

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF BSE LIMITED IN CONNECTION WITH THE BUYBACK OF EQUITY SHARES THROUGH THE TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018.

This public announcement ("Public Announcement") is being made in relation to the Buyback (as defined hereinafter) of Equity Shares (as defined hereinafter) of BSE Limited pursuant to Regulation 7(i) and other applicable provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time ("SEBI Buyback Regulations") and contains the disclosures as specified in Schedule II of the SEBI Buyback Regulations read with Schedule I of the SEBI Buyback Regulations.

OFFER FOR BUYBACK OF NOT EXCEEDING 67,64,705 (SIXTY SEVEN LAKH SIXTY FOUR THOUSAND SEVEN HUNDRED AND FIVE ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (RUPEES TWO ONLY) ("EQUITY SHARES") AT A PRICE OF ₹ 680 (RUPEES SIX HUNDRED AND EIGHTY ONLY) PER FULLY PAID-UP EQUITY SHARE, PAYABLE IN CASH, ON A PROPORTIONATE BASIS, THROUGH THE TENDER OFFER PROCESS.

1. DETAILS OF THE BUYBACK

1.1 Pursuant to the resolution passed by the board of directors of BSE Limited (the "Company") (the board of directors of the Company are hereinafter referred to as the "Board" or the "Board of Directors", which expression shall include the committee constituted by the Board to exercise its power related to the buyback i.e., the Buyback Committee) at its meeting held on May 7, 2019 (the "Board Meeting") and the special resolution dated July 15, 2019 passed by the shareholders of the Company at the fourteenth annual general meeting, the results of which were declared on July 15, 2019, the Company, hereby, announces the buyback of not exceeding 67,64,705 fully paid-up Equity Shares of the Company (representing 13.06% of the total number of Equity Shares in the total paid-up equity capital of the Company) from the shareholders/beneficial owners of the Equity Shares of the Company as on Monday, July 29, 2019 (the "Record Date") (for further details in relation to the Record Date, refer to paragraph 11 of this Public Announcement), on a proportionate basis, through the "tender offer" process as prescribed under the SEBI Buyback Regulations, at a price of ₹ 680/- (Rupees Six Hundred and Eighty only) per Equity Share ("Buyback Offer Price"), payable in cash, for an aggregate maximum amount of ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) (such maximum amount hereinafter referred to as the "Buyback Offer Size") (the process being referred hereinafter as the "Buyback"). The Buyback Offer Size and the Buyback Offer Price do not include any expenses incurred or to be incurred for the buyback viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges ("Transaction Costs"). The Buyback Offer Size represents 24.73% of the aggregate of the Company's paid-up capital and free reserves as per the standalone audited financial statements of the Company for the year ended March 31, 2019 (the latest standalone audited financial statements available as on the date of the Board Meeting, recommending the proposal of the Buyback). The Buyback is subject to receipt of such approvals, permissions, consents, sanctions and exemptions of the statutory, regulatory or governmental authorities, as may be required under the applicable laws including from the Reserve Bank of India ("RBI") and Securities and Exchange Board of India ("SEBI"), and/or National Stock Exchange of India Limited ("NSE").

1.2 The Buyback is pursuant to Article 23 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act") and the relevant rules made thereunder including the Companies (Share Capital and Debentures) Rules, 2014, and the Companies (Management and Administration) Rules, 2014, each as amended from time to time and to the extent applicable, and the provisions of the SEBI Buyback Regulations and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

1.3 The Buyback shall be undertaken on a proportionate basis from the shareholders of the Equity Shares of the Company as on the Record Date ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(iv)(a) of the SEBI Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular bearing reference number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and such other circulars as may be applicable, including any further amendments thereof (such circular hereinafter referred to as the "SEBI Circulars"). Please refer to paragraph 11 below for further details regarding the Record Date and shareholders' entitlement to tender the Equity Shares in the Buyback.

