

**Date: November 3, 2017**

The Manager,  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1  
G Block, Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051

**Scrip Code: BSE**

**ISIN: INE118H01025**

**Sub: Investor Presentation**

Dear Sir/Madam,

With reference to above captioned subject, please find attached Investor presentation.

This is for your information and records.

For **BSE Limited**



**Prajakta Powle**  
**Company Secretary & Compliance Officer**

Encl: a/a



**BSE Limited**

Investor Presentation - November 2017



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# Performance Highlights - Half Year ended September 30, 2017

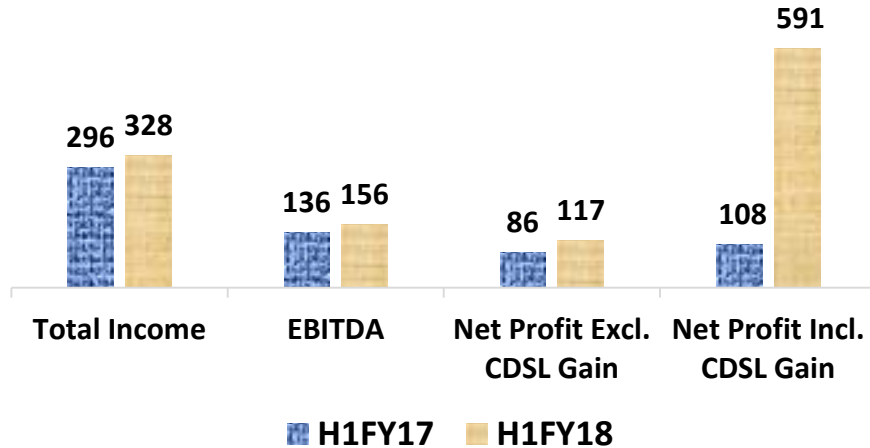
## Consolidated (₹ in Crore)

11% ↑

15% ↑

36% ↑

448% ↑



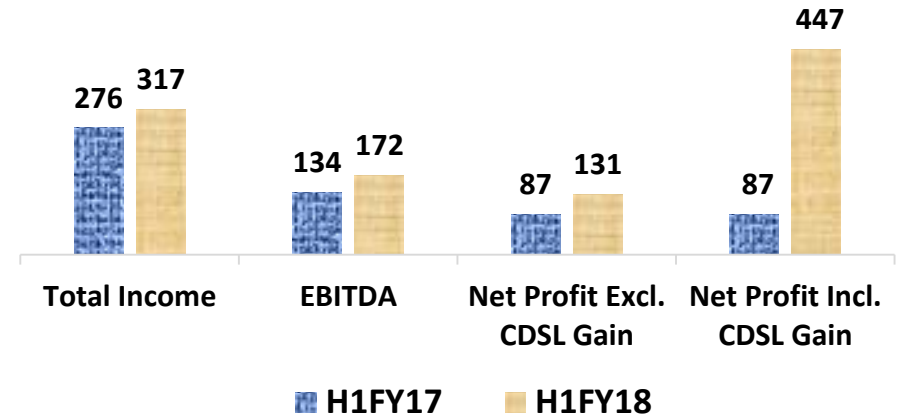
## Standalone (₹ in Crore)

15% ↑

28% ↑

51% ↑

413% ↑



### KEY FIGURES

KEY FIGURES	Sep'16	Sep'17
Net Worth (₹ crore)	2,576	3,093
Book Value per share (₹)	472	567
Return on Equity excluding CDSL (Annualised)	6.73%	8.08%
Return on Equity including CDSL (Annualised)	8.42%	40.93%
EBITDA Margin	46%	48%
Net Margin (Excluding CDSL)	29%	36%
EPS before Excp. items (₹) (Excluding CDSL)	18.24	21.41
EPS after Excp. items (₹) (Including CDSL)	19.73	108.18

### KEY FIGURES

KEY FIGURES	Sep'16	Sep'17
Net Worth (₹ crore)	2,346	2,734
Book Value per share (₹)	430	501
Return on Equity excluding CDSL (Annualised)	7.47%	10.14%
Return on Equity including CDSL (Annualised)	7.47%	34.55%
EBITDA Margin	49%	54%
Net Margin (Excluding CDSL)	32%	41%
EPS before Excp. items (₹) (Excluding CDSL)	18.46	24.09
EPS after Excp. items (₹) (Including CDSL)	15.97	81.93

# Performance Highlights - Half Year ended September 30, 2017 (Cont'd.....)



(₹ in crore)

Sr. No.	Particulars	Amount
1	<b>Net Profit as per BSE's Standalone Financials</b>	<b>447</b>
2	Add: Gain accounted on CDSL Stake Sale (as per Ind-AS in Consolidated Financials)	474
3	Less: Gain accounted on CDSL Stake Sale (as per Ind-AS in Standalone Financials)	316
4	Add: Subsidiaries & Associates Profit (Net)	26
5	Less: Dividend from Subsidiaries (includes dividend from CDSL)	40
6	<b>Net Profit as per BSE's Consolidated Financials</b>	<b>591</b>

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**Overview**

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**Business**

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**State-of-the-art Infrastructure and Technology**

4

**Recent Initiatives & Growth Drivers**

5

**Performance Highlights**

# Evolution Of The Exchange - Key Milestones



1875 To 1995

## •The Native Share & Stock Broker's Association formed

- BSE granted permanent recognition under Securities Contracts (Regulation) Act (SCRA)
- S&P BSE SENSEX , country's first equity index launched
- BSE On-Line Trading (BOLT) system introduced

1996 To 2005

- Equity Derivatives introduced
- Index Options launched
- BSE becomes a Corporate Entity**

2006 To 2010

- Currency Derivatives Introduced**
- First to introduce Mobile-based Trading

2011 To 2014

- Launch of Currency Derivatives (BSE CDX)
- Launch of Interest Rate Futures (BSE – IRF)
- Launch of Institutional Trading Platform on BSE SME
- BSE Launches New Debt Segment
- Launch of Equity Segment on BOLT Plus with Median Response Time of 200 (µs)
- BSE listed cos market cap crosses landmark 100 lakh crore**

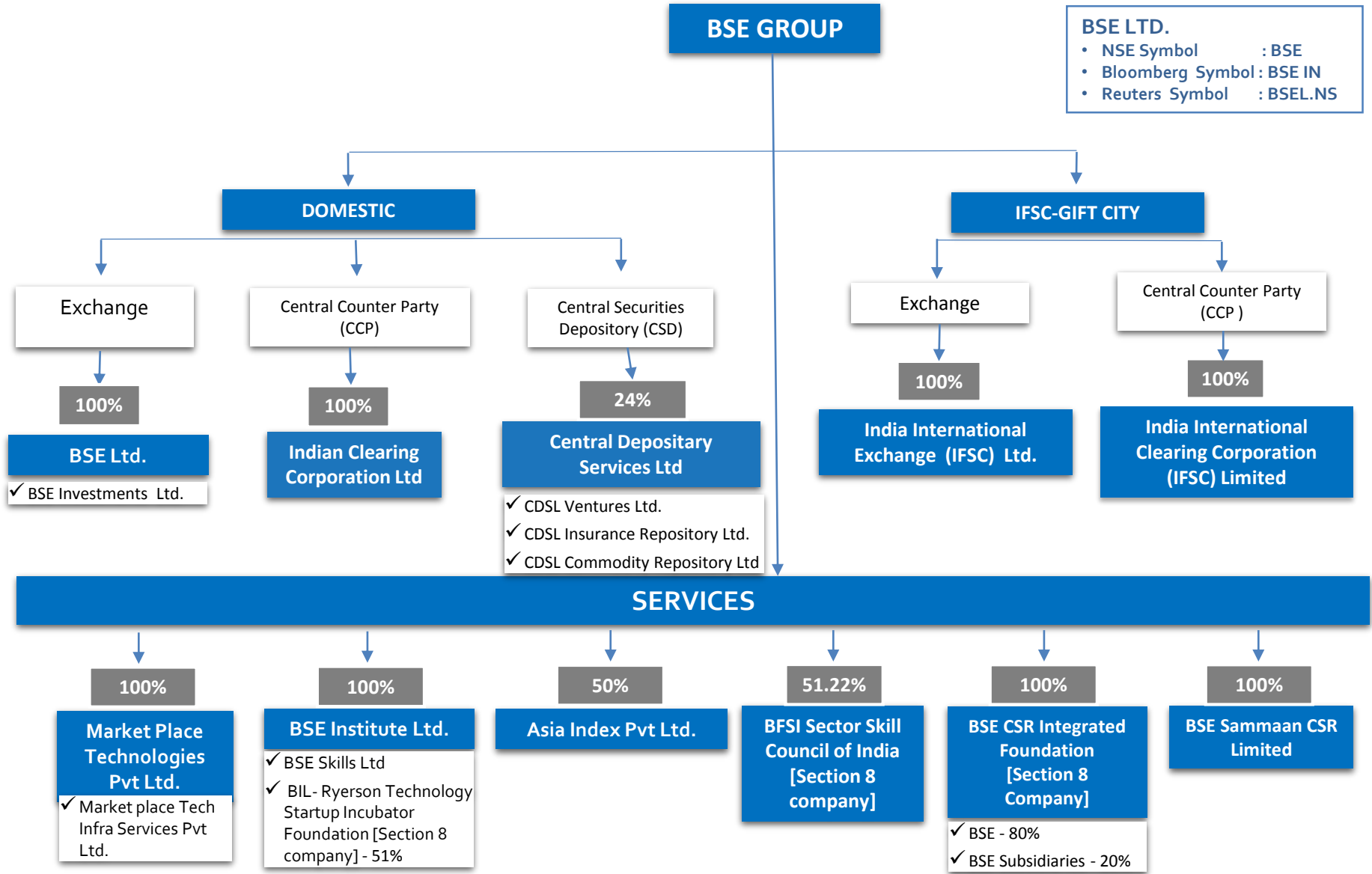
2015 To 2016

- BSE celebrated its 140th Foundation Day
- BSE becomes the fastest exchange in the world with a median response speed of 6 microseconds**
- BSE announces commencement of trading of Sovereign Gold Bonds
- Shri Arun Jaitley, Hon'ble Minister of Finance Unveiled the Commemorative Postage Stamp Celebrating 140 glorious years of BSE

2017

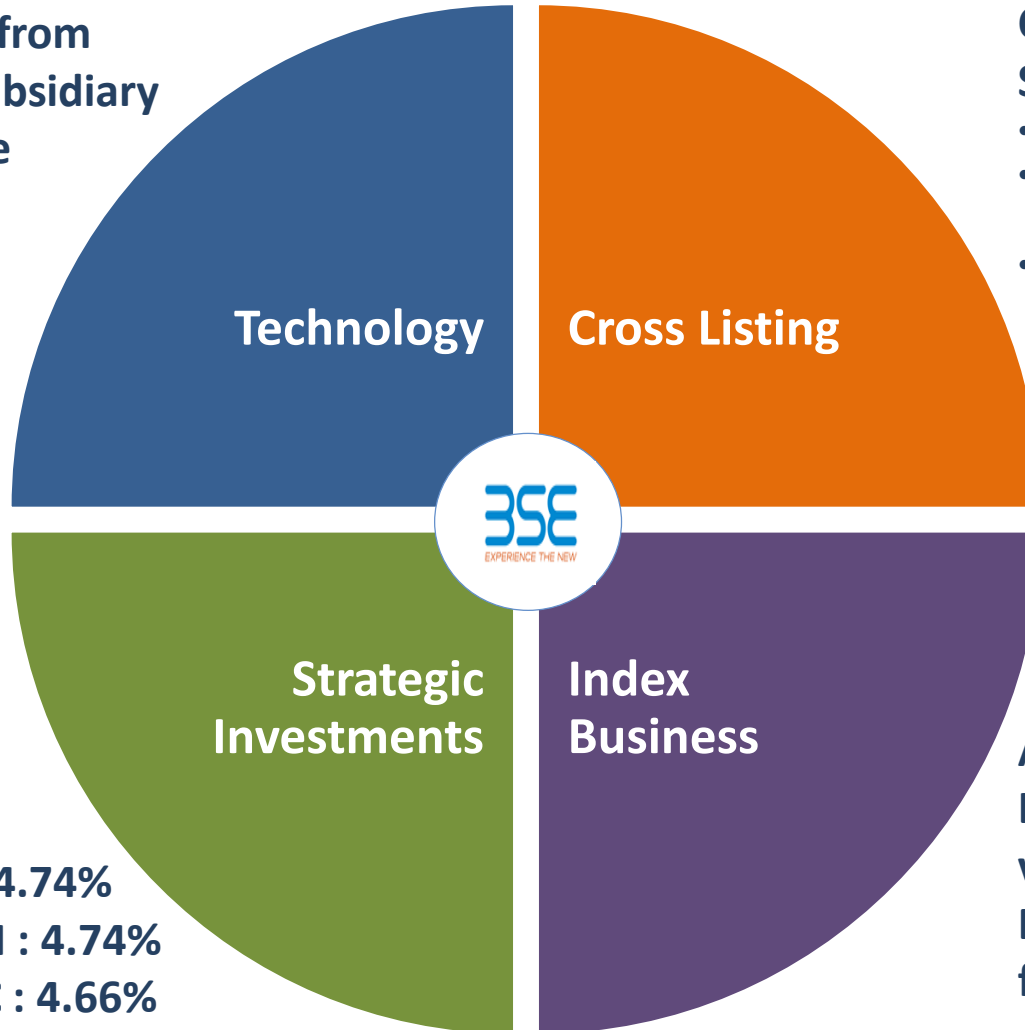
- Hon'ble Prime Minister of India, Shri Narendra Modi inaugurated India International Exchange (IFSC) Ltd, India's 1st International Exchange
- BSE becomes India's 1st listed Stock Exchange**







