

Annual Report
2012-2013



Truth never damages a cause that is just.

— Mahatma Gandhi



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BOARD OF DIRECTORS



Mr. S. Ramadorai
Chairman



Mr. Ashishkumar Chauhan
Managing Director & CEO



Mr. Sudhakar Rao



Dr. Sanjiv Misra



Mr. S. H. Kapadia



Mr. Keki Mistry



Mr. Andreas Preuss



Mr. Thomas Bendixen
Alternate Director

BOARD OF DIRECTORS
Chairman
Mr. S. Ramadorai
Managing Director & CEO
Mr. Ashishkumar Chauhan (w.e.f. 02.11.2012)
Public Interest Directors
Dr. Sanjiv Misra
Mr. Sudhakar Rao
Mr. S. H. Kapadia (w.e.f. 29.01.2013)
Shareholder Directors
Mr. Keki Mistry
Mr. Andreas Preuss
Mr. Thomas Bendixen (Alternate Director to Mr. Andreas Preuss) (w.e.f. 08.06.2012)
Company Secretary
Ms. Neena Jindal

EXECUTIVE MANAGEMENT COMMITTEE	
Mr. Ashishkumar Chauhan	MD & 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

STATUTORY 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

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

EIGHTH ANNUAL GENERAL MEETING
Day : Tuesday
Date : 30 th July, 2013
Time: 11.00 a.m.
Venue: Sir Dinshaw Petit International Convention Hall, 1 st Floor, P. J. Towers, Dalal Street, Mumbai – 400 001

Directors' Report

The Directors take great pleasure in presenting the Eighth Annual Report of BSE Limited along with the audited financial statements for the year ended 31st March, 2013.

1 The Economic Environment

1.1 Global Outlook

The Global economy having emerged out of the clutches of the financial crisis is now showing signs of recovery and is in a less vulnerable state. While growth prospects in many countries are more robust than they were a year ago, the global economy is still facing significant weaknesses and is moving into what the IMF has called a three-speed growth scenario. Developing countries in Asia have recovered well and US growth is showing signs of improvement. However, Europe is still dragging down global growth substantially and non-Asian developing countries have seen some deceleration in growth. The IMF forecasts global growth in calendar year 2013 at 3.3%, virtually identical to the 2012 growth rate of 3.2%. As in 2011, the gap between the rate of growth in advanced economies (1.2%) and in emerging economies (5.1%) was stark.

The developed economies can now be clearly divided into two camps – Europe and the rest. Despite the significant fiscal headwinds imposed by the US budget sequestration process, the country grew at 2.2% in 2012 and is expected to grow at 1.9% in 2013. Japan too witnessed respectable growth (2.0%) in 2012 for the first time in many years and is expected to sustain the growth momentum (1.6%) through 2013. It is in Europe, where in 2012 the big drag on global growth surfaced. Growth in Euro zone in 2012 was -0.6%, dragged down primarily by a sharp decline in German growth.

Emerging market economies will be essential to sustaining global growth in the next few years. While growth slowed down in this group of countries in 2012 (5.1%), compared to 2011 (6.4%), the IMF expects the Emerging market economies to continue to drive global growth in 2013 (5.3%) and in 2014 (5.7%). The advanced economies would continue to struggle to maintain the 1-2% growth rate.

For a number of reasons, in the near future neither China nor India are expected to reach anywhere near the double-digit growth rates of past years. China, for example, grew 7.8% in 2012 and is expected to continue at this pace (8.0% in 2013) or lower in the next few years as environmental and other economic imbalances cause significant revamping of the Chinese growth model. India, on the other hand, after growing

4.0% in 2012, according to IMF statistics, is expected to accelerate gradually in 2013 (5.7%) and 2014 (6.2%). While this is strong by global standards, it is still disappointing to those hoping India would reach its double digit potential and contribute significantly to boosting overall global growth.

1.2 India Outlook

Indian economic growth declined sharply in 2012 to 4.0% from 7.7% in 2011, according to IMF numbers. Fiscal year 2012-13 preliminary numbers are around 5.0%. The prolonged difficult global environment has taken its toll, but weak performance in all major sectors – agriculture, manufacturing and services – also contributed to the poor performance, the worst in a decade.

The growth of private and public consumption collapsed in 2012-13. The most up-to-date estimates from the Indian government put growth of private consumption at 4.1% compared to 8.1% in 2011-12. Public consumption declined in similar fashion because of a number of stalled projects, growing at the anemic rate of 4.1% in 2012-13 compared to 8.0% in the previous fiscal year.

India's inflation rate continued to be a major factor influencing macroeconomic policy in India. Strong fiscal and monetary stimulus in the aftermath of the global financial crisis led to robust growth in 2009 and 2010. But with corporate investment and food production lagging demand, the boost



Shri P Chidambaram, Hon'ble Union Minister of Finance, Government of India unveiling the RGESS FAQ Booklet during the Launch of RGESS Logo, Awareness Campaign & Felicitation of the Investors in the RAJIV GANDHI EQUITY SAVINGS SCHEME on 9th February 2013.

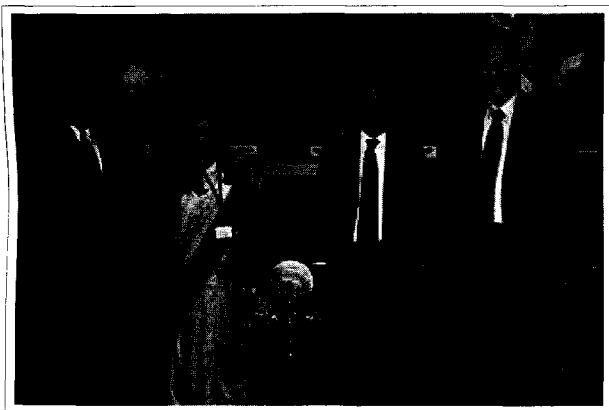
to consumption led to higher inflation. In subsequent years, monetary policy was tightened. This has had the desired effect of moderating inflation, but it has necessarily generated some headwinds to accelerating growth in India.