1.4 The Buyback of Equity Shares from shareholders who are person resident outside India including foreign portfolio investors, erstwhile overseas corporate bodies and non-resident Indians, etc., shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the RBI under the Foreign Exchange Management Act, 1999, as amended and the rules, regulations framed thereunder, if any and such approvals shall be required to be taken by such non-resident Indian shareholders.

1.5 The Buyback of Equity Shares may be subject to taxation in India and/or in the country of residence of the Eligible Shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a letter of offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are advised to consult their own legal, financial and tax advisors for the applicable tax implications prior to participating in the Buyback.

1.6 Compliance with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations")

Pursuant to Regulation 17 read with Regulation 19 of the SECC Regulations, all shareholders of the Company shall be responsible for adhering to the limits on their shareholding, whether held directly or indirectly, either individually or together with persons acting in concert, and for obtaining any approvals from SEBI, including as specified below, and shall comply with the 'fit and proper person' requirement as set out in Regulation 20 of the SECC Regulations:

- (i) for any person who acquires equity shares or voting rights in the Company, directly or indirectly, either individually or together with persons acting in concert, that entitles the person(s) so acquiring to exercise any voting rights in the range of 2% to 5%, shall seek approval of SEBI within 15 days of such acquisition. If approval is not granted by SEBI, such person shall forthwith divest his entire shareholding in the Company.
- (ii) for stock exchanges, depositories, banking companies, insurance companies and public financial institutions directly or indirectly, either individually or together with persons acting in concert, upto 15% of the paid-up equity share capital of the Company subject to obtaining the approval of SEBI before crossing 5% of the paid-up equity share capital of the Company.
- (iii) for foreign stock exchanges, foreign depositories, foreign banking companies, foreign insurance companies, foreign commodity derivatives exchanges and bilateral or multilateral financial institutions approved by the central government directly or indirectly, either individually or together with persons acting in concert, upto 15% of the paid-up equity share capital of the Company subject to obtaining the approval of SEBI before crossing 5% of the paid-up equity share capital of the Company.

Any application for seeking any of the aforesaid approvals shall be made to SEBI, in the manner as specified under Regulation 19(4) of the SECC Regulations, through the Company. Further, the 5% threshold, as indicated in paragraphs 1.6(ii) and 1.6(iii) above, will be determined based on the post-buyback equity share capital of the Company, assuming the Company buys back all the Equity Shares as proposed to be bought back i.e., 67,64,705 Equity Shares. However, please note that the actual post-buyback equity share capital of the Company may differ upon the number of Equity Shares bought back by the Company pursuant to the Buyback.

1.7 The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosure of intention of the promoter, promoter group and persons in control to tender Equity Shares in the Buyback is not applicable.

1.8 Consequent to the Buyback and based on the number of Equity Shares bought back by the Company, the shareholding pattern of the Company would undergo a change, however public shareholding shall not fall below 51% of the total fully paid-up equity share capital of the Company as required under the SECC Regulations.

1.9 A copy of this Public Announcement is available on the Company's website i.e., www.bseindia.com and is expected to be made available on the website of SEBI i.e., www.sebi.gov.in and on the website of National Stock Exchange of India Limited i.e., www.nseindia.com during the period of the Buyback.

2. NECESSITY FOR BUYBACK

2.1 Share buyback is the acquisition by a company of its own shares. The Board at its meeting held on May 7, 2019, considered the accumulated free reserves as well as the cash liquidity reflected in the last standalone audited financial statements as on March 31, 2019 and considering these, the Board decided to allocate up to ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) excluding the Transaction Costs for distributing to the shareholders holding Equity Shares of the Company as on the Record Date through the Buyback. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

2.2 After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to buyback the Equity Shares at a price of ₹ 680/- (Rupees Six Hundred and Eighty only) per Equity Share for an aggregate maximum amount of ₹ 460 crore (Rupees Four Hundred and Sixty Crore only). Buyback is being undertaken, *inter-alia*, for the following reasons:

- (a) The Buyback will help the Company to return surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- (b) The Buyback, which is being implemented through the tender offer route as prescribed under the SEBI Buyback Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back whichever is higher, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as 'small shareholder' as per Regulation 2(i)(n) of the SEBI Buyback Regulations;
- (c) The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and
- (d) The Buyback gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

3. MAXIMUM AMOUNT REQUIRED FOR THE BUYBACK, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES AND SOURCES OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED:

3.1 The maximum amount required for Buyback will not exceed ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) excluding Transaction Costs, being 24.73% of the total fully paid-up capital and free reserves of the Company, which is not exceeding 25% of the aggregate of the fully paid-up capital and free reserves of the Company as per the latest standalone audited financial statements of the Company as on March 31, 2019.

