

Annual Report 2010 - 2011

Bombay Stock Exchange Limited

BSE

The edge is efficiency



“All business depends upon men fulfilling their responsibilities”

- Mahatma Gandhi



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BOARD OF DIRECTORS

(As on 18th May, 2011)



Mr. S. Ramadorai
Chairman



Mr. Madhu Kannan
Managing Director & CEO



Mr. S. N. Menon



Dr. Sanjiv Misra



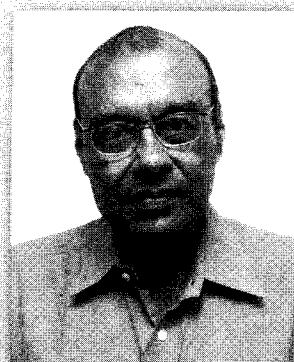
Mr. Keki Mistry



Mr. Sudipto Sarkar



Mr. Andreas Preuss



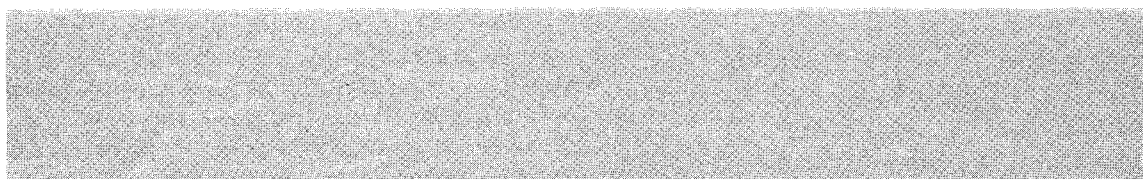
Mr. Balkishan Mohta



Ms. Deena Mehta



Mr. Uttam Bagri



| BOARD OF DIRECTORS |
|---|
| Chairman |
| Mr. S. Ramadorai |
| Managing Director & CEO |
| Mr. Madhu Kannan |
| Public Interest Directors |
| Mr. S.N. Menon |
| Dr. Sanjiv Misra |
| Shareholder Directors |
| Mr. Keki Mistry (w.e.f. 22.06.2010) |
| Mr. Sudipto Sarkar |
| Mr. Andreas Preuss |
| Mr. Vivek Kulkarni (upto 15.10.2010) |
| Trading Member Directors |
| Mr. Balkishan Mohta |
| Ms. Deena Mehta |
| Mr. Uttam Bagri (w.e.f. 29.05.2010) |
| Company Secretary |
| Ms. Neena Jindal |
| SIXTH ANNUAL GENERAL MEETING |
| Day : Wednesday |
| Date : 29 th June, 2011 |
| Time : 11.00 a.m. |
| Venue : Sir Dinshaw Petit International Convention Hall, 1 st Floor, P. J. Towers, Dalal Street, Mumbai 400 001. |

| EXECUTIVE MANAGEMENT COMMITTEE | |
|---------------------------------------|---------------------------|
| Mr. Madhu Kannan | MD & CEO |
| Mr. Ashishkumar Chauhan | Dy. CEO |
| Mr. Jim Shapiro | Head-Market Development |
| Mr. V. K.R. Agrawal | Chief Financial Officer |
| Mr. Rahul Parulekar | Head Markets |
| Dr. Sayee Srinivasan | Head-Product Strategy |
| Mr. Nehal Vora | Chief Regulatory Officer |
| Mr. V. Balasubramaniam | Head-Special Initiatives |
| Mr. Kersi Tavadia | Chief Information Officer |
| Mr. Lakshman Gugulothu | OSD |

| AUDITORS |
|--|
| M/s. Deloitte Haskins & Sells Chartered Accountants |

| REGISTRAR & TRANSFER AGENT |
|--|
| Karvy Computershare Private Limited Plot No. 17-24, Beside Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad-500 081. E-Mail: investor@karvy.com Tel. : +91-040-23420815 - 32 Fax : +91-040-23420814 or 16-22, Bake House, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai 400 023. |

| REGISTERED OFFICE |
|---|
| Floor 25, P. J. Towers, Dalal Street, Mumbai 400 001. |

Notice

NOTICE is hereby given that the Sixth Annual General Meeting of Bombay Stock Exchange Limited (**the Exchange**) will be held on Wednesday, **29th June, 2011** at 11.00 a.m. at "Sir Dinshaw Petit International Convention Hall", 1st Floor, P. J. Towers, Dalal Street, Mumbai 400 001 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2011 and the Balance Sheet as on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the financial year ended 31st March, 2011 on Equity Shares.
3. To appoint a Shareholder Director in place of Mr. Sudipto Sarkar who retires by rotation and is not eligible for re-appointment.
4. To appoint a Trading Member Director in place of Mr. Balkishan Mohta who retires by rotation and is not eligible for re-appointment.
5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 224 and all other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Registration Number 117366W) be and are hereby re-appointed as the Statutory Auditors of the Exchange, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration, as shall be fixed by the Board of Directors."

