

Annual Report
2011 - 2012



“The future depends on what we do in the present.”

– Mahatma Gandhi



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BOARD OF DIRECTORS

(As on 24th July, 2012)



Mr. S. Ramadorai
Chairman



Mr. Sudhakar Rao



Dr. Sanjiv Misra



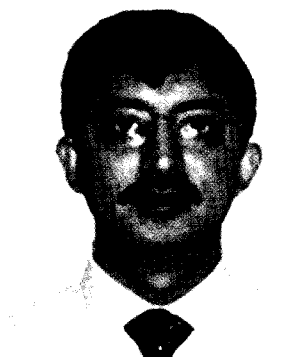
Mr. Keki Mistry



Mr. Andreas Preuss



Ms. Deena Mehta



Mr. Uttam Bagri



Mr. Anil Shah



Mr. Thomas Bendixen
(Alternate Director)

BOARD OF DIRECTORS**Chairman**

Mr. S. Ramadorai

Public Interest Directors

Dr. Sanjiv Misra

Mr. Sudhakar Rao (w.e.f. 29.06.2011)

Shareholder Directors

Mr. Keki Mistry

Mr. Andreas Preuss

Mr. Thomas Bendixen

(Alternate Director to Mr. Andreas Preuss w.e.f. 24.08.2011)

Trading Member Directors

Ms. Deena Mehta

Mr. Uttam Bagri

Mr. Anil Shah (w.e.f. 29.06.2011)

Company Secretary

Ms. Neena Jindal

SEVENTH ANNUAL GENERAL MEETING

Day : Friday

Date : 31st August, 2012

Time : 11.00 a.m.

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

EXECUTIVE MANAGEMENT COMMITTEE

Mr. Ashishkumar Chauhan Interim CEO

Mr. V. Balasubramaniam Chief Business Officer

Mr. Nehal Vora Chief Regulatory Officer

Mr. Nayan Mehta Chief Financial Officer

Mr. Kersi Tavadia Chief Information Officer

Mr. V. K. R. Agrawal Officer on Special Duty

Mr. Lakshman Gugulothu Officer on Special Duty

AUDITORS

M/s. Deloitte Haskins & Sells
Chartered Accountants

REGISTRAR & TRANSFER AGENT

Karvy Computershare Private Limited
Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad – 500 081.
E-mail: einward.ris@karvy.com
Tel.: +91-040-44655000
Fax: +91-040-23420814

or

24-B, Rajabhadur Mansion,
Ground Floor, 6-Ambalal Doshi Marg,
Behind BSE, Fort,
Mumbai 400 023

REGISTERED OFFICE

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

Directors' Report

The Directors take great pleasure in presenting the Seventh Annual Report of BSE Limited along with the audited financial statements for the year ended March 31, 2012.

I The Economic Environment

1.1 Global Outlook

The global recovery, from the aftermath of the global financial crisis, in some way continues to get a firmer footing. But it also has experienced wrenching strains and uncertainty because of the crisis in the Euro area. Estimates of global output from the IMF forecast global growth in calendar 2012 at 3.5%. This is clearly a disappointing slowdown from the 5.2% growth rate achieved in 2010 and even the 3.8% growth rate recorded last year. While growth rates are less robust, there are some signs, at least in some of the developed economies, that economic growth is at least becoming sustainable.

The developed economies, as a group, are expected to grow at an anemic 1.4% in 2012 – in large part because of continued troubles in the Euro zone. The developing economies overall – growing much faster at 5.6% – are obviously now the main engine of growth. But even the traditional emerging market heavyweights – China and India – have seen their growth rates decelerate in the last few years. China, for example, has declined from 10.4% in 2010 to 9.2% in 2011 to 8% in 2012 (proj. – IMF).

1.2 India Outlook

For the full calendar year 2011, Indian economic growth also decelerated significantly from the year before – to 7.4% from a strong 9.9% in 2010, according to IMF numbers. By the last quarter of the 2011-12 fiscal year, moreover, the economic growth rate had stalled to 5.3%. The slowdown in growth was due to a number of causes. The growth of private consumption moderated to 6.5%, from 8.1% in the previous fiscal year while government spending also slowed from 7.9% to 3.9%, and the most troubling factor – because it underpins long term economic growth potential – the investment growth was down from 7.5% to 5.6%. As a consequence, most analysts expect continued moderation of Indian economic growth, at least for the next year or two. The IMF's current projection of Indian growth in 2012 is 6.1%.

