

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BSE LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **BSE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the profit of its joint venture for the quarter and nine months ended December 31, 2016 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. The Statement includes the results of the following entities:

Sr. No.	Name of the Entity/group
	Subsidiaries:
1	Marketplace Technologies Private Limited Group
2	Indian Clearing Corporation Limited
3	Central Depository Services (India) Limited Group
4	BSE Institute Limited Group
5	BSE Investments Limited
6	BSE Sammaan CSR Limited
7	BSE India International Exchange (IFSC) Limited
8	BSE India International Clearing Corporation (IFSC) Limited
	Jointly Controlled Entity:
1	Asia Index Private Limited

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4. We did not review the interim financial results of seven subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 2,773 lakh and Rs. 9,158 lakh for the quarter and nine months ended December 31, 2016, respectively, and total profit after tax of Rs. 800 lakh and Rs. 3,333 lakh and Total comprehensive income of Rs. 709 lakh and Rs. 3,214 lakh for the quarter and nine months ended December 31, 2016, respectively, as considered in the consolidated unaudited financial results.

The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 24 lakh and Rs. 77 lakh and Total comprehensive income of Rs. 24 lakh and Rs. 76 lakh for the quarter and nine months ended December 31, 2016, respectively, as considered in the consolidated unaudited financial results, in respect of one joint venture, whose interim financial results have not been reviewed by us.

These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture is based solely on the reports of the other auditors.

5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The comparative financial information for the quarter and nine months ended December 31, 2015 and for the year ended March 31, 2016 in respect of seven subsidiaries, two joint ventures and an associate included in this Statement prepared in accordance with the Indian Accounting Standards ("Ind AS") have been reviewed by other auditors and have been relied upon by us.

Our report is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No.109839)

MUMBAI, February 14, 2017

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BSE Limited

CIN U67120MH2005PLC155188

(Formerly known as Bombay Stock Exchange Limited)

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

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2016

(₹ In Lakh)

PARTICULARS	For the quarter ended December 31, 2016 (Unaudited)	For the quarter ended September 30, 2016 (Audited)	For the quarter ended December 31, 2015 (Unaudited)	For the nine months ended December 31, 2016 (Unaudited)	For the nine months ended December 31, 2015 (Unaudited)	For the year ended March 31, 2016 (Audited)
I. INCOME						
a) Operating Income	12,332	12,916	10,813	36,488	29,889	42,479
b) Investments and Deposits Income	5,140	6,303	5,243	16,964	15,623	21,018
Total Income	17,472	19,219	16,056	53,452	45,512	63,497
II. EXPENDITURE						
a) Employee Costs	3,246	3,171	2,678	9,366	7,748	10,738
b) Computer Technology Related Expenses	2,734	2,560	2,519	7,711	6,223	8,064
c) Depreciation and Amortisation	1,347	1,262	1,306	3,788	3,816	5,367
d) Administration and Other Expenses	3,909	3,623	3,275	11,639	11,884	16,953
Total Expenditure	11,236	10,616	9,778	32,504	29,671	41,122
III. Profit from Operations before Other Income, Finance costs, Exceptional Items and Tax	6,236	8,603	6,278	20,948	15,841	22,375
Other Income	899	1,001	780	3,510	2,466	3,512
IV. Profit from Ordinary Activities before Finance costs, Exceptional Items and Tax	7,135	9,604	7,058	24,458	18,307	25,887
Finance costs	27	37	16	79	27	33
V. Profit from Ordinary Activities before Exceptional Items and Tax	7,108	9,567	7,042	24,379	18,280	25,854
Exceptional items (Refer notes 5 to 9)	-	718	(3,010)	2,079	(676)	4,660
VI. Profit from Ordinary Activities before Tax	7,108	8,849	10,052	22,300	18,956	21,194
Tax Expense (net)	758	1,274	2,453	3,133	3,468	3,705
VII. Net Profit after tax before share of Profit / (Loss) from Joint Venture/ Associate for the period / year	6,350	7,575	7,599	19,167	15,488	17,489
Share of Profit of Joint Ventures	23	25	73	76	228	251
Share of Loss of Associate	-	-	(9)	-	(27)	(27)
VIII. Net Profit after tax for the period / year	6,373	7,600	7,663	19,243	15,689	17,713
Net Profit attributable to the shareholders of the Company	5,277	6,399	5,536	16,046	12,161	13,293
Net Profit attributable to the non controlling interest	1,096	1,201	2,127	3,197	3,528	4,420
IX. Other Comprehensive Income						
Items that will not be reclassified to profit or loss	(105)	(80)	74	(178)	31	5
Income tax relating to items that will not be reclassified to profit or loss	(35)	(23)	24	(53)	10	2
Total Other Comprehensive Income (net of tax)	(70)	(57)	50	(125)	21	3
X. Total Comprehensive Income for the period / year	6,303	7,543	7,713	19,118	15,710	17,716
Net Profit attributable to the shareholders of the Company	5,220	6,342	5,586	15,935	12,181	13,298
Net Profit attributable to the non controlling interest	1,083	1,201	2,127	3,183	3,529	4,418
Paid up Equity Capital (Face Value Per Share ₹ 2 Each)	1,074	1,074	1,074	1,074	1,074	1,074
Other Equity						2,51,219
XI. Earnings per equity share (par value ₹ 2/- each)						
Before exceptional items (net of non controlling interest)						
Basic and Diluted EPS (Refer note below)	9.67	12.58	8.35	31.89	23.28	31.75
After exceptional items						
Basic and Diluted EPS (Refer note below)	9.67	11.72	10.14	29.39	22.28	24.35