Special Business:

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Keki Mistry, who was appointed as an Additional Director of the Exchange with effect from 22nd June, 2010 by the Board of Directors and who holds office up to the date of the forthcoming Annual General Meeting of the Exchange under Section 260 of the Companies Act, 1956 (the Act) read with Article 13.16A and Article 13.28 of the Articles of Association but who is eligible for appointment

and in respect of whom the Exchange has received a notice in writing under Section 257 of the Act, from a Member signifying his intention to propose Mr. Keki Mistry as a candidate for the office of a Director be and is hereby appointed as a Shareholder Director of the Exchange, whose office shall be liable to retirement by rotation."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of Securities and Exchange Board of India, the Registrar of Companies or any other authority as may be necessary, consent of the Members be and is hereby accorded to change the name of the Exchange from Bombay Stock Exchange Limited to BSE Limited;

RESOLVED FURTHER THAT the name "Bombay Stock Exchange Limited" wherever appearing in the Memorandum and Articles of Association, Rules, Bye Laws and Regulations of the Exchange and any other documents be substituted by the new name "BSE Limited";

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise with regard to change of name and to give such directions as may be necessary, desirable or expedient for giving effect to this Resolution and matters related thereto and its decision shall be final and binding."

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 81, 81(IA) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or any re-enactment thereof), the provisions of the Unlisted Public Companies (Preferential Allotment) Rules, 2003, all other applicable laws and provisions of the Memorandum and Articles of Association and subject to necessary approvals of the Government of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, Reserve Bank of India and all other competent authorities, consent

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of the Exchange be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board'), to create, offer, issue and allot upto 65,92,198 (Sixty Five Lakhs Ninety Two Thousand One Hundred Ninety Eight) Equity Shares of face value of ₹ 1/- each for cash to the eligible investors (more particularly detailed in the explanatory statement) on a preferential basis at a price of ₹ 375/- per Equity Share or above as may be determined by the Board and such issue and allotment to be made on such terms and conditions as the Board (or any duly delegated committee thereof), may, in its absolute discretion decide at the time of issue or allotment of the said Equity Shares;

RESOLVED FURTHER THAT all such equity shares issued and allotted pursuant to the above Resolutions, shall rank *pari-passu* inter se and with the then existing Equity Shares of the Exchange in all respects, including dividend and other corporate benefits;

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Exchange;

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorized to determine the price, the form, terms and timing of the issue, including the eligible investors to whom the Equity Shares are to be issued and allotted, the proportion in which they are issued and allotted, number of Equity Shares and related or incidental matters and to authorize any Director or Directors of the Exchange or any other Officer or Officers of the Exchange to sign the above documents for and on behalf of the Exchange together with the authority to amend, vary or modify the same as such authorized persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents or any other confirmation and/or authorities as may, in the opinion of such authorized person, be required from time to time;

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorized to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in this regard and to give such directions as may be necessary, desirable or expedient for giving effect to this Resolution and matters related thereto and its decision shall be final and binding.”

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act), provisions of the Memorandum and Articles of Association, subject to the consent of Members and approval of the High Court of Judicature at Bombay and necessary approvals of the competent authorities, if any, the Exchange do transfer its undertaking/business pertaining to Clearing and Settlement activities to its Wholly Owned Subsidiary Company viz. Indian Clearing Corporation Limited (ICCL);

RESOLVED FURTHER THAT the Managing Director & CEO, Dy. Chief Executive Officer, Chief Financial Officer and

Company Secretary, be and are hereby severally authorised in the name of and on behalf of the Exchange to:

