EXPERIENCE THE NEW

# BSE LIMITED

**Corporate Identification Number (CIN)** - U67120MH2005PLC155188
**Registered Office:** 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra
**Tel:** +91 022 2272 1233/34 **Fax:** +91 022 2272 1003
**Website:** www.bseindia.com **Email:** bse.shareholders@bseindia.com

## POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolution (along with Explanatory Statement) appended below is proposed to be passed by the members through Postal Ballot/Electronic Voting (E-voting):

**SPECIAL BUSINESS:**

**26.05% STAKE SALE IN CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED.**

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

**"RESOLVED THAT** in supersession of the earlier special resolution dated 16th February, 2016 approved by the members of the Company, through Postal Ballot mechanism and in terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 and rules made thereunder, Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 7(d) of Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2012 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, as may be amended from time to time, and subject to such other consents, approvals and/or permissions as may be required, consent of the members of the Company be and is hereby accorded to the Board to divest 26.05% stake of the Company, in Central Depository Services (India) Limited ("CDSL") (Subsidiary of the Company), comprising of 2,72,17,850 Equity Shares of Rs. 10/- each, either in whole or in part or in one or more tranches, (a) to any person / investor at a price not lower than Rs. 78.93/- per share or (b) offer the same in initial public offer/offer for sale mechanism conducted by CDSL at a price determined by Book Building process, or (c) combination of both, as the Board of Directors of the Company may deem fit and appropriate in the interest of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company or the Committee thereof, be and is hereby authorised to take such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regards to the proposed sale and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.

**RESOLVED FURTHER THAT** the Board is also authorized to delegate power from time to time, to any Committee of the Board or individuals as it may deem fit for the purpose of giving effect to the above resolution.

**RESOLVED FURTHER THAT** the Managing Director & CEO, Chief Regulatory Officer, Chief Financial Officer and Company Secretary & Compliance Officer of the Exchange be and are hereby severally authorized to issue certified true copies of this resolution to various authorities."

By Order of the Board of Directors
For **BSE Limited**

**Prajakta Powle**
Company Secretary & Compliance Officer

Place : Mumbai
Date : November 21, 2016

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts and the reasons for the proposal is annexed hereto.

2. The Board has appointed Messrs N L Bhatia & Associates, Practicing Company Secretaries, (CP No. 422), to act as the Scrutinizers for conducting the Postal Ballot / E-voting process in accordance with the law and in a fair and transparent manner.

3. The Postal Ballot Notice is being sent to all the members, whose names appear on the Register of members/ List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on Friday, December 2, 2016. Accordingly the members, whose names appear on the Register of members/ List of Beneficial Owners as received from NSDL and CDSL as on the close of business hours on Friday, December 2, 2016 (Cut-off-date) will be considered for the purpose of voting.

4. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Exchange during business hours i.e. 10.00 A.M. to 5.00 P.M. (IST) on all working days from the date of dispatch of the Notice till the last date for receipt of votes by Postal Ballot/E-voting that is, Monday, January 9, 2017.

5. In accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rules 18, 20 and 22 of the Companies (Management and Administration) Rules, 2014, this Postal Ballot Notice is being sent to all the shareholders through Courier/Registered Post/or any other permissible means and also by e-mail to those members who have registered their e-mail address with the Exchange's Registrar and Transfer Agent (in respect of shares held in physical form) or with their Depository Participants (DP) (in respect of shares held in electronic form).

6. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Exchange is offering e-voting facility to all its members as an alternate mode to exercise their right to vote and has engaged the services of Karvy Computershare Private Limited as the Authorised Agency to provide e-voting facility. Instructions to be followed for voting through electronic means are annexed to the notice. Please note that e-voting is optional. Voting by electronic mode may be a more convenient means for exercising the voting rights and may help to increase members' participation in the decision-making process.

7. Kindly note that the members can opt for only one mode of voting, i.e. either by physical ballot or e-voting. If the members opt for e-voting, then they should not vote by physical Postal Ballot and vice versa. However, in case members cast their votes through both the modes, then voting

done through e-voting shall prevail and voting done by physical Postal Ballot will be treated as invalid.

8. In case a member is desirous of obtaining Postal Ballot in printed form or a duplicate one, the member may write to the Exchange or send an e-mail to bse.shareholders@bseindia.com. The Exchange/its Registrar and transfer agent shall forward the same along with prepaid postage self-addressed Business Reply Envelope to the member.

9. The dispatch of Postal Ballot Notice shall be announced through an advertisement in at least 1 (one) English newspaper and at least 1(one) Marathi newspaper, each having wide circulation in Maharashtra, where the registered office of the Company is situated.

10. The voting rights of the members shall be in proportion to their shares in the total paid-up equity share capital of the Exchange.

11. Voting rights in the Postal Ballot cannot be exercised by Proxy.

12. In case the shares are jointly held, the Postal Ballot form should be completed and signed by the first named member and in his /her absence, by the next named member.

13. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot form should be accompanied by the relevant Board Resolution/Authority Letter duly certified/ attested by Authorised Signatory(ies).

