

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated 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 consolidated Ind AS financial results of BSE Limited Group comprising BSE Limited (the 'Company'), its subsidiaries and its associates (together referred to as 'the Group'), 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 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes financial results of the following entities:

- i. List of subsidiaries
 - a) BSE Institute Limited
 - b) Marketplace Technologies Private Limited
 - c) Indian Clearing Corporation Limited
 - d) India International Clearing Corporation (IFSC) Limited
 - e) BSE Investments Limited
 - f) BSE Sammaan CSR Limited
 - g) India International Exchange (IFSC) Limited
- ii. List of associates
 - a) Central Depository Services (India) Limited
 - b) Asia Index Private Limited

S.R. BATLIBOI & CO. LLP

Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid 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.
6. The accompanying Statement includes unaudited interim financial results and other unaudited financial information of seven subsidiaries, whose interim IND AS financial results reflect Group's share of total assets of Rs. 1,51,888 Lakhs as at December 31, 2019, and Group's share of total revenues of Rs. 3,704 Lakhs and Rs. 11,628 Lakhs, Group's share of total net profit after tax of Rs. 80 Lakhs and Rs. 335 Lakhs, Group's share of total comprehensive income of Rs. 212 Lakhs and Rs. 726 Lakhs, for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019, respectively, as considered in the Statement, which have been reviewed by their respective independent auditors. The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement in respect of above matters is not modified with respect to our reliance on the work done and the reports of the other auditors.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Jayesh Gandhi

Partner

Membership No.: 037924

UDIN: 20037924AAAAAO6626

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 Consolidated 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
Continuing operation						
1 Revenue from operations	10,992	10,889	10,468	33,095	33,461	45,030
2 Investment income	3,397	4,514	6,850	12,816	14,971	20,218
3 Other income (refer note 8)	477	555	393	1,510	2,104	3,496
4 Total income (1+2+3)	14,866	15,958	17,711	47,421	50,536	68,744
5 Expenses						
a) Employee benefits expense	3,688	3,917	3,569	11,364	10,371	13,921
b) Finance costs	47	39	24	134	68	87
c) Depreciation and amortisation expense	1,318	1,251	1,292	3,765	3,638	5,108
d) Computer technology related expenses	2,938	2,885	2,865	8,819	8,569	11,342
e) Settlement of service tax matter (refer note 9)	362	-	-	362	-	-
f) Administration and other expenses	5,186	4,926	5,150	14,023	12,851	18,105
g) Liquidity enhancement scheme expenses (refer note 4)	463	402	317	1,240	910	1,298
Total expenses (5a to 5g)	14,002	13,420	13,217	39,707	36,407	49,861
6 Profit before exceptional items and tax (4-5)	864	2,538	4,494	7,714	14,129	18,883
7 Exceptional items (refer note 6)	3,204	-	-	3,204	(54)	(54)
8 Profit before tax and share of net profits of investments accounted for using equity method (6+7)	4,068	2,538	4,494	10,918	14,075	18,829
9 Share of profit of associates	572	730	698	2,004	2,049	2,923
10 Profit before tax (8+9)	4,640	3,268	5,192	12,922	16,124	21,752
11 Tax expense (refer note 8)	147	(359)	185	670	1,893	2,335
12 Net profit after tax for the period / year from continuing operation (10-11)	4,493	3,627	5,007	12,252	14,231	19,417
Discontinued operation (refer note 5)						
13 Gain on sale of subsidiary (on loss of control)	-	-	-	-	511	511
14 Profit from discontinued operation	-	-	-	-	511	511
15 Net profit from total operation for the period / year (12+14)	4,493	3,627	5,007	12,252	14,742	19,928
Net profit attributable to the shareholders of the Company	4,557	3,669	5,007	12,358	14,742	19,928
Net profit attributable to the non controlling interest	(64)	(42)	-	(106)	-	-
16 Other comprehensive income (net of taxes)	105	289	(589)	319	739	699
17 Total comprehensive Income for the period / year (15+16)	4,598	3,916	4,418	12,571	15,481	20,627
Total comprehensive income attributable to the shareholders of the Company	4,652	3,940	4,418	12,649	15,481	20,627
Total comprehensive income attributable to the non controlling interest	(54)	(24)	-	(78)	-	-
18 Paid up equity share capital (face value per share ₹ 2 each)	900	900	1,036	900	1,036	1,036
19 Other equity	-	-	-	-	-	2,92,533
20 Earnings per equity share (face value per share ₹ 2 each)						
Continuing operations						
Basic and diluted before exceptional items (₹) (refer note below)	2.81	6.95	9.52	18.03	27.02	36.85
Basic and diluted after exceptional item (₹) (refer note below)	9.81	6.95	9.52	24.41	26.96	36.78
Discontinued Operations						
Basic and Diluted after exceptional item (₹) (Refer note below)	-	-	-	-	0.97	0.97
Total operations						
Basic and diluted after exceptional item (₹) (refer note below)	9.81	6.95	9.52	24.41	27.93	37.75

