

## Directors' Report

### **To the Members, Marketplace Technologies Private Limited**

Your Directors take great pleasure in presenting the Eleventh Annual Report of your Company and the Company's audited financials for the financial year ended March 31, 2016.

### **FINANCIAL SUMMARY**

The financial performance of the Exchange for the year ended March 31, 2016 is summarized below:

<b>(Rs. In Lakhs)</b>				
<b>PARTICULARS</b>	<b>Standalone</b>		<b>Consolidated</b>	
	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>
Revenue from Operations	2810	2493	2825	2496
Other Income	65	82	65	81
<b>Total Revenue</b>	<b>2875</b>	<b>2575</b>	<b>2890</b>	<b>2577</b>
<b>Total Expenditure</b>	<b>2526</b>	<b>2276</b>	<b>2517</b>	<b>2257</b>
<b>Profit before Exceptional and extraordinary Items and Tax</b>	<b>349</b>	<b>299</b>	<b>373</b>	<b>320</b>
<b>Profit before Tax</b>	<b>349</b>	<b>299</b>	<b>373</b>	<b>320</b>
Less- Tax Expenses	109	80	119	83
<b>Profit for the period</b>	<b>240</b>	<b>219</b>	<b>254</b>	<b>238</b>

## **OVERVIEW OF THE COMPANY'S FINANCIAL PERFORMANCE**

### **Standalone**

During the year under review the performance of your Company was satisfactory and it recorded a total income of Rs.2875 Lakhs as compared to Rs. 2575 Lakhs in the previous year. The profit for the year has increased to Rs. 240 Lakhs as compared to Rs. 219 Lakhs in the previous year. The Company is striving to achieve better results in future.

### **Consolidated**

During the year under review the performance of your Company was satisfactory and it recorded a total income of Rs.2890 Lakhs as compared to Rs. 2577 Lakhs in the previous year. The profit for the year has increased to Rs. 254 Lakhs as compared to Rs. 238 Lakhs in the previous year. The Company is striving to achieve better results in future.

## **STATE OF THE COMPANY'S AFFAIRS**

During the year your company has earned confidence from existing clients and trust from new customers. The Company has done new business thru new software solutions like NBFS back office, Automation Process for Back office operation and software for new segments. i-FAST has decided to go with MT's software solution.

The Company has also developed ADDHAR based client / investor details verification software. IT is being implemented at M/s Motilal Oswal, which will very much use full solution for broking as well as other market segment.

During the year the Company along with Karvy Computershare pvt ltd. launched Shareholder id services for companies listed on BSE Limited. Computershare, the largest company in the registrar business worldwide and Joint venture partner in Karvy Computershare Pvt. Ltd. is running Shareholder id service in many markets in India including China, Japan etc. The service gives a complete breakup of the beneficiary shareholders in cases where some institutional holder is managing the beneficiary's money. Computershare also helps the companies who subscribe to their service to get in touch with the decision maker at the beneficiary shareholder firm. The service helps companies wanting to communicate effectively with FII / FPI shareholders without having a large investor relations set up. The Company have

signed up one client in March 2016 and discussions with several companies are underway.

On services provided on BSE Ltd and Indian Clearing Corporation Ltd. front company has done many activities.

Company has extended services in the areas ranging from IT infrastructure, DATA BASE Management, Software Quality Testing to DATA WARE HOUSE over and above software development and support.

End to end development has been completed for Offer to Buy – Acquisition Window at IBBS in line with OFS, from early pay-in of shares acceptance, Bids acceptance, Risk Management and Clearing and Settlement.

On Mutual front (BSE StAR Mf Platform) new functionalities like 24x7 order acceptance, over nite orders for liquid schemes along with different options for payment from online payment thru bill desk to physical cheque collection thru M/s Karvy have been added.

Some of the remarkable development like Auto takes up facility for institutional trades.

Testing is underway for cross currency related development in different systems.

### **DIVIDEND**

With a view to conserve the financial resources for future operations of the Company, your directors deemed it prudent not to declare any dividend for the year ended 31<sup>st</sup> March, 2016.

### **TRANSFER TO RESERVES**

Your company has not transferred any sum to reserves as no Dividend was declared during the Financial Year ended March 31, 2016.

**PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURE:**

The Company has only one subsidiary Company i.e. Marketplace Tech Infra Services Private Limited. Further the Company does not have any joint venture or associate Company as on March 31, 2016.

There has been no material change in the nature of the business of the subsidiaries.

Pursuant to Rule 5 (1) of the Companies (Accounts) Rules 2014 the performance and financial position of the Subsidiary Company in Form AOC-1 is attached to the financial statements of the Company.

The financial statements of the Subsidiary companies are kept for inspection by the shareholders at the Registered Office of the company. The Company shall provide free of cost, the copy of the financial statements of its subsidiary companies to the shareholders upon their request.

**EXPLANATIONS OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER**

The Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2016 does not contain any reservation, qualification, adverse remarks or disclaimer.

**EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return as required under section 92 of the Companies Act, 2013 is attached to this report as "**Annexure I**".

**NUMBER OF MEETINGS OF THE BOARD**

Four board meetings were held during the financial year 2015-16.

<b>Sr. No.</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>	<b>No. of Directors Present</b>
1.	28.04.2015	3.00 P.M.	25 <sup>th</sup> Floor, P. J.	5

2.	16.07.2015	4.30 P.M.	Towers, Dalal	5
3.	26.10.2015	1.00 P.M.	street, Fort,	6
4.	20.01.2016	12.00 Noon	Mumbai – 400 001	6

Name of Director	Category	Attendance at meeting during FY 2015-16	
		Held	Attended
Mr. Ashishkumar Manilal Chauhan	Chairman	4	4
Mr. Pranav Harshadrai Trivedi*	Whole Time Director	4	4
Mr. Animesh Ajit Jain**	Whole Time Director	4	3
Mr. Kersi Jamshed Tavadia	Director	4	3
Mr. Shankar Shivram Jadhav	Director	4	4
Mr. Amit Mahajan	Director	4	4

\*Mr. Pranav Harshadrai Trivedi was re-appointed as Whole Time Director w.e.f. April 13, 2015.

\*\*Mr. Animesh Ajit Jain was appointed as Whole Time Director w.e.f. April 28, 2015.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

company at the end of the financial year and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There are no transactions pursuant to section 186 of The Companies Act, 2013.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188**

A detailed disclosure of transactions with the Related Parties is annexed with this Report in Form AOC-2 in "**Annexure-II**".

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **(A) Conservation of Energy**

The Company has taken appropriate steps for the conservation of Energy.

**(B) Technology Absorption**

The Company continues to use the latest technologies for improving the productivity and quality of its services and services.

**(C) Foreign Exchange Earnings And Outgo**

The particulars of Foreign Exchange Earnings and outgo during the year under review are furnished hereunder:

Foreign Exchange Earning: Nil (Previous Year Rs. 1,47,000/-)

Foreign Exchange Outgo: Nil (Previous Year Nil)

**RISK MANAGEMENT**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**CHANGE IN THE NATURE OF BUSINESS**

Your Company has not undergone any changes in the nature of the business during the Financial Year.

**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL**

Details of Directors or Key Managerial Personnel who were appointed/re-appointed during the year pursuant to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are as follows:-

**I. Appointment**

Mr. Kersi Jamshed Tavadia (DIN: 03277765), Mr. Shankar Shivram Jadhav (DIN: 06924145) and Mr. Amit Mahajan (DIN: 06934769) were appointed as director liable to retire by rotation in the Annual General Meeting held on July 21, 2015.

Mr. Animesh Ajit Jain (DIN: 02826627) was appointed as additional director in board meeting held on April 28, 2015 as well as whole time director subject to approval of shareholder in annual general meeting. Further Mr. Animesh Ajit Jain was appointed whole time director in Annual general meeting held on July 21, 2015.

## **II. Retirement by Rotation**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association Mr. Kersi Jamshed Tavadia (DIN 03277765) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

## **III. Resignation**

No Resignation of Directors took place during financial year 2015-2016.

## **COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

There has been no change in Subsidiaries, Joint Ventures or Associate Companies of Marketplace Technologies Private Limited during the financial year ended March 31, 2016. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and its subsidiary company, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary company is also included in the Annual Report in form AOC-I as "**Annexure-III**".

## **DEPOSITS**

The Company has not accepted any public deposits during the financial year ended on 31<sup>st</sup> March, 2016 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.



### **DETAILS OF DEPOSITS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE ACT**

Since the Company has not accepted any deposits during the financial year ended on 31<sup>st</sup> March, 2016, there has been no non compliance with the requirements of the Act.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going Concern status and your company's Operations in Future.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The management believes that the various processes relating to internal financial control with reference to financial statement are adequate

### **PARTICULARS RELATING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year ended 31<sup>st</sup> March, 2016, no complaints have been received pertaining to sexual harassment.

### **AUDITORS' APPOINTMENT**

The Statutory Auditors M/s. S. Panse & Co., Chartered Accountants (Firm Registration No. 113470W), was appointed to hold office from the conclusion of 10<sup>th</sup> Annual General Meeting till the conclusion of 15<sup>th</sup> Annual General Meeting, subject to ratification of shareholder at every Annual General Meeting. Hence, your director recommends ratification of the appointment of Auditor.

## **PARTICULARS OF EMPLOYEES**

None of the employees of the Company are drawing remuneration in excess of the limits as specified in sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **ACKNOWLEDGEMENTS**

We take the opportunity to express gratitude to the Bankers, Statutory Authorities, Service Providers and stakeholders for the support and co-operation extended by them from time to time.

**For and on behalf of the Board of Directors**

**Ashishkumar Chauhan**  
**Chairman**  
**(DIN: 00898469)**

Place: Mumbai  
Date: 21.04.2016

**Form No. MGT-9**Extract of Annual Return as on the financial year ended on **31<sup>st</sup> March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	U72200MH2005PTC152920
ii)	Registration Date	29/04/2005
iii)	Name of the Company	Marketplace Technologies Private Limited
iv)	Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
v)	Address of the Registered office and contact details	25th floor, P.J. Towers, Dalal Street, Mumbai - 400001.
vi)	Whether listed company	No

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1	Software License, Software Development and Software maintenance.	620	97.74%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No</b>	<b>Name And Address of The Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary / Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1	BSE Limited 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai, Maharashtra-400001	U67120MH2005PLC155188	Holding	100	2(46)
2	Marketplace Tech Infra Services Private Limited 3rd Floor, B Wing, Aggarwal Trade Centre, Plot No. 62, Sector-11, C. B. D. Belapur, Navi Mumbai, 400614	U72900MH2011PTC213218	Subsidiary	100	2(87)





ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>1,99,99,990</b>	<b>10</b>	<b>20000000</b>	<b>100</b>	<b>1,99,99,990</b>	<b>10</b>	<b>20000000</b>	<b>100</b>	<b>NIL</b>

**ii) Shareholding of promoters:**

Sr. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of Shares	% of total shares of company	%of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	%of Shares Pledged / encumbered to total shares	
1.	BSE Limited	2,00,00,000	100	NIL	2,00,00,000	100	NIL	NIL
	<b>Total</b>	<b>2,00,00,000</b>	<b>100</b>	<b>NIL</b>	<b>2,00,00,000</b>	<b>100</b>	<b>NIL</b>	<b>NIL</b>

**iii) Change in Promoters' Shareholding ( please specify, if there is no change):**

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	2,00,00,000	100%	2,00,00,000	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	2,00,00,000	100%	2,00,00,000	100%



**iv) Shareholding Pattern of top ten Shareholders other than Directors, Promoters and Holders of GDRs and ADRs: Not Applicable**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	-	-	-	-

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Pranav Trivedi as a Nominee of BSE Limited				
	At the beginning of the year	2	0	2	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/	0	0	0	0

	sweat equity etc.):				
	At the End of the year	2	0	2	0
2.	Mr. Kersi Tavadia as a Nominee of BSE Limited				
	At the beginning of the year	2	0	2	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the End of the year	2	0	2	0
3.	Mr. Animesh Jain as Nominee of BSE Limited				
	At the beginning of the year	2	0	2	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the End of the year	2	0	2	0
4.	Mr. Shankar Jadhav as a Nominee of BSE Limited*				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1	0	1	0
	At the End of the year	1	0	1	0
5.	Mr. Amit Mahajan as a Nominee of BSE Limited*				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g.	1	0	1	0

	allotment / transfer / bonus/ sweat equity etc.):				
	At the End of the year	1	0	1	0

- BSE Limited Jointly with Mr. Ashishkumar Chauhan were holding 2 equity shares of Marketplace Technologies Private Limited. BSE Limited Jointly with Mr. Ashishkumar Chauhan transferred 1 equity share each to Mr. Amit Mahajan as a Nominee of BSE Limited & Mr. Shankar Jadhav as a Nominee of BSE Limited, it was approved in April 28, 2015 board meeting of the Company.

