

Bombay Stock Exchange Limited

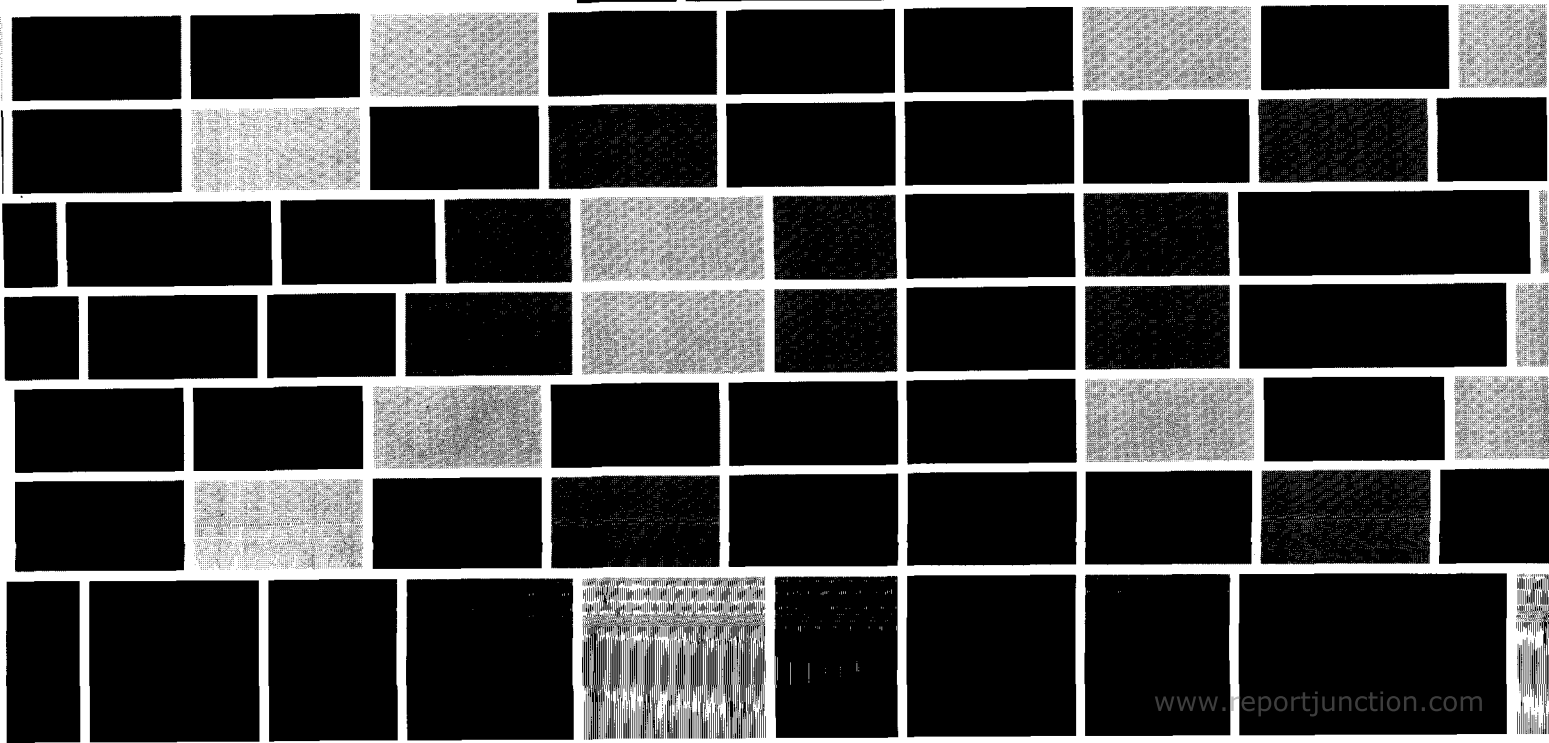
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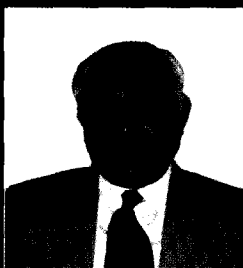
“One can truly realise the value of a strong foundation during tough times.”