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.



- 1 The Consolidated financial results comprises of results of BSE Limited ("holding company" or "the Company"), its subsidiaries and its associates (together referred to as "the Group"). The above consolidated 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 consolidated financial results for the quarter and nine months ended December 31, 2019.
- 2 The above consolidated 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 Group 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) Pursuant to SEBI Circular SEBI/HO/MRD/DSA/CIR/P/2017/95 dated August 10, 2017 (INDIA INX Circular no-20171017-1, dated October 17, 2017), India International Exchange (IFSC) Limited (Subsidiary Company) had launched Liquidity Enhancement Scheme (LES) to enhance liquidity in INDIA INX's Futures & Options Segment. LES was launched on November 01, 2017 and an expense of ₹ 404 Lakh, ₹ 402 Lakh, ₹ 317 Lakh, ₹ 1,181 Lakh, ₹ 910 Lakh and ₹ 1,298 Lakh has been incurred towards the Scheme for the quarter ended December 31, 2019, quarter September 30, 2019, quarter December 31, 2018, nine months ended December 31, 2019, nine months ended December 31, 2018 and year ended March 31, 2019 respectively.

(b) 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.
- 5 The Company had partially divested its stake in a subsidiary company on June 29, 2017. The divestment had resulted in a loss of control and therefore the profit on sale of the investment in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 45,118 Lakh was credited to the statement of consolidated financial results during the year ended March 31, 2018. Such profit on sale, disclosed under discontinued operations, 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 shown under "Discontinued Operations".
- 6 (a) In the previous year, the Company had implemented a Voluntary Retirement Scheme for all its eligible employees. Post the closure of the Scheme an expense of ₹ 54 Lakh was recognised for the nine months ended December 31, 2018 and for the year ended March 31, 2019. The said expenses was considered as an "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 ₹ 3,204 Lakh is reflected as an "Exceptional Item" in the statement of Consolidated Financial Results for the quarter and nine months ended December 31, 2019.
- 7 The Group 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 Group.
- 8 (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, ₹ 567 Lakh and ₹ 785 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 holding company and certain subsidiaries have 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. For the remaining subsidiaries the tax liability has been made, applying the revised tax rate.
(c) The Company has been creating deferred tax liability in its consolidated financial statements on undistributed profits of Central Depository Services (India) Limited to the extent of its investment in the associate (24%). During the quarter, the company sold 4% of its stake in CDSL, due to which dividend distribution tax will no longer be payable in future to the extent of 4% and hence deferred tax liability has been reversed to the extent of ₹ 151 Lakh for the quarter and nine months ended December 31, 2019.



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- 9 The Holding 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.
- 10 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.
- 11 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 and ₹ 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.
- 12 As approved by the Directors and Shareholders, the company had implemented a scheme of buyback ("the scheme") in the current 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.
- 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.
- 14 Reviewed Financial Results of BSE Limited (Standalone Information)

PARTICULARS	Quarter ended December 31, 2019	Quarter ended September 30, 2019	Quarter ended December 31, 2018	For the nine months ended December 31, 2019	For the nine months ended December 31, 2018	Year ended March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	9,315	9,047	8,749	27,910	28,212	37,976
Profit before tax	10,009	3,341	5,320	17,474	16,782	21,850
Profit for the period	9,850	3,922	5,236	17,208	15,720	20,105

Note: The reviewed financial results of BSE Limited for the above mentioned period are available on our website, www.bseindia.com and on the stock exchange website www.nseindia.com. The information above has been extracted from the reviewed standalone financial results for the quarter and nine months ended December 31, 2019.



Mumbai, February 11, 2020

For and on behalf of Board of Directors of
BSE LIMITED

Ashishkumar Chauhan
Managing Director & CEO



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