3.2 The aggregate paid-up capital and free reserves as on March 31, 2019 is ₹ 1,860.18 crore (Rupees One Thousand Eight Hundred Sixty Crore and Eighteen Lakh only). Under the provisions of the Companies Act and the SEBI Buyback Regulations, the Buyback shall not exceed 25% of the aggregate of the paid-up capital and free reserves of the Company i.e., ₹ 465.05 crore (Rupees Four Hundred Sixty Five Crore and Five Lakh only) as per the latest standalone audited financial statements of the Company available as on the date of the Board Meeting, recommending the proposal of the Buyback. The maximum amount proposed to be utilized for the Buyback is ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) excluding Transaction Costs and is therefore within the above-mentioned limit.

3.3 The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company (including securities premium account) or such other source as may be permitted by the SEBI Buyback Regulations or the Companies Act. The funds borrowed, if any, from banks and financial institutions will not be used for the Buyback.

4. MAXIMUM PRICE AT WHICH THE EQUITY SHARES ARE PROPOSED TO BE BOUGHT BACK AND BASIS OF ARRIVING AT THE BUYBACK PRICE:

4.1 The Equity Shares of the Company are proposed to be bought back at a price of ₹ 680/- (Rupees Six Hundred

and Eighty only) per Equity Share. The Buyback Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market prices of the Equity Shares on NSE, i.e., the stock exchange where the Equity Shares are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Equity Share.

4.2 The Buyback Offer Price represents:

- (i) Premium of 14.80 % over the volume weighted average market price of the Equity Shares on NSE, during the three months preceding February 19, 2019, being the date of intimation to NSE for the Board Meeting to consider the proposal of the Buyback ("Intimation Date").
- (ii) Premium of 19.87 % over the volume weighted average market price of the Equity Shares on NSE for two weeks preceding the Intimation Date.
- (iii) Premium of 24.45 % over the closing price of the Equity Shares on NSE as on the Intimation Date.

5. MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUYBACK:

5.1 The Company proposes to Buyback not exceeding 67,64,705 Equity Shares of the Company, representing 13.06% of the total number of Equity Shares in the total paid-up equity capital of the Company.

5.2 Further, under the Companies Act and the SEBI Buyback Regulations, the number of Equity Shares that can be bought back in any financial year shall not exceed 25% of the total number of Equity Shares in the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 1,29,47,250 Equity Shares. Since the Company proposes to buy back up to 67,64,705 Equity Shares, the same is within the aforesaid 25% limit.

6. DETAILS OF PROMOTERS SHAREHOLDING AND OTHER DETAILS

6.1 The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosures as required as per paragraphs (vii) and (viii) of the Schedule I of the SEBI Buyback Regulations is not applicable.

6.2 None of the directors of the Company ("Directors") or key managerial personnel of the Company ("KMPs") hold any Equity Shares in the Company, as on the date of this Public Announcement.