India's inflation rate continued to be a major concern of policy makers in 2011. The Wholesale Price Index remained consistently above 9% throughout 2011 – touching a high of 9.7% in August 2011. To counter rising inflation, the Reserve Bank of India (RBI) raised interest rates six times during the year. The repo rate on March 31, 2012 stood at 8.5% and base

rates for the largest private and government-owned banks are close to 10%.

Rising interest rates contributed to the slowdown in 2011-12, as did the declining foreign investment flows and policy gridlock on certain key issues.

While the Indian Government budget deficit also continues to be a concern, 2011-12 saw significant improvement in the situation from the previous year. The 2011-12 deficit is expected to come in around 5.7% of GDP, down from 6.9% the previous year and recent government projections put the target number for the 2012-13 fiscal year at 5.1%.

India's current account deficit has also improved in 2011, narrowing to 2.7% of GDP from 3.2% the previous calendar year.

2 The Capital Markets

2.1 Overview

2011 was a difficult year for investors in the Indian stock market. The Sensex fell by a total 5,054.17 points (24.6%) in the calendar year 2011, compared to a gain of 3,044 points (17%) in the previous year 2010 and 7,817 points (81%) in 2009. The weak performance in 2011 was partly offset by a very strong performance in the first quarter of 2012, with the Sensex gaining 12.3%.



(L to R) Mr. Zhukov Prokhor – Consul, Russian Federation, Mr. Josal Luis Pellegrino – Consul General, Federative Republic of Brazil, Mr. Rajeev Agarwal, WTM, SEBI, Mr. Qingbao Niu, Consul General, People's Republic of China, Mr. Pule Malefane, Consul General, Republic of South Africa, Mr. Madhu Kannan, MD & CEO, BSE Ltd. present at the Launch of Trading in BRICSMA Indices at BSE on March 30, 2012.

Negative net FII flows in the equity market for the calendar year 2011 (₹ -2,812 crores or -\$454 million) were clearly a large part of this story in 2011; linked to difficult global market conditions and the continued uncertainty about the domestic economic situation. FII flows into Indian equities in calendar year 2010, by way of comparison, were ₹ 1,33,266 crores (\$29.3 billion).

The early months of 2012 have seen a positive shift in sentiment of the foreign investors and net flows into equity for the first quarter of 2012 have been ₹ 36,496.2 crores (or \$7,353.94 million). As a result, the net FII equity flows for the 2011-12 fiscal year were ₹ 43,737.6 crores compared to ₹ 1,10,120.8 crores for 2010-11.

2.2 Primary Market

During the financial year 2011-12, 32 companies came out with IPOs as against 53 companies in 2010-11. The amount raised through IPOs in 2011-12 was ₹ 5,506.81 crores as against ₹ 33,592.36 crores in 2010-11. Further, one company raised ₹ 3,494.95 crores through Follow-on Public Offers (FPOs) in 2011-12. There were 4 FPOs in 2010-11. The total amount mobilized through privately placed debt securities in 2011-12 was ₹ 1,03,114.13 crores.

The total number of companies listed on BSE as on March 31, 2012 was 5133 as against 5067 as on March 31, 2011. The BSE remains the number one exchange in the world in terms of number of listed companies.

2.3 Secondary Market

2011 was a challenging year for equity markets. Not only did the Sensex benchmark index decline by 24.6% for the calendar year, but equity volumes were also down significantly. Equity turnover on the BSE has declined in recent years from an average daily value of ₹ 5,630 crores in FY 2009-10, to ₹ 4,318 crores in 2010-11 and ₹ 2,671 crores in 2011-12. BSE declines mirror the overall pattern of the industry as derivatives activity has grown to dwarf equity trading volumes.

The Mutual Fund industry also faced continued difficulties. The total Assets Under Management (AUM) of the Mutual Fund industry as of March 31, 2012 stood at ₹ 6,70,931 crores, down about 4.7% from ₹ 7,03,680 crores the previous year.