**T7 Trading System from  
Eurex Exchange, subsidiary  
of Deutsche Boerse**

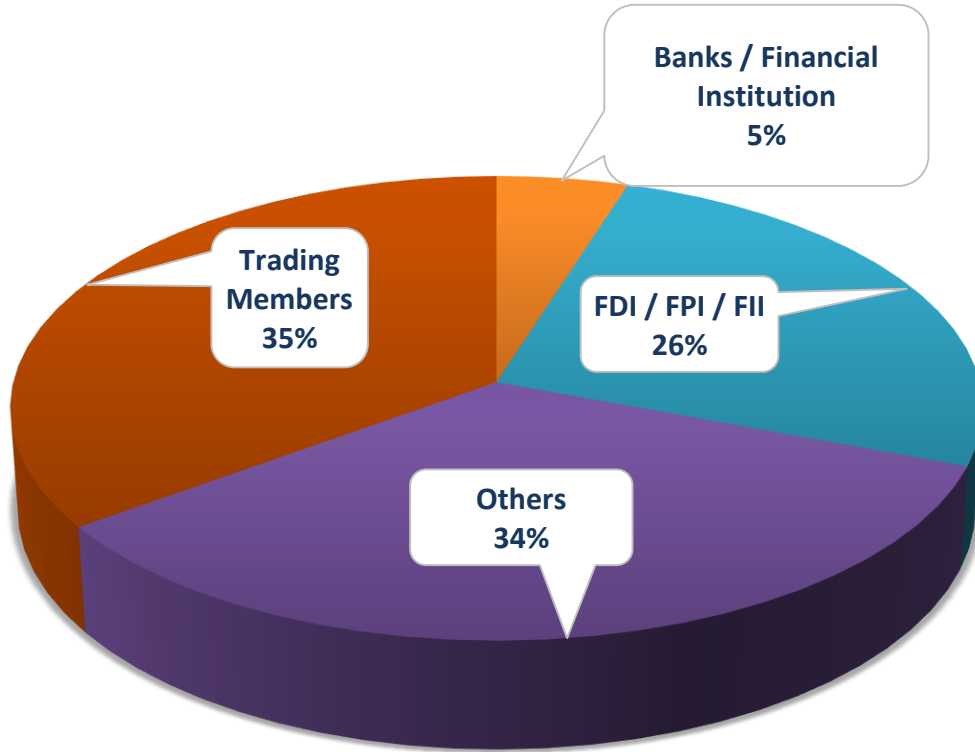


**Cross Listing of  
Sensex with**

- Korea Stock Exchange
- Dubai Gold & Commodities Exchange
- BRICS Alliance – Brazil, Russia, China (Hong Kong), South Africa

**Deutsche Boerse : 4.74%**  
**Board Presence SBI : 4.74%**  
**Board Presence LIC : 4.66%**

**Asia Index Private  
Limited, a joint  
venture with S&P  
Dow Jones Indices  
for development  
and marketing of  
index products**



## SOME KEY SHAREHOLDERS

### Foreign Investors

Smallcap World Fund, Inc.	4.97%
Nomura India Investment Fund Mother Fund	2.79%
GKFF Ventures	2.28%
Caldwell India Holding Inc.	2.18%
Acacia Banyan Partners Limited	1.87%
Jupiter India Fund	1.58%

### International Exchanges

Deutsche Boerse AG	4.74%
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### Banks / Insurance – Indian










State Bank of India	4.74%
Life Insurance Corporation of India	4.66%

### Indian Investors

Siddharth Balachandran	1.84%
Bajaj Holdings & Investment Ltd.	1.40%






Paid up Capital ₹ 107.6 million | Face Value per share ₹ 2/- each

# Experienced Board of Directors

Name	On BSE Board since	Bio	Name	On BSE Board since	Bio
 <p><b>Sethurathnam Ravi</b> <i>Chairman and Public Interest Director</i></p>	2016	<ul style="list-style-type: none"> <li>Promoter and Managing Partner of Ravi Rajan &amp; Co., Chartered Accountants</li> <li>Former Director of UCO Bank</li> </ul>	 <p><b>Vikramajit Sen</b> <i>Public Interest Director</i></p>	2016	<ul style="list-style-type: none"> <li>Previously, acting Chief Justice – High Court of Karnataka and later appointed as Judge, Supreme Court of India</li> </ul>
 <p><b>Ashishkumar Manilal Chauhan</b> <i>MD and CEO</i></p>	2012	<ul style="list-style-type: none"> <li>Previously, Group Chief information officer, Reliance Industries Limited</li> <li>Chairperson of the board of governors of National Institute of Technology, Manipur</li> </ul>	 <p><b>Rajeshree Rajnikant Sabnavis</b> <i>Shareholder Director</i></p>	2015	<ul style="list-style-type: none"> <li>Part of the Direct Taxation Committee with the Bombay Chamber of Commerce where she is a co-Chairperson</li> </ul>
 <p><b>Sumit Bose</b> <i>Public Interest Director</i></p>	2016	<ul style="list-style-type: none"> <li>Previously, member of the Expenditure Management Commission</li> <li>Former Union Finance Secretary and Revenue Secretary in the Ministry of Finance, Government of India</li> </ul>	 <p><b>Sriprakash Kothari</b> <i>Shareholder Director</i></p>	2014	<ul style="list-style-type: none"> <li>Deputy Dean and Gordon Y Billard Professor of Accounting and Finance at Massachusetts Institute of Technology</li> </ul>
 <p><b>Kasturirangan Krishnaswamy</b> <i>Public Interest Director</i></p>	2015	<ul style="list-style-type: none"> <li>Chancellor of Jawaharlal Nehru University and Honorary Professor of Physics at the Physical Research Laboratory, Ahmedabad</li> <li>Former Member of Upper House (Rajya Sabha) of the Indian Parliament</li> <li>Former Chairman, Indian Space Research Organisation</li> </ul>	 <p><b>Mr. Roland Schwinn</b> <i>Shareholder Director</i></p>	2017	<ul style="list-style-type: none"> <li>Head of Eurex Asia, the derivatives market of the Deutsche Boerse Group for Asia</li> <li>He is also the founding director of Deutsche Boerse Asia Holding and Eurex Clearing Asia and since July 2015 he acts as the Chief Executive Officer of Eurex Clearing Asia in Singapore.</li> </ul>
			 <p><b>Usha Sangwan</b> <i>Shareholder Director</i></p>	2015	<ul style="list-style-type: none"> <li>MD of Life Insurance Corporation of India</li> </ul>



# Experienced Management Team

Name	Since	Bio	Name	Since	Bio
 <b>Ashishkumar Manilal Chauhan</b> <i>MD and CEO</i>	2009	<ul style="list-style-type: none"> <li>■ B Tech in Mechanical Engineering from IIT Bombay and a PGDM from IIM Kolkata</li> <li>■ He is one of the founders of India's National Stock Exchange ("NSE") where he worked from 1992 to 2000. He is best known as the father of modern financial derivatives in India due to his work at NSE</li> <li>■ Represents BSE as the Chairman on the Executive Board of the South Asian Federation of Exchanges.</li> <li>■ Previously, Group Chief information officer, Reliance Industries Limited</li> </ul>	 <b>Nayan Mehta</b> <i>Chief Financial Officer</i>	2012	<ul style="list-style-type: none"> <li>■ Prior to joining BSE, Credit Analysis &amp; Research Ltd. as Joint General Manager (Accounts), CFO at Multi Commodity Exchange of India Limited and has also worked at the National Stock Exchange.</li> <li>■ Heads Finance &amp; Accounts, Treasury and Taxation Functions at BSE</li> <li>■ He represents BSE on the Boards of group companies and joint ventures of BSE and as a member of the Qualified Audit Review Committee of SEBI.</li> </ul>
 <b>Neeraj Kulshrestha</b> <i>Chief of Business Operations</i>	2015	<ul style="list-style-type: none"> <li>■ Prior to BSE he was an Executive Director in Morgan Stanley India for 10 years. He was earlier with National Stock Exchange and has managed various functions like Trading Operations, Inspection and Investigation, Futures and Options Clearing and Trading. He was also the CEO of India Index Services Ltd. and Dotex International Ltd</li> <li>■ Heads Trading, Listing, Membership Operations and listing sales.</li> <li>■ 27 year experience in Capital markets, which includes Securities Markets and General Insurance.</li> </ul>	 <b>Nehal Vora</b> <i>Chief Regulatory Officer</i>	2009	<ul style="list-style-type: none"> <li>■ Prior to joining BSE, worked with various departments in SEBI</li> <li>■ More than 19 years of experience in the area of legal and compliance. He has previously worked at the Securities and Exchange Board of India (SEBI) for 10 years and as Director, Law &amp; Compliance at DSP Merrill Lynch Ltd heading Broking and Investment Banking Compliance</li> </ul>
 <b>Kersi Tavadia</b> <i>Chief Information Officer</i>	2010	<ul style="list-style-type: none"> <li>■ Prior to joining BSE, employed with Log-in Utility and InvestSmart Financial Services Limited</li> <li>■ 30 years of experience in the area of Application Systems/ IT Infrastructure development and management, managing all aspects of IT operations in Financial Services, Capital markets and manufacturing companies. He has played a leading role in transforming BSE into the fastest exchange in the country</li> </ul>			

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**Overview**

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**State-of-the-art Infrastructure and Technology**

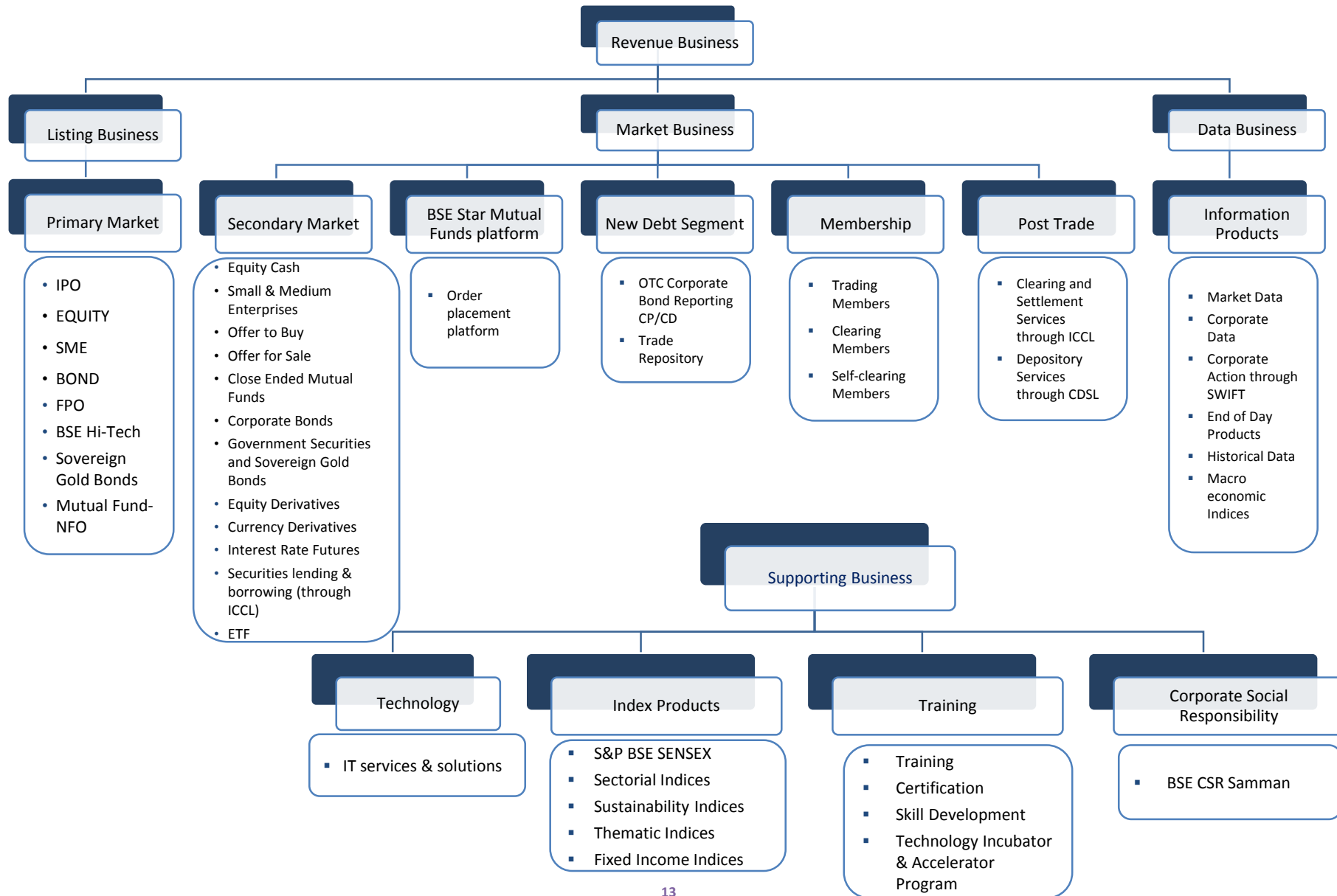
4

**Recent Initiatives & Growth Drivers**

5

**Performance Highlights**

# Diversified Lines of Business





## Capital Formation

Since April 2015, capital raised through BSE

**\$ 24 billion**

[₹ 1.54 trillion] (*till September 30, 2017*)

**\$ 47.5 billion**

[₹ 3.1 trillion]

Raised through BSE's electronic bond platform (*July 2016 to September 2017*)