Note: Basic and Diluted EPS is not annualised for the quarter and nine months ended results. EPS is calculated on shares issued by BSE Limited ("Holding Company" or "Exchange"). The shareholders of the Holding Company have, at the Extraordinary General Meeting (EGM) held on November 25, 2016 accorded their consent to the consolidation of the entire authorised and issued share capital of the Holding Company by increasing the nominal value of the equity share from Re. 1/- (Rupee one only) each to Rs. 2/- (Rupees two only) each, so that every two equity shares with nominal value of Re. 1/- (Rupee one only) each held by a shareholder are consolidated and re-designated into one equity share with a nominal value of Rs. 2/- each. Accordingly, the revised share capital of the Holding Company now stands at 54,588,172 equity shares of Rs 2/- each. Para 28 of Indian Accounting Standard (Ind AS) 33 on "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding decreases as a result of consolidation of shares.



- 1 The Holding Company has completed an Initial Public Offer ('IPO') through offer for sale by the selling shareholders, ('the offer') post the period end. The IPO proceeds which were held in an escrow account on behalf of the selling shareholders have been transferred subsequently. The equity shares of the Holding Company got listed on the National Stock Exchange of India Limited (NSE) on February 3, 2017.
- 2 The above consolidated unaudited financial results for the quarter and nine months ended December 31, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors on February 14, 2017 and the statutory auditors of the Company have conducted a "Limited Review" of the above consolidated unaudited financial results for the quarter and nine months ended December 31, 2016. The financial results have been prepared in accordance with the recognition and measurement principles laid down in IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 The Company has adopted all the Ind-AS standards and the adoptions were carried out in accordance with Ind-AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP.
- 4 Segment Reporting
The group operates in 2 reportable business segments viz: Stock Exchange Operations and Depository Services.

₹ in Lakh							
Sr. No	Particulars	For the quarter ended December 31, 2016 (Unaudited)	For the quarter ended September 30, 2016 (Audited)	For the quarter ended December 31, 2015 (Unaudited)	For the nine months ended December 31, 2016 (Unaudited)	For the nine months ended December 31, 2015 (Unaudited)	For the year ended March 31, 2016 (Audited)
A	Segment Revenue						
	(a) Stock Exchange Activity	12,649	14,111	11,364	39,202	33,374	46,919
	(b) Depository Activity	4,684	4,939	4,542	13,814	11,704	16,009
	Total	17,333	19,050	15,906	53,016	45,078	62,928
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Total Income	17,333	19,050	15,906	53,016	45,078	62,928
B	Segment Results before exceptional items						
	(a) Stock Exchange Activity	5,284	8,062	5,087	18,914	14,960	21,212
	(b) Depository Activity	3,186	3,601	3,722	9,653	8,165	10,784
	Total	8,470	11,663	8,809	28,567	23,125	31,996
	Less : Exceptional Items	-	718	-3,010	2,079	-676	4,660
C	Segment Results after exceptional items						
	(a) Stock Exchange Activity	5,284	7,344	4,787	16,835	12,326	13,242
	(b) Depository Activity	3,186	3,601	7,032	9,653	11,475	14,094
	Total	8,470	10,945	11,819	26,488	23,801	27,336
	Add : Unallocated Corporate Income	1,038	1,170	930	3,946	2,900	4,081
	Less : Unallocated Corporate Expenses	2,400	3,266	2,697	8,134	7,745	10,223
D	Net Profit before tax before share of Profit / (Loss) from Joint Venture/ Associate for the period / year	7,108	8,849	10,052	22,300	18,956	21,194
	Less : Provision for taxation	758	1,274	2,453	3,133	3,468	3,705
E	Profit after taxation before share of Profit / (Loss) from Joint Venture/ Associate for the period / year	6,350	7,575	7,599	19,167	15,488	17,489
Sr. No	Particulars					For the nine months ended December 31, 2016 (Unaudited)	For the year ended March 31, 2016 (Audited)
A	Segment Assets						
	(a) Stock Exchange Activity					3,40,483	3,32,689
	(b) Depository Activity					59,593	53,686
	(c) Unallocated					35,972	37,638
	Total					4,36,048	4,24,013
B	Segment Liabilities						
	(a) Stock Exchange Activity					1,32,887	1,39,582
	(b) Depository Activity					7,779	5,257
	(c) Unallocated					3,954	3,154
	Total					1,44,620	1,47,993



