

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Ind AS Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
BSE Limited
Mumbai

1. We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of BSE Limited (the 'Company') for the quarter ended December 31, 2019 and year to date from April 01, 2019 to December 31, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review 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 substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005



per Jayesh Gandhi
Partner
Membership No.: 037924
UDIN: 20037924AAAAAN1966
Mumbai
February 11, 2020



BSE Limited
CIN L67120MH2005PLC155188

(Formerly known as Bombay Stock Exchange Limited)

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

Statement of Standalone Financial Results for the quarter and nine months ended December 31, 2019

(₹ in Lakh)

PARTICULARS		For the quarter ended December 31, 2019	For the quarter ended September 30, 2019	For the quarter ended December 31, 2018	For the nine months ended December 31, 2019	For the nine months ended December 31, 2018	For the year ended March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	9,315	9,047	8,749	27,910	28,212	37,976
2	Investment income	2,662	4,774	6,447	11,634	15,065	19,581
3	Other income (refer note 6)	517	612	431	1,618	2,212	3,682
4	Total income (1+2+3)	12,494	14,433	15,627	41,162	45,489	61,239
5	Expenses						
a)	Employee benefits expense	2,261	2,419	2,138	7,075	6,329	8,479
b)	Depreciation and amortisation expense	1,106	1,075	1,109	3,207	3,111	4,402
c)	Computer technology related expenses	3,283	3,257	3,277	9,878	9,660	12,652
d)	Settlement of service tax matter (refer note 11)	362	-	-	362	-	-
e)	Administration and other expenses	4,572	4,341	3,783	12,265	10,064	14,313
f)	Liquidity enhancement scheme expenses (refer note 12)	59	-	-	59	-	-
	Total expenses (5a to 5f)	11,643	11,092	10,307	32,846	29,164	39,846
6	Profit before exceptional items and tax (4-5)	851	3,341	5,320	8,316	16,325	21,393
7	Exceptional items (net) (refer notes 4 and 5)	9,158	-	-	9,158	457	457
8	Profit before tax (6+7)	10,009	3,341	5,320	17,474	16,782	21,850
9	Tax expense (refer note 6)	159	(581)	84	266	1,062	1,745
10	Profit for the period / year (8-9)	9,850	3,922	5,236	17,208	15,720	20,105
11	Other comprehensive income (net of taxes)	(29)	(48)	(84)	(48)	(137)	(71)
12	Total comprehensive income for the period / year (10+11)	9,821	3,874	5,152	17,160	15,583	20,034
13	Paid up equity share capital (face value per share ₹ 2 Each)	900	900	1,036	900	1,036	1,036
14	Other equity						2,61,586
15	Earnings per equity share (face value per share ₹ 2 Each)						
	Basic and diluted before exceptional items (₹) (refer note below)	1.51	7.51	9.96	16.04	28.88	37.18
	Basic and diluted after exceptional item (₹) (refer note below)	21.50	7.51	9.96	34.29	29.78	38.08

Note: Basic and diluted EPS is not annualised for the quarter and nine months ended results. EPS is calculated on outstanding shares issued by BSE Limited (the "Company") including shares held in abeyance.