- (i) file applications with the High Court of Judicature at Bombay seeking directions for holding the meetings of the Members and Creditors of the Exchange and/or for seeking dispensation from convening the said meetings;
- (ii) make alterations and changes, in the draft Scheme of Arrangement as may be required/suggested by any Statutory/Regulatory Authority or the Court of competent jurisdiction;
- (iii) finalize the draft of the Notices for convening the meetings of Members/Creditors and drafts of Explanatory Statements under Section 393 of the Act with such modifications as they may deem fit, where the High Court of Judicature at Bombay has directed the Exchange to hold the meetings of the Members/Creditors;
- (iv) finalise and file applications, petitions and affidavits for the Scheme of Arrangement in the High Court of Judicature at Bombay and any affidavits, pleading and other documents, and to execute all such further deeds, documents and writings as may be necessary in that behalf;
- (v) affix the Common Seal of the Exchange on any documents in connection with the purpose of the above resolution, as may be required, and in accordance with the provisions of the Articles of Association of the Exchange;
- (vi) send the Common Seal of the Exchange to other places, if so required, to facilitate execution of documents, papers in connection with the Scheme of Arrangement.
- (vii) liaise and co-ordinate with all Authorities for obtaining sanction of the Scheme of Arrangement;
- (viii) appoint Solicitors, Advocates, Accountants and other Expert Advisors for implementation of the Scheme of Arrangement;
- (ix) ratify the action already taken by the Executives/Officers of the Exchange in this regard; and
- (x) do all such other acts, matters, deeds, matters and things that may be necessary, expedient or incidental for the purpose of the giving effect to the aforesaid Resolution and matters related thereto.”

By Order of the Board of Directors

Place: Mumbai
Date: 18th May, 2011

Neena Jindal
Company Secretary

Registered Office:
Bombay Stock Exchange Limited
Floor 25, P. J. Towers,
Dalal Street, Mumbai 400 001 .

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING SHALL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE AT THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE EXCHANGE.**

2. **PROXIES IN ORDER TO BE VALID, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE EXCHANGE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**

3. The Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 (the Act) in respect of **Item Nos. 6 to 9** of the Notice dated 18th May, 2011 is appended hereto.

4. **The Ministry of Corporate Affairs (Ministry) has taken a "Green Initiative in Corporate Governance" by following paperless compliances through electronic mode. In accordance with the circulars bearing no. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 issued by the Ministry, companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc) to their shareholders through electronic mode.**

To take part in the "Green Initiative in Corporate Governance" by the Shareholders of the Exchange and to contribute to the Corporate Social Responsibility initiative, Members are requested to register their e-mail addresses with their Depository Participants (incase of shares held in demat)/RTA (incase of shares held in physical mode).

5. Members holding shares in demat form are requested to intimate all changes pertaining to their bank account details, Electronic Clearing Services (ECS) mandate, nominations, power of attorney, change of name, change of address etc., only to their Depository Participants (DPs) and not to the Registrar and Transfer Agent (RTA) or the Exchange. Once such intimations are taken on record by the DPs, they would then become effective. Similarly, in case the mailing address mentioned on this Notice is without the PIN Code, Members are requested to update their PIN Code with their DPs.

Members holding shares in physical form may intimate all such changes to the RTA or the Exchange.

6. Members are requested to make all other correspondence in connection with the Equity Shares held by them by addressing letters directly to the RTA viz. Karvy Computershare Private Limited, Unit: Bombay Stock Exchange Limited, 17-24 Beside Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500 081 or 16-22, Bake House, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai 400 023 or to the Exchange at its Registered Office mentioned elsewhere in this

Notice, quoting reference of their Client ID number and DP ID number or Folio No.

7. The Register of Members and Share Transfer Books will remain closed from Saturday, 18th June, 2011 to Wednesday, 29th June, 2011 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2011, if declared at the Meeting and for the purpose of the Sixth Annual General Meeting or any adjournment thereof.

8. The Dividend, for the year ended 31st March, 2011 as recommended by the Board, if approved and declared at the Sixth Annual General Meeting will be paid to those Members who hold shares:

(a) In electronic mode, based on beneficial ownership details received from Central Depository Services (India) Limited and National Securities Depository Limited as at the close of business hours on Friday, 17th June, 2011.

(b) In physical form, if their names appear on the Exchange's Register of Members as on Wednesday, 29th May, 2011. (In case of shareholders holding shares in physical mode, the instruments of transfer should be lodged with the RTA so as to reach them on or before Friday, 17th June, 2011).

All Equity Shares issued by the Exchange rank pari-passu in all respects including dividend entitlement and accordingly, Equity Shares allotted/to be allotted by the Exchange till 18th June, 2011 will be entitled for full dividend for the year ended 31st March, 2011, if declared at the Meeting.