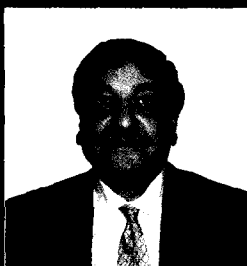
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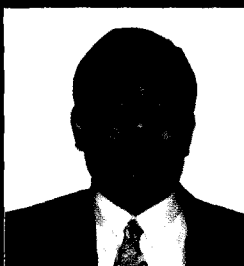
Board of Directors



Shri Jagdish Capoor



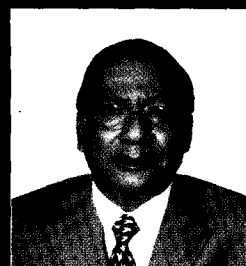
Shri Ishaat Hussain



Shri Vivek Kulkarni



Shri Sudipto Sarkar



Shri Shekhar Datta



Shri Jamshyd N. Goderj



Shri S. N. Menon



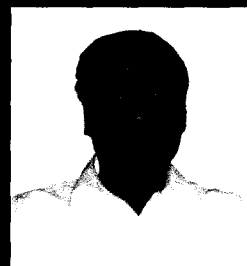
Shri Jitesh Khosla



Shri Prakash R. Kacholia



Shri Balkishan M. Mohta



Shri Siddharth J. Shah



Shri Rajnikant Patel

Board of Directors

BOARD OF DIRECTORS

Chairman

Shri Jagdish Capoor

Managing Director & CEO

Shri Rajnikant Patel

Public Interest Directors

Shri Jitesh Khosla

Shri S. N. Menon (w.e.f. 21.08.2007)

Shareholder Directors

Shri Shekhar Datta (upto 16.06.2008)

Shri Jamshyd N. Goderj (upto 16.06.2008)

Shri Ishaat Hussain

Shri Sudipto Sarkar

Shri Vivek Kulkarni

Trading Member Directors

Shri Prakash R. Kacholia

Shri Balkishan M. Mohta

Shri Siddharth J. Shah

SENIOR MANAGEMENT TEAM

(As on 14.08.2008)

Chief Operating Officer

Shri Mahesh L. Soneji

Chief Financial Officer

Shri L.P. Aggarwal

Chief Technology Officer

Shri Anjan Choudhury

Chief General Managers

Shri A.A. Tirodkar

Shri Kevin Desouza

Shri Suniel Vichare

Shri Prasana Rao

Company Secretary

Shri V. G. Bhagat

DERIVATIVES SEGMENT

GOVERNING COUNCIL

Chairman

Shri Jagdish Capoor

Shri Rajnikant Patel

Shri Vineet Bhatnagar

Shri Vijay Kalantri

Shri Narayan S.A.

Shri N. P. Sarda

Shri P. P. Vora

CLEARING COUNCIL

Chairman

Shri Jagdish Capoor

Shri S. Jambunathan

Shri Rajnikant Patel

Shri N. P. Sarda

Registered Office

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

Bankers

Bank of India

Solicitors

M/s. Wadia Ghandy & Co.

Auditors

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 : +91-040-23420818
Fax : +91-040-23420814

Or

16-22, Bake House,
Maharashtra Chamber of
Commerce Lane,
Opp. MSC Bank, Fort,
Mumbai - 400 023
Telephone No.: 022-56382666

THIRD ANNUAL GENERAL MEETING

Day : Friday

Date : 19th September, 2008

Time : 4.30 p.m.

Venue : Sir Dinshaw Petit International Convention Hall,
1st Floor, P.J. Towers, Dalal Street, Mumbai - 400001

Notice

NOTICE is hereby given that the Third Annual General Meeting of Bombay Stock Exchange Limited (the Exchange) will be held on Friday, the 19th September 2008 at 4.30 p.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, 2008 and the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Public Interest Director in place of Shri Jitesh Khosla, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Shareholder Director in place of Shri Vivek Kulkarni, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Trading Member Director in place of Shri Balkishan M. Mohta, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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 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:

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 31 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approval(s) in this

regard, the existing Article No. 13.16B.1. of the Articles of Association be and is hereby amended as under (words deleted are shown in strike through and words inserted are shown in bold):

Public Interest Directors

13.16B.1. Qualifications required:

A Public Interest Director shall be a person:-

- (i) who is on a panel ~~prepared~~ **constituted** by SEBI for this purpose;
- (ii) -----
 1. -----
 2. -----
 3. not act as a director **Public Interest Director** on any stock exchange other than the Company.

RESOLVED FURTHER THAT the Managing Director & CEO and the Company Secretary be and are hereby authorised, severally, to take all such actions and do all such things as may be required from time to time for giving effect to the above Resolution and matters related thereto."