During FY 17-18 (*till September 30, 2017*),  
BSE listed

**977**

Privately Placed Debt instruments

During FY 16-17,  
BSE listed

**2,353**

Privately Placed Debt instruments

## Global Rankings (*September 2017*)

### Currency Options

Second Largest globally with

**25 million**

Number of Contracts Traded

### Currency Futures

Third largest globally with

**30 million**

Number of Contracts Traded

### Electronic Book Trades

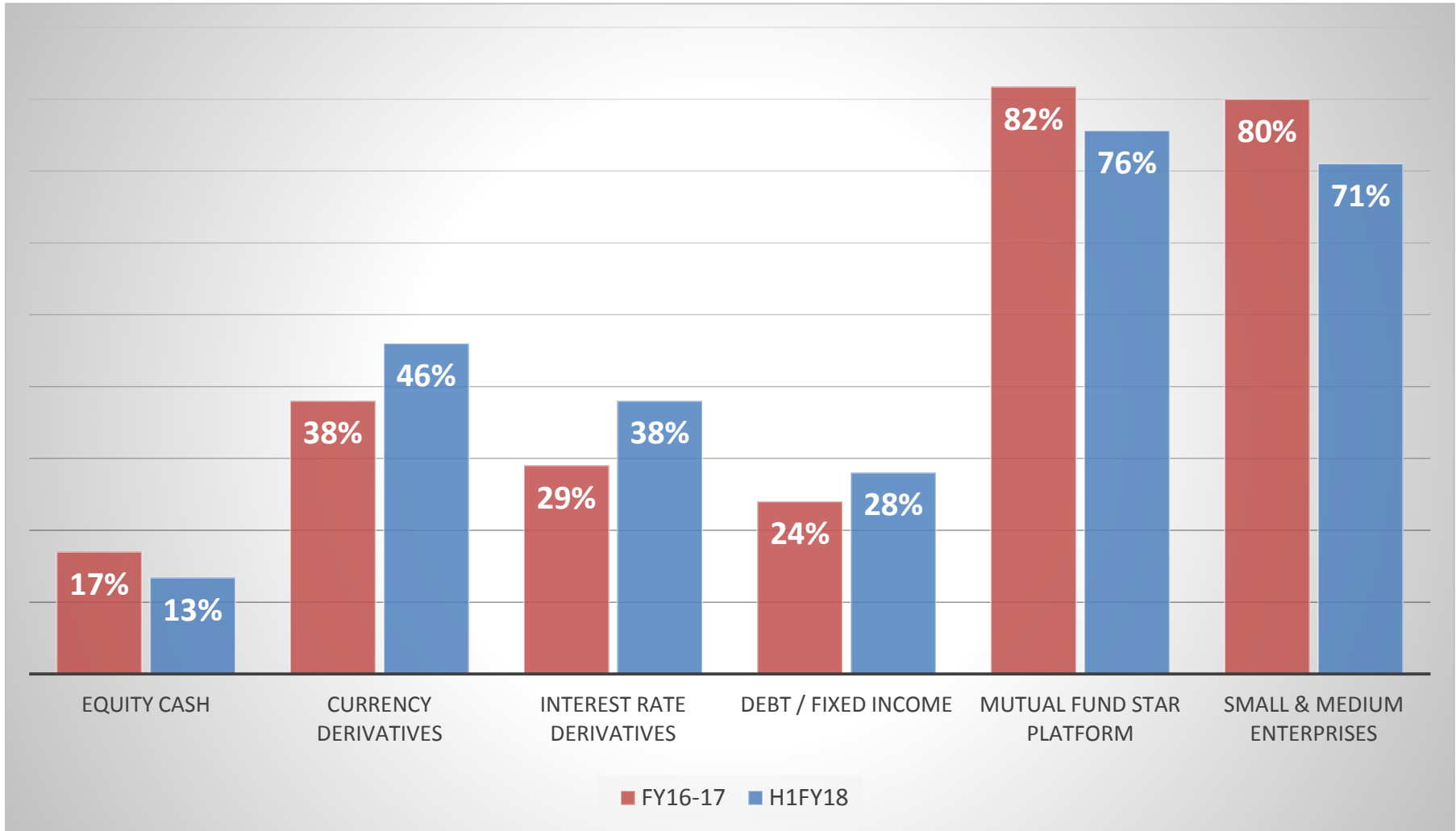
Tenth highest globally with

**29 million**

### Market Capitalization

Eleventh highest globally with

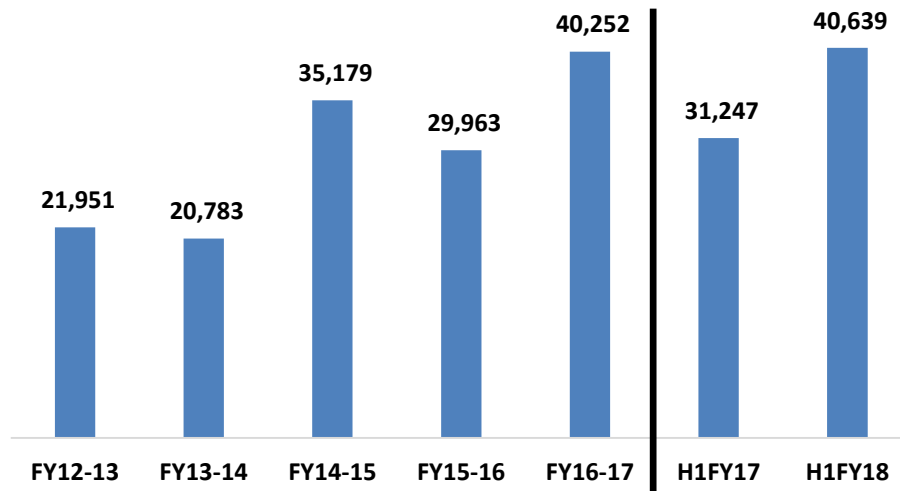
**\$ 2 trillion**



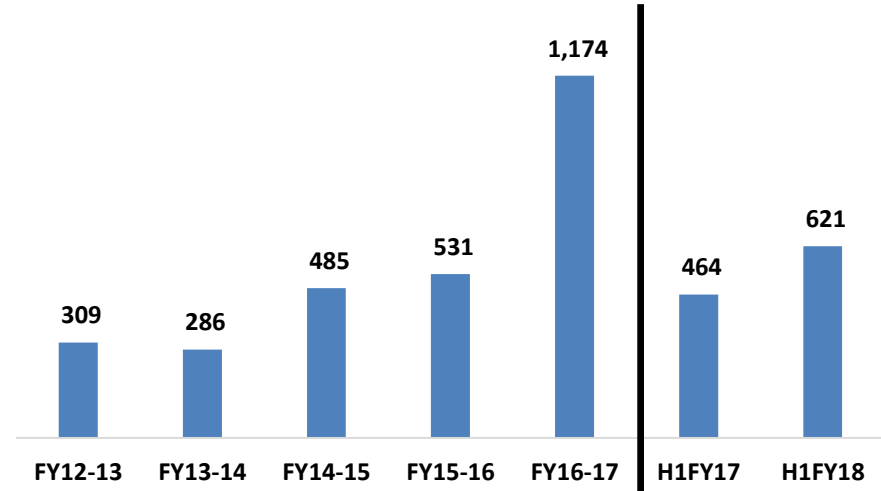
\* Marketshare in Mutual Fund StAR Platform represents the value of purchase / redemption orders executed during the period / year.

\*\* Marketshare in SME Segment represents number of companies listed in SME segment during the period / year.

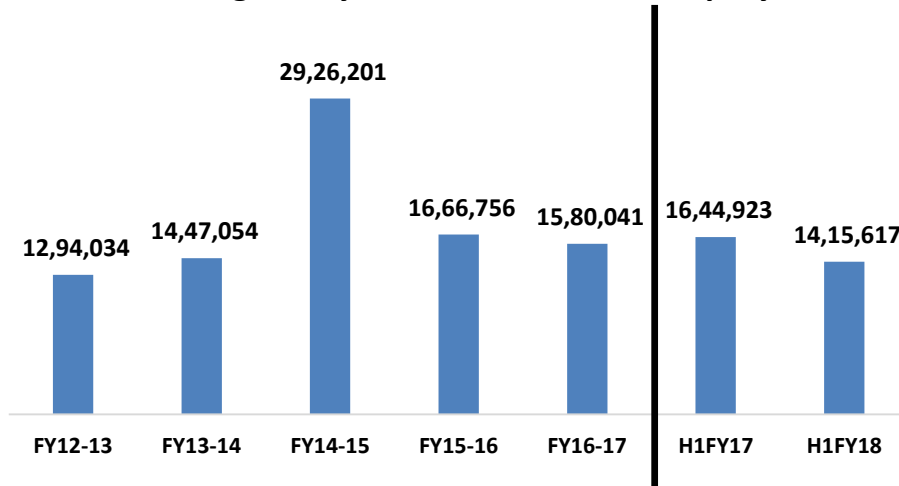
### Average Daily Turnover - Equity (₹ million)



### Transaction Charges Income - Equity (₹ million)



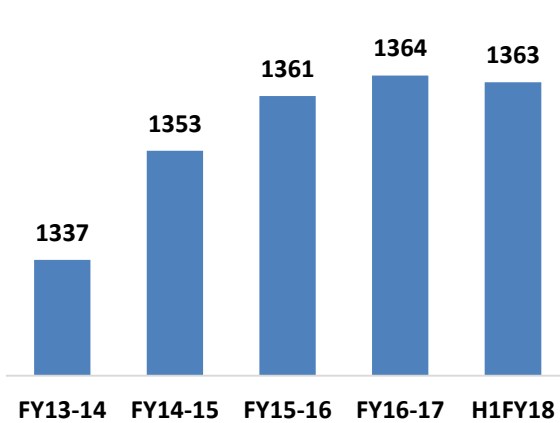
### Average Daily Number of Trades - Equity



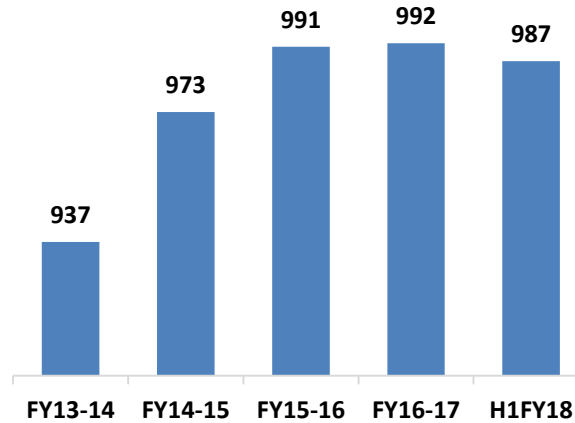
- Significant increase in Transaction Charges Income in FY16-17 mainly due to differential charging of transaction charges on select exclusive group of securities with effect from 1<sup>st</sup> January, 2016 at the rate of 0.1% on value traded.
- With effect from 3<sup>rd</sup> April, 2017, transaction charges on remaining securities levied on per trade basis instead of ad valorem basis followed earlier.



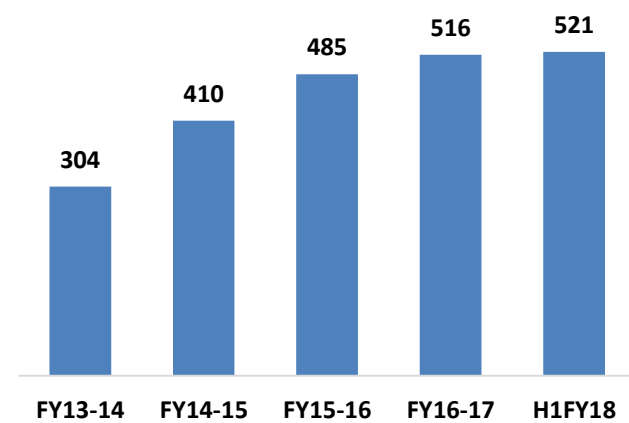
**Equity Cash  
– Self-clearing Members**



**Equity Derivatives  
– Trading Members**



**Currency Derivatives  
– Trading Members**



*Continuous interaction with members in normal course of business and through various programs*

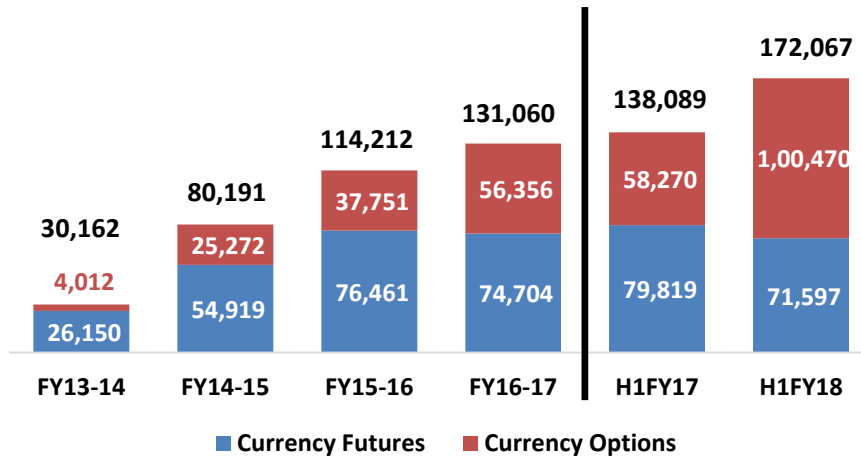
## Investor Education Programs

Jointly established a series of investor education programs with members and broker associations to have open communication with members and **increase exposure to investors**

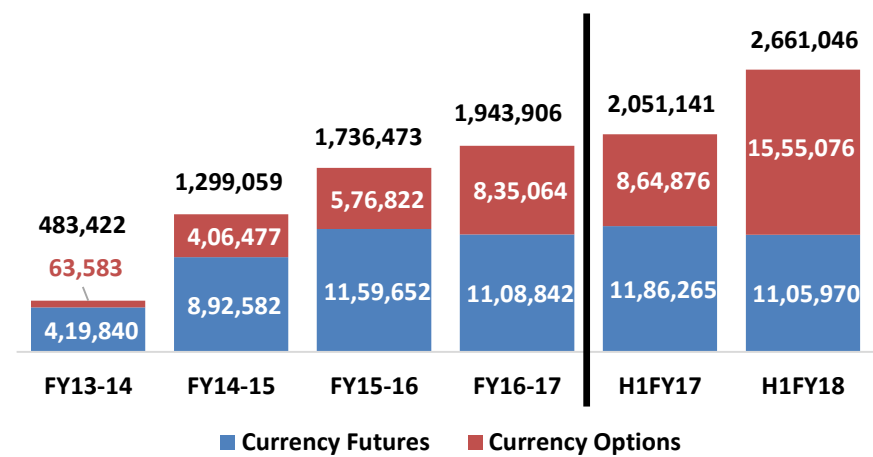
## Promote Algorithmic Traders

**BSE bears software license costs** for algorithmic trading and market access, infrastructure costs on co-location rack space, among other costs

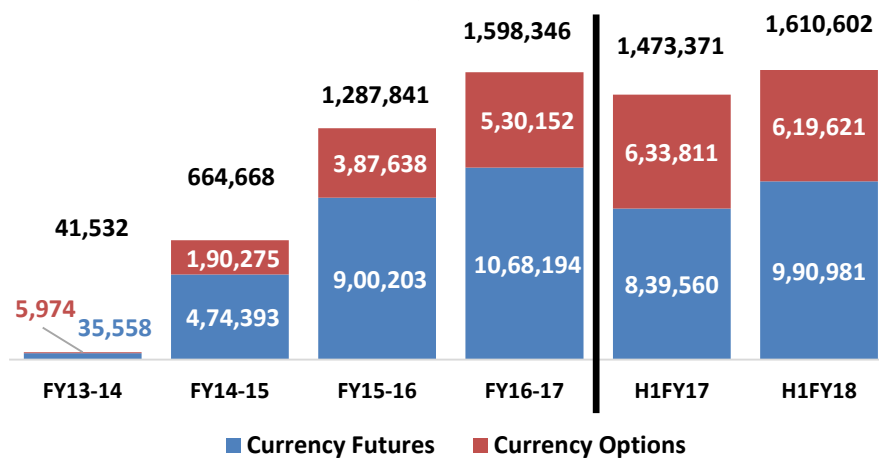
### Average Daily Turnover - Currency Derivatives (₹ million)