## V. INDEBTEDNESS

<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

<b>(Rs. In lakhs)</b>				
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		
		Mr. Pranav Trivedi (Whole-time Director)	*Mr. Animesh Jain (Whole-time Director)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37.07	50.47	87.54
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>37.07</b>	<b>50.47</b>	<b>87.54</b>
	Ceiling as per the Act (Schedule V)	84		

\* Appointed w.e.f. 21<sup>st</sup> July 2015 as a whole time Director.

B. Remuneration to other directors: **(NIL)**

Sr .n o.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ashishkumar Manilal Chauhan	Mr. Kersi Jamshed Tavadia	Mr. Shankar Shivram Jadhav	Mr. Amit Mahajan	
	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	-
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than Managing Director/ Manager/  
WTD  
**(Not Applicable)**

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income - Tax Act, 1961.	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

Compounding	-	Condonation of delay in filing the satisfaction of charge with Ministry of Corporate Affairs (MCA)	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers in Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**For and on behalf of the Board of Directors**

**Ashishkumar Chauhan**  
**Chairman**

**DIN: 00898469**

Place: Mumbai  
Date: 21.04.2016

**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis – NIL**

- a) Name(s) of the related party and nature of relationship
- b) Nature of contracts/arrangements/transactions
- c) Duration of the contracts / arrangements/transactions
- d) Salient terms of the contracts or arrangements or transactions including the value, if any
- e) Justification for entering into such contracts or arrangements or transactions
- f) date(s) of approval by the Board
- g) Amount paid as advances, if any:
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis**

- a) Name(s) of the related party and nature of relationship

Holding Company	BSE Limited
Subsidiary Company	Marketplace Tech Infra Services Private Limited
Fellow subsidiaries	Indian Clearing Corporation Limited
	BSE Institute limited
	Central Depository Services (India) Limited
	CDSL Ventures Limited



b) Nature of contracts/arrangements/transactions

(Amt. in lakhs)

<b>Party Name</b>	<b>Nature of transaction</b>	<b>2015-16</b>
BSE Limited	<b>Expenditure :</b>	
	Empanelment Charges	-
	<b>Income :</b>	
	Software License, Customisation and Maintenance charges	1992
	Receivables	155
Marketplace Tech Infra Services Private Limited	<b>Expenditure :</b>	
	Service Provider Charges	486
	Investments	1
	Loan given	-
Central Depository Services (India) Limited	<b>Income :</b>	
	Sale of Software Licenses	31
	Receivable	-
CDSL Ventures Limited	<b>Income :</b>	
	Sale of Software Licenses	2
	Receivable	-
BSE Institute Limited	<b>Income :</b>	
	Software License, Customisation and Maintenance charges	-
	Receivable	-
Indian Clearing Corporation Limited	<b>Income :</b>	
	Software License, Customisation and Maintenance charges	534
	Receivable	48

\*Amounts including Taxes

c) Duration of the contracts / arrangements/transactions: Ongoing

d) (Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable as the transaction is in the Ordinary course of Business. However the values of the transactions entered into is as mentioned at (b) above.

- e) Date(s) of approval by the Board, if any: NA
- f) Amount paid as advances, if any: NA

**For and on behalf of the Board of Directors**

**Ashishkumar Chauhan**  
**Chairman**  
**DIN: 00898469**

**Date: April 21, 2016**  
**Place: Mumbai**

**Annexure III****Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

Rs. In Lakh

<b>Sr. No.</b>	<b>Name of Subsidiary</b>	<b>Marketplace Tech Infra Services Private Limited</b>
1.	Share capital	1.00
2.	Reserves & surplus	34.92
3.	Total assets	115.24
4.	Total Liabilities	79.32
5.	Investments	-
6.	Turnover	441.07
7.	Profit before taxation	23.74
8.	Provision for taxation	9.39
9.	Profit after Taxation	14.36
10.	Proposed Dividend	-
11.	% of shareholding	100%

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013  
related to Associate Companies and Joint Ventures**

<b>Name of Associates/Joint Ventures</b>	<b>NA</b>
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extent of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net Worth Attributable to Shareholding as per latest Audited balance Sheet	
6. Profit/Loss for the year	
i. Considered for Consolidation	
ii. Not Considered for Consolidation	

**For and on behalf of the Board of Directors**

**Ashishkumar Chauhan  
Chairman  
DIN: 00898469**

**Date: April 21, 2016  
Place: Mumbai**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MARKETPLACE TECHNOLOGIES PRIVATE LIMITED Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **MARKETPLACE TECHNOLOGIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information forming part of the Financial Statements.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 and 30 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S Panse & Co**  
**Chartered Accountants**  
**FRN: 113470W**

**Supriya Panse**  
Partner  
**Membership No.: 46607**

**Mumbai**  
**April 21, 2016**

## **Annexure A to the Auditor's Report**

The Annexure referred to in paragraph 1 of our Report to the members of MARKETPLACE TECHNOLOGIES PRIVATE LIMITED ("the Company") for the year ended 31<sup>st</sup> March, 2016.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of 'ENC Software Solutions Private Limited' (erstwhile name of Market Place Technologies Private Limited).
- (ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account and other records, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the



Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the books of account and other records, there are no material statutory dues which have not been deposited on account of dispute. However, according to information and explanations given to us, the company had received a Penalty Show Cause cum Demand notice on 26th September 2014 from Service Tax Department for penalty to be imposed in respect of an issue of wrong availing Cenvat Credit on input services during the period 2010-11 and 2011-12 which was not utilized for providing taxable output services. Though the amount of penalty is not mentioned in the notice, as per the tax advisors of the company maximum amount of penalty that could be imposed would be Rs. 7,94,448/-.

The company is contesting the demand with Commissioner of Service Tax and the management including its tax advisors believes that company's position will likely be upheld by the Commissioner. The management believes that the ultimate outcome of the proceeding will be non imposition of the Penalty.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xi) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (xvi) Attention is invited to Note 29 to the financial statements regarding Amount Receivable from Punjab & Sindh Bank (PSB) on account of Fixed Deposit of Rs. 3 crores plus interest wherein the Company had placed two fixed deposits (FDs) totalling to Rs.3 crores with Punjab & Sindh Bank (PSB), Khar Branch, Mumbai. The same was confirmed by the Bank while issuing quarterly confirmations to Auditors for the respective quarters ended December 31, 2013 (Deloitte Haskins & Sells) , March 31, 2014 (Deloitte Haskins & Sells) and June 30, 2014 (M/s. S. Panse & Co). In July 2014, two officials of the Bank approached the Company and enquired whether the Company had availed any loan from Bank against the said FDs. On further inquiry with the Bank it was informed that the original FDs are lying with the Bank and the FDs in possession of the Company were fake. It was further informed by the Bank that the original FDs were in the possession of the bank as a security against Cash Credit facility availed by the Company. The Company never opened a current account and availed cash credit facility with PSB. The documents (Application form and Board Resolution) the Company submitted to the bank officials were to open a term account i.e. Fixed Deposit Account only for a period of 1 year. PSB officials have confirmed existence of FDs rightfully totalling Rs.3 crores in the name of the Company for which they had received money by way of RTGS. The Bank defrauded the Company firstly by issuing forged and fake Fixed Deposit receipt, secondly, by creating Cash Credit facility in the name of the Company and thirdly by keeping Fixed Deposit receipts with itself as a security for the said Cash Credit Facility. Subsequently, bank

informed the Company that the Fixed Deposit receipts were credited to the Company's Account (Cash Credit Facility).

It is learned that several such cases are existing in PSB, Khar Branch and at other banks too. The matter is under CBI Investigation. The Company has filed a Complaint with Joint Commissioner of Police, Crime Branch, Mumbai against the Bank. The Company has also filed a law suit in the Honourable High Court of Bombay claiming the deposit amount of Rs. 3 crores along with interest @24% w.e.f. December 2013, other incidental costs and damages. In view of the law suit filed by the Company and CBI Investigation being underway, the Company is quite confident about recovering the principal amount of Rs. 3 crores along with the interest. Further, the Company has also obtained a legal opinion on the matter which confirms that the said amount is recoverable from PSB. Therefore, the Company does not estimate any impairment loss on the amount receivable from PSB. The interest income on the fixed deposit is recognised and accrued till 17th July 2014 that is the date when the Company has sought premature withdrawal of the FD. In connection with the above matter under CBI investigation, HDFC Bank, on receipt of notice from CBI, had blocked the Current Account (A/c No - 08302320001186) held with the Bank with effect from April 8, 2015. Available balance in the bank account was Rs. 60,52,555/-.

Later on, the account was unblocked by the Bank based on the High Court's Order dated 6th January 2016 and Demand Draft of Rs. 60 lacs was issued in favour of Registrar Judicial I, High Court, Bombay as a Deposit till the final decision of the court.