- 5 The following regulation / circulars issued by SEBI from time to time requires the recognition by the Holding Company of a Settlement Guarantee Fund and the transfer of the same to its clearing corporation and the contribution of a Minimum Required Corpus to a Core Settlement Guarantee Fund ("Core SGF") from time to time:
- As per Regulation 33 of The Securities Contracts (Regulations) (SECC) Regulations, 2012 (the "Regulation") issued on June 20, 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every period / year to a fund of the recognized clearing corporation which clears and settles trades executed on that stock exchange to guarantee the settlement of trades.
 - As per Circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014 issued by the Securities & Exchange Board of India ("SEBI") regarding a Core Settlement Guarantee Fund, every stock exchange shall contribute at least 25% of the Minimum Required Corpus (can be adjusted against transfer of profit by Stock Exchange as per Regulation 33 of SECC Regulations) to a Core Settlement Guarantee Fund established and maintained by its clearing corporation.
 - Further, a clarification was issued as per Circular No SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 based on a recommendation given by the Expert Committee constituted by SEBI. It was clarified that twenty five per cent of profits till the date of amendment of Regulation 33 of SECC Regulations, 2012, shall be transferred by the Stock Exchange to the Core SGF maintained by Clearing Corporation within such time as may be specified by SEBI.
 - Thereafter, on August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012. Accordingly, the Holding Company has made provision for transfer of twenty-five percent of its profit till August 29, 2016 (pro-rata based on profit for the six months ended September 30, 2016), being the date of the amendment, towards Settlement Guarantee Fund.
- The above Regulations / Circulars were given effect to in the Financial Results as under
- The Exchange's last year's contribution of ₹ 1,741 lakh towards the MRC has been charged to the Statement of Consolidated Financial Results under the head "Administration and Other Expenses". The contribution to the Core SGF has been adjusted against the transfer of profit by the Holding Company as per the Regulation mentioned above.
 - Further, SEBI circular SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 4, 2016 (the "2016 circular") reiterates that 25% of profits has to be transferred to the Settlement Guarantee Fund (SGF). Pursuant to the 2016 circular, the cumulative amount required to be transferred to the said SGF till March 31, 2016 amounts to ₹ 9,742 lakh being 25% of the profits of the Holding Company after tax, available before making such contribution. The Exchange had already contributed and charged ₹ 4,320 lakh to the Statement of Consolidated Financial Results towards 25% of the MRC to the Core Settlement Guarantee Fund. After adjusting the investment income accrued on the Exchange's contribution to the Core SGF amounting to ₹ 279 lakh, the balance amount of ₹ 5,143 lakh was charged to the Statement of Consolidated Financial Results as an "Exceptional Item" during year ended March 31, 2016. The amount payable by the Exchange in respect of the SGF as at March 31, 2016 was disclosed under the head "Other Current Liabilities" and is payable to the Core Settlement Guarantee Fund within such time as specified by SEBI.
 - During the nine months ended December 31, 2016 a sum of ₹ 2,079 lakh (pursuant to the amendment of Regulation 33 of SECC Regulations, 2012 by SEBI enumerated in 5d) has been charged to the Statement of Financial Results, being 25% of the profits earned till August 29, 2016 (determined taking into consideration the prorated profit earned by the Holding Company as per the Audited Statement of Profit and Loss for the six months ended September 30, 2016), as an "Exceptional Item". As at December 31, 2016 the amount of ₹ 6,554 lakh payable by the Exchange in respect of the SGF has been disclosed under the head "Other current liabilities" and is payable to the Core Settlement Guarantee Fund within such time to be specified by SEBI.
- 6 Pursuant to SEBI Circular CIR/DNPD/5/2011 dated June 2, 2011 (BSE Notice no-20110602-18, dated June 02, 2011), the Holding 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 ₹ 250 lakh, ₹ 1,531 lakh and ₹ 1,724 lakh has been incurred towards the programmes for the quarter ended December 31, 2015, nine months ended December 31, 2015 and year ended March 31, 2016 respectively. Considering the special nature of this expense and its impact on the profit, the same has been recognised as an exceptional item.
- 7 Based on a direction received from SEBI during the year ended March 31, 2016, the Holding Company charged an amount of ₹ 460 Lakh to the Statement of Consolidated Financial Results for the nine months ended December 31, 2015 and year ended March 31, 2016 which was to be reimbursed to The Stock Exchange Investor's Protection Fund (BSE IPF) towards Contribution to the IFRS Foundation pertaining to earlier years. Considering the nature of the expense and its impact on the profit, the same has been disclosed as an exceptional item.
- 8 With regard to the disposal of the investment in BOI Shareholding Limited (BOISL), an amount of ₹ 643 lakh was charged in the Consolidated Statement of Financial Results for the nine months ended December 31, 2015 and year ended March 31, 2016 being the difference between the sale price and net-worth of BOISL on the date of sale.
- 9 SEBI had issued Depositories and Participants (Amendment) Regulations, 2012 on September 11, 2012 (the "2012 Regulations"). According to the 2012 Regulations, depositories were required to establish and maintain an Investor Protection Fund (the "IPF") for the protection of interest of beneficial owners and every depository was required to credit 25% of its profits every year to the Investor Protection Fund. Accordingly, a subsidiary company had accrued and credited a total sum of ₹ 3,852 lakh from FY 2012-13 to FY 2014-15 to the IPF as at March 31, 2015. On January 21, 2016, SEBI issued the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016 (the "Amended Regulations"). According to these Amended Regulations, every depository shall credit only 5% or such percentage as may be specified by the Board, of its profits from depository operations every year to the IPF. Further, it is stated that these Amended Regulations shall be deemed to have come into force from September 11, 2012. Pursuant to the aforesaid Amended Regulations, the amount to be accrued and credited to the IPF as at March 31, 2015 was determined at ₹ 542 lakh. Consequently, the excess amounts of ₹ 3,310 lakh credited earlier to the IPF was written back and the same disclosed as exceptional item in the Consolidated Statement of Financial Results for the period ended Dec 31, 2015 and year ended March 31, 2016.
- 10 The Holding Company has partially divested its stake in a subsidiary company, Central Depository Services (India) Limited (CDSL) in October 2016. As the divestment has not resulted in a loss of control, the profit on divestment amounting to ₹ 1,057 Lakh is credited to Retained Earnings under the head Other Equity. Pursuant to the SEBI Regulations and SEBI Letter No SEBI/HO/MRD/DP/OW/P/2016/19251/1 dated July 7, 2016, the Company is required to bring down its shareholding in CDSL to 24% of the Share Capital of CDSL by March 31, 2017.