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(1A) 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, the provisions of all other applicable laws and the provisions of the Memorandum and Articles of Association and subject to all necessary approvals of the Government of India, Foreign Investment Promotion Board, Ministry of Finance, Securities and Exchange Board of India, Reserve Bank of India and all other competent authorities, the consent of the Exchange be and is hereby accorded to the Board of Directors including any Committee thereof (hereinafter referred as the Board), to create, offer, issue and allot upto 16,111 equity shares of face value of Re. 1/- each, at a price of Rs. 5,200/- per equity share to each of Deutsche Boerse AG and Singapore Exchange Limited, in one or more tranches, by way of preferential allotment, so that the shareholding of each of Deutsche Boerse AG and Singapore Exchange Limited shall not exceed five percent of

the total issued, subscribed & paid-up equity capital of the Exchange, upon such issue and allotment.

RESOLVED FURTHER THAT for giving effect to the aforesaid Resolution, the Board be and is hereby authorised to issue and allot equity shares to each of the Deutsche Boerse AG and Singapore Exchange Limited, in terms of the respective investment agreement entered into with them, in such tranches as the Board in its absolute discretion deems fit, including the number of equity shares to be allotted in each tranche.

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."

9. 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 Clause 4.3 and 7.5 of The BSE (Corporatisation and Demutualisation) Scheme, 2005, Article 13.14(2)(i) and 13.17(ii) of the Articles of Association and Section 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or re-enactment thereof), subject to such approvals as may be necessary, the remuneration paid to Shri Rajnikant Patel, Managing Director & CEO with effect from 1st October, 2007, aggregating to Rs. 7,32,294/- per month (Rs. 87,87,528/- per annum) on cost to company basis

excluding performance linked bonus, as per the details set out in the explanatory statement annexed to this Notice, be and is hereby ratified.

RESOLVED FURTHER THAT subject to the recommendation of the HR & Remuneration Committee, consent of the Exchange be and is hereby granted to the Board of Directors to sanction to Shri Patel 5% of basic salary or such higher amount as may be approved by the board towards annual increment and permissible allowances as mentioned in the explanatory statement and also performance linked bonus which shall be exclusive of the said limit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

By Order of the Board of Directors

Place: Mumbai
Date: 12th July, 2008

V. G. Bhagat
Company Secretary

Registered Office:
Floor 25, P.J. Towers,
Dalal Street,
Mumbai - 400 001

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

3. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of item Nos. 7 to 9 of the Notice dated 12th July, 2008 is appended hereto.

4. 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 intimate / update their PIN Code with their DP.

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

5. 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.

6. The Register of Members and Share Transfer Book will remain closed from Tuesday, the 9th September, 2008 to Friday, the 19th September, 2008 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2008, if declared at the Meeting and for the purpose of the Annual General Meeting.

7. The Dividend for the year ended 31st March, 2008 as recommended by the Board, if approved and declared at the Annual General Meeting will be paid to those Members whose names appear on the Register of Members and on the basis of beneficial ownership as per the details furnished by the Depositories, viz. Central Depository Services (India) Limited and National Securities Depository Limited as on the close of business hours on Monday, 8th September, 2008.

All the 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 8th September, 2008 will be entitled for full dividend for the year ended 31st March, 2008, if declared at the Meeting.

8. As a measure of good corporate governance, the information about Directors proposed to be re-appointed is given in Annexure to the Notice.

9. 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. to 12.30 p.m. on all working days upto the date of the Meeting.

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

11. In terms of Section 109A of the Companies Act, 1956, 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 the Company Secretary who shall upon 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 for making nominations.

12. 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. Specimen Resolution for this purpose is as under:

"RESOLVED THAT pursuant to the provisions of Section 187 and all other applicable provisions, if any, of the Companies Act, 1956, Shri _____ or failing him, Shri _____ be and is hereby authorised to act as the representative of (name of the corporate member) to attend the Annual General Meeting of Bombay Stock Exchange Limited to be held on Friday, 19th September, 2008 at "Sir Dinshaw Petit International Convention Hall", 1st Floor, P.J. Towers, Dalal Street, Mumbai - 400 001 at 4.30 p.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 Annual General Meeting of Bombay Stock Exchange Limited or at any such adjournment thereof, as may be deemed fit, proper and necessary."

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 the Meeting.

13. 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.

14. Non-resident Indian shareholders are requested to inform about the following to the Exchange or its RTA or the concerned DP as the case may be, immediately:

- a. change in residential status and
- b. particulars of NRE Account with a Bank in India, if not furnished earlier.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

1. Resolution at Item No. 7

Securities and Exchange Board of India (SEBI) vide its letter No. MRD/48511/05 dated 31st August, 2005 specified among other things, the manner of appointment of directors and other incidental and consequential matters related to governance of the Exchange which were subsequently incorporated in the Articles of Associations (AOA) of the Exchange. Clause 1.3.5 of the aforesaid letter reads as under:

"1.3.5 'Public Interest Directors' shall be elected from amongst the Persons in the SEBI constituted panel. A person shall not act as 'Public Interest Director' on more than one Stock Exchange simultaneously."