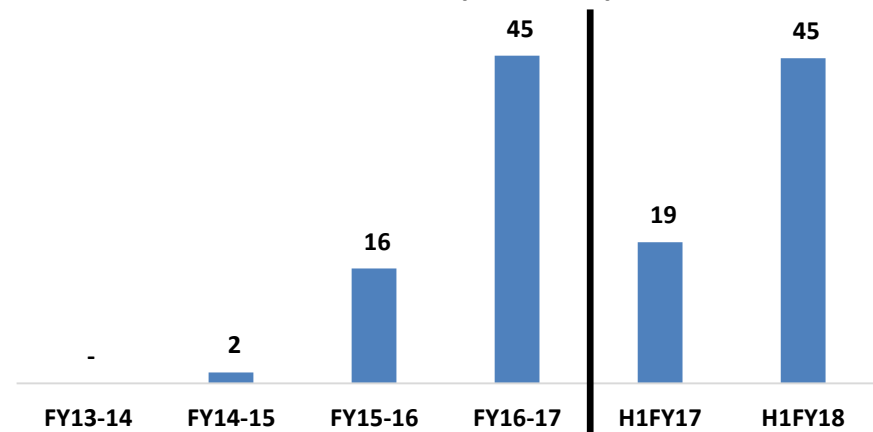
### Average Daily Number of Contracts - Currency Derivatives



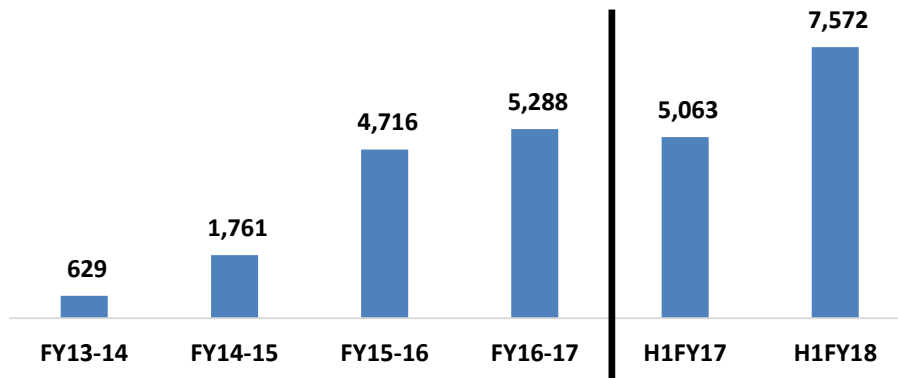
### Period-end Open Interest - Currency Derivatives



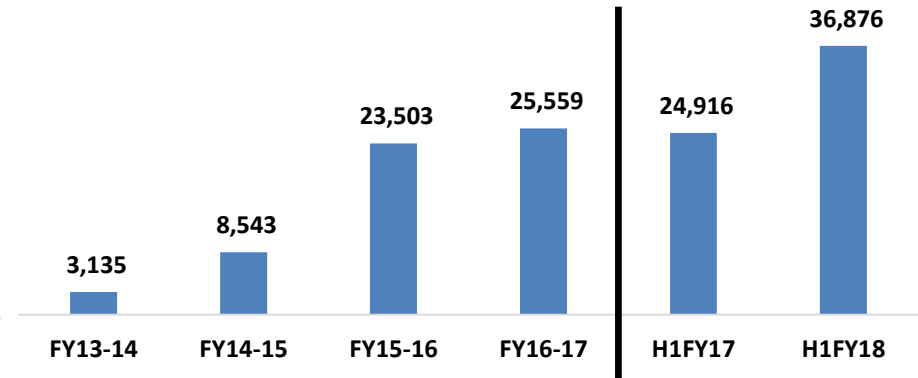
### Transaction Charges Income - Currency Derivatives (₹ million)



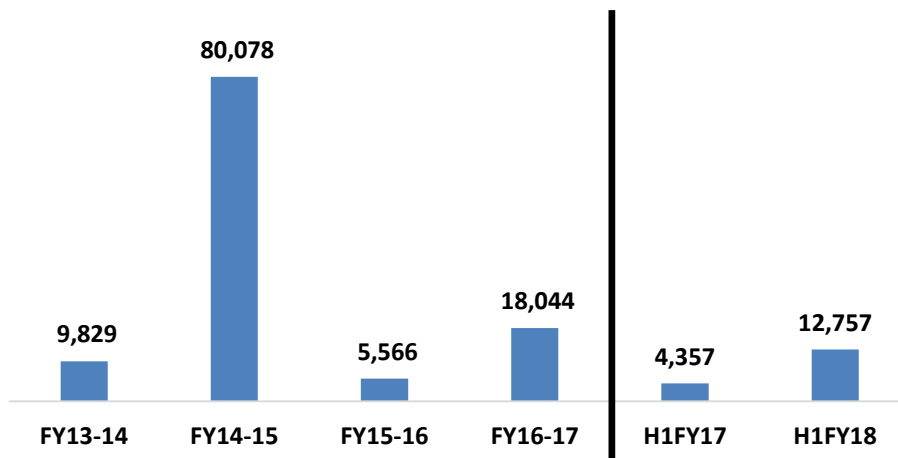
**Average Daily Turnover  
Interest Rate Futures (₹ million)**



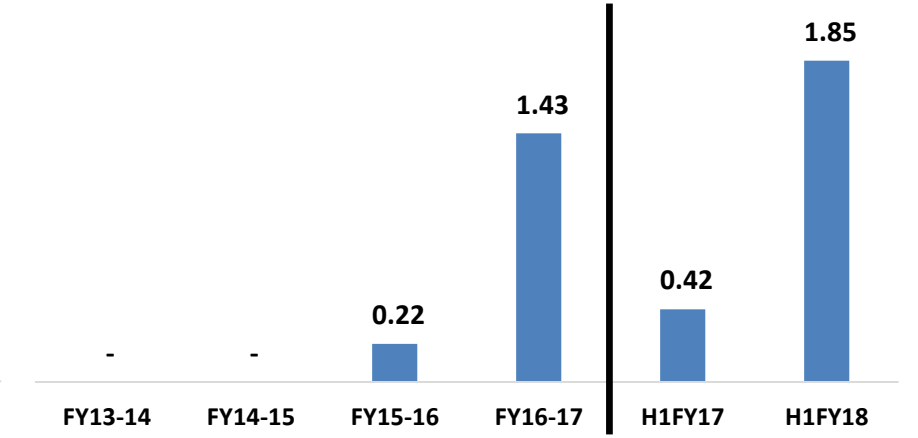
**Average Daily Number of Contracts  
Interest Rate Futures**



**Open Interest (End of Year)  
Interest Rate Futures**



**Transaction Charges Income  
Interest Rate Futures (₹ million)**





## PLATFORM FEATURES

- Completely digital- Demat and Non-Demat /Mutual Fund transactions, while facilitating the benefits of Physical mode
- 24x7 order acceptance
- SGB enabled for MFDs
- 6 day order holding facility
- Paperless SIP
- Any day STP and SWP
- Paperless bank Mandate

## CONNECTIVITY & USP's

- Unique overnight investments framework
- Multi-mode of platform access
- Completely digital and REAL Time Investors registration / onboarding
- Widely accepted by NDs / Custodians / Brokers / IFA Platform / New age Digital Distributors / IFAs,
- E-submission and online MFD Registration

**Number of Mutual Funds  
as on September 30,  
2017**

**38**

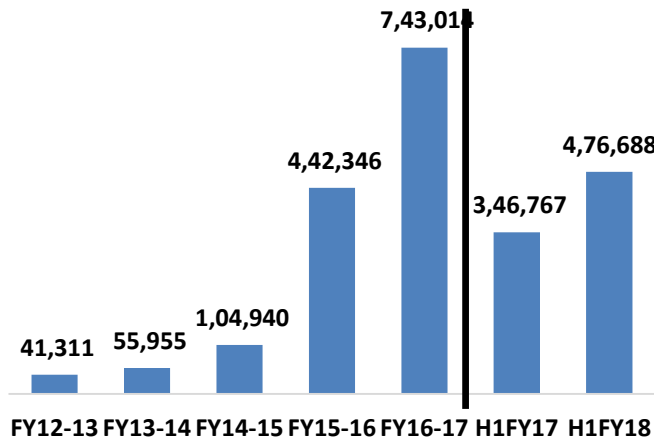
**Number of Mutual Fund  
Schemes as on  
September 30, 2017**

**8,101**

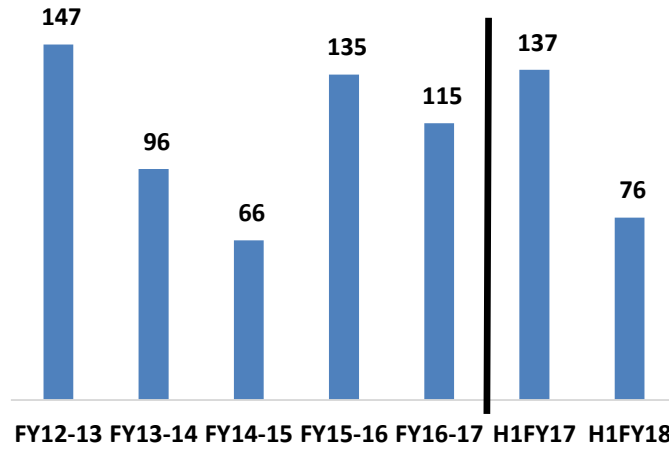
**Number of Mutual Fund  
Distributors as on  
September 30, 2017**

**4,895**

**Total Turnover - Mutual Fund (₹ million)**



**Average Value Per Order (in ₹ '000)**

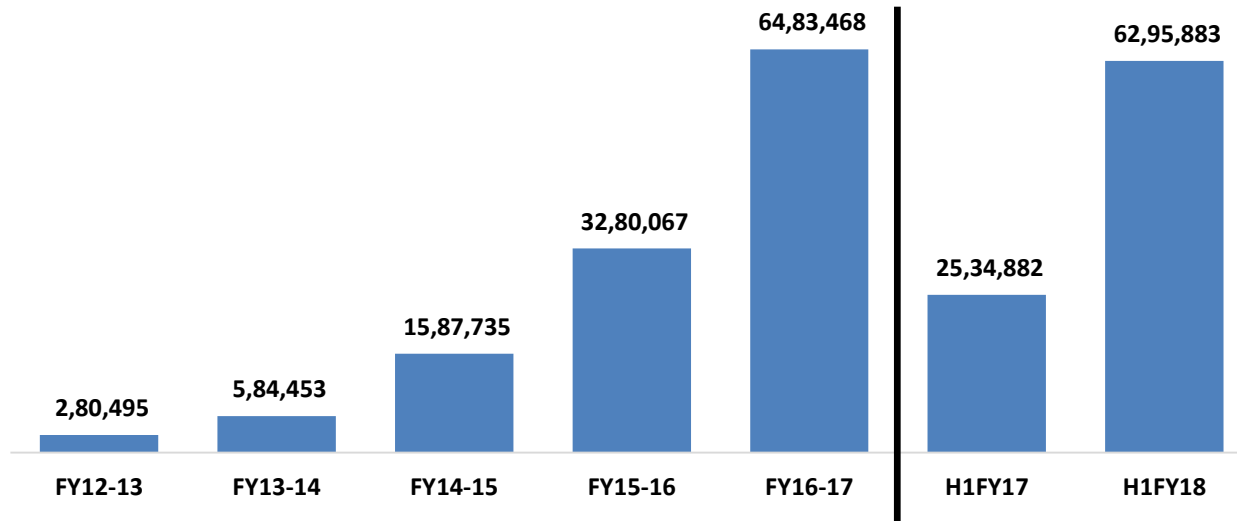


## Some Key Figures

Orders Processed every month  
~ **1.4 million**

SIPs added every month  
~ **90,000**

**Number of Orders - Mutual Fund**

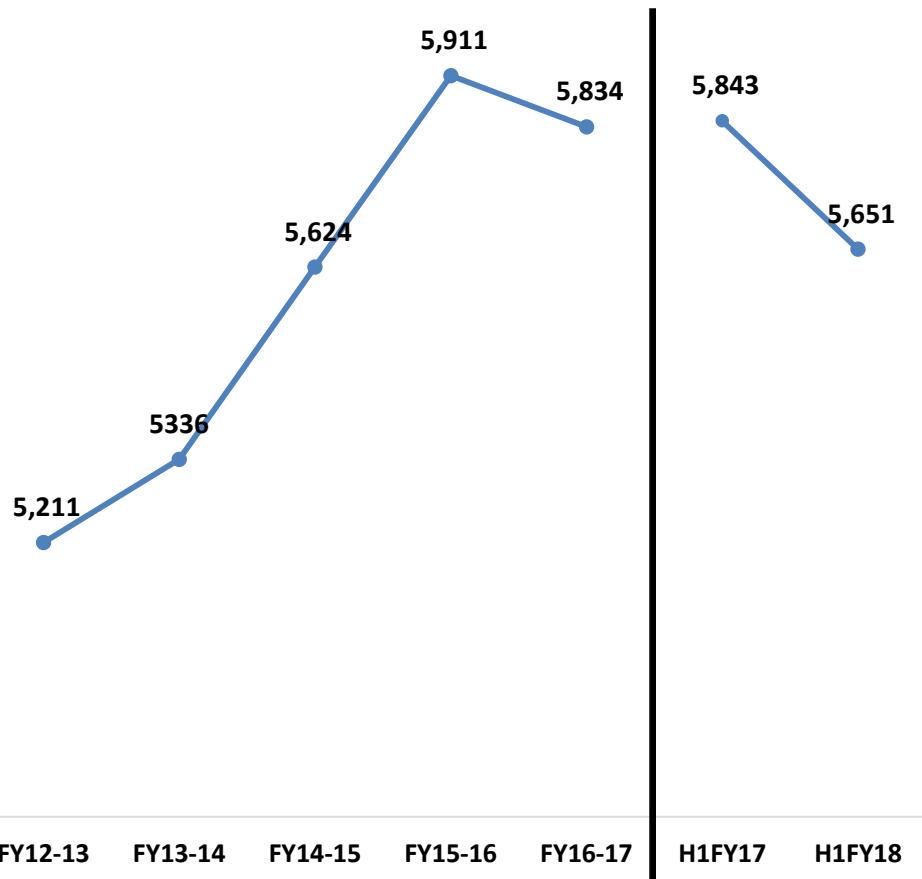


**H1FY18**  
*Transacted volume through BSE StAR MF*

**LIQUID SCHEMES**  
**₹ 248,810 million**

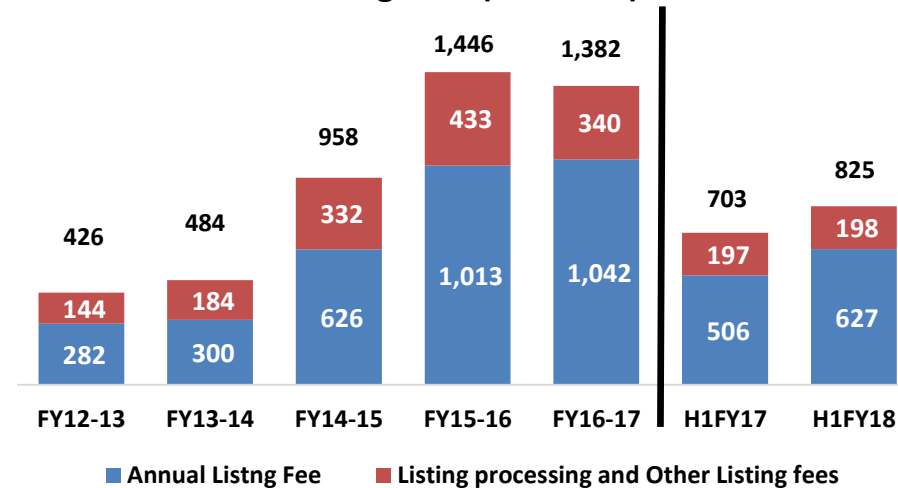
**NON LIQUID SCHEMES**  
**₹ 173,170 million**

