

# Annual Report 2009-2010

Bombay Stock Exchange Limited

**BSE**  
The edge is efficiency



Strength does not come from physical capacity.  
It comes from an indomitable will.

- Mahatma Gandhi

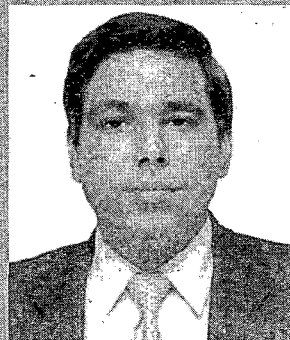
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# Board of Directors (As on 28<sup>th</sup> April, 2010)



Mr. S. Ramadorai



Mr. Madhu Kannan



Mr. S.N. Menon



Dr. Sanjiv Misra



Mr. Ishaat Hussain



Mr. Vivek Kulkarni



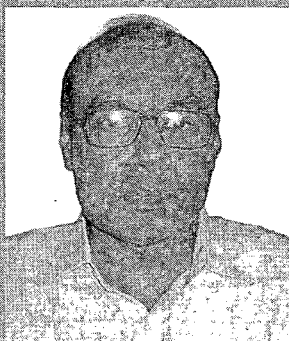
Mr. Andreas Preuss



Mr. Sudipto Sarkar



Mr. Prakash R. Kacholia



Mr. Balkishan M. Mohta



Ms. Deena A. Mehta

## BOARD OF DIRECTORS

### Chairman

Mr. S. Ramadorai (w.e.f. 08-03-2010)

### Managing Director & CEO

Mr. Madhu Kannan

### Public Interest Director

Mr. S.N. Menon

Dr. Sanjiv Misra (w.e.f. 22-04-2010)

### Shareholder Directors

Mr. Ishaat Hussain

Mr. Vivek Kulkarni

Mr. Andreas Preuss (w.e.f. 30-03-2010)

Mr. Sudipto Sarkar

### Trading Member Directors

Mr. Prakash R. Kacholia

Mr. Balkishan M. Mohta

Ms. Deena A. Mehta (w.e.f. 07-08-2009)

### Executive Management Committee

Mr. Madhu Kannan - MD & CEO

Mr. Ashishkumar Chauhan - Dy. CEO

Mr. Jim Shapiro - Head-Market Development

Mr. L.P. Aggarwal - Chief Financial Officer

Mr. Anjan Choudhury - Chief Technology Officer

Dr. Sayee Srinivasan - Head-Product Strategy

Mr. Nehal Vora - Head-Policy & Planning

Mr. V. Balasubramaniam - Head-Special Initiatives

### Company Secretary

Mr. V. G. Bhagat

## GOVERNING COUNCIL

### DERIVATIVES SEGMENT

#### GOVERNING COUNCIL

Mr. Madhu Kannan

Mr. Ashishkumar Chauhan

Mr. R.V. Iyer

Ms. Dharmishta N. Raval

Mr. Vineet Bhatnagar

Mr. Narayan S.A.

#### CLEARING COUNCIL

Mr. Madhu Kannan

Mr. Ashishkumar Chauhan

Mr. Dilip M. Nachane

Mr. P.P. Vora

### CURRENCY DERIVATIVES SEGMENT

#### GOVERNING COUNCIL

Mr. Madhu Kannan

Mr. Ashishkumar Chauhan

Ms. Ashima Goyal

Ms. Dharmishta N. Raval

Mr. P.V. Rao

#### CLEARING COUNCIL

Mr. Madhu Kannan

Mr. Ashishkumar Chauhan

Mr. K.V. Hegde

Mr. P.P. Vora

### Registered Office

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

### Bankers

Bank of India

HDFC Bank Ltd.

### Solicitors

M/s. Wadia Ghandy & Co.

### 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

Tel : +91-022-56382666

## FIFTH ANNUAL GENERAL MEETING

Day : Saturday

Date : 29<sup>th</sup> May, 2010

Time : 11.00 a.m.

Venue : Sir Dinshaw Petit International Convention Hall,  
1<sup>st</sup> Floor, P.J. Towers, Dalal Street, Mumbai 400 001.

# Notice

**NOTICE** is hereby given that the Fifth Annual General Meeting of Bombay Stock Exchange Limited (**the Exchange**) will be held on **Saturday, the 29<sup>th</sup> May, 2010** 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 31<sup>st</sup> March, 2010 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 31<sup>st</sup> March, 2010 on Equity Shares.

