



BSE Limited

(Formerly known as Bombay Stock Exchange Limited)

Registered office: Floor 25, P J Towers, Dalal Street, Mumbai 400001

Statement of Consolidated Financial Results for the Quarter and Six Months Ended September 30, 2014

₹ In Lakh

PARTICULARS	For The Quarter Ended September 30, 2014 (Unaudited)	For The Quarter Ended June 30, 2014 (Unaudited)	For The Quarter Ended September 30, 2013 (Unaudited)	For The Six Months Ended September 30, 2014 (Unaudited)	For The Six Months Ended September 30, 2013 (Unaudited)	For The Year Ended March 31, 2014 (Audited)
I. INCOME						
a) Operating Income	7,778	7,430	5,232	15,208	10,657	22,287
b) Investments and Deposits Income	6,426	6,929	6,075	13,355	12,810	26,219
Total Income	14,204	14,359	11,307	28,563	23,467	48,506
II. EXPENDITURE						
a) Employee Costs	2,449	2,410	2,061	4,859	4,181	8,784
b) Computer Technology Related Expenses	1,384	1,664	1,650	3,048	3,234	6,445
c) Administration and Other Expenses	3,222	2,896	2,027	6,118	4,209	9,008
d) Depreciation and Amortisation (Note 7)	1,050	967	761	2,017	1,442	3,235
Total Expenditure	8,105	7,937	6,499	16,042	13,066	27,472
III. Profit from Ordinary Activity before Other Income, Interest, Exceptional items & Tax	6,099	6,422	4,808	12,521	10,401	21,034
a) Other Income	1,461	1,141	1,104	2,602	2,215	4,476
IV. Profit from Ordinary Activity before Interest, Exceptional items & Tax	7,560	7,563	5,912	15,123	12,616	25,510
a) Interest	17	13	13	30	15	38
V. Profit from Ordinary Activity before Exceptional items & Tax	7,543	7,550	5,899	15,093	12,601	25,472
a) Exceptional Items (Note 4)	929	2,264	1,808	3,193	3,801	6,129
VI. Profit from Ordinary Activity before Tax	6,614	5,286	4,091	11,900	8,800	19,343
a) Extraordinary Item	-	-	-	-	(85)	(85)
VII. Profit before tax	6,614	5,286	4,091	11,900	8,885	19,428
a) Tax Expense	1,592	736	564	2,328	1,590	3,427
VIII. Net Profit For The Period/Year after tax but before Minority Interest & Share of associates	5,022	4,550	3,527	9,572	7,295	16,001
Share of Minority	(515)	(590)	(381)	(1,105)	(1,016)	(2,441)
Share of Loss of Associate	(7)	(13)	(12)	(20)	(19)	(41)
IX. Net Profit For The Period/Year	4,500	3,947	3,134	8,447	6,260	13,519
Paid up Equity Capital (Face Value Per Share ₹ 1 Each)	1,038	1,038	1,038	1,038	1,038	1,038
Reserves (Excluding Revaluation Reserve)						2,36,602
Basic and Diluted EPS in ₹ before Extraordinary Item (Refer Note Below)	4.24	3.72	2.96	7.96	5.85	12.68
Basic and Diluted EPS in ₹ after Extraordinary Item (Refer Note Below)	4.24	3.72	2.96	7.96	5.91	12.75

Note: Basic and Diluted EPS is not annualised for the quarter/six months ended results. EPS is calculated on shares issued by the Company.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2014

In Lakh

PARTICULARS		As at September 30, 2014 (Unaudited)	As at March 31, 2014 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	1,038	1,038
	(b) Reserves and Surplus	2,42,145	2,36,602
		2,43,183	2,37,640
2	Share Application Money Pending Allotment	1	1
3	Minority Interest	18,836	18,754
4	Non-current liabilities		
	(a) Deferred Tax Liabilities (net)	638	959
	(b) Long-term borrowings	231	131
	(c) Other Long-term Liabilities	2,715	2,817
	(d) Deposits from Members	2,600	3,100
	(e) Long-term provisions	52	42
		6,236	7,049
5	Current liabilities		
	(a) Trade Payables	5,091	4,695
	(b) Short-term borrowings	154	-
	(c) Other Current Liabilities	1,23,089	1,33,139
	(d) Short-term Provisions	4,292	5,817
		1,32,626	1,43,651
	TOTAL	4,00,882	4,07,095
B	ASSETS		
1	Goodwill on Consolidation	8,504	8,504
2	Non-current Assets		
	(a) Fixed Assets	15,898	13,917
	(b) Non-Current Investments	1,19,130	1,12,523
	(c) Deferred Tax Assets (net)	551	474
	(d) Long-term Loans and Advances	7,828	7,906
	(e) Other Non-current Assets	230	293
		1,43,637	1,35,113
3	Current assets		
	(a) Investments	69,398	1,06,110
	(b) Trade Receivables	5,414	3,438
	(c) Cash and Bank Balances	1,27,115	1,46,946
	(d) Short-term Loans and Advances	2,134	1,697
	(e) Other Current Assets	44,680	5,287
		2,48,741	2,63,478
	TOTAL	4,00,882	4,07,095

