

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone 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 of
BSE Limited

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of BSE Limited (the "Company") for the quarter and year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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 the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

Other Matters

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jayesh Gandhi

Partner

Membership No.: 037924

UDIN: 21037924AAAADZ9790

Mumbai

May 13, 2021



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 year ended March 31, 2021

(₹ in Lakh)

PARTICULARS	For the quarter ended March 31, 2021	For the quarter ended December 31, 2020	For the quarter ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
	Audited	Unaudited	Audited	Audited	Audited
1 Revenue from operations	12,919	10,198	9,953	42,392	37,863
2 Investment income	746	3,085	2,322	11,356	13,956
3 Other income (refer note 6)	523	557	776	2,757	2,394
4 Total income (1+2+3)	14,188	13,840	13,051	56,505	54,213
5 Expenses					
a) Employee benefits expense	2,183	2,220	2,315	8,914	9,390
b) Finance costs (refer note 4b)	(52)	82	-	33	-
c) Depreciation and amortisation expense	1,365	1,330	1,148	5,103	4,355
d) Computer technology related expenses	2,537	3,198	3,212	11,482	13,090
e) Settlement of service tax matter (refer note 8)	-	-	4	-	366
f) Provision for Additional Contribution to ISF and IPF (refer note 6)	-	-	1,861	-	1,861
g) Administration and other expenses	4,483	3,865	4,303	16,011	16,568
h) Liquidity enhancement scheme expenses (refer note 9)	587	631	160	1,910	219
Total expenses (5a to 5h)	11,103	11,326	13,003	43,453	45,849
6 Profit before exceptional item and tax (4-5)	3,085	2,514	48	13,052	8,364
7 Exceptional item (net) (refer note 4a and 4b)	-	-	-	(1,453)	9,158
8 Profit before tax (6+7)	3,085	2,514	48	11,599	17,522
9 Tax expense/(Write back) (refer note 5)	1,590	385	(111)	1,873	155
10 Profit for the period / year (8-9)	1,495	2,129	159	9,726	17,367
11 Other comprehensive income (net of taxes)	54	12	23	277	(25)
12 Total comprehensive income for the period / year (10+11)	1,549	2,141	182	10,003	17,342
13 Paid up equity share capital (face value per share ₹ 2 Each)	900	900	900	900	900
14 Other equity				217,817	215,601
15 Earnings per equity share (face value per share ₹ 2 Each)					
Basic and diluted before exceptional item (₹) (refer note below)	3.26	4.65	0.35	23.30	16.72
Basic and diluted after exceptional item (₹) (refer note below)	3.26	4.65	0.35	21.23	35.37

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

BSE Limited
(Formerly known as Bombay Stock Exchange Limited)
Standalone Balance Sheet as at March 31, 2021

(₹ in Lakh)

PARTICULARS		As at March 31, 2021	As at March 31, 2020
		Audited	Audited
ASSETS			
1	Non-current assets		
	a. Property, plant and equipment	8,527	9,096
	b. Capital work-in-progress	20	827
	c. Investment properties	392	412
	d. Goodwill	-	-
	e. Intangible assets	2,851	2,334
	f. Intangible assets under development	360	1,489
	g. Financial assets		
	i. Investments		
	a. Investments in subsidiaries	71,505	68,850
	b. Investments in associates	4,723	4,723
	Settle c. Other investments	23,349	38,749
	ii. Other financial assets	8,536	8,856
	h. Deferred tax assets (net)	11,190	10,804
	i. Income tax assets (net)	6,707	5,634
	j. Other assets	2	14
	Total non-current assets	138,162	151,788
2	Current assets		
	a. Financial assets		
	i. Investments	98,186	103,708
	ii. Trade receivables	5,575	5,195
	iii. Cash and cash equivalents	11,563	3,011
	iv. Bank balances other than (iii) above	39,245	17,376
	v. Other financial assets	5,255	315
	b. Other assets	1,300	836
	Total current assets	161,124	130,441
	Total assets (1+2)	299,286	282,229
EQUITY AND LIABILITIES			
3	Equity		
	a. Equity share capital	900	900
	b. Other equity	217,817	215,601
	Total equity	218,717	216,501
	Liabilities		
4	Non-current liabilities		
	a. Financial liabilities		
	Other financial liabilities	868	676
	b. Other liabilities	20	88
	Total non-current liabilities	888	764
5	Current liabilities		
	a. Financial liabilities		
	i. Trade payables		
	a. Total outstanding dues of micro enterprises and small enterprises	5	16
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	8,973	6,756
	ii. Other financial liabilities	44,246	39,686
	b. Provisions	1,325	1,114
	c. Income tax liabilities (net)	944	944
	d. Other liabilities	24,188	16,448
	Total Current Liabilities	79,681	64,964
	Total Equity and Liabilities (3+4+5)	299,286	282,229