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- 1 The above standalone financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors on February 11, 2020 and the statutory auditors of the Company have conducted "Limited Review" of the above standalone financial results for the quarter and nine months ended December 31, 2019.
- 2 The above standalone financial results for the quarter and nine months ended December 31, 2019 are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- 3 The Company operates only in one Business Segment i.e. "Facilitating Trading in Securities and other related ancillary Services", hence does not have any reportable Segments as per Ind-AS 108 "Operating Segments".
- 4 (a) The Company had partially divested its stake in a subsidiary company, on June 29, 2017. The profit on divestment amounting to ₹ 31,603 Lakh was reflected as an "Exceptional Item" in the Statement of Standalone Financial Results during the year ended March 31, 2018. The residual investment retained in the subsidiary is now considered as an investment in an associate. The said profit on sale was based on estimated expenditure withheld by Central Depository Services (India) Limited ("CDSL").
In the period ended December 31, 2018, the amount of expenditure was crystallised and hence excess amount of ₹ 511 Lakh was recorded as an additional profit on sale of CDSL during the nine months ended December 31, 2018 and year ended March 31, 2019 and considered as "Exceptional Item".
(b) In the quarter ended December 31, 2019, the Company had further divested its 4% stake in its associate company CDSL through offer for sale. The profit on divestment amounting to ₹ 9,158 Lakh is reflected as an "Exceptional Item" in the statement of Standalone Financial Results for the quarter and nine months ended December 31, 2019.
- 5 In the previous year, the Company implemented a Voluntary Retirement Scheme for all its eligible employees. Post the closure of the Scheme an expense of ₹ 54 Lakh has been recognised for the nine months ended December 31, 2018 and for the year ended March 31, 2019. The said expenses have been considered as an "Exceptional Item".
- 6 (a) Based on the assessment orders received during the period ended December 31, 2018, the Company had written back an amount of ₹ 661 Lakh in respect of previous years and the same was netted off from current tax expense for the nine months ended December 31, 2018 and year ended March 31, 2019. Further, interest on Income Tax refund, as allowed in the assessments, of ₹ 14 Lakh, ₹ 18 Lakh, ₹ 563 Lakh and ₹ 781 Lakh has been included in "Other Income" for the quarter ended September 30, 2019, nine months ended December 31, 2019, nine months ended December 31, 2018 and year ended March 31, 2019 respectively.
(b) 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 period has been accordingly calculated.
- 7 The Company had received observations from SEBI in respect of inspection conducted for the period 2005 - 2017. The Company has been asked to reimburse ₹ 1,427 Lakh to Investors' Services Fund and ₹ 1,372 Lakh to BSE Investors Protection Fund Trust (Formerly known as "The Stock Exchange Investors' Protection Fund Trust"), along with interest, in respect of certain expenses charged in the earlier years to these funds. In response to the above observations, the Company has submitted its detailed reply to SEBI and requested to reconsider the matter. Since the matter is not yet concluded, it is considered as a contingent liability.
- 8 The Company and its provident fund trust has an investment of ₹ 1,700 Lakh and ₹ 351 Lakh (including interest of ₹ 70 Lakh) respectively in secured Non-convertible Debentures of IL&FS Group. Considering the status of IL&FS Group Companies, a provision of ₹ 265 Lakh, ₹ 266 Lakh, ₹ 664 Lakh, ₹ 533 Lakh, ₹ 1,004 Lakh and ₹ 1,254 Lakh has been made during the quarter ended December 31, 2019, quarter ended September 30, 2019, quarter ended December 31, 2018, nine months ended December 31, 2019, nine months ended December 31, 2018 and year ended March 31, 2019 respectively.
- 9 As approved by the Directors and Shareholders, the company had implemented a scheme of buyback ("the scheme") in the previous quarter. 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 Lakh (excluding expenses towards buyback). As provided in the scheme, an amount of ₹ 22,526 Lakh was utilized from Securities Premium Account, ₹ 23,338 Lakh was utilized from General Reserve and Share capital is reduced by ₹ 136 Lakh. Further, Capital Redemption Reserve of ₹ 136 Lakh (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.
- 10 The Company has adopted Ind AS 116 "Leases", effective from April 1, 2019, and considered all material lease contracts existing on April 1, 2019. The adoption of the standard does not have any material impact on the financial results of the Company.
- 11 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 ₹ 362 Lakh was paid under the said scheme, which was charged to the profit and loss account for the quarter and nine months ended December 31, 2019.
- 12 Pursuant to SEBI Circular CIR/MRD/DP/14/2014 dated April 23, 2014 and BSE Notice no-20190805-10, 20190925-31, 20191108-25, with effect from November 25, 2019, the Company has introduced the Liquidity Enhancement Scheme (LES) in equity derivatives. An expense of ₹ 59 Lakh has been incurred towards the scheme for the quarter and nine months ended December 31, 2019.
- 13 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.



Mumbai, February 11, 2020

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For and on behalf of Board of Directors of
BSE LIMITED

Ashishkumar Chauhan
Managing Director & CEO