7. CONFIRMATIONS FROM THE COMPANY AND BOARD OF DIRECTORS AS PER PROVISIONS OF THE SEBI BUYBACK REGULATIONS AND COMPANIES ACT

- (i) all Equity Shares of the Company are fully paid-up;
- (ii) the Company shall not issue any shares or other securities, including by way of bonus issue, till the expiry of the buyback period i.e., the date on which the payment of consideration to shareholders who have accepted the buyback offer is made in accordance with the Companies Act and the SEBI Buyback Regulations;
- (iii) as per Regulation 24(i)(f) of the SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the expiry of the buyback period i.e., the date on which the payment of consideration to shareholders who have accepted the buyback offer is made except in discharge of subsisting obligations which is including but not limited to the allotment of 7,80,000 Equity Shares which are kept in abeyance pursuant to a notification issued by SEBI dated May 20, 2005 under the Securities Contract (Regulation) Act, 1956, thereby approving the BSE (Corporatisation and Demutualisation) Scheme, 2005 submitted by the Company;
- (iv) the Company shall not buyback its Equity Shares or other specified securities from any person through negotiated deal whether on or off the stock exchange or through spot transactions or through any private arrangement in the implementation of the Buyback;
- (v) the aggregate maximum amount of the Buyback i.e. ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) does not exceed 25% of the aggregate of the paid-up capital and free reserves as per the latest standalone audited financial statements of the Company as on March 31, 2019;
- (vi) the maximum number of Equity Shares proposed to be purchased under the Buyback i.e., 67,64,705 (Sixty Seven Lakh Sixty Four Thousand Seven Hundred and Five only) Equity Shares does not exceed 25% of the total number of Equity Shares in the total paid-up equity capital of the Company as per the latest standalone audited financial statements of the Company as on March 31, 2019;
- (vii) there are no pending schemes of amalgamation or compromise or arrangement pursuant to the Companies Act ("Scheme") involving the Company, and no public announcement of the Buyback shall be made during pendency of any such Scheme;
- (viii) the Company shall not make any further offer of buyback within a period of one year reckoned from the expiry of the buyback period i.e. the date on which the payment of consideration to shareholders who have accepted the buyback offer is made;
- (ix) since the Company does not have any promoter, promoter group or persons in control, the confirmation pertaining to public shareholding post buyback not falling below the minimum level required as per Regulation 38 of the SEBI Listing Regulations is not applicable to the Company;
- (x) the Company shall not withdraw the Buyback after the draft letter of offer is filed with the SEBI or the public announcement of the offer of the Buyback is made;
- (xi) the Company shall comply with the statutory and regulatory timelines in respect of the Buyback in such manner as prescribed under the Companies Act and/or the SEBI Buyback Regulations and any other applicable laws;
- (xii) the Company shall not utilize any money borrowed from banks or financial institutions for the purpose of buying back its Equity Shares;
- (xiii) the Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies, if any or through any investment company or group of investment companies;
- (xiv) the Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act;
- (xv) there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;
- (xvi) the Company will not buyback Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in, or until the time the Equity Shares become transferable, as applicable;
- (xvii) the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice its paid-up capital and free reserves on a standalone and consolidated basis;
- (xviii) the Company shall transfer from its free reserves or securities premium account and/or such sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements; and
- (xix) the Buyback shall not result in delisting of the Equity Shares from NSE.

8. CONFIRMATION BY THE BOARD OF DIRECTORS

As required by clause (x) of Schedule I of the SEBI Buyback Regulations, the Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- (i) immediately following the date of the Board resolution i.e., May 7, 2019 ("Board Resolution") and the date on which the results of the shareholders' resolution in the annual general meeting of the Company with regard to the proposed Buyback were declared i.e., July 15, 2019 ("Special Resolution"), there will be no grounds on which the Company can be found unable to pay its debts;
- (ii) as regards the Company's prospects for the year immediately following the date of the Board Resolution and for the year immediately following the Special Resolution, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Resolution as well as from the date of the Special Resolution.
- (iii) in forming the aforesaid opinion, the Board has taken into account the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (to the extent notified).

9. REPORT BY THE COMPANY'S STATUTORY AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY BOARD REGARDING INSOLVENCY

The text of the report dated May 7, 2019 received from S.R. Batliboi & Co. LLP, the statutory auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

Independent Auditor's Report on the proposed buy back of equity shares pursuant to the requirements of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

The Board of Directors
BSE Limited
25th Floor, P J Towers, Dalal Street,
Mumbai, Maharashtra
Mumbai

- 1. This Report is issued in accordance with the terms of our service scope letter dated May 2, 2019 with BSE Limited (hereinafter the "Company").
- 2. In connection with the proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68 of the Companies Act, 2013, as amended (the "Companies Act") and the rules made thereunder, and the regulations as specified in the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"). We have been engaged by the Company to perform a reasonable assurance engagement on the accompanying statement for determination of the amount of permissible capital payment (the "Statement"), which we have initiated for identification purposes only.