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit

**For S Panse & Co**  
**Chartered Accountants**  
**FRN: 113470W**

**Supriya Panse**  
**Partner**  
**Membership No.: 46607**  
**Mumbai**  
**April 21, 2016**

## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MARKETPLACE TECHNOLOGIES PRIVATE LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S Panse & Co**  
**Chartered Accountants**  
**FRN: 113470W**

**Supriya Panse**  
**Partner**  
**Membership No.: 46607**  
**Mumbai**  
**April 21, 2016**

**MARKETPLACE TECHNOLOGIES PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

	Note No.	As at	As at
		31st March, 2016	31st March, 2015
		Rs in Lakhs	Rs in Lakhs
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	200	200
(b) Reserves and Surplus	3	2,241	2,001
<b>2. Non-current liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	-	4
(b) Long-term Provisions	5	73	62
(c) Lease Liability	6	2	2
<b>3. Current liabilities</b>			
(a) Trade Payables			
(i) Total outstanding dues of to micro enterprises and small enterprises	7	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7	225	209
(b) Other Current Liabilities	8	65	67
(c) Short-term Provisions	9	96	43
<b>TOTAL</b>		<b>2,902</b>	<b>2,588</b>
<b>II. ASSETS</b>			
<b>1. Non-Current assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		209	222
(ii) Intangible Assets		7	9
(b) Non-current Investments	11	26	26
(c) Long-term Loans and Advances	12	332	352
(d) Other Non-Current assets	13	316	317
(e) Deferred Tax Asset (Net)	14	20	-
<b>2. Current assets</b>			
(a) Current Investments	15	1,650	1,100
(b) Trade Receivables	16	270	386
(c) Cash and Bank Balances	17	52	146
(d) Short-term Loans and Advances	18	19	24
(e) Other Current Assets	19	1	6
<b>TOTAL</b>		<b>2,902</b>	<b>2,588</b>

As per our report attached

For **For S Panse & co**  
Chartered Accountants  
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

**Supriya Panse**  
Partner  
Membership No.: 46607

**Ashishkumar Chauhan**  
Chairman

**Pranav Trivedi**  
Whole-time Director

Mumbai  
Date : April 21, 2016

**MARKETPLACE TECHNOLOGIES PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Note No.	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
		Rs in Lakhs	Rs in Lakhs
<b>I</b> Revenue from Operations	20	2,810	2,493
<b>II</b> Other Income	21	65	82
<b>III Total Revenue (I + II)</b>		<b>2,875</b>	<b>2,575</b>
Employee Benefits Expense	22	1,464	1,312
Software/Hardware Purchase-Trading		252	320
Other Operating Expenses	23	794	592
Depreciation and Amortisation	10	16	52
<b>IV Total expenses</b>		<b>2,526</b>	<b>2,276</b>
<b>V Profit Before Exceptional, Extraordinary Items and Tax (III - IV)</b>		<b>349</b>	<b>299</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Extraordinary Items and Tax (V - VI)</b>		<b>349</b>	<b>299</b>
<b>VIII Extraordinary Items</b>		-	-
<b>IX Profit Before Tax (VII - VIII)</b>		<b>349</b>	<b>299</b>
<b>X Tax Expense:</b>			
(1) Current Tax		133	105
(2) Deferred Tax		(24)	(25)
<b>Total Tax Expense</b>		<b>109</b>	<b>80</b>
<b>XI Profit for the Year from Continuing Operations (IX - X)</b>		<b>240</b>	<b>219</b>
<b>XII Profit From Discontinuing Operations</b>		-	-
<b>XIII Tax expense of discontinuing operations</b>		-	-
<b>XIV Profit from discontinuing operations (after tax) (XII - XIII)</b>		-	-
<b>XIII Profit for the Year (XI + XII)</b>		<b>240</b>	<b>219</b>
<b>XIV Earnings Per Equity Share:</b>			
Basic and Diluted in (Rs.)		1.20	1.10
Face Value Per Share (Re.)		1	1
Weighted Average Number of Equity Shares for Basic and Diluted Earnings Per Share (Nos.)		20,000,000	20,000,000

As per our report attached

For **S. Panse & Co.**  
Chartered Accountants  
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

**Supriya Panse**  
Chartered Accountants  
Membership No.: 46607

**Ashishkumar Chauhan**  
Chairman

**Pranav Trivedi**  
Whole-time Director

Mumbai :  
Date : April 21, 2016

**MARKETPLACE TECHNOLOGIES PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

PARTICULARS	For the Year ended 31st March, 2016		For the Year ended 31st March, 2015	
	Rs in Lakhs		Rs in Lakhs	
Net Profit before Tax as per the Statement of Profit and Loss		349		299
<u>Adjustments for :</u>				
Depreciation and Amortisation		16		52
Reversal of provision for Diminution of value of MF made last year		-		(2)
Provision for Doubtful Debts		(1)		6
Bad Debts Written off		6		-
Provision for Employee Benefits		112		64
Interest Income		13		(22)
Dividend Income		(16)		(6)
Profit on Sale of Investments		(17)		(52)
<b>Operating Profit before Working capital changes</b>		<b>462</b>		<b>339</b>
<u>Adjustments for changes in:</u>				
Long-term Loans and Advances		(61)		-
Trade Receivables		111		57
Other Assests (Receivables from P&S Bank)		1		(317)
Short-term Loans and Advances		5		11
Other Current Assets		5		8
Long Term Provisions		(101)		(43)
Lease Liability		-		2
Trade Payables		16		(17)
Other Current liabilities		(2)		(40)
Short-term Provisions		53		7
<b>Cash Generated from Operations</b>		<b>27</b>		<b>(332)</b>
<b>Taxes Paid</b>		<b>(52)</b>		<b>(242)</b>
<b>A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>		<b>437</b>		<b>(235)</b>
Acquisition of Fixed Assets		(1)		(4)
Redemption of units of Mutual funds		4,815		1,527
Fixed Deposits matured		109		400
Purchase of units of Mutual funds (including dividend re-invested and Profit on		(5,332)		(1,593)
Fixed Deposits placed		(5)		(109)
Purchase of Investments		-		-
Interest Income		(13)		22
<b>B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>(427)</b>		<b>243</b>
<b>C. Net (Decrease) / Increase in Cash and Cash equivalents</b>	<b>A+B</b>	<b>10</b>		<b>8</b>
<b>Opening Balance of Cash and Cash equivalents</b>				
Cash balance		-		-
Bank Balance in Current Account		37		29
<b>Cash and Bank balances at the beginning of the year</b>		<b>37</b>		<b>29</b>
Cash balance		-		-
Bank Balance in Current Account		47		37
<b>Cash and Bank balances at the end of the year</b>		<b>47</b>		<b>37</b>
<b>Add: Fixed Deposits (Original maturity greater than 3 months)</b>		<b>5</b>		<b>109</b>
<b>Cash and Bank Balances as per Note 14 of Notes to Accounts</b>		<b>52</b>		<b>146</b>

As per our report attached

For **S. Panse & Co.**  
Chartered Accountants  
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

**Supriya Panse**  
Partner  
Membership No.: 46607

**Ashishkumar Chauhan**  
Chairman

**Pranav Trivedi**  
(Whole-time Director)

Mumbai  
Date : April 21, 2016



## 2. SHARE CAPITAL

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	
<b>AUTHORISED</b>		
50,000,000 Equity Shares of Re. 1 each with voting rights	500	500
20,000,000 Preference Shares of Re. 1 each	200	200
	700	700
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
20,000,000 Equity Shares of Re. 1 each fully paid up with voting rights	200	200
<b>Total</b>	<b>200</b>	<b>200</b>

### 2(a). Reconciliation of number of shares outstanding

Particulars	As at 31st March, 2016	As at 31st March, 2015
	No. of shares	No. of shares
<b>Opening Share Capital</b>		
Equity Face Value Re. 1 fully paid up	20,000,000	20,000,000
<b>Adjustments during the year</b>	-	-
<b>Closing Share Capital</b>		
Equity Face Value Re. 1 fully paid up	20,000,000	20,000,000

### 2(b). Investment by BSE Limited (Holding company) and its nominees

Name of company	Particulars of issue	As at 31st March, 2016	As at 31st March, 2015
		No. of shares	No. of shares
<b>BSE Limited (Holding Company)</b>	<b>Opening Balance</b>	20,000,000	20,000,000
	a) Rights Issue	-	-
	b) Bonus	-	-
	c) Preferential Allotment	-	-
	d) Others (Please give details)	-	-
	<b>Closing Balance</b>	20,000,000	20,000,000

### 2(c). List of Shareholders holding more than 5% shares as at

Name of Shareholder	As at 1st April, 2015		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
BSE Limited and its nominees	20,000,000	100%	20,000,000	100%

Name of Shareholder	As at 1st April, 2013		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
BSE Limited and its nominees	20,000,000	100%	20,000,000	100%

- 2(d) I. The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting
- II. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 3. RESERVES AND SURPLUS

PARTICULARS	As at 1st April, 2015	Additions	Deductions /Adjustments	As at 31st March, 2016
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Surplus in Statement of Profit and Loss	2,001	240	-	2,241
<b>Total</b>	<b>2,001</b>	<b>240</b>	<b>-</b>	<b>2,241</b>

\* Note:- The Adjustment for Carrying Value represents the carrying value of assets after retaining residual value of 5% whose remaining useful life

as on 1st April 14 is Nil, consequent upon the change in the useful life of assets as prescribed in Schedule II to the Companies Act 2013.

PARTICULARS	As at 1st April, 2014	Additions	Deductions /Adjustments	As at 31st March, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Surplus in Statement of Profit and Loss	1,785	219	3	2,001
<b>Total</b>	<b>1,785</b>	<b>219</b>	<b>3</b>	<b>2,001</b>

### 4. DEFERRED TAX LIABILITY (net)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Deferred Tax Liability (net)	-	4

4(a) . The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
<b>Deferred Tax Liability</b>		
Deferred tax liabilities on account of depreciation on fixed assets	37	37
<b>Deferred Tax Asset</b>		
Deferred tax assets on account of Expenses allowed on payment basis u/s 43B	56	32
Deferred tax assets on account of provisions for non-performing assets	1	1
<b>Net Deferred Tax Liability</b>	<b>(20)</b>	<b>4</b>

### 5. LONG TERM PROVISIONS

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Provision for employee benefits: Provision for gratuity	73	62
<b>Total</b>	<b>73</b>	<b>62</b>

## 6. LEASE LIABILITY

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Lease Liability on Motor Car Purchased Lease Liability - on Motor Car	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

## 7. TRADE PAYABLES

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(i) Total outstanding dues of to micro enterprises and small enterprises	-	-
(a) Payable to service providers	4	23
(b) Accrued employee benefits expense	221	186
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>225</b>	<b>209</b>
<b>Total</b>	<b>225</b>	<b>209</b>

## 8. OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Unearned Income	26	30
(b) Statutory remittances	27	21
(c) Advances from customers	12	16
<b>Total</b>	<b>65</b>	<b>67</b>

## 9. SHORT TERM PROVISIONS

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Provision for employee benefits :		
(a) Provision for Gratuity	2	2
(b) Provision for Leave Encashment	79	30
(c) Provision for tax	1	1
Provision for expenses	14	10
<b>Total</b>	<b>96</b>	<b>43</b>

**10. FIXED ASSETS**
**Rs in Lakhs**

Particulars	Gross Block			Accumulated depreciation					Net Block	
	Opening balance as at 1st April, 2015	Additions	Closing balance as at 31st March , 2016	Opening balance as at 1st April , 2015	Adjustment for Carrying Value*	Depreciation for the Period	Deletions	Closing balance as at 31st March , 2016	As at 31st March ,2016	As at 31st March, 2015
<b>TANGIBLE FIXED ASSETS</b>										
Building	215	-	215	30	-	4	-	34	181	185
(Previous Year)	(215)	-	(215)	(26)	-	(4)	-	(30)	(185)	(188)
Furniture & Fixtures	20	-	20	10	-	3	-	13	7	10
(Previous Year)	(20)	-	(20)	(7)	-	(3)	-	(10)	(14)	(14)
Computer Equipment	72	-	72	68	-	2	-	70	2	4
(Previous Year)	(71)	(1)	(72)	(58)	(3)	(7)	-	(68)	(4)	(13)
Office Equipment	36	1	37	15	-	4	-	19	18	21
(Previous Year)	(36)	5	(36)	(10)	-	(2)	-	(15)	(21)	(26)
Motor Car	2	-	2	-	-	1	-	1	1	2
(Previous Year)	-	(2)	(2)	(1)	-	-	-	-	(2)	-
<b>TANGIBLE FIXED ASSETS (A)</b>	<b>345</b>	<b>1</b>	<b>346</b>	<b>123</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>137</b>	<b>209</b>	<b>222</b>
(Previous Year)	(342)	(3)	(345)	(101)	(3)	(19)	-	(123)	(222)	(246)
<b>INTANGIBLE FIXED ASSETS</b>										
Software(Other than internally generated)	206	-	206	197	-	2	-	199	7	9
(Previous Year)	(205)	(1)	(206)	(164)	-	(33)	-	(197)	(9)	(41)
<b>INTANGIBLE FIXED ASSETS (B)</b>	<b>206</b>	<b>-</b>	<b>206</b>	<b>197</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>199</b>	<b>7</b>	<b>9</b>
(Previous Year)	(205)	(1)	(206)	(164)	-	(33)	-	(197)	(9)	65
<b>Total (A+B)</b>	<b>551</b>	<b>1</b>	<b>552</b>	<b>320</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>336</b>	<b>216</b>	<b>231</b>
Previous financial year	<b>547</b>	<b>4</b>	<b>551</b>	<b>265</b>	<b>3</b>	<b>52</b>	<b>-</b>	<b>320</b>	<b>231</b>	<b>282</b>