9. As a measure of good Corporate Governance, the information about Directors proposed to be appointed/re-appointed is given in Annexure I to this Notice.

10. All documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Exchange between 10.30 a.m. and 12.30 p.m. on all working days up to the date of the Meeting.

11. Members are requested to bring duly filled in Attendance Slip along with their copy of Annual Report to the Meeting.

12. In terms of Section 109A of the Act, individual Members of the Exchange may avail nomination facility. Hence, the Members holding shares in physical form and willing to avail this facility may write to Company Secretary, who shall on receipt of such request, send the prescribed form to the Member. The Member would then be required to submit the said form duly filled in to the Exchange. However, in case shares are held in demat form, the Members should approach their respective Depository Participant (DP) for making nominations.

13. Corporate Members intending to send their Authorised Representative to attend and vote at the Meeting are requested to ensure that the Authorised Representative carries a duly certified true copy of the Board Resolution, Power of Attorney or such other valid authorisation, authorising him to attend and vote at the Meeting and any one of the photo identity proofs (viz. Gold Card issued by the Exchange, Driving License, PAN Card, Election Card, Passport).

Specimen Resolution for this purpose is as under:

(On a letterhead of Corporate Member)

“RESOLVED THAT pursuant to the provisions of Section 187 and all other applicable provisions, if any, of the Companies Act, 1956, Mr _____ or failing him, Mr _____ be and is hereby authorised to act as the representative of (name of the Corporate Member) to attend the Sixth Annual General Meeting of Bombay Stock Exchange Limited to be held on the Wednesday, 29th June, 2011 at “Sir Dinshaw Petit International Convention Hall”, 1st Floor, P. J. Towers, Dalal Street, Mumbai 400 001 at 11.00 a.m. or at any adjournment thereof, for and on behalf of the Company as its representative.

RESOLVED FURTHER THAT the aforesaid representative of the Company, be and is hereby authorised to vote for and on behalf of the Company on any of the Resolutions as stated in the Notice of the Sixth Annual General Meeting of Bombay Stock Exchange Limited or at any such adjournment thereof, as may be deemed fit, proper and necessary.”

The aforesaid Resolution shall preferably be signed by such Director/Authorised Signatory of the Corporate Member whose specimen signature has been lodged with RTA.

In terms of the provisions of the Companies Act, 1956, the representatives of Corporate Members without proper authorisations, such as Board Resolution or Power of Attorney or such other valid authorisation, may not be permitted to attend and/or vote at the Meeting.

14. Securities and Exchange Board of India, vide its letter No. DCC/FITTCIR – 3/2001 dated 15th October, 2001 has made it mandatory for all companies to use the Bank Account details furnished by the Depositories for depositing dividend through ECS to investors where ECS and Bank details are available. Members may, therefore, give instructions regarding Bank Accounts in which they wish to receive dividend, directly to their DPs. The Exchange will not entertain any direct request from such Members for deletion of/change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form and vice-versa.
15. Non-resident Indian members are requested to inform about the following to the Exchange or its RTA or the concerned DP as the case may be, immediately:
 - a. the change in the residential status and
 - b. the particulars of the NRE Account with a Bank in India, if not furnished earlier.
16. As you are aware, Electronic Clearing System (ECS) is an efficient method for effecting bulk and repetitive transactions electronically. Presently, ECS is operational at 76 locations across the country, including the 15 centers run by Reserve Bank of India (RBI). To leverage on Core-Banking Solutions (CBS) in banks for centralized processing of inward instructions and further efficiency in handling bulk transactions, National-ECS (NECS) has been implemented at Mumbai. NECS will cover all locations wherever CBS has been implemented. RBI vide its circular DPSS. (CO). EPPD. No. 191/04.01.01/2009-2010 July 29, 2009 has instructed banks to move to the

NECS platform w.e.f. October 1, 2009. Consequently if you have not provided your new account number allocated to you after implementation of Core Banking System by your Bank, ECS credit to your old account may either be rejected or returned. If you are holder of shares in Demat Mode, please instruct your Depository Participant to take note of your new account number allotted to you after your Bank has implemented Core Banking System together with Name of the Bank, 9 digit MICR Bank/Branch code and Account Type by quoting your DP ID – CLIENT ID No. If you hold shares in physical mode, please provide us/our Registrars your new Bank Account particulars as above by quoting your folio number, so that your future dividends can correctly be credited to your new account.