3. 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:

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Andreas Preuss, who was appointed as an Additional Director of the Exchange with effect from 30th March, 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. Andreas Preuss 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."

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 257 and all other applicable provisions, if any, of the Companies Act, 1956 and in accordance with Article 13.16 of the Articles of Association, Mr. Uttam Bagri, designated director of BCB Brokerage Pvt. Ltd., be and is hereby appointed as a Trading Member Director, whose office shall be liable to retirement by rotation."

6. 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, all other applicable laws and the 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, the consent 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 Lakh Ninety-Two Thousand One Hundred Ninety-Eight) Equity Shares of face value of Re.1/- each for cash to the eligible investors (more particularly detailed in the explanatory statement) on a preferential basis at a price between Rs. 360/- and Rs. 400/- per Equity Share 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 and allotment of the said Equity Shares;

**RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted pursuant to the above Resolution, shall rank *pari-passu* 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 on behalf of the Exchange to finalize the pricing, terms and conditions relating to the issue of the said Equity Shares and any other matter in connection with, or incidental to, the issue of the said Equity Shares as the Board or any committee thereof, in its absolute discretion, deems necessary or desirable, together with any amendments or modifications thereto;

**RESOLVED FURTHER THAT** the Board or any committee thereof be and is hereby authorized to determine 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."

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 81, 81(IA), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Exchange be and is hereby accorded to the Board of Directors of the Exchange (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to reserve upto 5% of the Post Issue Paid-up Equity Share Capital (54,35,672 options convertible into 54,35,672 Equity Shares of a face value of Re.1/- each), of the Exchange, to offer and issue at any time to or to the benefit of such person(s) who are in permanent employment of the Exchange/Subsidiary Company(ies), including any Director of the Exchange/ Subsidiary Company(ies), whether whole time or otherwise or to such other persons as may from time to time be allowed, Equity Shares of the Exchange, of a face value of Re.1/- each fully paid-up on payment of the requisite exercise price to the Exchange, under one or more Employee Stock Option Scheme(s), in one or more tranches, and on such terms

and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authorities;

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted in the manner aforesaid shall rank pari-passu in all respects with the then existing Equity Shares of the Exchange;

**RESOLVED FURTHER THAT** in case of any corporate action (s) such as rights issues, preferential issues, bonus issues, merger and sale of division and others, if any additional Equity Shares are issued by the Exchange to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 5% of the Post Issue Paid-up Equity Share Capital (54,35,672 options convertible into 54,35,672 Equity Shares of face value of Re. 1/- each) shall be deemed to be increased to the extent of such additional Equity Shares issued;

**RESOLVED FURTHER THAT** in case the Equity Shares of the Exchange are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Re.1/- per Equity Share bears to the revised face value of the Equity Shares of the Exchange after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees;

**RESOLVED FURTHER THAT** for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorised on behalf of the Exchange to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or suspend, or withdraw or revive the Scheme from time to time and to do all such acts provided such variations, modifications or alterations is not detrimental to the interest of the employees/ Directors;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Exchange to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Exchange."

By Order of the Board of Directors

Place: Mumbai  
Date: 20<sup>th</sup> April, 2010

**V. G. Bhagat**  
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(2) of the Companies Act, 1956 in respect of **Item Nos. 4 to 7** of the Notice dated 20th April, 2010 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 update their PIN Code with their DPs.  
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 or Folio number.
6. The Register of Members and Share Transfer Books will remain closed from Friday, 21<sup>st</sup> May, 2010 to Saturday, 29<sup>th</sup> May, 2010 (both days inclusive) for the purpose of payment of dividend for the year ended 31<sup>st</sup> March, 2010, if declared at the Meeting and for the purpose of the Fifth Annual General Meeting or any adjournment thereof.
7. The Dividend, for the year ended 31<sup>st</sup> March, 2010 as recommended by the Board, if approved and declared at the Fifth 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 Thursday, 20<sup>th</sup> May, 2010.
  - b) In physical form, if their names appear on the Exchange's Register of Members as on 29<sup>th</sup> May, 2010. (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 20<sup>th</sup> May, 2010).

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 20<sup>th</sup> May, 2010 will be entitled for full dividend for the year ended 31<sup>st</sup> March, 2010, if declared at the Meeting.