Dignitaries on the dias launching the 'Investocraft' Magazine during Investocraft 2011 – Panel discussion on "India – A Sustainable Economic Power" at BSE on September 22, 2011.



Mr. S Ramadorai, Chairman, BSE Ltd. presenting a memento to Shri. Oomen Chandy, Hon'ble Chief Minister of Kerala at the "Opening Bell" ceremony during his visit to BSE on November 14, 2011.

On a more positive note, the BSE's StAR MF platform continues to gain acceptance, with 2011-12 activity up almost 250% compared to 2010-11. Further, efforts by the MF team to get Asset Management Companies (AMCs) to list their close ended schemes/ETFs at BSE have paid off with the revenues from the same rising in FY 2012 by 600% as compared to last year.

The number of FIIs registered with SEBI rose slightly to 1759 at the end of 2011, from 1718 a year earlier. But the number of registered sub-accounts of these FIIs rose substantially to 6222 from 5503 a year earlier.

2.4 Secondary Market Policy Developments

● SEBI Changes to Annual Exchange System Audit Rules

SEBI has required annual system audits for all securities exchanges and depositories in India since 2008. However, in 2011 these audit requirements were tightened, providing more transparency to SEBI and limiting an auditor to a maximum of three successive audits.

● SEBI announcement of new KYC (Know Your Customer) regulations and KYC Registration Agency (KRA) Regulations

SEBI introduced a unified system for KYC and In-Person Verification (IPV) for all registered intermediaries, reducing duplication of KYC efforts. Now, once KYC procedures have been fulfilled by one intermediary, details are uploaded to a central KRA. Subsequently, other intermediaries can rely on information at the KRA to meet further KYC requirements. CDSL Ventures Ltd. (CVL) is one of the three KRAs registered with SEBI.

● New Category of Qualified Foreign Investors (QFI) allowed to invest in Indian equity shares

The Government of India announced in early 2012 that it would further open up the Indian equity market to certain foreign entities deemed Qualified Foreign Investors (QFIs). The category of QFIs will include foreign individuals and signatories to the multilateral MoU of the International Organization of Securities Commissions (IOSCO). Previously, only Foreign Institutional Investors (FIIs) and their sub-accounts registered under the SEBI (Foreign Institutional Investors) Regulations, 1995 (FII



Mr. K V Kamath, Chairman, ICICI Bank and Infosys along with the dignitaries on the dias launching the BSE – IMC handbook on SMEs at BSE on February 24, 2012.

Regulations) and Non Resident Indians (NRIs) were permitted to directly invest in shares listed/traded on Indian stock exchanges. For QFIs, the individual and aggregate investment limits have been set at 5% and 10% respectively of the paid-up capital of an Indian company.

- **Composition of Arbitration Committees at Stock Exchanges**

SEBI announced on January 20, 2012 that trading members would, from now on, be excluded from arbitration committees. In the past, not more than twenty percent of the members of the arbitration committee could be trading members.

- **Call Auction in pre-open session for Initial Public Offering (IPO) and other scrips**

SEBI announced on January 20, 2012 that a call auction mechanism, similar to that used in the pre-open at BSE, would now be used for IPOs and re-starts of trading for suspended stocks.

3 Audited Financial Results

3.1 The financial performance of the Exchange for the year ended March 31, 2012 is summarized below:

(₹ in lakh)

	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Total Revenue	40,256	44,075	57,842	53,806
Total Expenses	18,964	19,765	24,832	22,866
Profit before exceptional items & tax	21,292	24,310	33,010	30,940
Exceptional items	6,049	—	6,049	—
Profit before tax	15,243	24,310	26,961	30,940
Provision for tax	3,514	5,686	6,426	7,766
Minority Interest & Share of Profit/Loss of Associates	—	—	(2,722)	(1,610)
Profit for the year	11,729	18,624	17,813	21,564
Balance brought forward from previous year	29,518	27,225	38,938	33,050
Adjustment to Opening Reserve	—	—	—	680
Amount available for appropriation	41,247	45,849	56,751	55,294

(₹ in lakh)

	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Appropriations				
Proposed Dividend	6,345	4,230	6,345	4,230
Tax on Dividend	1,029	686	1,029	686
General Reserve	1,500	10,000	1,751	10,025
Trade Guarantee Fund (Cash & Derivatives)	—	1,300	—	1,300
Trade Guarantee Fund (G-Sec)	—	24	—	24
Trade Guarantee Fund (CDX)	—	91	—	91
Balance carried to Balance Sheet	32,373	29,518	47,626	38,938