17. The term ‘Members’ has been used to denote Shareholders of Bombay Stock Exchange Limited.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under **Item Nos. 6 to 9** of the accompanying Notice dated 18th May, 2011.

Item No. 6

Mr. Keki Mistry was appointed as an Additional Director of the Exchange with effect from 22nd June, 2010 in the Shareholder Director category by the Board of Directors under Section 260 of the Act read with Article 13.28 of Articles of Association. In terms of Section 260 of the Act, Mr. Keki Mistry holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director.

A notice under Section 257 of the Act has been received from a Member signifying his intention to propose Mr. Keki Mistry's appointment as Shareholder Director.

A brief profile of Mr. Keki Mistry is given in the Annexure to the Notice.

The Board recommends the Resolution at Item No. 6 of the Notice for the appointment of Mr. Keki Mistry as Shareholder Director.

None of the Directors except Mr. Keki Mistry are deemed to be concerned or interested in the Resolution at Item no. 6 of the Notice.

Item No. 7

It is appreciated that globally whether in India or abroad, the Exchange for a long period of time, is widely known and recognized as ‘BSE’ among the investing community i.e. FIs, brokers, small retail investor or even a common man who may have never invested in securities. The logo ‘BSE’ is universally accepted to recognize and identify anything that is associated with the Exchange. Further, the Exchange is the exclusive owner and user of the trade mark ‘BSE’, which is registered under trade mark laws, and finally, it is the brand ‘BSE’ that has long been exploited by the Exchange on every front for every purpose.

In view of the above and in order to leverage the brand equity of the Exchange by linking it to the name, it is proposed

to change the name of the Exchange from 'Bombay Stock Exchange Limited' to 'BSE Limited'.

The Registrar of Companies, Maharashtra, Mumbai vide its letter dated 16th April, 2011 has given their No objection to the availability of the proposed name i.e. "BSE Limited".

The Board recommends the Resolution at Item No. 7 of the Notice for the approval of the Members.

None of the Directors are concerned or interested in the Resolution at Item No. 7 of the Notice.

Item No. 8

The Shareholders of the Exchange at its Fifth Annual General Meeting held on 29th May, 2010 approved (by passing a Special Resolution) to create, offer, issue and allot upto 65,92,198 (Sixty Five Lakhs Ninety Two Thousand One Hundred and Ninety Eight) Equity Shares of face value of ₹ 1/- each for cash to the eligible investors on a preferential basis at a price of ₹ 375/- (₹ Three Hundred and Seventy Five only) per Equity Share or above as may be determined by the Board and such issue and allotment to be made on such terms and conditions as the Board may, in its absolute discretion decide at the time of issue or allotment of the said Equity Shares.

Pursuant to the Unlisted Public Companies (Preferential Allotment) Rules, 2003, the above Special Resolution was valid only for one year from the date of passing thereof i.e. upto 29th May, 2011.

In view of the above, a fresh approval from the Shareholders is sought by passing a Special Resolution under the provisions of the Unlisted Public Companies (Preferential Allotment) Rules, 2003 to create, offer, issue, and allot 65,92,198 (Sixty Five Lakhs Ninety Two Thousand One Hundred and Ninety Eight) Equity Shares of ₹ 1/- each to eligible investors on a preferential basis at a price of ₹ 375/- (₹ Three Hundred and Seventy Five only) per Equity Share or above.

The information as required to be disclosed under the Unlisted Public Companies (Preferential Allotment) Rules, 2003 are as follows:

- The pricing of the Equity Shares to be issued and allotted to the Eligible Investors shall be within the price band of ₹ 375/- per Equity Share or above, of face value of ₹ 1/- each, as may be finally determined by the Board or any committee thereof.
- The date of the Meeting i.e. 29th June, 2011 shall be deemed to be the relevant date for the purpose of pricing of Equity Shares.
- The object(s) of the issue through Preferential Allotment is to broad base the institutional participation.
- The Equity Shares sought to be so allotted will be for cash and will be fully paid-up.
- Intention of Promoters/Directors/Key Management persons to subscribe to the offer:

The Exchange does not have any Promoters. No Directors or the key managerial personnel has any intention to apply for Equity Shares in the Preferential Allotment.