Board of Directors Responsibility for the Statement

- 3. The preparation of the Statement for determination of the amount of permissible capital payment for the buyback is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting of the Board of Directors approving the buyback of its equity shares i.e. May 7, 2019 (hereinafter referred as the "date of the Board meeting") and the date on which the results of the shareholders' resolution in the ensuing annual general meeting with regard to the proposed buyback are declared.
- 5. The Board of Directors are responsible to ensure compliance of the Companies Act and the regulations as specified in the SEBI Buyback Regulations.

Auditor's Responsibility

- 6. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
 - (i) Whether we have inquired into the state of affairs of the Company;
 - (ii) Whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations;
 - (iii) Whether the Board of Directors has formed the opinion, as specified in Clause (X) of Schedule I to the SEBI Buyback Regulations, on a reasonable ground that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of the Board meeting i.e. May 7, 2019 and the date on which the results of the shareholders' resolution in the ensuing annual general meeting with regard to the proposed buyback are declared;
 - (iv) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the solvency declaration as to any of the matters mentioned in the said declaration is unreasonable in circumstances as at the date of declaration.
- 7. We have also been informed that proposed buy back of shares is through the tender offer and is subject to the approval of shareholders of the Company by special resolution at the ensuing annual general meeting.
- 8. The financial statements as of and for the financial year ended March 31, 2019 were audited by us, on which we issued an unmodified audit opinion vide our report dated May 7, 2019. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- 9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.
- 11. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria as mentioned in paragraph 6 above. The procedures selected depend

on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:

- (i) We have inquired into the state of affairs of the Company in relation to its latest audited financial statements for the year ended March 31, 2019;
- (ii) Examined authorization for buyback from the Articles of Association of the Company;
- (iii) Examined that the amount of capital payment for the buy-back as detailed in Statement is within permissible limit computed in accordance with section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations;
- (iv) Agreed the amounts of Paid up equity share capital, securities premium account, general reserve and Retained earnings as at March 31, 2019 as disclosed in the accompanying Statement, with the audited standalone financial statements of the Company for the year ended March 31, 2019;
- (v) Examined that the ratio of debt, if any, owned by the Company is not more than twice the capital and its free reserve after such buy-back;
- (vi) Examined that all shares for buyback are fully paid-up;
- (vii) Examined resolutions passed in the meetings of the Board of Directors i.e., on May 7, 2019;
- (viii) Examined Director's declarations dated May 7, 2019 in respect of the buy back and solvency of the Company; and
- (ix) Obtained necessary representations from the management of the Company.

Opinion

- 12. Based on our examination as above, and the information and explanations given to us, we state that we have inquired into the state of affairs of the Company and in our opinion,
 - (i) the permissible capital payment towards buyback of equity shares, as stated in the Statement, is in our view properly determined in accordance with Section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations; and
 - (ii) the Board of Directors, in their meeting held on May 7, 2019, have formed the opinion, as specified in clause (x) of Schedule I of the SEBI Buyback Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of Board meeting i.e., May 7, 2019 and the date on which the results of the shareholders' resolution at the ensuing annual general meeting with regard to the proposed buyback are declared and we are not aware of anything to indicate that the opinion expressed by the Directors in the solvency declaration as to any of the matters mentioned in the said declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

13. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the SEBI Buyback Regulations and the Companies Act solely to enable them to include it in (a) the explanatory statement to be included to the notice for special resolution, the public announcement, draft letter of offer and letter of offer to be sent to the shareholders of the Company or filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the SEBI Buyback Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited and may be submitted to the authorized dealer and/or manager for the said buyback, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/300005

