

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF BSE LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **BSE Limited** (the "Company"), for the year ended March 31, 2017 (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 compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

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3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements 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; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended March 31, 2017.
4. The Statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.

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



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

MUMBAI, May 5, 2017





BSE Limited

CIN L67120MH2005PLC155188

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

(Formerly known as Bombay Stock Exchange Limited)

Statement of Standalone Financial Results for the quarter (Unaudited) and year ended March 31, 2017 (Audited)

(₹ in Lakh)

PARTICULARS	For the quarter ended March 31, 2017	For the quarter ended December 31, 2016	For the quarter ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
	Unaudited	Unaudited	Unaudited	Audited	Audited
1 Revenue from operations	9,989	7,721	8,365	33,104	26,098
2 Investment income	4,231	4,535	4,903	18,969	23,354
3 Other income (net)	516	517	542	3,026	2,090
4 Total income (1+2+3)	14,736	12,773	13,810	55,099	51,542
5 Expenses					
a) Employee benefits expense	2,478	1,706	1,515	7,611	5,870
b) Finance costs	2	2	3	10	16
c) Depreciation and amortisation expense	1,369	1,197	1,435	4,766	4,853
d) Computer technology related expenses	3,180	2,873	1,983	11,234	8,161
e) Administration and other expenses	3,491	2,487	3,613	11,516	12,489
Total expenses (5a to 5e)	10,520	8,265	8,549	35,137	31,389
6 Profit before exceptional items and tax (4-5)	4,216	4,508	5,261	19,962	20,153
7 Exceptional items (net) (refer notes 5 to 8)	-	(2,443)	5,336	(364)	7,327
8 Profit before tax (6-7)	4,216	6,951	(75)	20,326	12,826
9 Tax expense	75	(56)	(476)	462	(460)
10 Profit for the quarter / year (8-9)	4,141	7,007	401	19,864	13,286
11 Other comprehensive income	57	(39)	(11)	(12)	5
12 Total comprehensive income for the quarter / year (10+11)	4,198	6,968	390	19,852	13,291
13 Paid up equity share capital (face value per share ₹ 2 each)	1,076	1,074	1,074	1,076	1,074
14 Other equity				2,41,861	2,29,662
15 Earnings per equity share (face value per share ₹ 2 each)					
Basic and diluted before exceptional items (₹) (refer note below)	7.59	8.36	7.13	34.40	33.12
Basic and diluted after exceptional item (₹) (refer note below)	7.59	12.84	0.73	36.39	24.34

Note: Basic and diluted EPS is not annualised for the quarter results. EPS is calculated on shares issued by the BSE Limited (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.

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BSE Limited
(Formerly known as Bombay Stock Exchange Limited)
Standalone Audited Balance Sheet as at March 31, 2017

(₹ in Lakh)

	PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
		Audited	Audited	Audited
	ASSETS			
1	Non-current assets			
	a. Property, plant and equipment	10,695	12,515	11,557
	b. Capital work-in-progress	438	60	305
	c. Investment properties	477	501	526
	d. Goodwill	-	-	785
	e. Other intangible assets	1,600	1,904	2,134
	f. Intangible assets under development	68	109	61
	g. Financial assets			
	i. Investments			
	a. Investments in subsidiaries	68,239	57,465	57,455
	b. Investments in joint ventures	1	1	99
	c. Investments in associate	-	-	253
	d. Other investments	1,19,245	1,04,994	86,412
	ii. Other financial assets	8,740	17,139	13,319
	h. Deferred tax assets (net)	1,017	197	-
	i. Income tax assets (net)	5,609	7,756	5,238
	j. Other assets	112	233	308
	Total non-current assets	2,16,241	2,02,874	1,78,452
2	Current assets			
	a. Financial assets			
	i. Investments	24,345	24,497	42,734
	ii. Trade receivables	5,246	2,910	2,630
	iii. Cash and cash equivalents	2,203	181	314
	iv. Bank balances other than (iii) above	64,091	55,884	56,684
	v. Other financial assets	4,772	5,010	5,956
	b. Other assets	854	529	917
	Total current assets	1,01,511	89,011	1,09,235
	Total assets (1+2)	3,17,752	2,91,885	2,87,687
	EQUITY AND LIABILITIES			
3	Equity			
	a. Equity share capital	1,076	1,074	1,073
	b. Other equity	2,41,861	2,29,662	2,25,848
	Total equity	2,42,937	2,30,736	2,26,921
	Liabilities			
4	Non-current liabilities			
	a. Financial liabilities			
	Other financial liabilities	464	554	436
	b. Deferred tax liabilities (Net)	-	-	260
	c. Other liabilities	107	95	113
	Total non-current liabilities	571	649	809
5	Current liabilities			
	a. Financial liabilities			
	i. Trade payables			
	a. Total outstanding dues of micro enterprises and small enterprises	-	-	-
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	4,932	4,085	3,410
	ii. Other financial liabilities	44,256	43,090	41,841
	b. Provisions	629	553	518
	c. Income tax liabilities (net)	952	852	852
	d. Other liabilities	23,475	11,920	13,336
	Total Current Liabilities	74,244	60,500	59,957
	Total Equity and Liabilities (3+4+5)	3,17,752	2,91,885	2,87,687

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- 1 the Company has completed an Initial Public Offer ('IPO') through offer for sale by the selling shareholders, ('the offer') during the year ended March 31, 2017. The IPO proceeds which were held in an escrow account on behalf of the selling shareholders have been transferred net of expenses recoverable from selling shareholders. The equity shares of the Company got listed on the National Stock Exchange (NSE) on February 3, 2017.
- 2 The above standalone unaudited financial results for the quarter and audited financial results for the year ended March 31, 2017 have been reviewed by the Audit Committee on May 04, 2017 and approved by the Board of Directors on May 05, 2017 and the statutory auditors of the Company have conducted an audit of the above standalone unaudited financial results for the quarter and audited financial results for the year ended March 31, 2017.
- 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 (Stock Exchange Operation) i.e. "Facilitating Trading in Securities and other related ancillary Services", 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 and 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 year ended March 31, 2017 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 based on 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 March 31, 2017 the amount of ₹ 6,276 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 ₹ 193 lakh and ₹ 1,724 lakh has been incurred towards the programmes for the quarter ended March 31, 2016 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 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 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 MRD/DSA/OW/9183/1/2017 dated April 24, 2017, the Company is required to bring down its shareholding in CDSL to 24% of the Share Capital of CDSL by June 30, 2017.

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

Particulars	₹ in Lakh	
	For the quarter ended March 31, 2016	For the year ended March 31, 2016
Net Profit after tax as reported under previous GAAP	748	10,612
Reversal of Contribution to Core SGF Prior Period Item adjusted to Opening Retained Earnings	-	2,579
Remeasurement of defined benefit plans recognised in Other Comprehensive Income	16	(8)
Effect of measuring investments at Fair Value through profit or loss	25	97
Effect of measuring investments at effective interest rate	16	59
Reversal of amortisation of Goodwill / Impairment loss on Goodwill	(585)	-
Deferred taxes adjustments	183	(51)
Others	(2)	(2)
Net Profit for the quarter / year as per Ind AS	401	13,286
Other Comprehensive Income	(11)	5
Total Comprehensive Income for the quarter/ year as per Ind AS	390	13,291

- 10 The Board of Directors at its meeting held on May 5, 2017 have recommended a payment of dividend of ₹ 23/- per equity share of ₹ 2/- each. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. After taking into account the interim dividend of ₹ 5/- per equity share paid in the month of February 2017, the total dividend for the financial year stands at ₹ 28/- per equity share of ₹ 2/- each.

For and on behalf of Board of Directors of
BSE LIMITED

Ashish Kumar Chauhan
Managing Director & CEO

Mumbai, May 5, 2017