- Indicative shareholding pattern of Shareholders, before and after the Preferential Allotment is as under:

| Category | Existing paid-up Equity Share Capital as on 31 st March, 2011 | | Post Preferential Allotment paid-up Equity Share Capital | |
|--|--|---------------|--|---------------|
| | No. of Equity shares held (face value of ₹ 1/- each) | Percentage | No. of Equity shares held (face value of ₹ 1/- each) | Percentage |
| I Trading Members and Associates | 43,127,604 | 41.71 | 43,127,604 | 39.21 |
| II Public | 60,280,168 | 58.29 | 60,280,168 | 54.80 |
| III Proposed Preferential Allotment to: The Eligible Investors which may fall into the category of either 'Trading Members and Associates' or 'Public' depending upon their nature of association | - | - | 6,592,198 | 5.99 |
| Total paid up Equity Share capital | 103,407,772 | 100.00 | 109,999,970 | 100.00 |

Assumptions:

The post Preferential Allotment paid up Equity Share Capital assumes allotment of Equity Shares in compliance with the provisions of the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges), Regulations, 2006.

The maximum number of Equity Shares permitted to be allotted pursuant to the Resolution passed under Section 81 and 81(IA) of the Companies Act, 1956 are actually allotted.

- Proposed time within which the allotment shall be completed:

This Resolution shall be acted upon within a period of 12 months from the date of passing thereof.

- Whether a change in control is intended or expected:

No change in control in the management of the Exchange is intended or expected pursuant to the Preferential Allotment.

Approval of the Shareholders is sought to the issue of Equity Shares on Preferential Allotment basis under Section 81 and 81(IA) of the Companies Act, 1956 and other applicable Indian Regulations, as per details mentioned above.

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The Board recommends the Resolution at Item No. 8 of the Notice for approval of the Members.

None of the Directors are concerned or interested in the Resolution. at Item No. 8 of the Notice.

Item No. 9

Indian Clearing Corporation Limited (ICCL) has been incorporated in 2007, by Bombay Stock Exchange Limited (the Exchange) as its Wholly Owned Subsidiary Company to carry out Clearing and Settlement activities for the trades executed on Exchange platform and to ensure effective risk management. Presently, ICCL is carrying out Clearing and Settlement activities for Mutual Fund segment and Debt segment.

Pursuant to the best National and International practices, it is proposed to transfer the Clearing and Settlement Division/ Undertaking of the Exchange, pursuant to a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (the Act) to ICCL which involves the following steps:

- The Exchange and ICCL will finalise the Scheme of Arrangement to transfer the Clearing and Settlement Division/Undertaking to ICCL
- This Scheme of Arrangement will require approval of the Bombay High Court, Members, Creditors and other Statutory/Regulatory Authorities

- On receipt of all the approvals from all the Statutory/Regulatory Authorities, the Exchange would transfer the Clearing and Settlement Division/Undertaking to ICCL

Approval of the Members of the Exchange is sought to transfer the Clearing and Settlement Division/Undertaking of the Exchange to ICCL pursuant to Sections 391 to 394 of the Act.

The Board recommends the Resolution at Item No. 9 of the Notice for approval of the Members.

None of the Directors are concerned or interested in the Resolution. at Item No. 9 of the Notice.

By Order of the Board of Directors

Place: Mumbai
Date: 18th May, 2011

Neena Jindal
Company Secretary

Registered Office:
Bombay Stock Exchange Limited
Floor 25, P. J. Towers,
Dalal Street, Mumbai 400 001.

Annexure I**Details of Director seeking appointment at the Sixth Annual General Meeting to be held on Wednesday, 29th June, 2011**

| | |
|--|--|
| Name of Director | Mr. Keki Mistry |
| Item No. | 6 |
| Date of Birth | 07.11.1954 |
| Date of Appointment | 22.06.2010 Appointed by the Board as an Additional Director |
| Qualifications | FCA |
| Expertise in specific functional area | Banking and Finance |
| Category | Shareholder Director |
| Other Directorship | (a) Housing Development Finance Corporation Limited (b) HDFC Asset Management Company Limited (c) HDFC Standard Life Insurance Company Limited (d) HDFC ERGO General Insurance Company Limited (e) Gruh Finance Limited (f) Infrastructure Leasing & Financial Services Limited (g) Sun Pharmaceutical Industries Limited (h) The Great Eastern Shipping Company Limited (i) Greatship (India) Limited (j) Next Gen Publishing Limited (k) Shrenuj & Co. Limited (l) Torrent Power Limited (m) Griha Investments, Mauritius (n) India Value Fund Advisors Private Limited (o) Association of Leasing and Financial Services Cos (p) Intelnet Global Services Private Limited. |
| No. of equity shares held in the Exchange | Nil |