- 1 The above consolidated financial results for the Quarter and Six months ended September 30, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors on November 20, 2014.
- 2 The Consolidated results of the Group includes the Company, its five direct subsidiaries, two joint ventures and an associate. The results of five direct subsidiaries, two joint ventures and an associate included in the consolidated results have been reviewed by their auditors.
- 3 As per the definition of 'business segment' and 'geographical segment', contained in Accounting Standard-17 (AS-17) "Segment Reporting", the Management is of the opinion that as the Group's operations comprise of two segments viz. a) Stock exchange activity i.e. facilitating trading of securities and the activities incidental there to and b) Depository activity i.e. providing depository related services, accordingly following disclosure is made.

							In Lakh
Sr. No	Particulars	For The Quarter Ended September 30, 2014 (Unaudited)	For The Quarter Ended June 30, 2014 (Unaudited)	For The Quarter Ended September 30, 2013 (Unaudited)	For The Six Months Ended September 30, 2014 (Unaudited)	For The Six Months Ended September 30, 2013 (Unaudited)	For The Year Ended March 31, 2014 (Audited)
A	Segment Revenue						
	(a) Stock Exchange Activity						
	- Operations	7,268	7,062	5,022	14,330	10,252	21,474
	- Related Activities (Treasury)	4,262	4,161	3,928	8,423	7,857	15,476
	(b) Depository Activity	2,917	3,145	2,478	6,062	5,566	12,071
	Total	14,447	14,368	11,428	28,815	23,675	49,021
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Total Income	14,447	14,368	11,428	28,815	23,675	49,021
B	Segment Results before exceptional items						
	(a) Stock Exchange Activity						
	- Operations	2,521	2,389	1,316	4,910	2,854	5,790
	- Related Activities (Treasury)	4,225	4,128	3,899	8,353	7,791	15,347
	(b) Depository Activity	1,696	1,838	1,237	3,534	3,058	6,986
	Total	8,442	8,355	6,452	16,797	13,703	28,123
	Less : Exceptional Items	929	2,264	1,808	3,193	3,801	6,129
C	Segment Results after exceptional items						
	(a) Stock Exchange Activity						
	- Operations	1,592	125	(492)	1,717	(947)	(339)
	- Related Activities (Treasury)	4,225	4,128	3,899	8,353	7,791	15,347
	(b) Depository Activity	1,696	1,838	1,237	3,534	3,058	6,986
	Total	7,513	6,091	4,644	13,604	9,902	21,994
	Add : Unallocated Corporate Income	1,218	1,132	983	2,350	2,007	3,961
	Less : Unallocated Corporate Expenses	2,117	1,937	1,536	4,054	3,109	6,612
	Less : Extraordinary Items	-	-	-	-	(85)	(85)
D	Profit before taxation	6,614	5,286	4,091	11,900	8,885	19,428
	Less : Provision for taxation	1,592	736	564	2,328	1,590	3,427
E	Profit after taxation	5,022	4,550	3,527	9,572	7,295	16,001
							As at
							Sep 30, 2014
							(Unaudited)
							As at
							March 31, 2014
							(Audited)
F	Capital Employed						
	(a) Stock Exchange Activity						
	- Operations					9,877	7,320
	- Related Activities (Treasury)					1,87,971	1,90,077
	(b) Depository Activity					37,132	37,281
	(c) Unallocated					8,204	2,963
	Total					2,43,184	2,37,641