### Securities Listed (as at period-end)\*

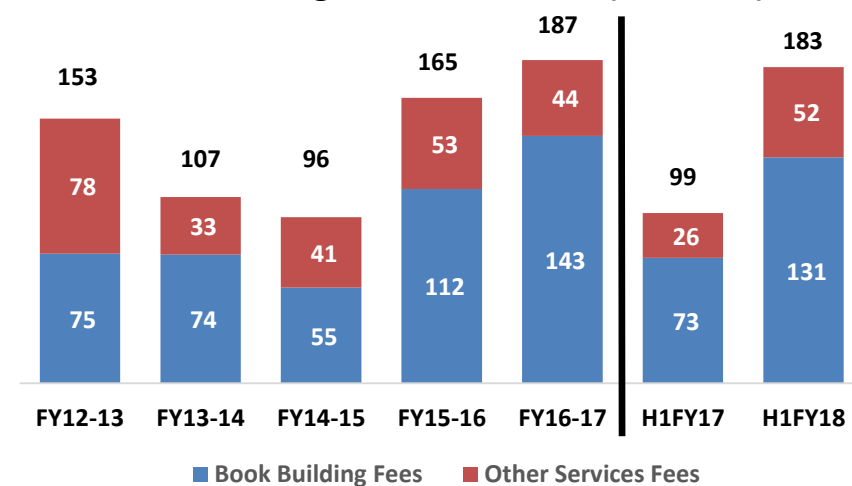


\* Include listing of debt capital and mutual fund schemes and excludes delisted securities

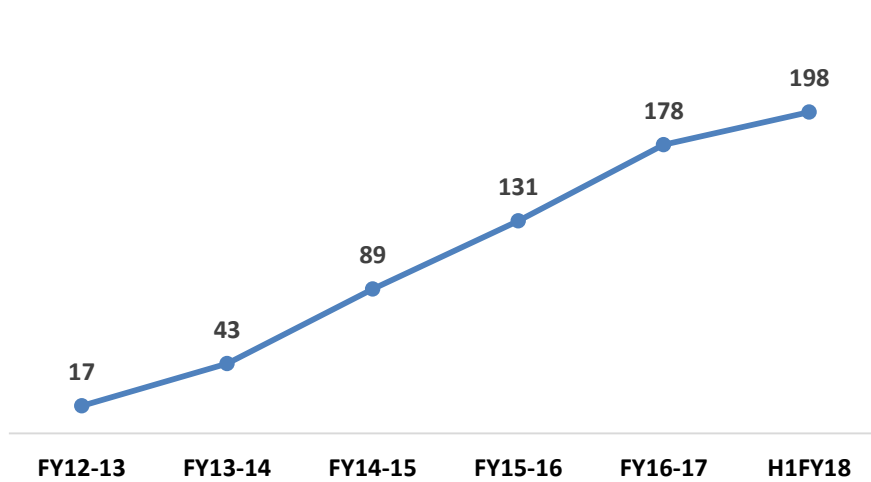
### Listing Fees (₹ Million)



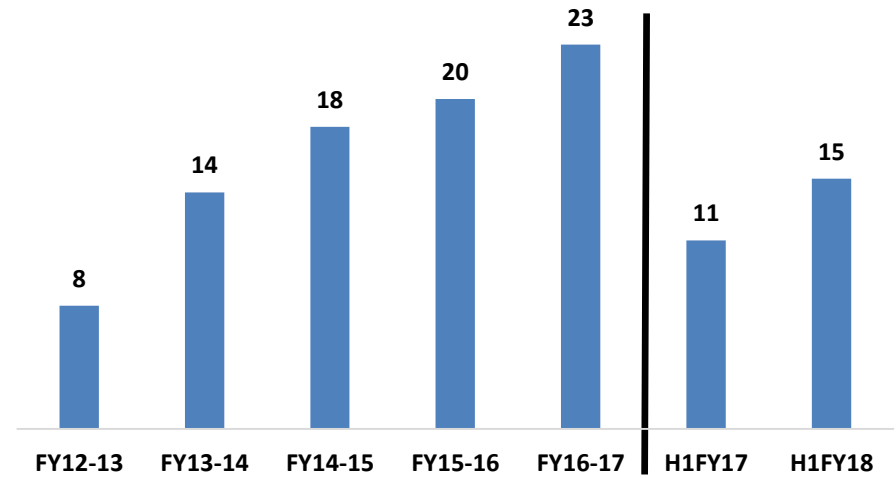
### Book Building & Other Services (₹ Million)



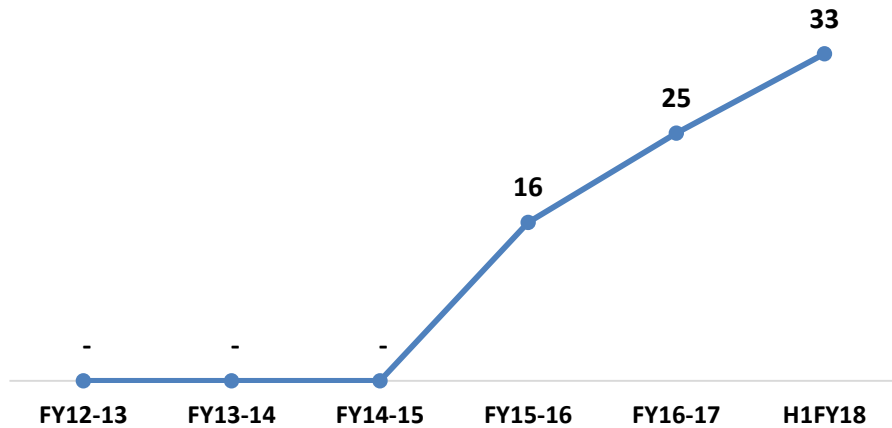
No. of Companies Listed (As on End of Period)



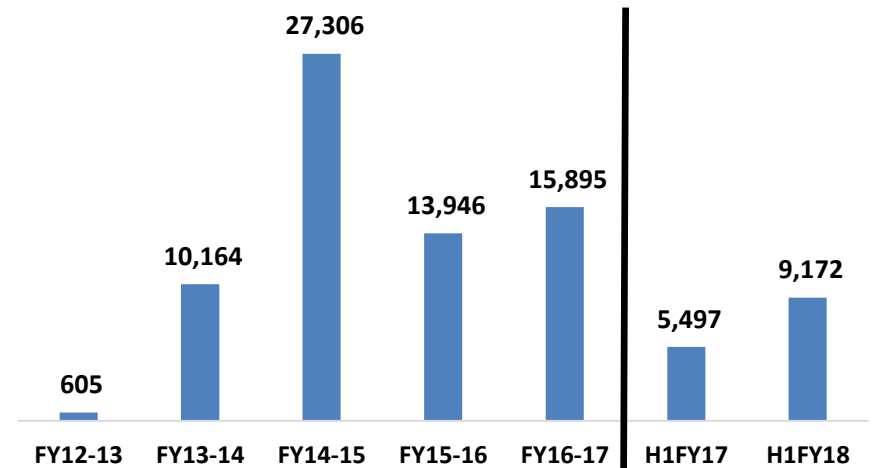
Listing Related Income (₹ in Million)



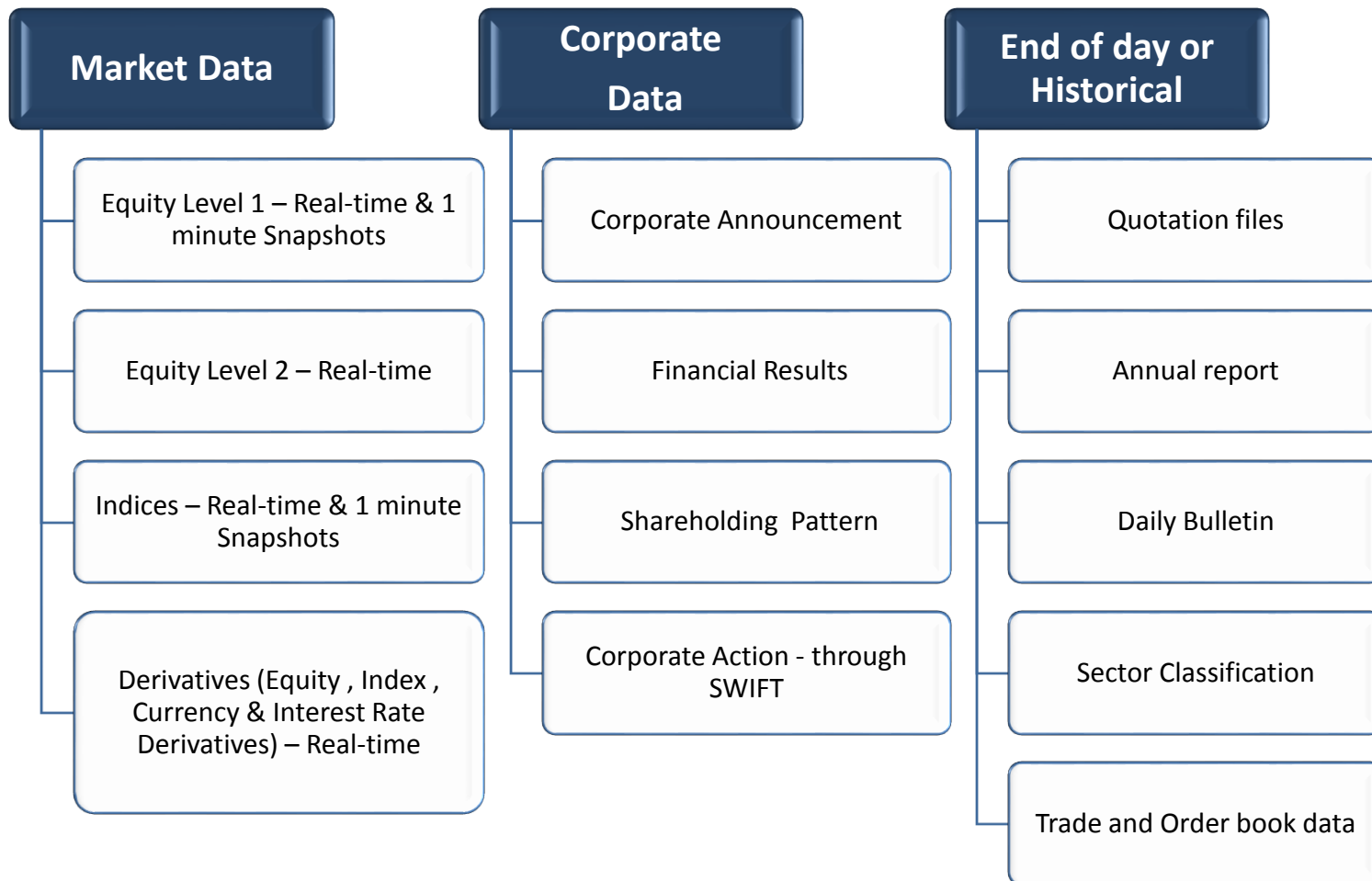
No. of Companies Migrated to Main Board (As on End of Year)



Total Turnover (₹ million)







***Market Data products marketed by Deutsche Boerse in International Market***



BSE Hi-Tech is a platform that enables a young fast growing company to list on an exchange with much easier criteria and gain access to capital from a larger base of sophisticated investors.



## THE COMPANY ADVANTAGE

- Increased visibility with brand creation, research coverage and media coverage
- Access to funds through well-established platform and mechanism
- High credibility amongst all stakeholders
- Listing entails robust corporate governance and internal controls and systems
- Sophisticated investors enabling better valuations
- Companies can attract global investors as FPIs
- Merger & acquisitions made easier and swifter with company's stock used as currency
- Compensating employees without affecting cash flows through ESOPs becomes a powerful tool to attract and retain

## THE INVESTOR ADVANTAGE

- A credible exit route for early investors
- VC/PE investors can churn their portfolio
- The platform will offer a new asset class to investors
- Listing leads to better and timely disclosures and thus also protects the interest of the investors

Commenced Operations from 16<sup>th</sup> January, 2017

## Asset Classes & Contracts

<b>Index Derivatives</b>	Sensex, Sensex 50
<b>Indian Stock Futures</b>	107 stocks including Reliance Industries Limited, HDFC Bank Limited, Axis Bank Limited, Infosys Limited, Tata Consultancy Services Limited, Maruti Suzuki India Limited, Tata Motors Limited, ICICI Bank Limited, Larsen & Toubro Limited and State Bank of India Limited
<b>Global Stock Futures</b>	Apple INC, Facebook INC, Microsoft Corporation, Alphabet INC (Google) and JP Morgan
<b>Commodity Futures</b>	Gold, Gold KG, Silver, Copper, WTI Crude, BRENT Crude
<b>Currency Derivatives</b>	EUR USD, GBP USD and JPY USD

Note : Further contracts would be introduced in other asset classes from time to time after necessary regulatory approvals. The above list represents the contracts currently being allowed for trading on the international exchange currently.