11 Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind-AS

Particulars	₹ in Lakh		
	For the quarter ended December 31, 2015 (Unaudited)	For the nine months ended December 31, 2015 (Unaudited)	For the year ended March 31, 2016 (Audited)
Net Profit after tax before minority Interest under previous GAAP	7,191	11,431	13,309
Reversal of Contribution to Core SGF Prior Period Item adjusted to Opening Retained Earnings	-	2,579	2,579
Remeasurement of defined benefit plans recognised in Other Comprehensive Income	(74)	(31)	(5)
Effect of measuring investments at Fair Value through profit or loss	526	1,760	2,413
Effect of measuring investments at effective interest rate	14	50	59
Reversal of amortisation of Goodwill / Impairment loss on Goodwill	195	585	-
Depreciation adjustment	8	(63)	(51)
Deferred taxes adjustments	(192)	(611)	(583)
Others	(5)	(11)	(8)
Net Profit for the quarter / period / year as per Ind AS	7,663	15,689	17,713
Other Comprehensive Income	50	21	3
Total Comprehensive Income for the quarter / period / year as per Ind AS	7,713	15,710	17,716

12 The Board of Directors at its meeting held on February 14, 2017 have recommended a payment of interim dividend of ₹ 5 per equity share.

13 Previous quarter's / period's / year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current quarter's / year's classification / disclosure.

For and on behalf of Board of Directors of
BSE LIMITED

Ashishkumar Chauhan
Managing Director & CEO

Mumbai, February 14, 2017