BSE Limited (Formerly known as Bombay Stock Exchange Limited) CIN L67120MH2005PLC155188 Cash Flow Statement for the year ended March 31, 2021		
(₹ in Lakh)		
PARTICULARS	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	9,726	17,367
Adjustments for		
Income tax expenses recognised in profit and loss	1,873	155
Depreciation and amortisation expenses	5,103	4,355
Impairment loss on financial assets carried at cost	3	791
Net gain on disposal of property, plant and equipment and intangible assets	3	(10)
Impairment loss on financial assets and bad debts write off	1,720	1,749
Net gain on partial disposal of investment in subsidiary measured at cost	-	(9,158)
Net gain arising on financial assets measured at FVTPL	(9,620)	(11,529)
Interest income	(793)	(403)
Dividend income	(943)	(2,024)
Provision for compensated absences	611	497
Operating cash flow before working capital changes	7,683	1,790
Movements in working capital		
(Increase) / decrease in trade receivables	(2,100)	(2,831)
Increase/ (decrease) in trade payables	2,206	3,180
Increase/ (decrease) in provisions	211	76
(Increase) / decrease in other financial assets and other assets	(4,839)	(407)
Increase / (decrease) in other financial liabilities and other liabilities	6,830	8,302
Cash generated from operations	9,991	10,110
Direct taxes paid- net of refunds	(3,471)	(3,502)
Net cash generated from operating activities	6,520	6,608
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed assets		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(3,562)	(2,981)
Proceeds from sale of fixed assets	1	15
Investments		
Net (increase)/decrease in investment in mutual funds	30,541	47,910
Investment in bonds and non-convertible debentures	(1,502)	-
Proceeds received from bonds and non-convertible debentures	1,500	2,500
Investment in fixed deposits	(19,167)	(41,422)
Proceeds received from fixed deposits	3,349	39,298
Investment in subsidiaries	(2,655)	-
Proceeds received on partial sale of investment in subsidiary/associate	-	10,102
Interest received	371	592
Dividend received from Subsidiaries/Associates and Mutual Fund	943	2,024
Net cash generated from investing activities	9,819	58,038
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment towards buyback including transaction cost	-	(47,620)
Dividend and taxes paid thereon	(7,787)	(15,843)
Net cash used in financing activities	(7,787)	(63,463)
Net increase in cash and cash equivalents (A+B+C)	8,552	1,183
Cash and cash equivalents at the beginning of the year	3,011	1,828
Cash and cash equivalents at the end of the year *	11,563	3,011
Balances with banks		
In current accounts	1,200	2,713
In deposit accounts with original maturity of 3 months	10,363	298
* Cash and cash equivalents at the end of the year	11,563	3,011

The accompanying notes form an integral part of the financial statements

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
2. Movement in earmarked liabilities and assets are not considered.
3. Previous year's figures have been regrouped wherever necessary.