**11. NON-CURRENT INVESTMENTS (At Cost unless otherwise stated)**

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
<b>(a) Investments in Subsidiaries</b>		
<b>Unquoted (Trade):</b>		
Marketplace Tech Infra Services Private Limited 1,00,000 Equity Shares of Re 1/- each fully paid up	1	1
<b>(b) Investments in Debentures and Bonds (Quoted)</b>		
Hudco Bonds 2,500 Units of Rs 1,000/- each	25	25
<b>Total</b>	<b>26</b>	<b>26</b>
Book value of Unquoted investments	1	1
Book value of Quoted investments	25	25
Market value of Quoted investments	25	25

**12. LONG-TERM LOANS AND ADVANCES**

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Deposits (Includes 60 Lakhs deposit with High court refer note no 29 in notes to accounts)	64	3
(b) Advance payment of Income tax (net of provision)	268	349
<b>Total</b>	<b>332</b>	<b>352</b>

**13. OTHER NON-CURRENT ASSETS**

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Receivable from Punjab & Sind Bank	316	317
<b>Total</b>	<b>316</b>	<b>317</b>

Note :-Refer Note no 29 in Notes to accounts

**14. DEFERRED TAX ASSET**

PARTICULARS	Rs in Lakhs	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Deferred Tax Asset	20	0
<b>Total</b>	<b>20</b>	<b>0</b>

### 15. CURRENT INVESTMENTS

PARTICULARS		As at 31st March, 2016	As at 31st March, 2015
		Rs in Lakhs	Rs in Lakhs
<b>Quoted :</b>			
Investment in Units of Mutual Funds (At lower of cost or fair value)		1,650	1,100
<b>Total</b>		<b>1,650</b>	<b>1,100</b>
Aggregate cost of Quoted investments		1,650	1,100
Market value of Quoted investments		1,839	1,201
		Units	Marketvalue
<b>Units of Dividend Oriented Debt Schemes of Mutual Fund as at 31st Mar 2016</b>			
(a) IDFC Cash Fund-Daily Divident (Regular Plan)	54968.782	550	
		Rs in Lakhs	Rs in Lakhs
<b>Units of Growth Oriented Debt Schemes of Mutual Fund as at 31st Mar 2016</b>			
(a) Kotak Income Opportunity Fund	790,351.39	129	118.00
(b) Kotak Income Opportunity Fund	764,368.21	125	114.00
(c) Hdfc Short Term Plan - Growth	411,216.34	122	111.00
(d) Kotak Income Opportunity Fund	1,103,354.94	180	165.00
(e) Dsp Blackrock Inc Opportunities Fund Regular Plan C	490,414.84	120	110.00
(f) Dsp Blackrock Inc Opportunities Fund Regular Plan C	486,840.70	119	109.00
(g) IDFC Super Saver fund Medium Term	221,522.21	56	52.00
(h) IDFC Super Saver fund Medium Term	440,235.79	112	104.00
(i) HDFC Corporate Debt Opportunities Fund	922,943.45	113	104.00
(j) IDFC Super Saver fund Medium Term	416,821.24	106	104.00
(k) Dsp Blackrock Inc Opportunities Fund Regular Plan C	435,811.50	107	104.00
<b>Total</b>		<b>1,839</b>	<b>1,195</b>

### 16. TRADE RECEIVABLES

PARTICULARS		As at 31st March, 2016	As at 31st March, 2015
		Rs in Lakhs	Rs in Lakhs
(a) Outstanding for more than six months (from the date due for payment)			
Unsecured, considered good		12	3
Unsecured, considered doubtful		2	3
Less: Provision for doubtful debts		2	3
		12	3
(b) Others			
Unsecured, considered good		258	383
<b>Total</b>		<b>270</b>	<b>386</b>

**17. CASH AND BANK BALANCES**

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Cash and Bank (as defined in AS-3)		
(i) Balances with banks		
In Current accounts	47	37
In Deposit accounts	5	109
(ii) Cash on hand	-	-
<b>Total</b>	<b>52</b>	<b>146</b>

**18. SHORT-TERM LOANS AND ADVANCES**

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(Unsecured - considered good)		
(a) Loans and advances to related parties		
Receivable from subsidiary	-	-
(b) Others		
(i) Advances recoverable in cash or in kind	1	4
(ii) Prepaid Expenses	18	20
<b>Total</b>	<b>19</b>	<b>24</b>

**19. OTHER CURRENT ASSETS**

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Interest Accrued but not due on Fixed Deposits	-	5
Interest Accrued but not due on Hudco Bonds	1	1
<b>Total</b>	<b>1</b>	<b>6</b>

**20. REVENUE FROM OPERATIONS**

PARTICULARS	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Software license sales	75	66
(b) Software license - Trading	252	320
(c) Software development, Customization & Support Charges	2,041	1,690
(d) Software maintenance income	442	417
<b>Total</b>	<b>2,810</b>	<b>2,493</b>

**21. OTHER INCOME**

PARTICULARS	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Interest Income on Fixed Deposits	5	20
(b) Interest Income on Bonds [Non Current Investment]	2	2
(c) Dividend from Mutual Funds [Current Investment]	16	6
(d) Profit/Loss on Sale of investments [Current Investment]	17	52
(e) Reversal of provision for Diminution of value of MF made last year	-	2
(f) Interest on income tax refund	16	-
(g) Reversal of provision for Income Tax	9	-
<b>Total</b>	<b>65</b>	<b>82</b>

**22. EMPLOYEE BENEFITS EXPENSE**

PARTICULARS	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Salaries, wages and bonus	1,282	1,181
(b) Contribution to provident fund and other funds	55	59
(c) Staff welfare expenses	33	31
(d) Compensated Absences	94	41
<b>Total</b>	<b>1,464</b>	<b>1,312</b>



**23. OTHER OPERATING EXPENSES**

<b>PARTICULARS</b>	<b>For the Year ended 31st March, 2016</b>	<b>For the Year ended 31st March, 2015</b>
	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
(a) Advertisement Expenses	4	4
(b) Auditors' Remuneration	2	2
(c) Conveyance Expenses	5	2
(d) Electricity Charges	22	21
(e) Empanelment Charges	10	13
(f) Housekeeping Expenses	3	3
(g) Insurance	23	14
(h) Professional Fees	50	40
(i) Provision for Doubtful Debts	(1)	2
(j) Bad Debts Written Off	6	4
(k) Rates and Taxes	4	6
(l) Repair and Maintenance Others	4	3
(m) Repair and Maintenance Computers &	6	5
(n) Security Charges	6	7
(o) Society Charges	2	2
(p) Service Provider Charges	588	412
(q) Telephone Expenses	16	16
(r) Travelling Expenses	30	27
(s) Miscellaneous Expenses	14	9
<b>Total</b>	<b>794</b>	<b>592</b>

<b>Note- Auditors' Remuneration</b>		
Statutory Audit fees	1	1
Tax Audit fees	1	1
<b>Total</b>	<b>2</b>	<b>2</b>

## Significant Accounting Policies and Notes to Accounts

Notes annexed to and forming part of the Financial Statements for the Year ended March 31, 2016.

### Company Overview

Marketplace Technologies Private Limited (MTPL) was incorporated in 2005 and is a wholly owned subsidiary of BSE Ltd. MTPL carries out the functions of Software development, Support and maintenance Services to Share brokers and different stock exchanges.

#### 1. Significant Accounting Policies

##### 1.1 Basis of preparation of financial statements:

The financial statements are prepared on the historical cost convention, on the accrual basis of accounting and conform to accounting principles generally accepted in India and the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006, in terms of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

##### 1.2 Use of Estimates:

The preparation of the financial statements, in conformity with the Indian GAAP, requires the management to make estimates and assumptions that affect the reported balances of amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Difference between actual results and estimates are recognised in the year in which the results are known/materialised.

##### 1.3 Revenue Recognition:

**1.3.1** Revenue from software development on fixed price contracts is recognised according to the milestone achieved as specified in the contract, and is adjusted using the “proportionate completion” method, with contract cost determining the degree of completion.

**1.3.2** Dividend income is recognised when the unconditional right to receive dividend is established.

**1.3.3** In case of investment in fixed deposits, Interest income is recognised on a time proportion method based on

##### 1.4 Fixed Assets

###### 1.4.1 Tangible Assets:

Tangible Assets are stated at cost, net of recoverable taxes less accumulated depreciation and impairment loss if any. The cost of tangible assets comprises purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use.

###### 1.4.2 Intangible Assets:

(i) Cost of development and production of internally developed or purchased software, used for the purpose of operations, is capitalised.

(ii) Any expense on software for support, maintenance, upgrades etc., payable periodically is charged to the Statement of Profit and Loss.

## **1.5 Depreciation**

### **1.5.1 Tangible Assets**

Depreciation on tangible assets is provided on a 'Straight line Basis' as per useful life of the asset as prescribed under Schedule II of the companies act 2013, for the number of days the assets have been ready to put to use for their intended purposes.

Depreciation on Motor Vehicle assets is depreciated over a useful life of 3 years which represent the lease period of the asset purchased on finance lease.

### **1.5.2 Intangible Assets**

Intangible assets consisting of computer software are being depreciated at 40% on the 'Straight line' basis for the number of days the assets have been ready to put to use for their intended purposes

## **1.6 Impairment of Assets:**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when its carrying cost exceeds the recoverable amount. An impairment loss, if any, is charged to the Statement of Profit and Loss in the period in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment losses recognised for the assets no longer exist or have decreased.

## **1.7 Investments**

Investments are either classified as current or non-current (long-term) based on the Management's intention

Current investments are carried at the lower of cost and fair value of each investment individually

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline other than temporary, in the value of such investments. The cost of investment includes acquisition charges such as brokerage, etc. Front-end discount/incentive earned in respect of direct subscription is adjusted towards the cost of investment. Income on investments is accounted for on accrual basis

Premium paid/discount received at the time of acquisition of government / Debt securities is amortised over the residual period of its maturity.

## **1.8 Employee Benefits**

Employee benefits are accrued in accordance with Accounting Standard-15 (Revised) "Employee Benefits".

### **1.8.1 Provident Fund – Defined Contribution Plan**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid on cessation of services. Both the employee and the company make monthly contributions to the "Regional Provident Fund Commissioner". Contribution as required by the Statute made to the Government Provident Fund is debited to the Statement of Profit and Loss as and when services are rendered by the employees.

### **1.8.2 Gratuity – Defined Benefit Plan**

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The gratuity obligation is wholly unfunded. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

### **1.8.3 Compensated Absences**

The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

## **1.9 Leases**

Assets taken on lease by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

## **1.10 Tax Expense**

Tax expenses comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax-law) and deferred tax charge or credit (reflecting the tax effects of timing defERENCE between accounting income and taxable income for the year).

Current tax is measured at the amount expected to be paid to the taxation authorities, using applicable tax rates and tax laws.

Deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future; however where there is unabsorbed depreciation or carried forward loses under taxation laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## **1.11 Provision, Contingent Liability and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the note. Contingent Assets are neither recognised nor disclosed in the financial statements.