8. As a measure of good corporate governance, the information about Directors proposed to be appointed/re-appointed is given in Annexure to this 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. and 12.30 p.m. on all working days up to 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 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.
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 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, Shri \_\_\_\_\_ or failing him, Shri \_\_\_\_\_ be and is hereby authorised to act as the representative of (name of the Corporate Member) to attend the Fifth Annual General Meeting of Bombay Stock Exchange Limited to be held on Saturday, 29<sup>th</sup> May, 2010 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 Fifth 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.

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

#### **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. 4 to 7** of the accompanying Notice dated 20<sup>th</sup> April, 2010.

#### **Item No. 4**

Mr. Andreas Preuss was appointed as an Additional Director of the Exchange with effect from 30<sup>th</sup> March, 2010 in the Shareholder Director category by the Board of Directors under Section 260 of the Act read with Article 13.16A and Article 13.28 of Articles of Association. In terms of Section 260 of the Act, Mr. Andreas Preuss 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. Andreas Preuss's appointment as Shareholder Director.

A brief profile of Mr. Andreas Preuss is given in the Annexure to the Notice.

The Board recommends the Resolution at Item No. 4 of the Notice for the appointment of Mr. Andreas Preuss as Shareholder Director.

None of the Directors except Mr. Andreas Preuss are deemed to be concerned or interested in the Resolution at Item no. 4 of the Notice.

#### **Item No. 5**

As per Article 13.18A of the Articles of Association, no Director shall hold office for more than two consecutive terms.

In the Trading Member Director Category, Mr. Prakash R. Kacholia will be completing two consecutive terms as Director

at the forthcoming Annual General Meeting. In view of the same, Mr. Prakash R. Kacholia is not eligible for re-appointment at the forthcoming Annual General Meeting.

Nomination for filling the vacancy in the Trading Member Director category has been invited from Trading Members by issue of an appropriate Notice.

The Exchange, on 1<sup>st</sup> April, 2010 received a notice under Section 257 of the Companies Act, 1956 from Mr. Uttam Bagri, the Designated Director of BCB Brokerage Pvt. Ltd., a Corporate Trading Member, for being appointed as Trading Member Director on the Board of the Exchange at the forthcoming Annual General Meeting. The aforesaid proposal is valid pursuant to the applicable provisions of the Companies Act, 1956, Articles of Associations, Rules, Bye-Laws and Regulations of the Exchange.

In terms of Section 257(1A) of the Companies Act, 1956, the Exchange is required to inform its Members, about the candidature of Mr. Bagri for being appointed as a Trading Member Director at the Meeting.

A brief profile of Mr. Bagri is given in the Annexure to this Notice.

The Board recommends the Resolution at Item No. 5 of the Notice for the appointment of Mr. Uttam Bagri as Trading Member.

None of the Directors may be deemed to be concerned or interested in the Resolution at item no. 5 of the Notice.

#### **Item No. 6**

Bombay Stock Exchange Limited, being the premier Stock Exchange of the Country has privilege of having some of the leading financial institutions including public sector banks and reputed corporate houses as its stakeholders. As a corporate strategy to further improve the quality of stake holders and to broad base the institutional holding, in a long term perspective, it is proposed to issue and allot upto 65,92,198 Equity Shares (6 % of the paid-up equity capital) of the Exchange on preferential basis, to one or more financial institutions, banks (including foreign banks) and such other entities, bodies / persons as may be considered eligible by the Board (**the Eligible Investors**).

The Equity Shares, if any, allotted vide Preferential Allotment shall in all respect rank *pari-passu* with the then Equity Shares of the Exchange.

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

- a) The pricing of the Equity Shares to be issued and allotted to the Eligible Investors shall be within the price band of Rs. 360/- to Rs. 400/- per Equity Share of face value of Re.1/- each, as may be finally determined by the Board or any committee thereof.
- b) The date of the Meeting i.e. 29<sup>th</sup> May, 2010 shall be deemed to be the relevant date for the purpose of pricing of Equity Shares.
- c) The object(s) of the issue through Preferential Allotment is to broad base the institutional participation.
- d) The Equity Shares sought to be so allotted will be for cash and will be fully paid-up.
- e) 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.

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

Category	Existing paid-up Equity Share Capital as on 31 <sup>st</sup> March, 2010		Post Preferential Allotment paid-up Equity Share Capital	
	No. of Equity Shares held	Percentage	No. of Equity Shares held	Percentage
I Trading Members and Associates	4,65,69,512	45.092	4,65,69,512	42.386
II Public	5,67,08,260	54.908	5,67,08,260	51.614
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	--	--	65,92,198	6.000
<b>Total paid-up Equity Share capital</b>	<b>10,32,77,772</b>	<b>100.000</b>	<b>10,98,69,970</b>	<b>100.000</b>

#### 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.

- g) 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.