3.2 Company Performance

3.2.1 Consolidated Results

During the financial year 2011-12, all major revenue streams of the Exchange showed steady or improved performance despite a continued challenging industry environment. During the financial year 2011-12, the Exchange recorded total income of ₹ 57,842 lakh reflecting a growth of 7.5% year-on-year. The total expenses for the year was ₹ 24,832 lakh. Profit before tax & before Exceptional items rose to ₹ 33,010 lakh as against ₹ 30,940 lakh in the previous year and profit for the year was ₹ 17,813 lakh after considering exceptional expenses of ₹ 6,049 lakh.

3.2.2 Standalone Results

On account of depressed market conditions and consequent fall in trading volumes on the Exchange during the financial year 2011-12, the total revenue reduced from ₹ 44,075 lakh to ₹ 40,256 lakh. The total expenses for the financial year 2011-12 was ₹ 18,964 lakh reflecting a decrease of 4% year-on-year. Profit before tax & before Exceptional items was ₹ 21,292 lakh and profit after tax was ₹ 11,729 lakh after considering exceptional expenses of ₹ 6,049 lakh in the financial year 2011-12 as against ₹ 18,624 lakh in the previous year.

3.2.3 Financial Situation as on March 31, 2012

The net worth of the Exchange on consolidated basis grew to ₹ 223,022 lakh, an increase of 5% over ₹ 212,481 lakh as on March 31, 2011. The level of deposits from deposit based trading members increased to ₹ 30,440 lakh. Investments were also made in bonds & debentures of corporates and



H.E. Jose Manuel Barroso, President of the European Commission, Mr. S Ramadorai, Chairman, BSE Ltd. and Mr. Madhu Kannan, MD & CEO, BSE Ltd. posing with the BSE bull on February 13, 2012.

units of dividend/growth oriented Debt Schemes of Mutual Funds. A substantial amount continues to be invested in fixed deposits with Scheduled Banks.

3.3 Appropriations

3.3.1 Dividend

Your Directors have recommended dividend on equity shares at the rate of ₹ 4/- per equity share and a one-time special dividend of ₹ 2/- per equity share of the face value of ₹ 1/- each fully paid up for the year ended March 31, 2012, aggregating to ₹ 6/- per equity share (previous year ₹ 4/- per equity share) subject to the approval of the shareholders at the Seventh Annual General Meeting.

Under Clause 5.3 of the BSE (Corporatisation and Demutualisation) Scheme, 2005 (the Scheme), the allotment of equity shares to 17 Trading Members of the erstwhile BSE has been kept in abeyance for various reasons on March 31, 2012. Meanwhile, all corporate benefits including dividend as may be declared by the Exchange from time to time are being provided for and would be payable on the allotment of these shares.

3.3.2 Transfer to Reserves

The Exchange proposes to transfer ₹ 1,500 lakh to the general reserve out of amount available for appropriations and an amount of ₹ 32,373 lakh is proposed to be retained in the profit and loss account.

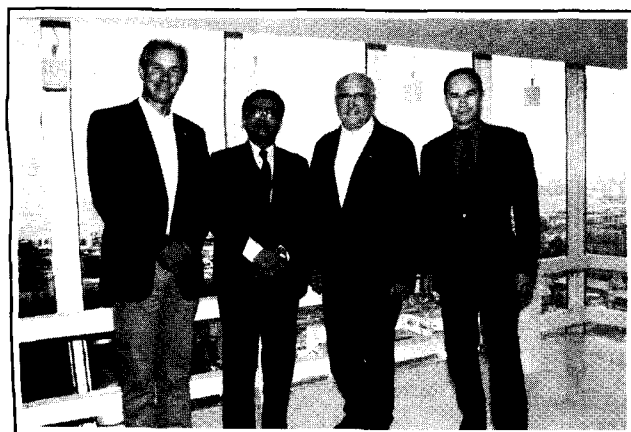
4 Significant Developments

4.1 Management Changes

A number of changes took place at the management level. Mr. Madhu Kannan, MD & CEO, demitted office with effect from May 11, 2012 pursuant to the expiration of his contract with the Exchange. The Executive Management Committee as on date consists of Mr. Ashishkumar Chauhan, Interim CEO; Mr. V. Balasubramaniam, Chief Business Officer; Mr. Nayan Mehta, Chief Financial Officer; Mr. Nehal Vora, Chief Regulatory Officer; Mr. Kersi Tavadia, Chief Information Officer; Mr. V.K.R. Agrawal, Officer on Special Duty and Mr. Lakshman Gugulothu, Officer on Special Duty.

