

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BSE LIMITED

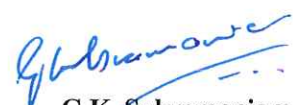
1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **BSE LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations 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 Company'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 Company 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. Based on our review conducted as stated 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.

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



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 Standalone 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	7,721	8,150	6,209	23,115	17,733	26,098
b) Investments and Deposits Income	4,535	4,382	4,644	14,738	18,451	23,354
Total Income	12,256	12,532	10,853	37,853	36,184	49,452
II. EXPENDITURE						
a) Employee Costs	1,706	1,748	1,549	5,133	4,355	5,870
b) Computer Technology Related Expenses	2,873	2,683	2,451	8,054	6,178	8,161
c) Depreciation and Amortisation	1,197	1,124	1,200	3,397	3,418	4,853
d) Administration and Other Expenses	2,487	2,502	2,434	8,025	8,876	12,489
Total Expenditure	8,263	8,057	7,634	24,609	22,827	31,373
III. Profit from Operations before Other Income, Finance Costs, Exceptional items and Tax	3,993	4,475	3,219	13,244	13,357	18,079
Other Income	517	666	493	2,510	1,548	2,090
IV. Profit before Finance Costs, Exceptional items and Tax	4,510	5,141	3,712	15,754	14,905	20,169
Finance Costs	2	2	4	8	13	16
V. Profit before Exceptional items and Tax	4,508	5,139	3,708	15,746	14,892	20,153
Exceptional items (Notes 5 to 8)	(2,443)	718	250	(364)	1,991	7,327
VI. Profit from before Tax	6,951	4,421	3,458	16,110	12,901	12,826
Tax Expense (net)	(56)	254	221	387	16	(460)
VII. Net Profit after tax for the period / year	7,007	4,167	3,237	15,723	12,885	13,286
VIII. Other Comprehensive Income						
Items that will not be reclassified to profit or loss	(60)	(63)	68	(106)	24	8
Income tax relating to items that will not be reclassified to profit or loss	(21)	(22)	23	(37)	8	3
IX. Other Comprehensive Income (net of tax)	(39)	(41)	45	(69)	16	5
X. Total Comprehensive Income for the period / year	6,968	4,126	3,282	15,654	12,901	13,291
Paid up Equity Share Capital (Face Value Per Share ₹ 2)	1,074	1,074	1,074	1,074	1,074	1,074
Other Equity						2,29,662
XI. Earnings per equity share (par value ₹ 2/- each)						
Before exceptional items						
Basic and Diluted EPS (Refer note below)	8.36	8.49	6.23	26.82	25.99	33.12
After exceptional items						
Basic and Diluted EPS (Refer note below)	12.84	7.63	5.93	28.80	23.60	24.34

Note: Basic and Diluted EPS is not annualised for the quarter and nine months ended results. EPS is calculated on shares issued by the Company. The shareholders of the 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 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 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 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 Company got listed on the National Stock Exchange of India Limited (NSE) on February 3, 2017.
- 2 The above standalone 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 standalone 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 The "Company" or the "Exchange" operates only in one Business Segment i.e. "Stock Exchange Operations", hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".
- 5 The following regulation / circulars issued by SEBI from time to time requires the recognition by the 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:
 - a) 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.
 - b) 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.
 - c) 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.
 - d) Thereafter, on August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012. Accordingly, the 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

 - i) The Company's last year's contribution of ₹ 1,741 lakh towards the MRC has been charged to the Statement of Standalone 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 Company as per the Regulation mentioned above.
 - ii) 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 Company after tax, available before making such contribution. The Exchange had already contributed and charged ₹ 4,320 lakh to the Statement of Standalone 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 Standalone 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.
 - iii) 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 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 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 Company charged an amount of ₹ 460 Lakh to the Statement of Standalone 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 The Company has partially divested its stake in a subsidiary company, Central Depository Services (India) Limited (CDSL) in October 2016. Profit on divestment amounting to ₹ 2,443 Lakh credited to the Statement of Standalone Unaudited Financial Results. Considering the nature of the income and its impact on the profit, the same has been disclosed as an exceptional item.
- 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.

9 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 as reported under previous GAAP	3,151	9,865	10,612
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	(68)	(24)	(8)
Effect of measuring investments at Fair Value through profit or loss	19	72	97
Effect of measuring investments at effective interest rate	14	43	59
Reversal of amortisation of Goodwill / Impairment loss on Goodwill	195	585	-
Deferred taxes adjustments	(75)	(234)	(51)
Others	1	(1)	(2)
Net Profit for the quarter / period / year as per Ind AS	3,237	12,885	13,286
Other Comprehensive Income	45	16	5
Total Comprehensive Income for the quarter/ period / year as per Ind AS	3,282	12,901	13,291

- 10 The Board of Directors at its meeting held on February 14, 2017 have recommended a payment of interim dividend of ₹ 5 per equity share.
- 11 Previous quarter's/ period's / year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current quarter's/ period's classification / disclosure.

For and on behalf of Board of Directors of
BSE LIMITED

Ashishkumar Chauhan
Managing Director & CEO

Mumbai, February 14, 2017