- 1 The above standalone financial results for the quarter and year ended March 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors on May 13, 2021 and the statutory auditors of the Company have conducted an Audit of the said standalone financial results for the quarter and year ended March 31, 2021.
- 2 The above standalone financial results for the quarter and year ended March 31, 2021 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) During the previous year, the Company had divested its 4% stake in its associate company Central Depository Services (India) Limited ("CDSL") through offer for sale. The profit on divestment amounting to ₹ 9,158 Lakh was reflected as an "Exceptional Item" in the Standalone Financial Results for the year ended March 31, 2020.
(b) S & P Dow Jones Indices LLC and SPDJ Singapore Pte Ltd (hereinafter collectively called as "SPDJ") had filed arbitration proceedings against BSE under Singapore International Arbitration Center's rules, inter alia, challenging the termination of index licensing arrangement by BSE Limited. The Final Award passed by the Arbitrator Tribunal dated September 17, 2020 inter-alia, held that the termination of the Agreements by BSE is invalid, the Agreement continue to remain in force and the costs of arbitration, legal and other costs incurred by SPDJ shall be borne by BSE. Accordingly, an amount of ₹ 1,453 Lakh is paid by BSE to SPDJ with interest upto the date of payment. The said amount has been paid and has been disclosed as an "Exceptional item" for the year ended March 31, 2021. Interest paid to SPDJ of ₹ 17 Lakh has been disclosed as finance cost for the year ended March 31, 2021.
- 5 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, benefit of accumulated Minimum Alternate Tax (MAT) credit is not allowed. Considering the substantial accumulated MAT credit, the management has assessed that at present it is beneficial not to opt for the option of availing revised income tax rate. The tax liability for the current period and previous period has been accordingly calculated.
- 6 The Company had earlier received observations from SEBI in respect of inspection conducted for the period 2005 – 2017, in which the Company was asked to plough back certain amount to Investors' Services Fund ("ISF") and BSE Investors Protection Fund Trust ("IPF") in respect of expenses charged in the earlier years to these funds. On the basis of response submitted by the Company, in the year ended March 2020, SEBI concluded and instructed the Company to plough back an amount of ₹ 1,037 Lakh along with interest to the said funds. Consequently, an expense of ₹ 1,385 Lakh was charged to the profit and loss account for the year ended March 31, 2020 along with expense of ₹ 476 Lakh for the year ended March 31, 2018. Accordingly, an amount aggregating to ₹ 1,861 Lakh was disclosed as "Provision for Additional Contribution to ISF and IPF" for the year ended March 31, 2020. Subsequently, based on final amount arrived by SEBI, the Company had reassessed amount chargeable to the fund for earlier years and has written back ₹ 595 Lakh to "Other income" in the year ended March 31, 2021.
- 7 As per the assessment of management, there are no lease contracts for which IND AS 116 – Leases is required to be applied.
- 8 During the previous year, the Company had opted for the Sabka Vishwas (Legacy Dispute Resolution) scheme, 2019 for the settlement of service tax matter of earlier years. Accordingly, an amount of ₹ 366 Lakh was paid under the said scheme, which was charged to the profit and loss account for the year ended March 31, 2020.
- 9 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 derivatives. An expense of ₹ 587 Lakh, ₹ 631 Lakh, ₹ 160 Lakh, ₹ 1,910 Lakh and ₹ 219 Lakh has been incurred towards the scheme for the quarter ended March 31, 2021, quarter ended December 31, 2020, quarter ended March 31, 2020, year ended March 31, 2021 and year ended March 31, 2020 respectively.

10 Interoperability among clearing corporations was implemented from June, 2019. After implementation of interoperability, the members have the option to choose the clearing corporation to clear their trades. Based on their selection, the trades of BSE are cleared by respective clearing corporations.

As per the requirement arising out of August 27, 2014 SEBI Circular on CIR\MRD\DRMNP\25\2014, for contribution by exchange to Core Settlement Guarantee Fund ("Core SGF"), BSE needs to contribute to Core SGFs of all the Clearing corporations through which its trades are cleared.

BSE has already contributed ₹ 14,488 to Indian Clearing Corporation Ltd., which is in excess by ₹ 11,777 as compared to the requirement, as of March 31, 2021. Based on the transactions executed on BSE and which are cleared by other Clearing Corporations, requirement of Core SGF is ₹ 1,599 as on March 31, 2021, which has been duly paid.

Based on representation made by the company, SEBI allowed transfer of excess contribution made by the Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation and hence there is no additional charge to profit and loss account in this regard.

11 The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of the country, governments have introduced a variety of measures to contain the spread of the virus, including lockdowns and restrictions on movement of people and goods across different geographies.

Certain establishments including securities market intermediaries are permitted to operate and continue to remain exempted from restrictions. In case there is disruption in the functioning of the capital markets, the business of the Company may be affected.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is minimal.

12 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

13 The Board of Directors of the Company at its meeting held on May 13, 2021 have recommended a payment of dividend of ₹ 21/- per equity share of ₹ 2/- each. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

14 The figures for the quarter ended March 31, 2021 are arrived at as difference between audited figures in respect of the full financial year for the year ended March 31, 2021 and the reviewed figures upto nine months period ended December 31, 2020.

15 Previous quarter's / year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current quarter's / year's classification / disclosure.

For and on behalf of Board of Directors of
BSE LIMITED

Ashishkumar Chauhan
Managing Director & CEO

Mumbai, May 13, 2021