Highest Number of trades in a day

**7,141**

on 5th May 2017

Highest Turnover in a day

**\$ 102 Million**

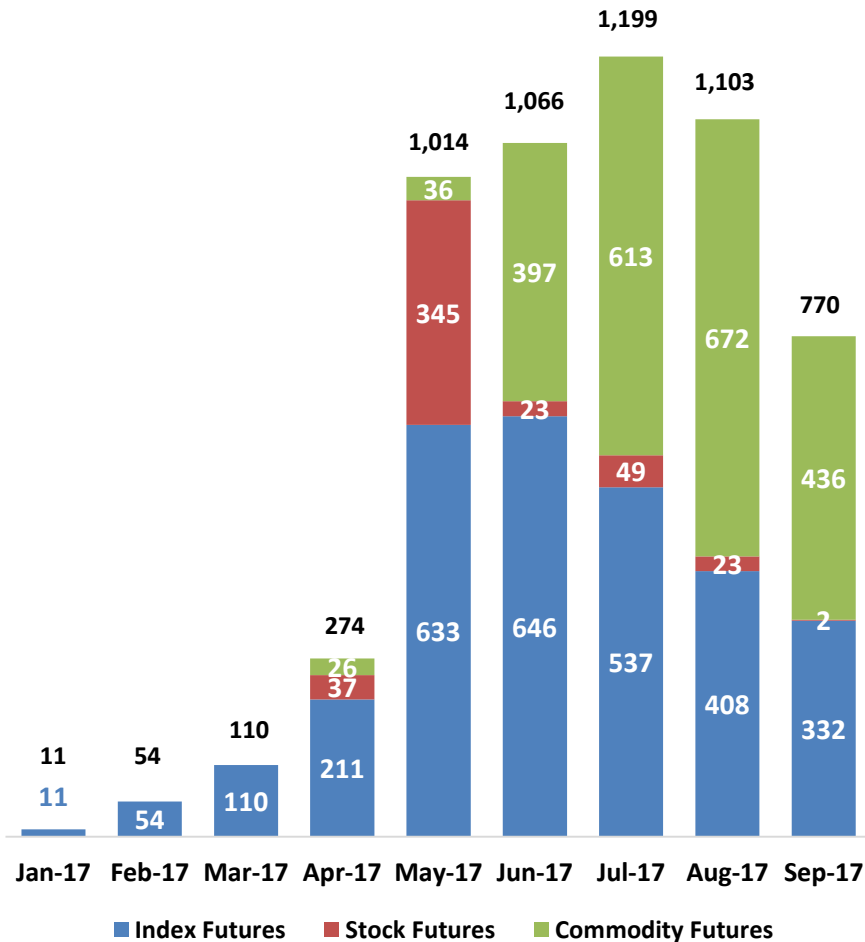
on 5th May 2017

Exchange Daily Trading Hours

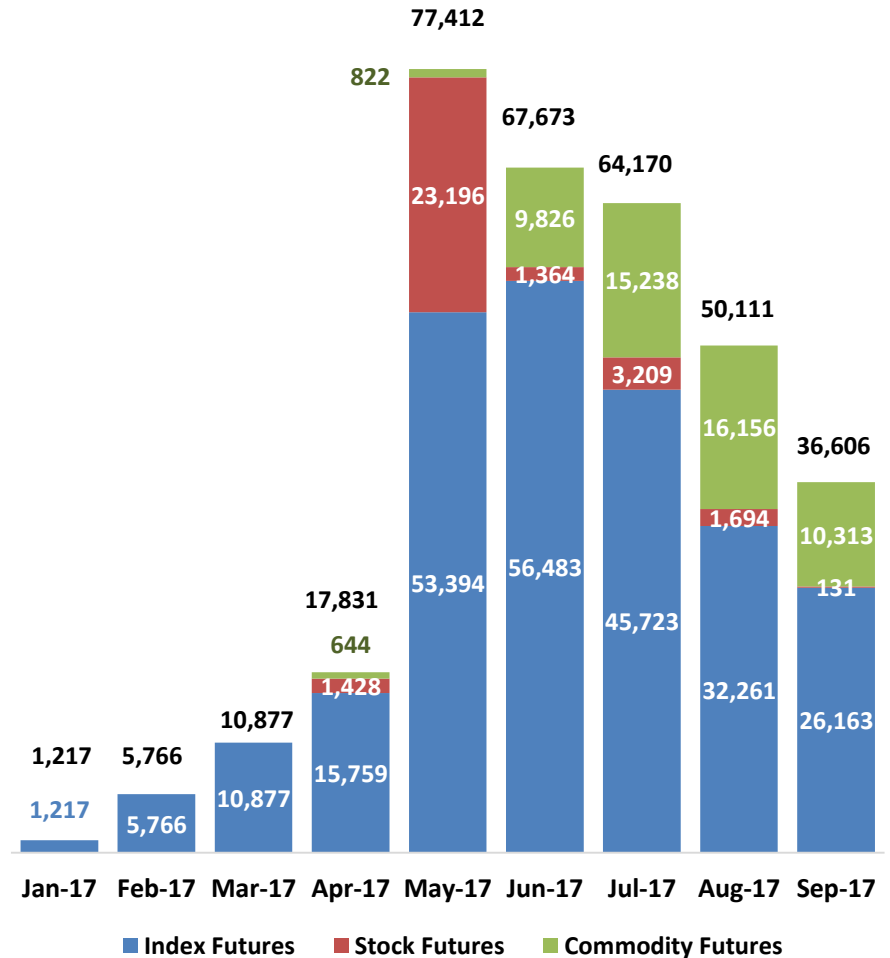
**22.00 Hours**

04:30:00 hours to 17:00:00 hours and 17:00:01 hours to 02:30:00 hours (Indian Standard Time)

### Total Turnover (US \$ mn)



### Total Number of Trades

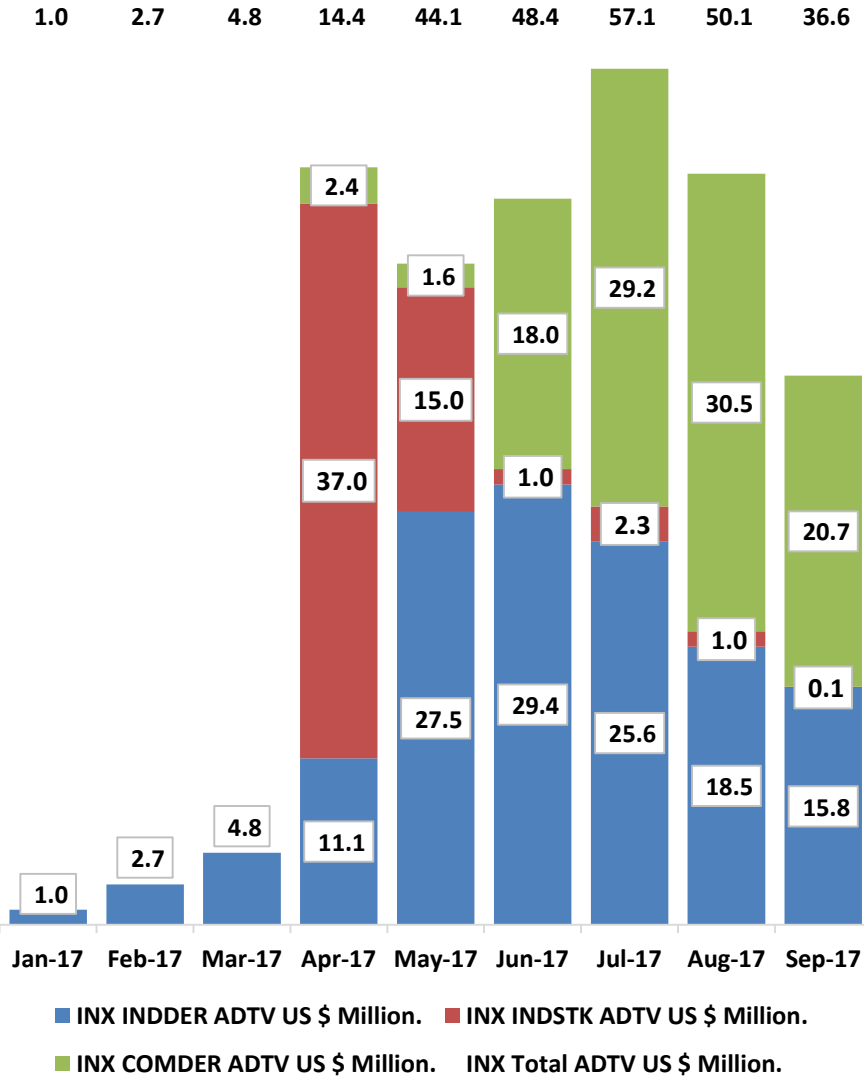




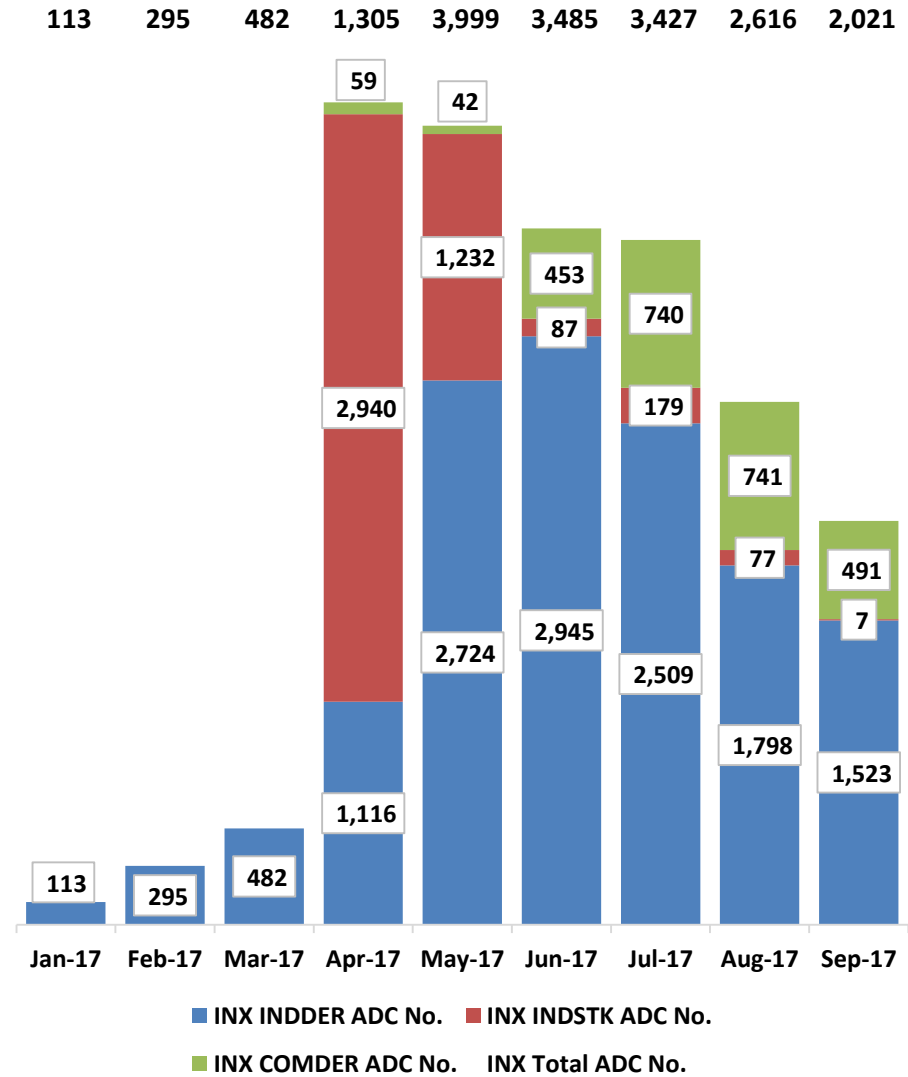
# Business – India International Exchange at GIFT City (cont'd)



### Average Daily Traded Value (US \$ mn)



### Average Daily Traded Contract



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**Overview**

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**Performance Highlights**

## Technology is a key component of operations and business strategy and we regard it as an important component of success

Entered into strategic technology alliance with Eurex in Mar 2013, so as to deploy the Eurex new generation trading system, the **T7, for trading in various segments**

- **Screen based trading system**
- Available under license to members of the exchange as well as their clients
- **All equity cash, equity derivatives and currency derivatives trades are executed on BOLT+**
- Migrated various segments onto BOLT+
  - Currency derivatives: Nov 2013
  - Equity Derivatives: Feb 2014
  - Equity Cash: Apr 2014

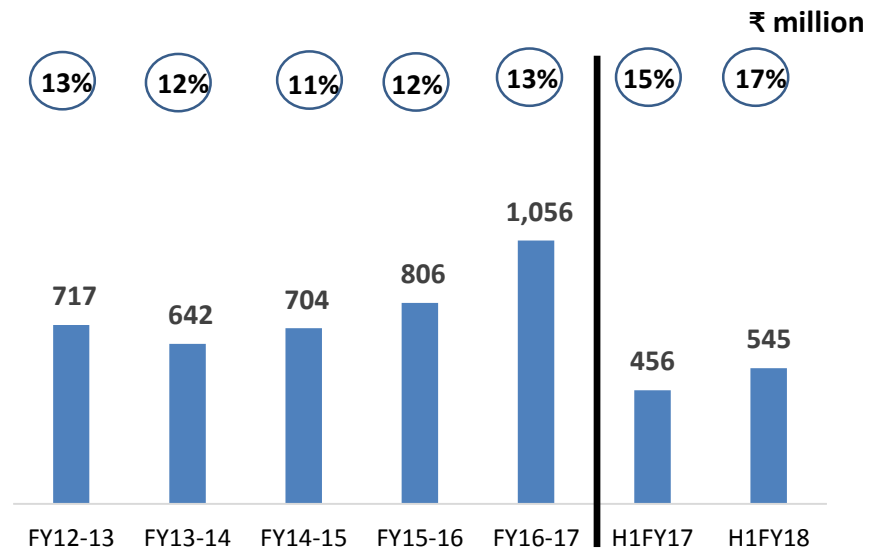
All platforms are **interconnected** and operated through the same network and workstation, which provides market participants a **seamless experience and efficient operation**

**Real-time risk management system** that conducts real-time calculations of members' margins and limits

**Co-location services** and high-speed Ethernet connections offered to market participants to enable low latency trading

Standard Portfolio Analysis of Risk ("**SPAN**") margin system, an industry-standard margin system, used by over 30 exchanges and clearing organizations worldwide, to **evaluate the overall risk in a portfolio and accurately match margins to risk**

Technology Spend as % of Total Revenue<sup>1</sup>



1. Includes Computer Technology Related Expenses and Spend on Technology Programme.

## Application for Desktop & Mobile

- Web links for 100 + Visual Operational Help Video's
- Tip of the Day prompt on login – notifying what all can be done
- Member Branding through EXE
- Bolt + on Web (BoW) – FREE OF COST FOR ALL MEMBER
- Trade commencement in one day
- No Extra hardware like TAP-IML server required.