4.2 Change of Name

During the financial year under review, the name of the Exchange has been changed from 'Bombay Stock Exchange Limited' to 'BSE Limited' with effect from July 8, 2011.



Visit of Austrian Government Chambers of Commerce Officials and Journalists to BSE on September 22, 2011.



'Breakfast at Dalal Street' with Mr. Byron D Trott – BDT Capital Partners, at BSE on December 13, 2011.

4.3 Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012

SEBI vide notification dated June 20, 2012 and in exercise of powers conferred by Section 4, 8A and 31 of the Securities Contracts (Regulations) 1956 read with Sections 11 and 30 of the SEBI Act, 1992 has notified new Regulations – The Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012 – to regulate recognition, ownership and governance in stock exchanges and clearing corporations and matters connected therewith or incidental thereto.

With the notification of these Regulations, The Securities Contracts (Regulations) (Manner of Increasing and Maintaining Public shareholding in recognized Stock Exchanges) Regulations (MIMPS), 2006, which dealt only with the stock exchanges stand repealed.

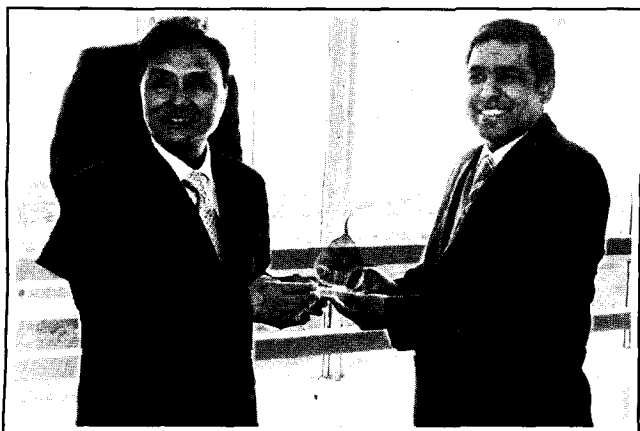
4.4 Transfer of Clearing and Settlement Division of BSE to Indian Clearing Corporation Limited (ICCL)

During the financial year under review, the Board approved the transfer of clearing and settlement division of BSE Limited to Indian Clearing Corporation Limited (ICCL), a wholly owned subsidiary of BSE Limited, which was subsequently approved by shareholders in the court convened meeting. The proposed scheme, for transfer of clearing and settlement division, was filed with the Hon'ble High Court, Bombay, for its approval. The Hon'ble High Court, Bombay, vide its order dated January 20, 2012 approved the proposed scheme of arrangement for transfer of clearing and settlement division to ICCL.

Pursuant to the approval of the scheme of arrangement, the clearing and settlement division of BSE Limited was transferred to Indian Clearing Corporation Limited from the date of filing of the Order of the Hon'ble High Court, Bombay, with the Ministry of Corporate Affairs on February 24, 2012.

4.5 Introduction of Market Making in Derivatives Segment – LEIPS

Pursuant to SEBI Circular CIR/DNPD/5/2011 dated June 2, 2011 (BSE Notice No. 20110602-18, dated June 2, 2011), permitting stock exchanges to introduce Liquidity Enhancement Schemes (LES) for illiquid securities in their equity derivatives segment, the BSE has launched a series of Liquidity Enhancement Incentive Programmes (LEIPS) with the



Visit of Chinese delegation from the Committee of the Chinese People's Political Consultative Conference, Pudong, Shanghai, China to BSE on September 5, 2011.

goal of creating lasting, self-sustaining liquidity in BSE's futures & options Segment.

