity Shares Stake	40% Equity Shares Stake	41.08% 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 (₹)	1,594	76,585	508	347	2,542
7	Profit / (Loss) for the year					
	i. Considered in Consolidation	251	2,406	7	(1)	(3)
	ii. Not Considered in Consolidation	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Note:

- 1 CDSL Group consists of:
 - a) CDSL Ventures Limited
 - b) CDSL Insurance Repository Limited
 - c) CDSL Commodity Repository Limited
- 2 Marketplace EBIX Technology Services Private Limited incorporated on April 3, 2018 and it is yet to commence the business.
- 3 Pranurja Solutions Limited incorporated on April 24, 2018 was subsidiary of BSE Investments Limited upto May 6, 2019 post which it became associate with stake of 41.08% and it is yet to commence the business.

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 2019-20



Listing ceremony of Metropolis Healthcare Limited on 15th April, 2019 at BSE.



Listing ceremony of Jinaam's Dress Limited on 25th April, 2019 at BSE (SME Platform).



Listing ceremony of G. K. P. Printing and Packaging Limited on 8th May, 2019 at BSE (SME Platform).



Listing ceremony of White Organic Retail Limited on 10th May, 2019 at BSE (SME Platform)



Listing ceremony of Harish Textile Engineers Limited on 6th June, 2019 at BSE.



Listing ceremony of Affle (India) Limited on 8th August, 2019 at BSE.

LISTING CEREMONIES 2019-20



Listing ceremony of Sterling and Wilson Solar Limited on 20th August, 2019 at BSE.



Listing ceremony of Transpact Enterprises Limited and Alphalogic Techsys Limited on 5th September, 2019 at BSE.



Listing ceremony of IRCTC on 14th October, 2019 at BSE.



Listing ceremony of Vishwaraj Sugars Industries Limited on 15th October, 2019 at BSE.



Listing ceremony of Gujarat Fluorochemical Limited on 16th October, 2019 at BSE.



Listing ceremony of Greenpanel Industries Limited on 23rd October, 2019 at BSE.

LISTING CEREMONIES 2019-20



Listing Ceremony of Anuroop Packaging Limited on 21st November, 2019 at BSE (SME Platform).



Listing ceremony of Prince Pipes and Fittings Limited on 30th December, 2019.



Listing ceremony of Valencia Nutrition Limited on 6th January, 2020 at BSE



Listing Ceremony of Tranway Technologies Limited at BSE on 5th February, 2020 (SME Platform)



Listing ceremony of Globalspace Technologies Limited and Chandra Bhagat Pharma on 14th February, 2020 at BSE (SME Platform)



Listing ceremony of SBI cards and payment services Limited on 16th March, 2020

NOTES

[illegible]

BSE Limited

25th Floor, P.J. Tower, Dalal Street,
Fort, Mumbai – 400 001.
www.bseindia.com

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