## **1.12 Foreign Currency Transaction**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. All foreign currency current assets/liabilities are translated at the rates prevailing on the date of the Balance Sheet. Foreign Exchange rate differences arising on settlement(s) / conversion(s) are recognised in the Statement of Profit and Loss.

## **1.13 Earnings per Share**

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

## **1.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future operating cash receipts or payments. and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**1.15 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**1.16 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**1.17 Miscellaneous Expenditure**

Pre incorporation expense, expenditure incurred on issue of shares etc is amortized over period of 5 years

**1.18 Earmarked Funds:**

These amounts are invested and same shall be earmarked in Balance Sheet. Income earned on investment from those earmarked funds is shown as liabilities and not routed through Statement of Profit and Loss.

- 24 The Company has no contingent liabilities or contract remaining to be executed on capital accounts and not provided for as at 31st March, 2016. (As at 31st March, 2015 - Nil)
- 25 The Company is engaged in providing Broking Solutions & Exchange Solutions to the Capital, Derivatives, Commodities & Currency Markets, Financial Services and IT Consulting to companies. All other activities of the Company revolve around / are connected with its main business. Considering this, the Company has only one reportable segment, as per Accounting Standard 17 on "Segment Reporting".

Holding Company	BSE Limited
Subsidiary Company	Marketplace Tech Infra Services Private Limited
Fellow subsidiaries	Indian Clearing Corporation Limited
	BSE Institute limited
	Central Depository Services (India) Limited
	CDSL Ventures Limited

**Transactions with related parties**

(Rs in Lakhs)

Party Name	Nature of transaction	2015-16	2014-15
BSE Limited	<b>Expenditure :</b>		
	Empanelment Charges	-	3
	<b>Income :</b>		
	Software License, Customisation and Maintenance charges	1,992	1,633
	Receivables	155	227
Marketplace Tech Infra Services Private Limited	<b>Expenditure :</b>		
	Service Provider Charges	486	310
	Investments	1	1
	Loan given	-	-
Central Depository Services (India) Limited	<b>Income :</b>		
	Sale of Software Licenses	31	67
	Receivable	-	13
CDSL Ventures Limited	<b>Income :</b>		
	Sale of Software Licenses	2	16
	Receivables	-	4
BSE Institute Limited	<b>Income :</b>		
	Software License, Customisation and Maintenance charges	-	-
	Receivable	-	-
Indian Clearing Corporation Limited	<b>Income :</b>		
	Software License, Customisation and Maintenance charges	534	538
	Receivable	48	87

\*Amounts including Taxes

**Key Management Personnel (KMP)**

Name	Relation
Shri. Pranav Trivedi	Whole time Director
Shri. Animesh Jain	Whole time Director

## Transactions with Key Management Personnel

(Rs in Lakhs)

Particulars	2015-16	2014-15
<b>EXPENDITURE</b>		
Salaries, Allowances and Bonus	87	32

27 **Earnings Per Share**

(Rs in Lakhs)

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Profit after tax (in lakh)	240	219
Less: Appropriations (net of tax) (in lakh)	-	-
Profit attributable to Equity Shareholders (in lakh)	240	219
Weighted average number of Equity shares used in computing Basic and Diluted earnings per share (Nos.)	20,000,000	20,000,000
Face value of equity shares (₹)	1	1
Basic and Diluted earnings per share	1.2	1.1

- 28 Disclosure as required under Accounting Standard –15 on “Employee Benefits” is as under:  
Defined Benefit Plan – Gratuity:

(Rs in Lakhs)

<b>I</b>	<b>Year of accounting</b>	<b>2015-16</b>	<b>2014-15</b>
	<b>Summary of Membership Data</b>		
	Employees (Nos.)	141	129
	Total Monthly Salary	25	23

(Rs in Lakhs)

<b>II</b>	<b>Assumptions as at</b>	<b>2015-16</b>	<b>2014-15</b>
	Mortality		
	Discount Rate	8.01%	7.96%
	Rate of increase in compensation		
	-For first Year	6.00%	6.00%
	-After first Year	6.00%	6.00%
	Withdrawal rate		
	-21 to 44 years	2.00%	2.00%
	-45 to 60 years	2.00%	2.00%

**Amount to be recognised in the Balance Sheet and Movement in net liability**

(Rs in Lakhs)

<b>III</b>	<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
	Present Value of Funded Obligations	75	64
	Fair Value of Plan Assets	-	-
	Net Liability	75	64

**Expenses Recognised in the Statement of Profit and Loss**

(Rs in Lakhs)

<b>IV</b>	<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
	Current Service Cost	10	8
	Interest on Defined Benefit Obligations	5	4
	Expected Return on Plan Assets	-	-
	Net Actuarial Losses / (Gains) Recognised during the year	3	10
	Total Included in “Employee Benefit Expense”	18	22
	Actual Return on Plan Assets		

**Reconciliation of Benefit Obligation**

(Rs in Lakhs)

V	Particulars	2015-16	2014-15
		Opening Defined Benefit Obligation	64
	Current Service Cost	10	8
	Interest Cost	5	4
	Actuarial Loss / (Gain)	3	10
	Benefits Paid	-7	-
	Closing Defined Benefit Obligation	75	64

**Experience Adjustments:**

(Rs in Lakhs)

VI	Particulars	Gratuity				
		2015-16	2014-15	2013-14	2012-13	2011-12
	Defined Plan	75	64	42	38	25
	Surplus	75	64	42	38	25
	Experience	3	-	-	2	3
	Experience	-	-	-	-	-

**Other Details:**

The estimates of future salary increase considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

**Defined Contribution Plan:**

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" in the Statement of Profit and Loss is Rs. 55 Lakh (Rs.59 Lakh for the year ended 31<sup>st</sup> March, 2015).

**29 Amount Receivable from PSB on account of Fixed Deposit of Rs. 3 crores plus interest**

In December 2013, the Company had placed two fixed deposits (FDs) totalling to Rs.3 crores with Punjab & Sindh Bank (PSB), Khar Branch, Mumbai. The same was confirmed by the Bank while issuing quarterly confirmations to Auditors for the respective quarters ended December 31, 2013 (Deloitte Haskins & Sells), March 31, 2014 (Deloitte Haskins & Sells) and June 30, 2014 (S Panse & Co). In July 2014, two officials of the Bank approached the Company and enquired whether the Company had availed any loan from Bank against the said FDs. On further inquiry with the Bank it was informed that the original FDs are lying with the Bank and the FDs in possession of the Company were fake. It was further informed by the Bank that the original FDs were in the possession of the bank as a security against Cash Credit facility availed by the Company. The Company never opened a current account and availed cash credit facility with PSB. The documents (Application form and Board Resolution) the Company submitted to the bank officials were to open a term account i.e. Fixed Deposit Account only for a period of 1 year. PSB officials have confirmed existence of FDs rightfully totalling Rs.3 crores in the name of the Company for which they had received money by way of RTGS. The Bank defrauded the Company firstly by issuing forged and fake Fixed Deposit receipt, secondly, by creating Cash Credit facility in the name of the Company and thirdly by keeping Fixed Deposit receipts with itself as a security for the said Cash Credit Facility. Subsequently, bank informed the Company that the Fixed Deposit receipts were credited to the Company's Account (Cash Credit Facility).



It is learned that several such cases are existing in PSB, Khar Branch and at other banks too. The matter is under CBI Investigation.

The Company has filed a Complaint with Joint Commissioner of Police, Crime Branch, Mumbai against the Bank. The Company has also filed a law suit in the Honourable High Court of Bombay claiming the deposit amount of Rs. 3 crores along with interest @24% w.e.f. December 2013, other incidental costs and damages.

In view of the law suit filed by the Company and CBI Investigation being underway, the Company is quite confident about recovering the principal amount of Rs. 3 crores along with the interest. Further, the Company has also obtained a legal opinion on the matter which confirms that the said amount is recoverable from PSB. Therefore, the Company does not estimate any impairment loss on the amount receivable from PSB.

The interest income on the fixed deposit is recognised and accrued till 17th July 2014 that is the date when the Company has sought premature with drawal of the FD.

In connection with the above matter under CBI investigation, HDFC Bank, on receipt of notice from CBI, had blocked the Current Account (A/c No - 08302320001186) held with the Bank with effect from April 8, 2015. Later on, the account was unfrozen by the Bank based on the High Court's Order dated 6th January 2016 and a DD of Rs. 60 lacs was issued in favour of Registrar Judicial I, High Court, Bombay as a deposit till the final decision of the court.

**30 Dues to Micro Small and Medium Enterprises**

As at March 31, 2016, there are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.

**31** The company had received a Penalty Show Cause cum Demand notice on 26th September 2014 from Service Tax Department for penalty to be imposed in respect of an issue of wrong availing Cenvat Credit on input services during the period 2010-11 and 2011-12 which was not utilised for providing taxable output services.

Though the amount of penalty is not mentioned in the notice, as per the tax advisors of the company maximum amount of penalty that could be imposed would be Rs. 7,94,448/-.

The company is contesting the demand with Commissioner of Service Tax and the management including its tax advisors believe that company's position will likely be upheld by the Commissioner. The management believes that the ultimate outcome of the proceeding will be non imposition of the Penalty.

**32** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure..

**For and on behalf of the Board of Directors,**

**Ashishkumar Chauhan**  
Chairman

**Pranav Trivedi**  
Whole-time Director

Mumbai April 21, 2016

## **Independent Auditors' Report on Consolidated Financial Statements**

TO THE BOARD OF DIRECTORS OF **MARKETPLACE TECHNOLOGIES PRIVATE LIMITED**

We have audited the accompanying consolidated financial statements of Marketplace Technologies Private Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for 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; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the

relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, we have audited the internal financial controls over financial reporting of Marketplace Technologies Private Limited ("the Holding Company") and in respect of the internal financial controls over financial reporting of the Subsidiary company, we have relied upon the Audit Report of other auditor whose report has been furnished to us by the Management. In our opinion, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 29 and 31 to the consolidated financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Other Matters**

We did not audit the financial statements of the subsidiary company, whose financial statements / financial information reflect assets (net) of Rs.35.92 lacs as at 31st March, 2016, total revenues of Rs.441.07 lacs and net cash inflows amounting to Rs. 10.25 lacs for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the subsidiary have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

**For S Panse & Co**  
**Chartered Accountants**  
**FRN: 113470W**

**Supriya Panse**  
**Partner**  
**Membership No.: 46607**  
**April 21, 2016**

**MARKETPLACE TECHNOLOGIES PRIVATE LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH, 2016**

	Note No.	As at	As at
		31 st March, 2016	31st March, 2015
		Rs in Lakhs	Rs in Lakhs
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	200	200
(b) Reserves and Surplus	3	2,276	2,022
<b>2. Non-current liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	-	1
(b) Long-term Provisions	5	78	65
(c) Lease Liability	6	2	2
<b>3. Current liabilities</b>			
(a) Trade Payables			
(i) Total outstanding dues of to micro -enterprises and small enterprises	7	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7	275	229
(b) Other Current Liabilities	8	71	70
(c) Short-term Provisions	9	115	49
<b>TOTAL</b>		<b>3,017</b>	<b>2,638</b>
<b>II. ASSETS</b>			
<b>1. Non-Current assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		209	222
(ii) Intangible Assets		7	9
(b) Non-current Investments	11	25	25
(c) Long Term Loans and Advances	12	391	378
(d) Other Non Current Assets	13	316	317
(e) Deferred Tax (Asset)	14	27	-
<b>2. Current assets</b>			
(a) Current Investments	15	1,650	1,100
(b) Trade Receivables	16	277	388
(c) Cash and Bank Balances	17	83	166
(d) Short-term Loans and Advances	18	31	27
(e) Other Current Assets	19	1	6
<b>TOTAL</b>		<b>3,017</b>	<b>2,638</b>