The first programme in the series, LEIPS-I (BETA), was launched on September 28, 2011 with a focus on getting the members ready for the full implementation. The second programme in the series, LEIPS-II, was launched on October 26, 2011, with a focus on SENSEX futures products. The LEIPS-III programme, launched on February 1, 2012 focused on the options on the SENSEX.

Various adjustments to the programmes have been made periodically in response to market reaction. The impact on trading volume and open interest in BSE derivatives products has been quite positive. For the quarter ending March 31, 2012, average daily volume in BSE futures and options was 76,870 contracts (₹ 1,992.74 crores) and 3,93,451 contracts (₹ 9,818.43 crores) respectively.

4.6 Launch of SME (Small-Medium Enterprise) platform

On September 27, 2011 Securities and Exchange Board of India (SEBI) granted approval to BSE to launch an SME platform. On March 13, 2012, marked by a well-attended bell-ringing ceremony, BSE Ltd. began operations of its SME platform with the first listing ceremony of BCB Finance Ltd., in the presence of Shri R. K. Mathur, Secretary, MSME, Govt., Shri Rajeev Agarwal, Whole Time Member, SEBI, and Shri C. S. Mohapatra, Adviser (FSDC), DEA, MoF.

The BSE SME platform was developed after studying the salient features, best practices and the business model of similar exchanges globally. The listing norms have been simplified and made more convenient for SMEs compared to listing norms on the main board.

4.7 BRICS Exchange Alliance

On October 12, 2011 executives of stock exchanges from the BRICS countries convened at the WFE (World Federation of Exchanges) meeting in Johannesburg to sign an MOU to form the BRICS Exchange Alliance. In the following months, the five founding members of the Alliance – BM&FBOVESPA from Brazil, Open Joint Stock Company MICEX-RTS from Russia, BSE Limited from India, Hong Kong Exchanges and Clearing Limited (HKEx) as the initial China representative, and JSE Limited from South Africa – finalized an agreement to expand their product offerings beyond their home markets and give investors of each exchange exposure to the dynamic, emerging, and increasingly important BRICS economies.

The initial phase of the alliance began on March 30, 2012 with the cross-listing of the following derivatives products offered in the local currency and local trading hours of each of the exchanges:

- Brazil's iBOVESPA futures
- Russia's MICEX Index futures
- India's Sensex Index futures
- Hong Kong's Hang Seng Index futures
- South Africa's FTSE/JSE Top40 futures

5 Business and Operations Review

5.1 Trading Business

5.1.1 Equities Segment

Equities turnover continued to decline in 2011-12, with an average daily turnover of ₹ 2,671 crores compared to ₹ 4,318 crores in the previous year. This is in part a result of the weak performance of the market in 2011 and in part the erosion of BSE's market share in cash equity trading. As a result, BSE net revenue from its cash equities business declined in 2011-12 compared to a year earlier, from ₹ 6,030 lakh to ₹ 3,600 lakh.

5.1.2 Derivatives Segment

In the current financial year, the following steps have been taken to stimulate trading in the Equity Derivatives Segment of the BSE, which will be critical in turning around market share losses in the cash equity segment as well:

- Applied for and obtained the regulatory approval to allow delivery-based single stock futures and single stock options contracts. Delivery-based derivatives are the norm in most markets around the world and have proven superior as investment vehicles since they are much less susceptible to manipulation than cash-settled derivative products.
- Expanded order handling capacity to facilitate auto-quoting and algo trading. This has resulted in a significant increase in the order/trade ratio at the BSE and added substantially to on screen visible liquidity.
- Signed agreements to allow SENSEX futures and options to trade on EUREX and the BRICS Alliance Exchanges.



Mr. R K Mathur, Secretary, MSME along with Mr. Rajeev Agarwal, WTM, SEBI ring the 'Opening Bell' at the launch of BSE SME Platform at BSE on March, 2012.

- Obtained regulatory approval to introduce derivatives based on foreign stock indices of BRICS countries and other major markets.