- 4 a) Pursuant to SEBI Circular CIR/DNPD/5/2011 dated June 2, 2011 (BSE Notice no-20110602-18, dated June 02, 2011), the Company had launched a series of Liquidity Enhancement Incentive Programmes (LEIP) to enhance liquidity in BSE's Futures & Options Segment. LEIP was launched on 28th September, 2011 and an expense of ₹ 1,820 lakh has been incurred towards the programmes for the six months ended September 30, 2014 (₹ 3,801 lakh for the six months ended September 30, 2013). Considering the special nature of this expense and its impact on the profit of the Group, the same has been recognised as an exceptional item.
- b) During the period, the Group implemented a Voluntary Retirement Scheme 2014 (VRS) for all its eligible employees. Post closure of the Scheme in the current six months an expense of ₹ 1,373 lakh has been incurred and has been treated as an exceptional item. [Refer V (a) above]
- 5 In accordance with The Securities Contracts (Regulations) (SECC) Regulations, 2012 (The Regulations) issued on June 20, 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every year to a fund of the recognized clearing corporation(s) which clear(s) and settle(s) trades executed on that stock exchange to guarantee the settlement of trades. Pending receipt of clarifications regarding Regulation 33 of The Securities Contracts (Regulation) (SECC) Regulations, 2012 dated June 20, 2012 and the implementation of the circular mentioned below, the Company made a provisional appropriation of ₹ 2,608 lakh being 25% of the profit after tax for Financial Years 2012-13 and 2013-14, out of the opening balance of the Surplus in the Statement of Profit and Loss as on April 1, 2014. Further, as per Circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014 issued by SEBI regarding a Core Settlement Guarantee Fund, every stock exchange shall contribute at least 25% of the Minimum Required Corpus (can be adjusted against transfer of profit by Stock Exchange as per Regulation 33 of SECC Regulations) to a Core Settlement Guarantee Fund established and maintained by its clearing corporation. As mandated by the aforementioned circular, the exchange will implement the provisions of this circular by December 1, 2014.
- 6 Depositories and Participants (Amendment) Regulations, 2012 dated September 11, 2012 requires every depository company to establish and maintain an Investor Protection Fund for the protection of interest of beneficial owners and every depository is required to credit twenty five percent of its profits every year to the Investor Protection Fund. Central Depository Services (India) Limited (CDSL), a subsidiary of the Exchange has sought clarification from SEBI on whether the amount of contribution to IPF is to be calculated at twenty five percent of the operating profits of CDSL before tax and available after making such contribution, from its depository business. Pending clarification from SEBI, CDSL has calculated IPF contribution of ₹ 650 lakh for the six months ended September 30, 2014, being twenty five percent of the net profits before tax, available after making such contribution.
- If the contribution is calculated at twenty five percent of the operating profits before tax, available after making such contribution, the amount of contribution would be ₹ 486 lakh for the six months ended September 30, 2014.
- 7 During the six months ended September 30, 2014, the Group has reassessed depreciation rate on tangible fixed assets as per the useful life specified in the Companies Act, 2013. Based on current estimates, depreciation of ₹ 498 lakh on account of assets whose useful lives is already exhausted as on April 01, 2014 and deferred tax of ₹ 168 lakh thereon have been adjusted against the opening surplus in the Statement of Profit and Loss. As a result of the change, the charge on account of the depreciation for the six months ended September 30, 2014 is higher by ₹ 379 lakh compared to the charged based on useful lives estimated in earlier periods. [Refer II (d) above]
- 8 Consequent to the approval of The Securities Exchange Board of India (SEBI) and The Competition Commission of India (CCI), the shareholders of the Company at their court convened meeting held on October 20, 2014, gave consent in respect of the Scheme of Amalgamation (the Scheme) of The United Stock Exchange of India (USE) with the Company under Section 391 to Section 394 and other applicable provisions of the Companies Act, 1956 (or pursuant to the applicable provisions under the Companies Act, 2013 upon enforcement of such provisions), with effect from April 1, 2014. The Company has filed a petition for approval of the Scheme with the Hon'ble Bombay High Court of Judicature for its approval. Pending approval of the Court, no effect of the Scheme has been given.
- 9 The Statutory Auditors have carried out an review of the financial results for the Quarter and Six months ended September 30, 2014.
- 10 Previous periods/year figures have been regrouped/reclassified wherever necessary to correspond with the current period classification/disclosure.

For and on behalf of Board of Directors of
BSE LIMITED

Ashishkumar Chauhan
Managing Director & CEO

Mumbai, November 20, 2014