**See accompanying notes forming part of the financial statements 1-29**

As per our report attached

**For For S Panse & co**  
Chartered Accountants  
Firm Reg. No.: 113470W

**For and on behalf of the Board of Directors**

**Supriya Panse**  
Partner  
Membership No.: 46607

**Ashishkumar Chauhan**  
Chairman

**Pranav Trivedi**  
Whole-time Director

Mumbai  
Date : April 21, 2016

**MARKETPLACE TECHNOLOGIES PRIVATE LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH, 2016**

	Note No.	Consolidated for the Year ended 31st March, 2016	Consolidated For the Year ended 31st March, 2015
		Rs in Lakhs	Rs in Lakhs
<b>I</b> Revenue from Operations	20	2,825	2,496
<b>II</b> Other Income	21	65	81
<b>III Total Revenue (I + II)</b>		<b>2,890</b>	<b>2,577</b>
Employee Benefits Expense	22	1,864	1,562
Software/Hardware Purchase-Trading		252	320
Other Operating Expenses	23	385	323
Depreciation and Amortisation	10	16	52
<b>IV Total expenses</b>		<b>2,517</b>	<b>2,257</b>
<b>V Profit Before Exceptional, Extraordinary Items and Tax ( III - IV )</b>		<b>373</b>	<b>320</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Extraordinary Items and Tax ( V - VI )</b>		<b>373</b>	<b>320</b>
<b>VIII Extraordinary Items</b>		-	-
<b>IX Profit Before Tax (VII - VIII)</b>		<b>373</b>	<b>320</b>
<b>X Tax Expense:</b>			
(1) Current Tax		148	110
(2) Deferred Tax		(29)	(27)
<b>Total Tax Expense</b>		<b>119</b>	<b>83</b>
<b>XI Profit for the Year from Continuing Operations (IX - X)</b>		<b>254</b>	<b>238</b>
<b>XII Profit From Discontinuing Operations</b>		-	-
<b>XIII Tax expense of discontinuing operations</b>		-	-
<b>XIV Profit from discontinuing operations (after tax) (XII - XIII)</b>		-	-
<b>XIII Profit for the Year ( XI + XII )</b>		<b>254</b>	<b>238</b>
<b>XIV Earnings Per Equity Share:</b>			
Basic and Diluted in (Rs.)		1.26	1.10
Face Value Per Share (Re.)		1	1
Weighted Average Number of Equity Shares for Basic and Diluted Earnings Per Share (Nos.)		20,000,000	20,000,000

**See accompanying notes forming part of the financial statements 1-29**

As per our report attached

For **S. Panse & Co.**  
Chartered Accountants  
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

**Supriya Panse**  
Chartered Accountants  
Membership No.: 46607

**Ashishkumar Chauhan**  
Chairman

**Pranav Trivedi**  
Whole-time Director

Mumbai  
Date : April 21, 2016

**MARKETPLACE TECHNOLOGIES PRIVATE LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2016**

PARTICULARS	For the Year ended 31st March, 2016		For the Year ended 31st March, 2015	
	Rs in Lakhs		Rs in Lakhs	
Net Profit before Tax as per the Statement of Profit and Loss		373		322
<u>Adjustments for :</u>				
Depreciation and Amortisation		16		52
Reversal of provision for Diminution of value of MF made last year		-		(2)
Provision for Doubtful Debts		(1)		6
Bad Debts written off		6		
Provision for Employee Benefits		131		64
Interest Income		(23)		(22)
Dividend Income		(16)		(6)
Profit on Sale of Investments		(17)		(52)
<b>Operating Profit before Working capital changes</b>		<b>469</b>		<b>362</b>
<u>Adjustments for changes in:</u>				
Long-term Loans and Advances		(64)		-
Trade Receivables		106		58
Other Assets (Receivables from P&S Bank)		1		(317)
Short-term Loans and Advances		(4)		9
Other Current Assets		5		5
Long Term Provisions		(117)		(37)
Lease Liability		-		2
Trade Payables		46		1
Other Current liabilities		1		(39)
Short-term Provisions		66		8
<b>Cash Generated from Operations</b>		<b>40</b>		<b>(311)</b>
<b>Taxes Paid</b>		<b>(97)</b>		<b>(257)</b>
<b>A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>		<b>412</b>		<b>(206)</b>
Acquisition of Fixed Assets		(1)		(4)
Redemption of units of Mutual funds		4,815		1,527
Fixed Deposits matured		109		400
Purchase of units of Mutual funds (including dividend re-invested and Profit on redemption)		(5,332)		(1,593)
Fixed Deposits placed		(5)		(109)
Unsecured loans				(11)
Purchase of Investments		-		-
Interest Income		23		22
<b>B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>(391)</b>		<b>232</b>
<b>C. Net (Decrease) / Increase in Cash and Cash equivalents</b>	<b>A+B</b>	<b>21</b>		<b>27</b>
<b>Opening Balance of Cash and Cash equivalents</b>				
Cash balance		-		-
Bank Balance in Current Account		57		30
<b>Cash and Bank balances at the beginning of the year</b>		<b>57</b>		<b>30</b>
Cash balance		-		-
Bank Balance in Current Account		78		57
<b>Cash and Bank balances at the end of the year</b>		<b>78</b>		<b>57</b>
<b>Add: Fixed Deposits (Original maturity greater than 3 months)</b>		<b>5</b>		<b>109</b>
<b>Cash and Bank Balances as per Note 14 of Notes to Accounts</b>		<b>83</b>		<b>166</b>

As per our report attached

For **S. Panse & Co.**  
Chartered Accountants  
Firm Reg. No.: 113470W

For and on behalf of the Board of Directors

**Supriya Panse**  
Partner  
Membership No.: 46607

**Ashishkumar Chauhan**  
Chairman

**Pranav Trivedi**  
(Whole-time Director)

Mumbai  
Date : April 21, 2016



## 2. SHARE CAPITAL

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
<b>AUTHORISED</b>		
50,000,000 Equity Shares of Re. 1 each with voting rights	500	500
20,000,000 Preference Shares of Re. 1 each	200	200
	700	700
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
20,000,000 Equity Shares of Re. 1 each fully paid up with voting rights	200	200
<b>Total</b>	<b>200</b>	<b>200</b>

### 2(a). Reconciliation of number of shares outstanding

Particulars	As at 31st March, 2016	As at 31st March, 2015
	No. of shares	No. of shares
<b>Opening Share Capital</b>		
Equity Face Value Re. 1 fully paid up	20,000,000	20,000,000
<b>Adjustments during the year</b>	-	-
<b>Closing Share Capital</b>		
Equity Face Value Re. 1 fully paid up	20,000,000	20,000,000

### 2(b). Investment by BSE Limited (Holding company) and its nominees

Name of company	Particulars of issue	As at 31st March, 2016	As at 31st March, 2015
		No. of shares	No. of shares
<b>BSE Limited (Holding Company)</b>	<b>Opening Balance</b>	20,000,000	20,000,000
	a) Rights Issue	-	-
	b) Bonus	-	-
	c) Preferential Allotment	-	-
	d) Others (Please give details)	-	-
	<b>Closing Balance</b>	20,000,000	20,000,000

### 2(c). List of Shareholders holding more than 5% shares as at

Name of Shareholder	As at 1st April, 2014		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
BSE Limited and its nominees	20,000,000	100%	20,000,000	100%

Name of Shareholder	As at 1st April, 2013		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
BSE Limited and its nominees	20,000,000	100%	20,000,000	100%

- 2(d) I. The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholder at the Annual General Meeting
- II. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 3. RESERVES AND SURPLUS

PARTICULARS	As at 1st April, 2015	Adjustment for Carrying Value*	Additions	Deductions /Adjustments	As at 31st March, 2016
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Surplus in Statement of Profit and Loss	2,022	-	254	-	2,276
<b>Total</b>	<b>2,022</b>	<b>-</b>	<b>254</b>	<b>-</b>	<b>2,276</b>

\* Note:- The Adjustment for Carrying Value represents the carrying value of assets after retaining residual value of 5% whose remaining useful life as on 1st April 14 is Nil, consequent upon the change in the useful life of assets as prescribed in Schedule II to the Companies Act 2013.

PARTICULARS	As at 1st April, 2014	Additions	Deductions /Adjustments	As at 31st March, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Surplus in Statement of Profit and Loss	1,784	241	3	2,022
<b>Total</b>	<b>1,784</b>	<b>241</b>	<b>3</b>	<b>2,022</b>

### 4. DEFERRED TAX LIABILITY (net)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Deferred Tax Liability (net)	-	1

4(a) . The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
<b>Deferred Tax Liability</b>		
Deferred tax liabilities on account of depreciation on fixed assets	37	37
<b>Deferred Tax Asset</b>		
Deferred tax assets on account of Expenses allowed on payment basis u/s 43B	65	36
Deferred tax assets on account of provisions for non-performing assets	1	-
Deferred tax assets on account of Leave Encashment Payment		-
<b>Net Deferred Tax Liability (Asset)</b>	<b>27</b>	<b>1</b>

## 5. LONG TERM PROVISIONS

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Provision for employee benefits:		
Provision for gratuity	78	65
Provision for Leave Encashment		
<b>Total</b>	<b>78</b>	<b>65</b>

## 6. LEASE LIABILITY

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
<b>Lease Liability on Motor Car Purchased</b>		
Lease Liability - on Motor Car	2	2
<b>Total</b>	<b>2</b>	<b>2</b>

## 7. TRADE PAYABLES

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(i) Total outstanding dues of to micro enterprises and small enterprises	-	-
(a) Payable to service providers	14	26
(b) Accrued employee benefits expense	261	203
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	275	229
<b>Total</b>	<b>275</b>	<b>229</b>

## 8. OTHER CURRENT LIABILITIES

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Unearned Income	26	30
(b) Statutory remittances	33	24
(c) Advances from customers	12	16
<b>Total</b>	<b>71</b>	<b>70</b>

## 9. SHORT TERM PROVISIONS

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Provision for employee benefits :		
(a) Provision for Gratuity	2	2
(b) Provision for Leave Encashment	98	36
(c) Provision for tax	1	1
Provision for expenses	14	10
<b>Total</b>	<b>115</b>	<b>49</b>

**10. FIXED ASSETS**

**Rs in Lakhs**

Particulars	Gross Block			Accumulated depreciation				Net Block		
	Opening balance as at 1st April, 2015	Additions	Closing balance as at 31st March, 2016	Opening balance as at 1st April, 2015	Adjustment for Carrying Value*	Depreciation for the Period	Deletions	Closing balance as at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>TANGIBLE FIXED ASSETS</b>										
Building	215	-	215	30	-	4	-	34	181	185
(Previous Year)	(215)	-	(215)	(26)	-	(4)	-	(30)	(185)	(192)
Furniture & Fixtures	20	-	20	10	-	3	-	13	7	10
(Previous Year)	(20)	-	(20)	(7)	-	(3)	-	(10)	(14)	(15)
Computer Equipment	72	-	72	68	-	2	-	70	2	4
(Previous Year)	(71)	(1)	(72)	(58)	(3)	(7)	-	(68)	(4)	(16)
Office Equipment	36	1	37	15	-	4	-	19	18	21
(Previous Year)	(36)	5	(36)	(10)	-	(2)	-	(15)	(21)	(23)
Motor Car	2	-	2	-	-	1	-	1	1	2
(Previous Year)	-	(2)	(2)	(1)	-	-	-		(2)	-
<b>TANGIBLE FIXED ASSETS (A)</b>	<b>345</b>	<b>1</b>	<b>346</b>	<b>123</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>137</b>	<b>209</b>	<b>222</b>
(Previous Year)	(342)	(3)	(345)	(101)	(3)	(19)	-	(123)	(222)	(241)
<b>INTANGIBLE FIXED ASSETS</b>										
Software(Other than internally generated)	206	-	206	197	-	2	-	199	7	9
(Previous Year)	(205)	(1)	(205)	(164)	-	(33)	-	(197)	(9)	(41)
<b>INTANGIBLE FIXED ASSETS (B)</b>	<b>206</b>	<b>-</b>	<b>206</b>	<b>197</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>199</b>	<b>7</b>	<b>9</b>
(Previous Year)	(205)	(1)	(205)	(164)	-	(33)	-	(197)	(9)	(41)
<b>Total (A+B)</b>	<b>551</b>	<b>1</b>	<b>552</b>	<b>320</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>336</b>	<b>216</b>	<b>231</b>
Previous financial year	<b>547</b>	<b>4</b>	<b>551</b>	<b>265</b>	<b>3</b>	<b>52</b>	<b>-</b>	<b>320</b>	<b>231</b>	<b>282</b>

\* Note:- The Adjustment for Carrying Value represents the carrying value of assets after retaining residual value of 5% whose remaining useful life as on 1st April 14 is Nil, consequent upon the change in the useful life of assets as prescribed in Schedule II to the Companies Act 2013.