- h) 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.

The Board recommends the Resolution at Item no. 6 of the Notice for approval of the Shareholders.

None of the Directors are concerned or interested in the Resolution.

#### Item No. 7

The Exchange appreciates the vital role played by its employees/ Directors in the organizational growth. It strongly feels that

the value created by its employees/ Directors should be shared with them. To promote the culture of employee ownership in the Exchange, approval of the shareholders is being sought for issue of stock options to the employees/ Directors of the Exchange/subsidiary company(ies).

Options up to 5% of the Post Issue Paid-up Equity Share Capital (54,35,672 options convertible into 54,35,672 shares of face value of Re.1/- each) of the Exchange would be available for being granted to eligible employees of the Exchange and its Subsidiary Company (ies) under ESOP scheme (s). Each option when exercised would be converted into one Equity share of face value of Re.1/- each fully paid-up.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the ESOP scheme (s).

SEBI guidelines require that in case of any corporate action (s) such as rights issues, preferential issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Exchange to the Option Grantees for making such fair and reasonable adjustment, the ceiling of 5% of the Post Issue Paid-up Equity Share Capital (54,35,672 options convertible into 54,35,672 shares of face value of Re.1/- each) as stated above from time to time shall be deemed to be increased to the extent of such additional equity shares issued.

All permanent employees of the Exchange/ subsidiary company (ies) including the Directors or such other persons, as may be decided by the Board from time to time, would be entitled the stock options under the ESOP Scheme(s).

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

The Exchange shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines.

As the employee stock option schemes provide for issue of shares to be offered to persons other than existing shareholders of the Exchange, consent of the Members is being sought pursuant to Section 81, 81(IA) and all other applicable provisions, if any, of the Companies Act, 1956 and as per SEBI Guidelines.

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

None of the Directors are concerned or interested in the resolution except to the extent of the securities that may be offered to them under the scheme.

By Order of the Board of Directors

Place: Mumbai  
Date: 20<sup>th</sup> April, 2010

**V. G. Bhagat**  
Company Secretary

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

## Annexure

Details of Directors seeking appointment/re-appointment at the Fifth Annual General Meeting to be held on Saturday, the 29<sup>th</sup> May, 2010

Name of Director	Mr. Andreas Preuss	Mr. Uttam Bagri
Item No.	4	5
Date of Birth	22.06.1956	19.11.1975
Date of Appointment	30.03.2010 Appointed by the Board as an Additional Director	–
Qualifications	Masters degree in Economics from Hamburg University and completed the Stanford Executive Program.	B.Com. Mumbai University (10 <sup>th</sup> Rank) MBA (PGDM) from Indian Institute of Management, Ahmedabad
Expertise in specific functional area	Capital Market	Capital Market Since 1998 (12 years) Positions held related to Capital Market: a) 2002 - 2003 Member of BSE Derivatives Governing Council b) 2003 - 2005 Member of BSE Governing Board and various Committees of BSE c) 2009 - 2010 Chairman ANMI - WIRC Current positions: a) Secretary BSE Brokers Forum b) Member CDSL Business Advisory Committee c) Member BSE Training Institute Committee Main Business Interest: Promoter/ Director - BCB and Ratnakar Group of companies Areas of operations - BSE, NSE, CDSL, NSDL, MCX, NCDEX, NBFC
Category Represented	Shareholder Director	Trading Member Director
Other Directorship	a) Deutsche Boerse AG b) Eurex Services GmbH c) Clearstream Holding AG d) Eurex Deutschland e) International Securities Exchange, L.L.C. f) International Securities Exchange Holdings, Inc. g) U.S. Futures Exchange, L.L.C. h) International Options Market Association i) Phineo gaG	a) BCB Brokerage Pvt. Ltd. b) Yash Trading and Finance Ltd.
Chairman/ Member of the Committees of the Board of Directors of other companies in which he is a Director (only Audit Committee and Shareholders'/Investors' Grievance Committee )	Nil	Nil
No. of Equity Shares held in the Exchange	Individual holding - Nil Holding by the Corporate Entity which he is representing, i.e., Deutsche Boerse A G, - 50,98,886 Equity Shares	Individual holding - 5,000 equity shares Holding by the Corporate Trading Member which he is representing, i.e., BCB Brokerage Pvt. Ltd., - Nil