Sd/-
Per Jayesh Gandhi
Partner
Membership Number: 37924

Mumbai
May 7, 2019
UDIN: 19037924AAAABB7088

Statement of computation of amount of permissible capital payment ("the Statement") towards buy back of equity shares of BSE Limited in accordance with Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and Section 68(2)(c) of the Companies Act, 2013, as amended based on the standalone audited financial statements for the year ended March 31, 2019:

Particulars		Amount (INR in lakh)
Paid-up Equity Share Capital as at March 31, 2019*	(A)	1,036
(5,17,89,002 equity shares of INR 2/- each fully paid-up)		
Free reserves as at March 31, 2019**		
Securities premium account		22,526
General reserve		69,415
Retained earnings		93,041
Total free reserves	(B)	1,84,982
Total paid-up Equity Share Capital and free reserves as at March 31, 2019	C= (A)+(B)	1,86,018
Permissible capital payment in accordance with Section 68(2)(c) of the Companies Act, 2013, as amended and Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018		46,505
(25% of the total paid-up Equity Share Capital and free reserves)		
Maximum amount permitted by Board resolution dated May 7, 2019 approving buyback, based on the standalone audited financial statements for the year ended March 31, 2019		46,000
Buy back size as a percentage of total paid-up Equity Share Capital and free reserves		24.73%

*Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation I provided in Section 68 of the Companies Act, 2013, as amended.

**The above calculation of the total paid-up Equity Share Capital and free reserves as at March 31, 2019 for buy-back of equity shares is based on the amounts appearing in the audited standalone financial statements of the Company for the year ended March 31, 2019. These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rules made thereunder, each as amended from time to time.

For and on behalf of BSE Limited

Sd/-
Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469
Date: May 7, 2019
Unquote

Sd/-
Nayan Mehta
Chief Financial Officer
Date: May 7, 2019

10. PROCESS AND METHODOLOGY TO BE ADOPTED FOR BUYBACK

Process

- 10.1 The Buyback is open to all Eligible Shareholders i.e., the shareholders who on the Record Date will be holding Equity Shares of the Company.
- 10.2 The Buyback will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" as specified by SEBI in the SEBI Circulars and in accordance with the procedure prescribed in the circular issued by NSE bearing number NSE/CMTR/34242 dated February 22, 2017, as amended from time to time, Companies Act and the SEBI Buyback Regulations, and as may be determined by the Board of Directors, or the Buyback Committee on such terms and conditions as may be permitted by law from time to time.
- 10.3 For implementation of the Buyback, the Company has appointed Edelweiss Securities Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

Edelweiss Securities Limited
Edelweiss House, 14th floor, Off C.S.T Road,
Kalina, Mumbai 400 098
Tel. No.: +91 22 5623 3325
Fax No.: +91 22 2286 4411
Contact Person: Atul Benke
Email: atul.benke@edelweissfn.com
Website: www.edelweissfn.com
SEBI Registration Number: INZ000166136
CIN: U67110TG1993PLC052266

- 10.4 For the purpose of this Buyback, NSE would be the designated stock exchange ("Designated Stock Exchange"). The Company shall request NSE to provide a separate window (the "Acquisition Window") to facilitate placing of sell orders by the Eligible Shareholders who wish to tender their Equity Shares in the Buyback. The details of the Acquisition Window will be as specified by NSE from time to time.
- 10.5 During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Equity Shares in dematerialised form ("Demat Shares"). In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.
- 10.6 In the event the Shareholder Broker of any Eligible Shareholder is not registered with NSE as a trading member/ stock broker/ Shareholder Broker, then that Eligible Shareholder can approach any NSE registered stock broker and can register himself by using web based unique client code application ("UCI online") facility through that NSE registered stock broker (after submitting all details as may be required by such NSE registered stock broker in compliance with applicable law). In case the Eligible Shareholders are unable to register himself by using UCI online facility through any other NSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker i.e., Edelweiss Securities Limited, to place their bids.
- 10.7 The reporting requirements for non-resident shareholders under the Foreign Exchange Management Act, 1999, as amended and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Share

- trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- (e) Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“TRS”) generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the order/bid has been placed. The TRS will contain details of order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered, etc.
- (f) In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid by such Eligible Shareholder shall be deemed to have been accepted.
- 10.12 Procedure to be followed by the shareholders holding physical shares:**
- (a) As per the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI’s press releases dated December 3, 2018, and March 27, 2019, effective from April 1, 2019, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository (“**LODR Amendment**”).
- (b) In light of the LODR Amendment, any of the Eligible Shareholders holding Equity Shares in physical form and are desirous of tendering their Equity Shares can do so only after the shares are dematerialized. Such Eligible Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized.
- 10.13 Method of Settlement**
- Upon finalization of the basis of acceptance as per the SEBI Buyback Regulations:
- (a) The settlement of trades shall be carried out in the manner as detailed in the following paragraphs, which is similar to settlement of trades in the secondary market.
- (b) The Company will pay consideration to the Company’s Broker who will transfer the consideration pertaining to the Buyback to the Clearing Corporation’s bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Eligible Shareholders will receive funds pay-out in their bank account from the Clearing Corporation. If such Eligible Shareholder’s bank account details are not available or if the funds transfer instruction is rejected by the RBI/ relevant banks, due to any reasons, then the amount payable to the Eligible Shareholder will be transferred to the Shareholder Broker’s settlement account for onward transfer to such Eligible Shareholders.
- (c) The Demat Shares bought back would be transferred directly to the demat account of the Company opened for the Buyback (the “**Company Demat Account**”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of NSE.
- (d) The Eligible Shareholders of the Demat Shares will have to ensure that they keep the depository participant (“**DP**”) account active and unlocked to receive credit in case of return of Demat Shares, due to rejection or due to non-acceptance of Demat Shares in the Buyback.
- (e) Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholder would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholder’s DP account.
- (f) In case of certain Eligible Shareholders viz., non-resident Indians, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker’s settlement accounts for releasing the same to such shareholder’s account.
- (g) The Shareholder Broker would issue contract note to the Eligible Shareholders tendering Equity Shares in the Buyback. The Company’s Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (h) Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for details of any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Shareholder Broker upon the Eligible Shareholders for tendering their Equity Shares in the Buyback (secondary market transaction). The Buyback consideration, received by the Eligible Shareholders who have tendered Equity Shares in the Buyback, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.
- (i) The Equity Shares lying to the credit of the Company Demat Account will be extinguished in the manner and following the procedure prescribed in the SEBI Buyback Regulations.
- 11. RECORD DATE AND SHAREHOLDER ENTITLEMENT**
- 11.1 As required under the SEBI Buyback Regulations, the Company has fixed, Monday, July 29, 2019 as the Record Date for the purpose of determining the entitlement and the names of the Eligible Shareholders of the Equity Shares, who will be eligible to participate in the Buyback.
- 11.2 In due course, Eligible Shareholders will receive a letter of offer in relation to the Buyback (“**Letter of Offer**”) along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.