5.1.3 Debt Segment

The Fixed Income Market provides an array of products and services to market participants. This segment at the Exchange currently includes:

- Reporting of secondary market trades in government securities, treasury bills, corporate bonds, Certificate of Deposit (CD) and Commercial Paper (CP) on the Wholesale Debt Market segment platform called Indian Corporate Debt Markets (ICDM).
- Trading in non convertible debentures and bonds on 'F' group on BOLT.
- Trading in government securities on the Retail Debt Market (RDM) 'G' group on BOLT.
- In accordance with RBI and SEBI guidelines, the Exchange developed a platform called 'e-settle' to facilitate clearing and settlement of secondary market trades in corporate bonds on Delivery Verses Payment (DVP I) basis through Indian Clearing Corporation Limited (ICCL).

Statistics relating to the growth of this business in 2011-12 are summarized below:

Fiscal year	FY 2011-2012			FY 2010-2011		
Particulars	ICDM	F-Group	ICCL	ICDM	F-Group	ICCL
Turnover (₹ crores)	49,841.7	3,644.4	10,086.1	36,084.5	3,103.1	17,491.7
Number of members/ participants	821	1356	821	670	1310	670

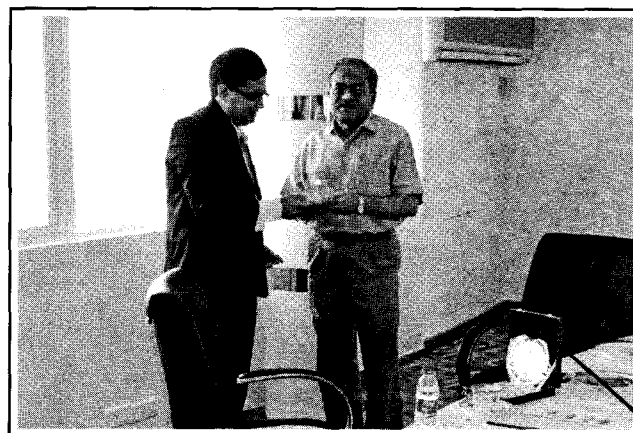
During the year, reporting of debt securities on ICDM and in F-Group grew 39% and 18% respectively. Several Public Sector Undertakings listed their bonds on the Exchange for the first time during this fiscal. The value of trades in corporate bonds settled through 'e-settle' has reduced by approximately 38% over the previous fiscal; efforts to increase the participation in this platform are being made.

ebidXchange – Auction of FII limits for debt

A custom designed platform called 'ebidXchange' for allocation of FII limits for investment in government securities and corporate bonds was launched by the Exchange in May 2009. The ebidXchange platform pioneered the auction of



Visit of Senior Journalists delegation from Latin America to BSE on April 28, 2011.



Visit of Nepalese Journalist delegation to BSE on June 15, 2011.

multiple products – infrastructure bonds, corporate bonds and government securities. During 2011-12, the Exchange conducted three auction sessions, all of which were conducted seamlessly and received positive response from market participants.

5.2 Membership

During 2011-12, 57 new Deposit Based Membership (DBM) applications were received at BSE. Since the launch of the new deposit based membership scheme, BSE has received 590 new DBM applications out of which 374 applicants have received SEBI registration and 292 members have commenced business on BSE. These new DBMs contributed 6.34% of total turnover at BSE in FY 2011-12.

Several automation projects were introduced during the year specifically focused on serving the regulatory and business needs of the BSE members. Automation is a key element of the membership compliance process and one of the primary ways that BSE is improving membership services.

The following modules were developed in BSE's Electronic Filing System (BEFS) portal used by BSE members:

- On-line submission of applications, tracking of the approval process and updating of details such as change in Authorized Person/s Name, Trade Name, Address, Partners, Directors, additional Branch office/s and Terminal IDs details pertaining to an Authorized Person/s.
- Online registration of market makers for SME Platform through BEFS.
- Online confirmation of IBT (Internet Based trading)/ STWTSOR (Smart Order Routing) turnover for both cash and derivative segments through BEFS.

5.3 Corporate Services

The corporate services segment of the BSE registered healthy revenue growth in 2011-12. Overall annual listing fees (Equity, Debt and Mutual Funds) increased 42.11% to ₹ 2,899 lakh compared to ₹ 2,040 lakh in 2010-11.

Overall listing processing fees, reflecting activity in new listings and new issuance were ₹ 1,775 lakh compared to ₹ 2,652 lakh in 2010-11 down 33.08% from the high levels of the previous year.

The Exchange also provides other services to corporates such as book building software, buy-back facilities, reverse