**14. Instructions for Voting:**

**A. Voting through Physical Postal Ballot Form**

i. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the enclosed self-addressed prepaid postage Business Reply Envelope. Postage charges will be borne and paid by the Exchange.

ii. The Postal Ballot Form, duly completed and signed by the member(s) should be returned in the enclosed self-addressed pre-paid postage Business Reply Envelope directly to the Scrutinizers so as to reach before the close of working hours on Monday, January 9, 2017 by 5.00 p.m. Any Postal Ballot Form received after the said date shall be treated as if the reply from the member(s) has not been received. No other form or photocopy of the Postal Ballot Form will be permitted/ accepted.

**B. Voting through electronic mode:**

i. The voting period begins on Sunday, December 11, 2016 (10.00 a.m. IST) and ends on Monday, January 9, 2017 (5.00 p.m. IST). During this period members' of the Exchange, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, December 2, 2016 may cast their vote electronically. The e-voting module shall be disabled by Karvy Computershare Private Limited for voting thereafter.

ii. Launch internet browser by typing the URL: https://evoting.karvy.com.

iii. Enter the login credentials (i.e. User ID and password/Pin – which is provided separately). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password/Pin for casting your vote.

iv. After entering these details appropriately, click on "LOGIN".

v. 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. You may also enter a secret question of your choice to retrieve your password in case you forget it. 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.

vi. After changing password, you need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the E- Voting "EVENT" for BSE Limited.

viii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under "FOR/AGAINST" against the resolution or alternatively you may partially enter any number in "FOR", partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding.

ix. Shareholders holding multiple folios/Demat accounts shall choose the voting process separately for each folio/Demat accounts.

x. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution.

xi. Corporate / Institutional members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID: navnitlb@nlba.in with a copy marked to evoting@karvy.com The scanned image of the above mentioned documents should be in the naming format "BSE Limited – Postal Ballot"

xii. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.

xiii. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. Hanumanta Rao Patri, Senior Manager, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail : einward.ris@karvy.com, Phone : 040-67162222.

xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of http://evoting.karvy.com or contact Karvy Computershare Pvt. Ltd at Tel No. 1800 345 4001 (toll free).

**General Information:**

i. Every shareholder requires User ID and Password/Pin for casting their votes electronically. In case of physical folio, User ID will be EVENT number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.

ii. The initial password will be intimated to all the members through notice of Postal Ballot, sent physically, and also through e-mail to those members who have registered their e-mail address with the Exchange's Registrar and Transfer Agent (in respect of shares held in physical form) or with their Depository Participants (in respect of shares held in electronic form).

15. The results of the Postal Ballot shall be declared on or before Thursday, January 12, 2017 and the same will be displayed on the website of the Company i.e. www.bseindia.com. The resolution if approved by requisite majority, shall be deemed to be passed on the last date of voting i.e. 9th January, 2017.

16. The term 'members' has been used to denote Shareholders of BSE Limited.

17. Members are requested to update their KYC and Bank details with their respective Depository Participant (DP).

**Explanatory Statement setting out material facts under Section 102 of the Companies Act, 2013.**

In accordance with the Shareholders' approval dated 16th February, 2016, sought by way of Postal ballot, approving sale of upto 10% stake in Central Depository Services (India) Ltd. ("CDSL), the Exchange has sold 4.15% equity capital of CDSL held by it in the month of October 2016 to Life Insurance Corporation of India ("LIC"). The Exchange currently holds 50.05% equity share capital of CDSL.

As per Regulation 7(d) of Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2012, ("SEBI DP Regulations") a stock exchange can hold upto 24% of the equity share capital of a depository.

Since the transaction with LIC has been executed for divestment of only 4.15% equity capital of CDSL, as against 10% stake sale as approved by the members on 16th February, 2016, and the Exchange would be required to divest 26.05% equity capital of CDSL, as against 20.2% stake sale as approved by the members on that date, approval of members would be required.

The Exchange proposes to divest the remaining 26.05% equity capital of CDSL, either in whole or in part or in one or more tranches, (a) to any person / investor at a price not lower than Rs. 78.93/- per share or (b) offer the same in initial public offer/offer for sale mechanism conducted by CDSL at a price determined by Book Building process, or (c) combination of both, as the Board of Directors of the Company may deem fit and appropriate in the interest of the Company in order to comply with the SEBI DP Regulations.

The proposed divestment would reduce the holding of equity stake in CDSL from 50.05% currently to 24%.

Pursuant to Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR"), CDSL is a "material subsidiary" of the Exchange. As per Regulation 24 of SEBI LODR, no company can sell its shareholding in a material subsidiary which would reduce its shareholding to less than 50% without passing a special resolution.

Further, as per Section 180(1)(a) and Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, sale or disposal of whole undertaking of the Company or undertaking in which Company's investment exceeds twenty percent of its net worth or total income during previous financial year, requires approval of Shareholders by way of Postal Ballot.

The Board recommends the resolution as stated in Postal Ballot Notice for the approval of the Members as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested, financially or otherwise in the aforesaid resolution.

By Order of the Board of Directors
For **BSE Limited**

**Prajakta Powle**
Company Secretary & Compliance Officer

Place : Mumbai
Date : November 21, 2016