- 11.3 The Equity Shares proposed to be bought back by the Company, as part of the Buyback is divided into two categories:
- (a) reserved category for Small Shareholders (defined under Regulation 2(i)(n) of the SEBI Buyback Regulations as a shareholder, who holds shares or other specified securities whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than ₹ 2,00,000 (Rupees Two Lakh only)); and
- (b) the general category for all other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.
- 11.4 In terms of Regulation 6 of the SEBI Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
- 11.5 Based on the shareholding as on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs. The final number of Equity Shares which the Company will purchase from the Eligible Shareholders will be based on the Equity Shares tendered. Accordingly, in the event of the overall response to the tender offer being in excess of the Buyback Offer Size, the Company may not purchase all the Equity Shares tendered by the Eligible Shareholders, over and above their entitlement.
- 11.6 After accepting the Equity Shares tendered on the basis of entitlement, Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by the Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in other category.
- 11.7 In order to ensure that the same Eligible Shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company proposes to club together the Equity Shares held by such Eligible Shareholders with a common permanent account number (“**PAN**”) for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the name of joint shareholders are identical. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/trusts and insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback (defined below) as per the shareholder records received from the depositories.
- 11.8 The Eligible Shareholders participation in the Buyback is voluntary. The Eligible Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. The Eligible Shareholders may also tender a part of their entitlement. The Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any.
- 11.9 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. If the Buyback entitlement for any Eligible Shareholder is not a round number (i.e., not a multiple of one Equity Share), then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback. On account of ignoring the fractional entitlement, those Small Shareholders whose entitlement would be zero Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.
- 11.10 The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in SEBI Buyback Regulations.
- 11.11 Detailed instructions for participation in the Buyback (tendering of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible shareholders.
- 12. COMPLIANCE OFFICER**
- The Company has designated Smt. Prajakta Powle as the compliance officer for the purpose of the Buyback (“**Compliance Officer**”). Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e., 9:00 a.m. to 5:00 p.m. on all working days except Saturday, Sunday and public holidays at the below-mentioned address:

- Smt. Prajakta Powle**
Company Secretary and Compliance Officer
BSE Limited
25th Floor, P.J. Towers, Dalal Street, Mumbai - 400 001, India
Tel. No.: +91 22 2272 1233/34
Fax No.: +91 22 2272 1003
Email: bse.shareholders@bseindia.com
Website: www.bseindia.com
- 13. INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUYBACK**
- In case of any query, the shareholders may contact Karvy Fintech Private Limited (“**Registrar to the Buyback**”) on any day, except Saturday, Sunday and public holidays between 10:00 a.m. and 4:00 p.m. at the following address:
- KARVY FINTECH**
- Karvy Fintech Private Limited***
Karvy Selenium Tower B Plot 31 & 32, Gachibowli, Financial District, Nanakramguda Serilingampally, Hyderabad Rangareddy, Telangana 500 032, India
Tel No.: +91 40 6716 2222
Fax No.: +91 40 2343 1551
Email: bse.buyback@karvy.com
Contact Person: M Murali Krishna
Investor Grievance Id: einward.ris@karvy.com
Website: www.karvyfintech.com
SEBI Registration Number: INR000000221
- *Karvy Computershare Private Limited has been amalgamated with Karvy Fintech Private Limited by order of the National Company Law Tribunal, Hyderabad dated October 23, 2018 and the said amalgamation was effective from November 17, 2018, and accordingly, Karvy Fintech Private Limited is acting as the Registrar to the Buyback.*
- 14. MANAGER TO THE BUYBACK**
- The Company has appointed the following as Manager to the Buyback:
- Edelweiss**
ideas create, values protect
- Edelweiss Financial Services Limited**
14th floor, Edelweiss House,
Off. C.S.T. Road
Kalina, Mumbai - 400 098,
Maharashtra, India
Tel. No.: +91 22 4009 4400
Fax No.: +91 22 4086 3610
Email: bse.buyback2019@edelweissfin.com
Contact Person: Disha Doshi
Website: www.edelweissfin.com
SEBI Registration Number: INM0000010650
CIN: L99999MH1995PLC094641
- 15. DIRECTORS' RESPONSIBILITY**
- As per Regulation 24(i)(a) of the SEBI Buyback Regulations, the Board of Directors accepts full and final responsibility for all information contained in this Public Announcement and for the information contained in all other advertisements, circulars, brochures, publicity materials etc., which may be issued in relation to the Buyback and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information.
- For and on behalf of the Board of Directors of BSE Limited**
- | | | |
|---|--|---|
| <i>Sd/-</i>
Ashishkumar Chauhan
Managing Director & CEO | <i>Sd/-</i>
Umakant Jayaram
Public Interest Director | <i>Sd/-</i>
Prajakta Powle
Company Secretary and
Compliance Officer
Membership Number: A20135 |
| DIN:00898469 | DIN: 08334815 | |
- Place:** Mumbai
Date: July 15, 2019