**11. NON-CURRENT INVESTMENTS (At Cost unless otherwise stated)**

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
<b>(a) Investments in Subsidiaries</b>		
<b>Unquoted (Trade):</b>		
Marketplace Tech Infra Services Private Limited 1,00,000 Equity Shares of Re 1/- each fully paid up	0	0
<b>(b) Investments in Debentures and Bonds (Quoted)</b>		
Hudco Bonds 2,500 Units of Rs 1,000/- each	25	25
<b>Total</b>	<b>25</b>	<b>25</b>
Book value of Unquoted investments	1	1
Book value of Quoted investments	25	25
Market value of Quoted investments	25	25

**12. LONG-TERM LOANS AND ADVANCES**

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Deposits (Includes 60 Lakhs deposit with High court refer note no 29 in notes to accounts)	69	5
(b) Advance payment of Income tax (net of provision)	322	373
<b>Total</b>	<b>391</b>	<b>378</b>

**13. OTHER NON-CURRENT ASSETS**

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Receivable from Punjab & Sind Bank	316	317
<b>Total</b>	<b>316</b>	<b>317</b>

#### 14. DEFERRED TAX ASSET

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(c ) Deferred Tax Assets	27	0
<b>Total</b>	<b>27</b>	<b>0</b>

Note :-Refer Note no 28 in Notes to accounts

#### 15. CURRENT INVESTMENTS

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
<b>Quoted :</b>		
Investment in Units of Mutual Funds (At lower of cost or fair value)	1,650	1,100
<b>Total</b>	<b>1,650</b>	<b>1,100</b>
Aggregate cost of Quoted investments	1,650	1,100
Market value of Quoted investments	1,839	1,145
	Units	Marketvalue
<b>Units of Dividend Oriented Debt Schemes of Mutual Fund as at 31st Mar 2016</b>		
(a) IDFC Cash Fund-Daily Divident (Regular Plan)	54968.782	550.00
		Rs in Lakhs
<b>Units of Growth Oriented Debt Schemes of Mutual Fund as at 31st Mar 2016</b>		
(a) Kotak Income Opportunity Fund	790,351.39	129
(b) Kotak Income Opportunity Fund	764,368.21	125
(c) Hdfc Short Term Plan - Growth	411,216.34	122
(d) Kotak Income Opportunity Fund	1,103,354.94	180
(e) Dsp Blackrock Inc Opportunities Fund Regular Plan Growth	490,414.84	120
(f) Dsp Blackrock Inc Opportunities Fund Regular Plan Growth	486,840.70	119
(g) IDFC Super Saver fund Medium Term	221,522.21	56
(h) IDFC Super Saver fund Medium Term	440,235.79	112
(i) HDFC Corporate Debt Opportunities Fund	922,943.45	113
(j) IDFC Super Saver fund Medium Term	416,821.24	106
(k) Dsp Blackrock Inc Opportunities Fund Regular Plan Growth	435,811.50	107
<b>Total</b>		<b>1,839</b>

#### 16. TRADE RECEIVABLES

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Outstanding for more than six months (from the date due for payment)		
Unsecured, considered good	19	5
Unsecured, considered doubtful	2	3
Less: Provision for doubtful debts	2	3
	19	5
(b) Others		
Unsecured, considered good	258	383
<b>Total</b>	<b>277</b>	<b>388</b>

**17. CASH AND BANK BALANCES**

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Cash and Bank (as defined in AS-3)		
(i) Balances with banks		
In Current accounts	78	57
In Deposit accounts	5	109
(ii) Cash on hand	-	-
(b) Other Bank Balances		
Bank Deposits with remaining maturity more than 12 months fr	-	-
<b>Total</b>	<b>83</b>	<b>166</b>

**18. SHORT-TERM LOANS AND ADVANCES**

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(Unsecured - considered good)		
(a) Loans and advances to related parties		
Receivable from subsidiary		-
(b) Others		
(i) Advances recoverable in cash or in kind	12	6
(ii) Prepaid Expenses	19	21
<b>Total</b>	<b>31</b>	<b>27</b>

**19. OTHER CURRENT ASSETS**

PARTICULARS	As at	As at
	31st March, 2016	31st March, 2015
	Rs in Lakhs	Rs in Lakhs
Interest Accrued but not due on Fixed Deposits	-	5
Interest Accrued but not due on Hudco Bonds	1	1
<b>Total</b>	<b>1</b>	<b>6</b>

**20. REVENUE FROM OPERATIONS**

PARTICULARS	Consolidated for the Year ended 31st March, 2016	Consolidated For the Year ended 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Software license sales	75	66
(b) Software license - Trading	252	320
(c) Software development, Customization & Support Charges	2,056	1,693
(d) Software maintenance income	442	417
<b>Total</b>	<b>2,825</b>	<b>2,496</b>

**21. OTHER INCOME**

PARTICULARS	Consolidated for the Year ended 31st March, 2016	Consolidated For the Year ended 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Interest Income on Fixed Deposits	5	20
(b) Interest Income on Bonds [Non Current Investment]	2	2
(c) Dividend from Mutual Funds [Current Investment]	16	6
(d) Profit/Loss on Sale of investments [Current Investment]	17	52
(e) Reversal of provision for Diminution of value of MF made last year	-	1
(f) Interest on income tax refund	16	-
(g) Reversal of provision for Income Tax	9	-
<b>Total</b>	<b>65</b>	<b>81</b>

**22. EMPLOYEE BENEFITS EXPENSE**

PARTICULARS	Consolidated for the Year ended 31st March, 2016	Consolidated For the Year ended 31st March, 2015
	Rs in Lakhs	Rs in Lakhs
(a) Salaries, wages and bonus	1,645	1,409
(b) Contribution to provident fund and other funds	68	67
(c) Staff welfare expenses	41	38
(d) Compensated Absences	110	48
<b>Total</b>	<b>1,864</b>	<b>1,562</b>



**23. OTHER OPERATING EXPENSES**

<b>PARTICULARS</b>	<b>Consolidated for the Year ended 31st March, 2016</b>	<b>Consolidated For the Year ended 31st March, 2015</b>
	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
(a) Advertisement Expenses	4	4
(b) Auditors' Remuneration	3	3
(c) Conveyance Expenses	5	2
(d) Electricity Charges	22	21
(e) Empanelment Charges	13	16
(f) Housekeeping Expenses	3	3
(g) Insurance	23	14
(h) Professional Fees	52	42
(i) Provision for Doubtful Debts	(1)	2
(j) Bad Debts Written Off	6	4
(k) Rates and Taxes	4	6
(l) Repair and Maintenance Others	4	3
(m) Repair and Maintenance Computers & Softwares	6	5
(n) Security Charges	6	7
(o) Society Charges	2	2
(p) Service Provider Charges	162	136
(q) Telephone Expenses	27	17
(r) Travelling Expenses	30	27
(s) Miscellaneous Expenses	14	9
<b>Total</b>	<b>385</b>	<b>323</b>

## Significant Accounting Policies and Notes to Accounts

Notes annexed to and forming part of the Financial Statements for the Year ended March 31, 2016.

### Company Overview

Marketplace Technologies Private Limited (MTPL) was incorporated in 2005 and is a wholly owned subsidiary of BSE Ltd. MTPL carries out the functions of Software development, Support and maintenance Services to Share brokers and different stock exchanges.

### 1. Significant Accounting Policies

#### 1.1 Basis of preparation of financial statements:

The financial statements are prepared on the historical cost convention, on the accrual basis of accounting and conform to accounting principles generally accepted in India and the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006, in terms of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

#### 1.2 Use of Estimates:

The preparation of the financial statements, in conformity with the Indian GAAP, requires the management to make estimates and assumptions that affect the reported balances of amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Difference between actual results and estimates are recognised in the year in which the results are known/ materialised.

#### 1.3 Revenue Recognition:

**1.3.1** Revenue from software development on fixed price contracts is recognised according to the milestone achieved as specified in the contract, and is adjusted using the "proportionate completion" method, with contract cost determining the degree of completion.

**1.3.2** Dividend income is recognised when the unconditional right to receive dividend is established.

**1.3.3** In case of investment in fixed deposits, Interest income is recognised on a time proportion method based on rates, implicit in the transaction.

#### 1.4 Fixed Assets

##### 1.4.1 Tangible Assets:

Tangible Assets are stated at cost, net of recoverable taxes less accumulated depreciation and impairment loss if any. The cost of tangible assets comprises purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use.

##### 1.4.2 Intangible Assets:

(i) Cost of development and production of internally developed or purchased software, used for the purpose of operations, is capitalised.

(ii) Any expense on software for support, maintenance, upgrades etc., payable periodically is charged to the Statement of Profit and Loss.

#### 1.5 Depreciation

##### 1.5.1 Tangible Assets

Depreciation on tangible assets is provided on a 'Straight line Basis' as per useful life of the asset as prescribed under Schedule II of the companies act 2013, for the number of days the assets have been ready to put to use for their intended purposes.

Depreciation on Motor Vehicle assets is depreciated over a useful life of 3 years which represent the lease period of the asset purchased on finance lease.

##### 1.5.2 Intangible Assets

Intangible assets consisting of computer software are being depreciated at 40% on the 'Straight line' basis for the number of days the assets have been ready to put to use for their intended purposes

#### 1.6 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on the internal and external factors.

An asset is treated as impaired when its carrying cost exceeds the recoverable amount. An impairment loss, if any, is charged to the Statement of Profit and Loss in the period in which the asset is identified as impaired. Reversal of impairment loss recognised in prior years is recorded when there is an indication that impairment losses recognised for the assets no longer exist or have decreased.

### **1.7 Investments**

Investments are either classified as current or non-current (long-term) based on the Management's intention

Current investments are carried at the lower of cost and fair value of each investment individually

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline other than temporary, in the value of such investments. The cost of investment includes acquisition charges such as brokerage, etc. Front-end discount/incentive earned in respect of direct subscription is adjusted towards the cost of investment. Income on investments is accounted for on accrual basis

Premium paid/discount received at the time of acquisition of government / Debt securities is amortised over the residual period of its maturity.

### **1.8 Employee Benefits**

Employee benefits are accrued in accordance with Accounting Standard-15 (Revised) "Employee Benefits".

#### **1.8.1 Provident Fund – Defined Contribution Plan**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid on cessation of services. Both the employee and the company make monthly contributions to the "Regional Provident Fund Commissioner". Contribution as required by the Statute made to the Government Provident Fund is debited to the Statement of Profit and Loss as and when services are rendered by the employees.