Article 13.16B.1. of the AOA reads as under:

"Public Interest Directors

13.16B.1. Qualifications required:

A Public Interest Director shall be a person:-

- (i) who is on a panel prepared by SEBI for this purpose;
- (ii) who, prior to his appointment as director, files a written undertaking with the Company that if appointed he shall, during his tenure as director of the Company,
 1. not be a Trading Member;
 2. purchase, sell or otherwise deal in securities only in accordance with such restrictions as may be provided in the Rules, Bye-laws and Regulations of Company or as may be specified by the Board and/ or SEBI; or
 3. not act as a director on any stock exchange other than the Company."

In order to remove anomalies with respect to the aforesaid Article in AOA vis a vis the SEBI letter and to reflect the intention of SEBI to allow public interest director to hold the office as an ordinary director in any capacity other than the public interest director on more than one stock exchange simultaneously, the amendments as mentioned in the Resolution at Item No. 7 are proposed to the shareholders for their approval.

SEBI vide its letter no. MRD/DSA/AKS/113756/2008 dated 15th January 2008 has given its no objection to the proposed amendments of the AOA as explained above.

In terms of the provisions of Section 31 of the Companies Act, 1956, a Special Resolution is required to be passed for amending the AOA.

The Board recommends the resolution at Item No. 7 of the Notice for amendments of the AOA.

None of the Directors except the Public Interest Directors are deemed to be concerned or interested in the resolution at Item No. 7 of the Notice.

2. Resolution at Item No. 8

In terms of Clause 10 of The BSE (Corporatisation and Demutualisation) Scheme, 2005 (the Scheme), the Exchange is

to ensure that at least 51% of its equity share capital is held by public other than shareholders having trading rights and their associates as defined in the Securities Contracts (Regulation) (Manner of Increasing and Maintaining Public Shareholding in Recognised Stock Exchanges) Regulations, 2006 (the MIMPS Regulations) in the manner prescribed therein.

SEBI notified the MIMPS Regulations on 13th November, 2006 in terms of which the Exchange was permitted to achieve the stipulated shareholding pattern either by fresh issue of equity shares (on private placement basis or through a prospectus) or through an offer for sale by the existing shareholders or by combination of the said methods. The MIMPS Regulations *inter-alia* stipulate that no person shall directly or indirectly acquire or hold more than five percent in the paid up equity capital of the Exchange.

Pursuant to the Guidelines and policy on foreign investments and in accordance with all clarifications, approvals and exemptions granted by all appropriate authorities, the Board of Directors identified Deutsche Boerse AG and Singapore Exchange Limited as strategic partners (the Partners). As agreed with each of the Partners, the Exchange has till now, allotted 3,92,222 equity shares of Re.1/- each, at a subscription price of Rs. 5,200/- per share to each of the two Partners so that the shareholding of each of them has not exceeded 5% of the paid up equity capital of the Exchange, upon such issue and allotment. The proposal to allot equity shares on preferential basis to the aforesaid entities was approved by the shareholders at their Extraordinary General Meeting held on 12th April, 2007. Pursuant to the Unlisted Public Companies (Preferential Allotment) Rules, 2003, the above resolution was valid only for one year from the date of passing thereof i.e. upto 11th April, 2008.

Pursuant to the Scheme, the Exchange was required to allot 10,000 fully paid equity shares of the face value of Re.1/- each for cash at par, against each of the membership rights held by those Members of the erstwhile BSE whose names appeared on the Register of Members under Rule 64 of the Stock Exchange Rules, Bye-laws and Regulations, on the Record Date. Out of total 735 Membership rights, the Exchange has till date allotted 70,80,000 equity shares of Re.1/- each to persons/entities holding 708 Membership rights. The allotment of shares to the balance 27 Trading members having 27 Membership rights was kept in abeyance due to reasons, such as member having debit balance in the books of the Exchange, title of membership under litigation, member being a notified party or related to a notified party, income tax attachment, pending arbitration proceedings etc. and continues to remain in abeyance till date.

Upon revocation of suspension of the membership rights of the aforesaid 27 Trading members, the corresponding allotment of equity shares to the designated persons or their legal heirs will result into dilution of respective stake of each of the two Partners in the paid up equity capital of the Exchange, below