## One Window with Multiple Utilities

Trading	Segments	For	Connectivity
<ul style="list-style-type: none"> <li>• BSE</li> <li>• NSE</li> <li>• MCX</li> <li>• NCDEX</li> </ul>	<ul style="list-style-type: none"> <li>• Equity – F&amp;O – Currency – IRF - OFS – Mutual Fund – SLB – Debt – ITP</li> <li>• Equity – F&amp;O – Currency</li> <li>• Commodities</li> <li>• Commodities</li> </ul>	<ul style="list-style-type: none"> <li>• Dealers</li> <li>• Investors</li> <li>• Admin for HO</li> <li>• Multiple Mini Admin for Regions &amp; Branches</li> <li>• RMS</li> </ul>	<ul style="list-style-type: none"> <li>• Leased Line</li> <li>• Internet</li> </ul>

- Dual Market Depth Display
- AMO – After Market Orders
- Time base Square up for Intraday transactions and One click square up on M2M Alert.
- Corporate Information Analysis for
  - Bonus, Rights, Dividend, Board Meetings, Scheme
- Top Gainers / Top Losers
- Most Active by VOLUME / VALUE
- User define short keys - predefine Key Mapping Styles for ODIN-BOLT
- Auto upgrade notification
- Easy mechanism to activate locked User ID (just fetch Password)
- Market Movement with chart with user defined time frame
- NEWS Plus with RSS feeds and Twitter



# New Trading Architecture – BOLT PLUS

## Bolt Plus Live

- Products available for trading
  - Currency Derivatives – 29th November, 2013
  - Interest Rates Futures - 28th January, 2014
  - Equity Derivatives - 10th February, 2014
  - Equity – 7th April, 2014

## Member Access

- API based access
  - Through existing IML API
  - Advanced High performance APIs (ETI, MDI/EMDI)

## Peripheral Systems connecting to BOLT Plus

- Reference Data, Risk Management, Surveillance, Clearing & Settlement, Data Warehouse

## Performance Testing & Benchmarking

- Latency : < 6  $\mu$ s (Gateway in to Gateway out)
  - Network Latency for Colo Users: 18  $\mu$ s
  - Throughput Capacity: 5 lacs order per second
  - Scalability: Horizontally scalable by adding partitions

## Fastest Co-location

- BSE is the fastest Exchange in the world with a speed of 6 microseconds.
- BSE provides the fastest Colocation service in India with round trip network latency of less than 20 microseconds.
- At BSE Colocation, Exchange response for an order has round trip latency of less than 30 microseconds.
- Market access across Equity, Equity Derivatives and Currency Derivatives segments.
- Extension of Precision Time Protocol (PTP) from BSE's Grandmaster clock to the Colocation enables members to synchronize with the Exchange clock.
- Equitable distribution of market data to all members by usage of same length cables for all members.
- Full order book (EOBI) broadcast is provided to Colocation members.
- State-of-the-art Data Centre services from NTT – Netmagic
- Low latency 10 Gbps Solarflare NIC cards (Model No. : SFN7322F) will be provided to members by BSE.

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## Recent Initiatives

## Growth Drivers

### *Insurance Distribution Network*

- BSE and world's largest insurance exchange Ebix, Inc. have signed a memorandum of understanding to set up a joint venture to develop a pioneering insurance distribution network in India with the goal of revolutionizing end-to-end sales and processing of Insurance in the country.
- Leveraging of Ebix technology and distribution network of both entities to create a niche market covering the entire insurance life cycle.

### *Deployment of BEST Trading Platform*

- Marketplace Tech Infra Services (MTISPL), 100% subsidiary of BSE and Thomson Reuters has signed a Memorandum of Understanding (MoU) to deploy BEST (BSE Electronic Smart Trader), a robust, state-of-the-art hosted trading solution built on Thomson Reuters Omnesys NEST platform, for BSE members and customers.
- Thomson Reuters Omnesys NEST hosted trading platform brings greater scalability, convenience, speed and transparency to the users. This hosted trading platform will be offered through various channels including dealers, investor exe and web. BEST will supplement the existing order routing platform of MTISPL - BOW (Bolt+ On Web) to provide a single trading platform for all stock and commodity exchanges viz BSE, INDIA INX, NSE, NCDEX, MCX, MSEI & ICEX. The deployment of the said platform is expected to commence in November 2017.

## Recent Initiatives

## Growth Drivers

### *India International Exchange (IFSC)*

- Operations Commenced on 16<sup>th</sup> Jan, 2017
- Index Derivatives, Indian Stock Derivatives, Global Stock Futures, Currency Derivatives and Commodity Futures Contracts introduced
- Introduction of new contracts in Index Derivatives, Stock Derivatives, Commodity Derivatives, Currency Derivatives, Interest Rate Derivatives and other contracts from time to time.
- Utilization of the Exchange platform to raise funds at a global level.
- Listing of securities from across the globe on the Exchange.
- Admission to membership of brokerage and hedge firms from across the globe.
- Introduction of appropriate fee structure based on the growth and competition strategy.

### *Equity Segment*

- Introduction of transaction charges based on number of trades in place of ad valorem charges on equity scrips other than exclusive and non-liquid groups with effect from 3<sup>rd</sup> April, 2017
- Initiation of a virtuous cycle of higher liquidity and turnover in equity segment through increased participation of larger market participants in this segment.



## Recent Initiatives

## Growth Drivers

### *Interest on Deposits & Margins in certain segments*

- Indian Clearing Corporation becomes the first securities clearing corporation in India to pay interest on margins and deposits in currency derivatives and equity derivatives segment with effect from 3<sup>rd</sup> April, 2017
- Higher placement of margins and deposits at Indian Clearing Corporation to drive higher liquidity to currency derivatives and equity derivatives segment.

### *Mutual Fund StAR Platform*

- In discussion with various mutual funds and Association of Mutual Funds of India to introduce charging of fees.
- Commencement of a steady source of revenue which would grow with increasing participation of investors in mutual funds.

### *Small & Medium Enterprises Segment*

- Ongoing thrust to encourage SME companies to list on Exchange
- Increase in steady annual source of listing revenue.
- Growth in turnover on Exchange over time especially after migration of SME companies to Main Board of the Exchange.

## Recent Initiatives

## Growth Drivers

### *Listing of Securities*

- Revision in annual listing fees over past few years to bring them at near par with the market
- Continuation of the process to bring the fees in line with market and explore possibilities of differential incremental pricing from time to time.

### *BSE-Bond Platform*

- New electronic bidding platform for raising debt by any entity over ₹ 5 billion in a year active from July 1, 2016
- Possibility of lowering of the limit of ₹ 5 billion to further shift debt fund raising to BSE-Bond platform.
- Introduction of appropriate fee structure based on the growth and competition strategy.

### *Commodities Segment at BSE*

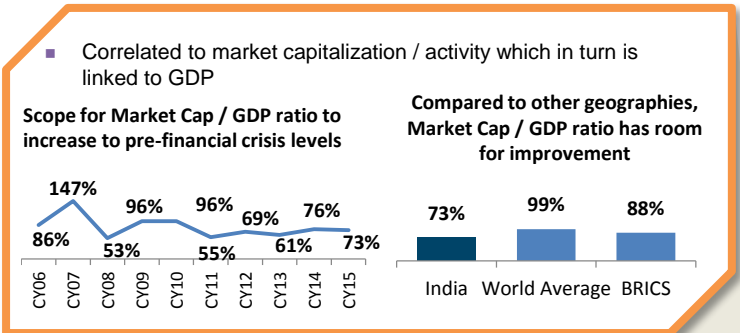
- Application made to regulator for launching commodities segment at the Exchange
- Readiness to launch the segment at short notice.

### *Currency Derivatives*

- Revision in transaction charges over past couple of years
- Continuation of the process to bring the fees in line with market while focusing on the marketshare.

## Macro-economic Factors – Underpenetrated Indian Markets

### GDP Factor



### Government Initiatives

- GST will lead to tax simplification which in turn will boost GDP
- EPFO allowed to invest in equity markets – will boost equity investments in India

### Global Inflow of Funds

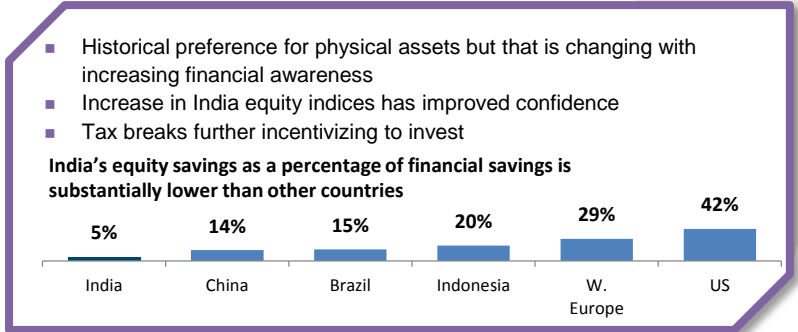
- With 7-8% GDP growth rate, India is the preferred investment destination
- 269 new FPIs registered with SEBI in April 2016
- FPIs granted permanent registration compared to approvals for 1 / 5 years earlier

### Demographic Dividend

- India's population is estimated to surpass China's population within a decade

**60%** % of India's total population in working age category

### Participation by Retail Investors



### New Products and Initiatives

- Room to introduce innovative derivative products like weather derivatives, energy derivatives and credit derivatives
- Potential easing of restriction of FII's trading in currency futures
- Alliances with exchanges from various countries to cross-list equity-based products
- Introduction of more agricultural commodities and other global commodities for trading



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# Integrated Business Model

- Multiple contact points with members and market participants provides the ability to generate revenue from multiple levels of the business



1	<b>Transaction Charges</b>	<ul style="list-style-type: none"> <li>Linked to Market Activity</li> </ul>	<ul style="list-style-type: none"> <li>Directly proportional to market activity levels</li> </ul>
2	<b>Income from Depository Services</b>	<ul style="list-style-type: none"> <li>Recurring as well as Linked to Market Activity</li> </ul>	<ul style="list-style-type: none"> <li>Includes recurring annual charges as well as custodian services, which are to an extent linked to market activity</li> </ul>
3	<b>Treasury Income on Clearing and Settlement Funds</b>	<ul style="list-style-type: none"> <li>Linked to Market Activity to an Extent</li> </ul>	<ul style="list-style-type: none"> <li>Linked to interest rates and, to an extent, market activity since that would lead to more margin being deposited by members</li> </ul>
4	<b>Other Securities Services</b>	<ul style="list-style-type: none"> <li>Recurring</li> </ul>	<ul style="list-style-type: none"> <li>Primarily consists of charges recovered from members for network connectivity</li> </ul>
5	<b>Services to Corporates</b>	<ul style="list-style-type: none"> <li>Recurring</li> </ul>	<ul style="list-style-type: none"> <li>Mostly derived from listing income that is not impacted by market activity</li> <li>Dependent on number of listed entities and hence is a recurring revenue stream</li> <li>Potential for increase if amount charged is increased</li> </ul>
6	<b>Data Dissemination Fees</b>	<ul style="list-style-type: none"> <li>Recurring</li> </ul>	<ul style="list-style-type: none"> <li>Impacted primarily due to level of subscriptions and revision in pricing policies</li> <li>Contributes only 4-5% in India compared to 10-25% in developed markets</li> </ul>
7	<b>Income From Investments and Deposits</b>	<ul style="list-style-type: none"> <li>Recurring</li> </ul>	<ul style="list-style-type: none"> <li>Linked to investment yields</li> </ul>
8	<b>Other Income</b>	<ul style="list-style-type: none"> <li>Recurring</li> </ul>	<ul style="list-style-type: none"> <li>Mostly derived from rent and training institute etc., which are stable sources of income</li> </ul>

  Linked to Market Activity
   Recurring



## Steady increase in Operational Income

March Year Ending (₹ in million)	2013	2014	2015	2016	2017	H1FY17	H1FY18
- Transaction Charges	317	294	505	550	1,224	485	669
- Income from Depository Services	905	871	1,046	1,227	1,458	-	-
- Treasury Income on Clearing and Settlement Funds	339	439	532	413	405	175	199
Others	375	268	254	223	270	136	134
<b>Securities Services</b>	<b>1,936</b>	<b>1,872</b>	<b>2,337</b>	<b>2,413</b>	<b>3,357</b>	<b>796</b>	<b>1,002</b>
Services to Corporates	579	591	1,054	1,611	1,569	802	1,008
Data Dissemination Fees	224	204	221	224	247	123	124
<b>Revenue from Operations</b>	<b>2,739</b>	<b>2,667</b>	<b>3,612</b>	<b>4,248</b>	<b>5,173</b>	<b>1,721</b>	<b>2,134</b>
Income From Investments and Deposits	2,356	2,183	2,226	2,102	2,380	970	870
Other Income	434	448	410	351	455	273	272
<b>Total Income</b>	<b>5,529</b>	<b>5,298</b>	<b>6,248</b>	<b>6,701</b>	<b>8,008</b>	<b>2,964</b>	<b>3,276</b>
<b>% Growth</b>		<b>-4.2%</b>	<b>17.9%</b>	<b>7.3%</b>	<b>19.5%</b>	<b>NA</b>	<b>10.5%</b>

### Note :

1. Figures for H1FY17 and H1FY18 exclude CDSL figures in view of divestment of BSE's stake in CDSL in the month of June 2017
2. Figures as per restated IGAAP financials for FY12-13 to FY14-15 and Ind-AS financials for FY15-16 onwards.

# Consolidated Profit & Loss (cont'd)

March Year Ending (₹ in million)	2013	2014	2015	2016	2017	H1FY17	H1FY18
<b>Total Income</b>	<b>5,529</b>	<b>5,298</b>	<b>6,248</b>	<b>6,701</b>	<b>8,008</b>	<b>2,964</b>	<b>3,276</b>
Employee Expenses	772	854	999	1,074	1,415	504	558
Technology Cost & Technology Program	717	642	704	806	1,056	456	545
Regulatory Costs	240	250	607	544	415	162	195
Other Expenses	691	677	885	1,152	1,317	485	418
<b>EBITDA</b>	<b>3,109</b>	<b>2,875</b>	<b>3,053</b>	<b>3,125</b>	<b>3,805</b>	<b>1,357</b>	<b>1,560</b>
<b>EBITDA Margin</b>	<b>56%</b>	<b>54%</b>	<b>49%</b>	<b>47%</b>	<b>48%</b>	<b>46%</b>	<b>48%</b>
Depreciation & Amortization	283	324	588	537	540	227	210
Finance Cost	25	4	6	3	10	5	6
<b>Exceptional Items</b>							
Liquidity Enhancement Incentive Prog "LEIPs")	955	613	343	172	-	-	-
Settlement Guarantee Fund ("SGF")	-	-	-	514	208	208	-
Other Exceptional Items	24	-	165	-221	-	-	5
<b>Profit before Tax &amp; Minority/Assoc/JV Share</b>	<b>1,822</b>	<b>1,934</b>	<b>1,951</b>	<b>2,120</b>	<b>3,047</b>	<b>917</b>	<b>1,339</b>
Joint Venture / Associate Share	-3	-4	-3	22	11	5	70
<b>Profit Before Tax</b>	<b>1,819</b>	<b>1,930</b>	<b>1,948</b>	<b>2,142</b>	<b>3,058</b>	<b>922</b>	<b>1,409</b>
Taxes	377	340	438	371	406	62	244
Minority Share	254	238	213	442	446	0	0
<b>Net Profit</b>	<b>1,188</b>	<b>1,352</b>	<b>1,297</b>	<b>1,329</b>	<b>2,206</b>	<b>860</b>	<b>1,165</b>
<b>Net Profit Margin</b>	<b>21%</b>	<b>26%</b>	<b>21%</b>	<b>20%</b>	<b>28%</b>	<b>29%</b>	<b>36%</b>
Profit from discontinued operation	-	-	-	-	-	217	4,740
<b>Net Profit after discontinued operation</b>	<b>1,188</b>	<b>1,352</b>	<b>1,297</b>	<b>1,329</b>	<b>2,206</b>	<b>1,077</b>	<b>5,905</b>

Note :

1. Figures for Q1FY17 and Q1FY18 exclude CDSL figures in view of divestment of BSE's stake in CDSL in the month of June 2017
2. Figures as per restated IGAAP financials for FY12-13 to FY14-15 and Ind-AS financials for FY15-16 onwards.