#### **1.8.2 Gratuity – Defined Benefit Plan**

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The gratuity obligation is wholly unfunded. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

#### **1.8.3 Compensated Absences**

The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

### **1.9 Leases**

Assets taken on lease by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### **1.10 Tax Expense**

Tax expenses comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax-law) and deferred tax charge or credit (reflecting the tax effects of timing defERENCE between accounting income and taxable income for the year).

Current tax is measured at the amount expected to be paid to the taxation authorities, using applicable tax rates and tax laws.

Deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future; however where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **1.11 Provision, Contingent Liability and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the note. Contingent Assets are neither recognised nor disclosed in the financial statements.

#### **1.12 Foreign Currency Transaction**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. All foreign currency current assets/liabilities are translated at the rates prevailing on the date of the Balance Sheet. Foreign Exchange rate differences arising on settlement(s) / conversion(s) are recognised in the Statement of Profit and Loss.

#### **1.13 Earnings per Share**

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

#### **1.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future operating cash receipts or payments, and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **1.15 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **1.16 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **1.17 Miscellaneous Expenditure**

Pre incorporation expense, expenditure incurred on issue of shares etc is amortized over period of 5 years

#### **1.18 Earmarked Funds:**

These amounts are invested and same shall be earmarked in Balance Sheet. Income earned on investment from those earmarked funds is shown as liabilities and not routed through Statement of Profit and Loss.

- 24 The Company has no contingent liabilities or contract remaining to be executed on capital accounts and not provided for as at 31st March, 2016. (As at 31st March, 2015 - Nil)
- 25 The Company is engaged in providing Broking Solutions & Exchange Solutions to the Capital, Derivatives, Commodities & Currency Markets, Financial Services and IT Consulting to companies. All other activities of the Company revolve around / are connected with its main business. Considering this, the Company has only one reportable segment, as per Accounting Standard 17 on “Segment Reporting”.
- 26 Disclosure as required by Accounting Standard-18 “Related Party Disclosures” notified under the

Holding Company	BSE Limited
Subsidiary Company	Marketplace Tech Infra Services Private Limited
Fellow subsidiaries	Indian Clearing Corporation Limited
	BSE Institute limited
	Central Depository Services (India) Limited
	CDSL Ventures Limited

#### Transactions with related parties

(Rs in Lakhs)

Party Name	Nature of transaction	2015-16	2014-15
BSE Limited	<b>Expenditure :</b>		
	Empanelment Charges	-	3
	<b>Income :</b>		
	Software License, Customisation and Maintenance charges	1,992	1,633
	Receivables	<b>155</b>	227
Marketplace Tech Infra Services Private Limited	<b>Expenditure :</b>		
	Service Provider Charges	486	310
	Investments	1	1
	Loan given	-	-
Central Depository Services (India) Limited	<b>Income :</b>		
	Sale of Software Licenses	31	67
	Receivable	-	13
CDSL Ventures Limited	<b>Income :</b>		
	Sale of Software Licenses	2	16
	Receivables	-	4
BSE Institute Limited	<b>Income :</b>		
	Software License, Customisation and	-	-
	Receivable	-	-
Indian Clearing Corporation Limited	<b>Income :</b>		
	Software License, Customisation and	534	538
	Receivable	48	87

\*Amounts including Taxes

#### Key Management Personnel (KMP)

Name	Relation
Shri. Pranav Trivedi	Whole time Director
Shri. Animesh Jain	Whole time Director

#### Transactions with Key Management Personnel

Particulars	2015-16	2014-15
<b>EXPENDITURE</b>		
Salaries, Allowances and Bonus	<b>87</b>	<b>32</b>

27 **Earnings Per Share**

Particulars	2015-16	2014-15
Profit after tax (in lakh)	254	240
Less: Appropriations (net of tax) (in lakh)	-	-
Profit attributable to Equity Shareholders (in lakh)	254	240
Weighted average number of Equity shares used in computing Basic and Diluted earnings per share (Nos.)	20,000,000	20,000,000
Face value of equity shares (₹)	1	1
Basic and Diluted earnings per share	1.27	1.2

- 28 Disclosure as required under Accounting Standard –15 on “Employee Benefits” is as under:  
**As per Actuarial valuation report obtained for Marketpalce Technologies Private Limited.**  
 Defined Benefit Plan – Gratuity:

(Rs in Lakhs)

I	Year of accounting	2015-16	2014-15
	<b>Summary of Membership Data</b>		
	Employees (Nos.)	141	129
	Total Monthly Salary	25	23

(Rs in Lakhs)

II	Assumptions as at	2015-16	2014-15
	Mortality		
	Discount Rate	8.01%	7.96%
	Rate of increase in compensation		
	-For first Year	6.00%	6.00%
	-After first Year	6.00%	6.00%
	Withdrawal rate		
	-21 to 44 years	2.00%	2.00%
	-45 to 60 years	2.00%	2.00%

**Amount to be recognised in the Balance Sheet and Movement in net liability**

(Rs in Lakhs)

III	Particulars	2015-16	2014-15
	Present Value of Funded Obligations	75	64
	Fair Value of Plan Assets	-	-
	Net Liability	75	64

**Expenses Recognised in the Statement of Profit and Loss**

(Rs in Lakhs)

IV	Particulars	2015-16	2014-15
	Current Service Cost	10	8
	Interest on Defined Benefit Obligations	5	4
	Expected Return on Plan Assets	-	-
	Net Actuarial Losses / (Gains) Recognised during the year	3	10
	Total Included in “Employee Benefit Expense”	18	22
	Actual Return on Plan Assets		

**Reconciliation of Benefit Obligation**

(Rs in Lakhs)

V	Particulars	2015-16	2014-15
	Opening Defined Benefit Obligation	64	42
	Current Service Cost	10	8
	Interest Cost	5	4
	Actuarial Loss / (Gain)	3	10
	Benefits Paid	-7	-
	Closing Defined Benefit Obligation	75	64

**Experience Adjustments:**

(Rs in Lakhs)

VI	Particulars	Gratuity				
		2015-16	2014-15	2013-14	2012-13	2011-12
	Defined Benefit Obligations	75	64	42	38	25
	Plan Assets	-	-	-	-	-
	Surplus / (Deficit)	75	64	42	38	25
	Experience Adjustments on Plan Liabilities	3	-	-	2	3
	Experience Adjustments on Plan Assets	-	-	-	-	-

**Other Details:**

The estimates of future salary increase considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

**Defined Contribution Plan:**

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" in the Statement of Profit and Loss is Rs. 68 Lakh (Rs. 67 Lakh for the year ended 31<sup>st</sup> March, 2015).

**26.1** For Marketplace Tech Infra Service private limited the amount recognised in Gratuity is Rs 2.39 Lakhs and leave encashment is Rs 16.29 Lakhs.

**26.2** The projected benefit obligation of gratuity as per the actuarial valuation report is Rs 5.00 Lakhs and for Leave Encashment the projected benefit obligation is Rs. 18.46 Lakhs

**29 Amount Receivable from PSB on account of Fixed Deposit of Rs. 3 crores plus interest**

In December 2013, the Company had placed two fixed deposits (FDs) totalling to Rs.3 crores with Punjab & Sindh Bank (PSB), Khar Branch, Mumbai. The same was confirmed by the Bank while issuing quarterly confirmations to Auditors for the respective quarters ended December 31, 2013 (Deloitte Haskins & Sells) , March 31, 2014 (Deloitte Haskins & Sells) and June 30, 2014 (S Panse & Co) . In July 2014, two officials of the Bank approached the Company and enquired whether the Company had availed any loan from Bank against the said FDs. On further inquiry with the Bank it was informed that the original FDs are lying with the Bank and the FDs in possession of the Company were fake. It was further informed by the Bank that the original FDs were in the possession of the bank as a security against Cash Credit facility availed by the Company. The Company never opened a current account and availed cash credit facility with PSB. The documents (Application form and Board Resolution) the Company submitted to the bank officials were to open a term account i.e. Fixed Deposit Account only for a period of 1 year. PSB officials have confirmed existence of FDs rightfully totalling Rs.3 crores in the name of the Company for which they had a received money by way of RTGS. The Bank defrauded the Company firstly by issuing forged and fake Fixed Deposit receipt, secondly, by creating Cash Credit facility in the name of the Company and thirdly by keeping Fixed Deposit receipts with itself as a security for the said Cash Credit Facility. Subsequently, bank informed the Company that the Fixed Deposit receipts were credited to the Company's Account (Cash Credit Facility). It is learned that several such cases are existing in PSB, Khar Branch and at other banks too. The matter is under CBI Investigation.

The Company has filed a Complaint with Joint Commissioner of Police, Crime Branch, Mumbai against the Bank. The Company has also filed a law suit in the Honourable High Court of Bombay claiming the deposit amount of Rs. 3 crores along with interest @24% w.e.f. December 2013, other incidental costs and damages. In view of the law suit filed by the Company and CBI Investigation being underway, the Company is quite confident about recovering the principal amount of Rs. 3 crores along with the interest. Further, the Company has also obtained a legal opinion on the matter which confirms that the said amount is recoverable from PSB. Therefore, the Company does not estimate any impairment loss on the amount receivable from PSB.

The interest income on the fixed deposit is recognised and accrued till 17th July 2014 that is the date when the Company has sought premature withdrawal of the FD.

In connection with the above matter under CBI investigation, HDFC Bank, on receipt of notice from CBI, had blocked the Current Account (A/c No - 08302320001186) held with the Bank with effect from April 8, 2015.

Later on, the account was unfreezed by the Bank based on the High Court's Order dated 6th January 2016 and a DD of Rs. 60 lacs was issued in favour of Registrar Judicial I, High Court, Bombay as a deposit till the final decision of the court.

**30 Details of Parent and Subsidiary Companies (Indian and Foreign).**

Name of the entity	Net Current Assets		Share in profit or loss	
	As % of consolidated	Amount	As % of consolidated	Amount
<b>Parent :</b>	-	-	-	-
Indian;	-	-	-	-
Marketplace Technologies Private Limited	98%	1606	94%	240
Foreign : Nil	-	-	-	-
<b>Subsidiaries :</b>	-	-	-	-
Indian;				
Marketplace Tech Infra Services Private Limited	2%	35	6%	14
Foreign : Nil	-	-	-	-
<b>Minority interests in all subsidiaries</b>	-	-	-	-
Indian : Nil	-	-	-	-
Foreign : Nil	-	-	-	-
<b>Joint Ventures (as per proportionate</b>	-	-	-	-
Indian : Nil	-	-	-	-
Foreign : Nil	-	-	-	-

**31 Dues to Micro Small and Medium Enterprises**

As at March 31, 2016, there are no outstanding dues to micro and small enterprises. There are no interests

**32** The company had received a Penalty Show Cause cum Demand notice on 26th September 2014 from Service Tax Department for penalty to be imposed in respect of an issue of wrong availing Cenvat Credit on input services during the period 2010-11 and 2011-12 which was not utilised for providing taxable output services.

Though the amount of penalty is not mentioned in the notice, as per the tax advisors of the company maximum amount of penalty that could be imposed would be Rs. 7,94,448/-

The company is contesting the demand with Commissioner of Service Tax and the management including its tax advisors believe that company's position will likely be upheld by the Commissioner. The management believes that the ultimate outcome of the proceeding will be non imposition of the Penalty.

**33** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure..

**For and on behalf of the Board of Directors,**

**Ashishkumar Chauhan**  
Chairman

**Pranav Trivedi**  
Whole-time Director

Mumbai, April 21, 2016