## Steady increase in Operational Income

March Year Ending (₹ in million)	2013	2014	2015	2016	2017	H1FY17	H1FY18
Trading Members	650	541	743	775	1,494	614	792
Services to Corporates	579	591	1,054	1,611	1,569	802	1,008
Other Operating Income	-	-	260	-	-	-	-
Data Dissemination Fees	224	204	219	224	247	123	124
<b>Revenue from Operations</b>	<b>1,453</b>	<b>1,336</b>	<b>2,276</b>	<b>2,610</b>	<b>3,310</b>	<b>1,539</b>	<b>1,924</b>
Income From Investments and Deposits	1,667	1,689	1,868	2,335	1,897	1,021	1,132
Other Income	269	303	248	209	303	199	117
<b>Total Income</b>	<b>3,389</b>	<b>3,328</b>	<b>4,392</b>	<b>5,154</b>	<b>5,510</b>	<b>2,759</b>	<b>3,173</b>
<b>% Growth</b>		<b>-1.8%</b>	<b>32.0%</b>	<b>17.3%</b>	<b>6.9%</b>	<b>NA</b>	<b>15.0%</b>

Note :

1. Figures as per restated IGAAP financials for FY12-13 to FY14-15 and Ind-AS financials for FY15-16 onwards.

## Standalone Profit & Loss (cont'd)

March Year Ending (₹ in million)	2013	2014	2015	2016	2017	H1FY17	H1FY18
<b>Total Income</b>	<b>3,389</b>	<b>3,328</b>	<b>4,392</b>	<b>5,154</b>	<b>5,510</b>	<b>2,759</b>	<b>3,173</b>
Employee Expenses	417	492	553	587	761	343	340
Technology Cost & Technology Program	693	568	675	816	1,123	518	625
Regulatory Costs	107	119	472	508	352	162	195
Other Expenses	507	480	779	741	800	392	289
<b>EBITDA</b>	<b>1,665</b>	<b>1,669</b>	<b>1,913</b>	<b>2,502</b>	<b>2,474</b>	<b>1,344</b>	<b>1,724</b>
<b>EBITDA Margin</b>	<b>49%</b>	<b>50%</b>	<b>44%</b>	<b>49%</b>	<b>45%</b>	<b>48%</b>	<b>54%</b>
Depreciation & Amortization	245	266	522	485	477	220	182
Finance Expenses	7	2	2	2	1	-	-
<b>Exceptional Items</b>							
Liquidity Enhancement Incentive Prog "LEIPs"	955	613	343	172	-	-	-
Settlement Guarantee Fund ("SGF")	-	-	-	514	208	208	-
Profit on sale of part equity stake in CDSL					-244	-	-3,160
Other Exceptional Items	-	-	150	46	-	-	5
<b>Profit before Tax</b>	<b>458</b>	<b>788</b>	<b>896</b>	<b>1,283</b>	<b>2,032</b>	<b>916</b>	<b>4,697</b>
Taxes	60	42	141	-46	46	44	225
<b>Net Profit</b>	<b>392</b>	<b>746</b>	<b>755</b>	<b>1,329</b>	<b>1,986</b>	<b>872</b>	<b>4,472</b>
<b>Net Profit Margin</b>	<b>12%</b>	<b>22%</b>	<b>17%</b>	<b>26%</b>	<b>36%</b>	<b>32%</b>	<b>141%</b>

Note :

1. Figures as per restated IGAAP financials for FY12-13 to FY14-15 and Ind-AS financials for FY15-16 onwards.

## **Consolidated :**

BSE has partially divested its stake in a subsidiary company on June 29, 2017. The divestment has resulted in a loss of control and therefore the profit on sale of the investment in the subsidiary (including the Remeasurement of the retained investment at fair value in accordance with Ind AS 110 "Consolidated Financial Statements") amounting to ₹ 4,512 million has been credited to the Consolidated Statement of Profit and Loss during the quarter ended June 30, 2017 and six months ended September 30, 2017. The residual investment retained in the subsidiary now considered as an investment in an associate.

Further, BSE had partially divested its stake in the above subsidiary in October, 2016, which did not result in a loss of control and hence the profit on divestment amounting to ₹ 106 million was credited to Retained Earnings under the head Other Equity during the year ended March 31, 2017. The said profit of 106 million is now credited to the Consolidated Statement of Profit and Loss during the quarter ended June 30, 2017 and six months ended September 30, 2017.

Since the operations of the above subsidiary represent a separate major line of business which has been disposed of, the disclosures required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" have been presented in the financial results for the periods upto date of loss of control.

## **Standalone :**

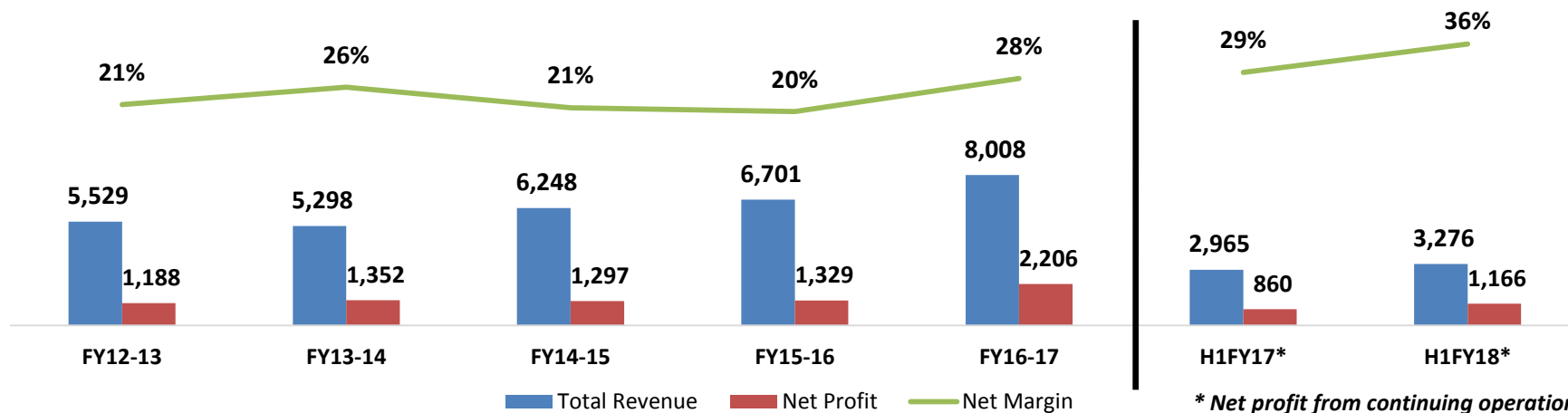
The Company has partially divested its stake in a subsidiary company, on June 29, 2017. The profit on divestment amounting to ₹ 3,160 million is reflected in the Statement of Standalone Financial Results during the quarter ended June 30, 2017 and same is also reflected in six months ended September 30, 2017. The residual investment retained in the subsidiary is now considered as an investment in an associate.

Further the Company had earlier partially divested its stake in subsidiary company in October, 2016 and profit amounting to ₹ 244 million was credited to Statement of Standalone Profit and Loss for the year ended March 31, 2017. Considering the nature of the income and its impact on the profit, the same has been disclosed as an exceptional item in the respective periods.

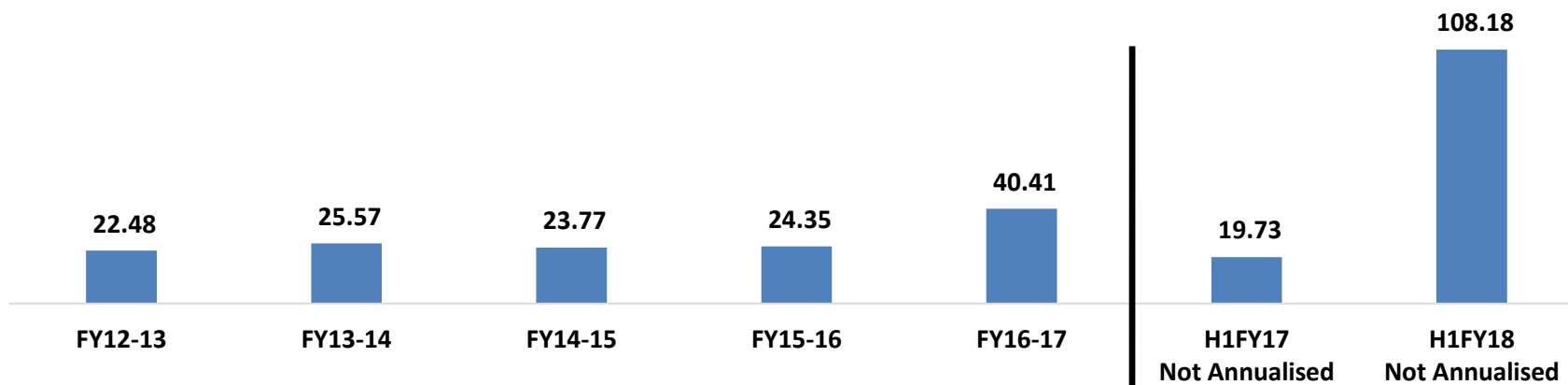


## Key Performance Indicators

(₹ in Million)

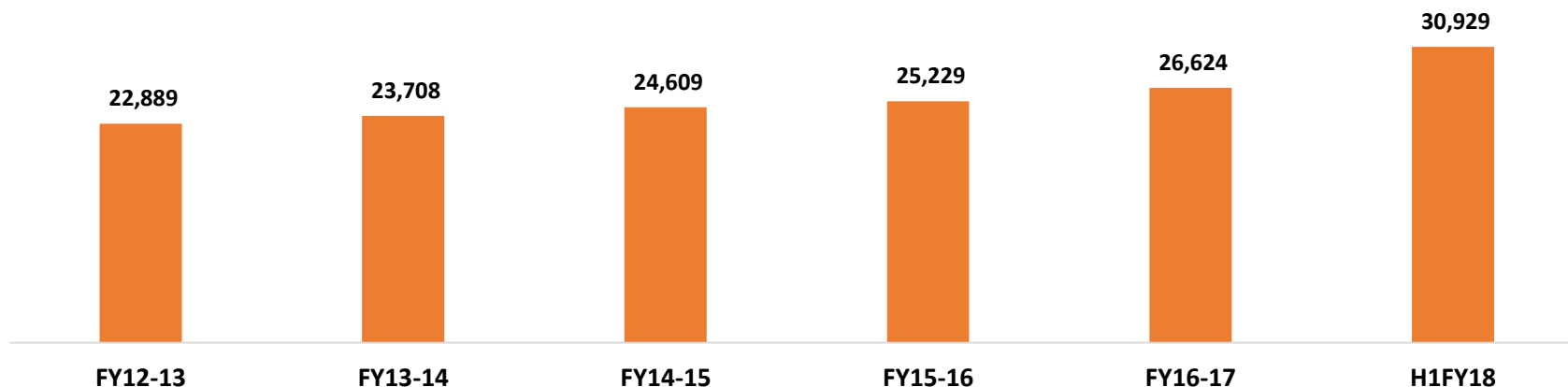


## Earnings per share (₹)

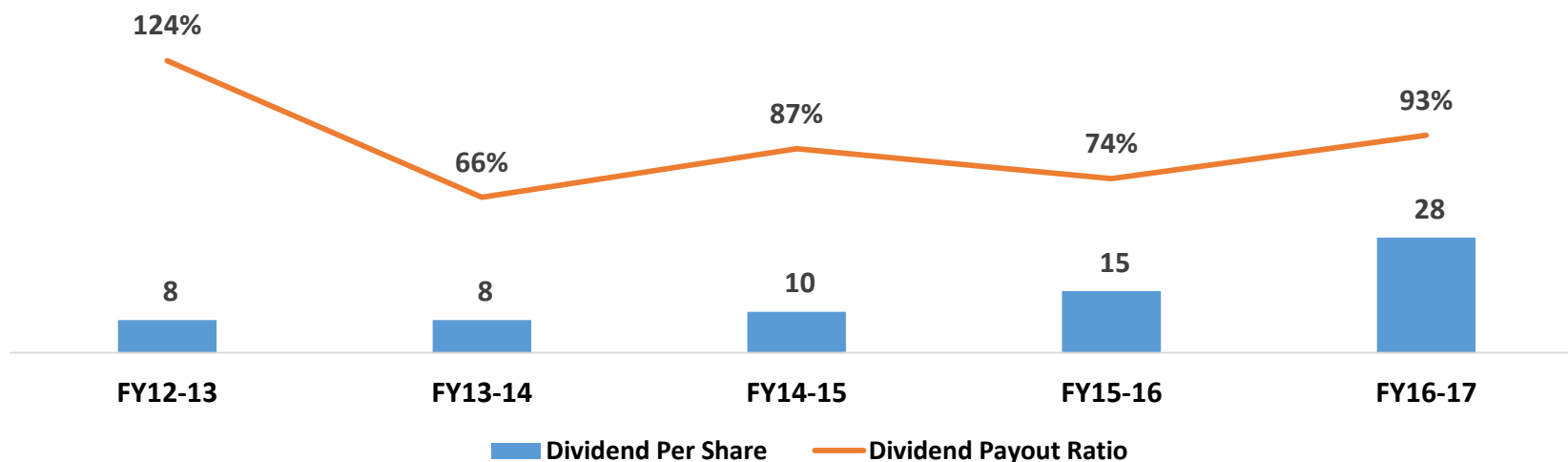


Figures as per restated IGAAP financials for FY12-13 to FY14-15 and Ind-AS financials for FY15-16 onwards.

## Consolidated Net-worth (₹ million)



## Dividend per share (₹) & Pay-out Ratio



Figures as per restated IGAAP financials for FY12-13 to FY14-15 and Ind-AS financials for FY15-16 onwards  
 # Dividend pay-out ratio is calculated based on Standalone Profit

**THANK YOU**

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