The Inflation as measured by the headline Wholesale Price Index moderated somewhat in the 2012-13 fiscal year, with current estimates putting the average inflation during the period at around 7.5%. This continues a gradual declining trend for this measure of inflation from 8.9% in 2011-12 and 9.5% in 2010-11. However, these numbers are still above the stated 5.0% comfort zone of RBI, which would allow a more aggressive monetary policy to help growth. Most economists expect the downward trend to continue, with consensus forecasts for inflation in the 6.5% range for 2013-14.

Despite the moderately good news on inflation, an unsustainably high current account deficit – around 5.0% of GDP in 2012 – has been worrying for policy makers. Some of the problem has been weak demand for Indian exports from global trading partners in the current economic environment. Meanwhile, Indian imports, particularly for oil and gold, have been relatively invariable.

With net exports, as well as consumption and investment all weak in 2012, only strong government spending held out some hope of maintaining growth. But given the state of government finances, there has been little room to grow government spending aggressively. In the wake of the global financial crisis, the fiscal deficit widened to 6.0% in 2008-09 and 6.5% in 2009-10. Attempts to restrain these levels brought the fiscal deficit down to 4.8% in 2010-11. But efforts to keep the deficit at this lower level have been strained by the weaker economic conditions. The current account deficit remains stubbornly high at 5.7% of GDP in 2011-12 and an estimated 5.1% in 2012-13.

The medium-term outlook continues to be positive because of India's young population, strong savings and investment rates, and increasing integration into the global economy. But many well-known long-term challenges — poverty, access to education, corruption, an inadequate power generation and distribution system, under-developed transport and agricultural infrastructure, etc. - continue to be a drag on economic growth.



(L to R) Shri Ashishkumar Chauhan, MD & CEO, BSE Ltd., Mrs. Deena Mehta, Chairperson Capital Market Committee, IMC, Shri U.K. Sinha, Chairman, SEBI and Mr. Niranjan Hiranandani, President, IMC pose during the inaugural session of BSE - IMC Investment Outlook 2013 on 3rd April 2013.



Dignitaries present on the dias during the BSE StAR MF Panel discussion on "Trends in Mutual Fund Distribution and Exchange Products" on 19th December 2012.

2 The Capital Markets

2.1 Overview

The year 2012 witnessed a dramatic positive swing in stock market returns after the difficult performance of 2011. The S&P BSE SENSEX ended 2012 at 19,426, up 25.7% for the year. While 2010 had seen good performance, ending the year at 20,509, up 17.43%, 2011 reversed this gain, ending the year at 15,455, down 24.21%.

Foreign Institutional Investor (FII) flows are an obvious factor in driving these returns at the margin. In 2010, when the market rose, net FII flows into Indian equities for the year were ₹ 1,33,266 crore, approximately USD 2.9 billion (at a USD/INR rate of 45). In 2011, when the market dropped significantly, negative net FII flows of ₹ 2,714 crore, or USD -52 million (at a USD/INR rate of 52), were clearly a large part of the story. And in 2012, despite difficult global market conditions, FIIs invested a net of ₹ 1,27,736 crores, approximately USD 2.6 billion (at a USD/INR rate of 54) in Indian equities.

The early months of 2013 have seen continued net positive FII flows into equities, with a total of ₹ 68,366 crore, approximately USD 1.2 billion (at a USD/INR rate of 54) in the first three months of 2013.

2.2 Primary Market

During the financial year 2012-13, only 8 companies came to the market through the IPO process as against 32 companies in 2011-12. However, the average deal size in 2012-13 was larger and the amount raised through IPOs in 2012-13 was ₹ 6,027 crore as against ₹ 5,506 crore in 2011-12. There were no Follow-on Public Offers (FPO) in 2012-13 as against the one FPO in 2011-12. In addition to the 8 IPOs on the main market, another 17 companies raised ₹ 141 crore through the SME IPO process in 2012-13. The total amount mobilized through privately placed debt securities in 2012-13 was ₹ 1,38,513 crore.

The total number of companies listed on BSE as on March 31, 2013 was 5211 compared to 5133 on March 31, 2012. BSE remains the largest exchange in the world in terms of number of listed companies.

2.3 Secondary Market

While equity turnover continued to stagnate in 2012-13, other



(L to R) Shri S. Ramadorai, Chairman, BSE Ltd., Shri Ajay Maken, Hon'ble MOS Youth Affairs and Sports, Shri. Milind Deora, Hon'ble MOS, Communications & IT and Shri. Ashishkumar Chauhan, MD & CEO, BSE Ltd. pose on the Dais during the Youth Parliament - 2012 on, 15th September 2012 at BSE.

areas of trading showed significant improvement during the year. The average daily value of BSE equity turnover in 2012-13 was ₹ 2,194 crore, down about 18% from ₹ 2,678 in the previous period.

Equity derivatives trading, however, reached an average daily volume of over one million contracts per day (10,49,762) in 2012-13 – breaking through a significant threshold that has attracted attention from international participants. This represented a 711% increase from the average of 129,406 contracts per day traded in 2011-12, the first full year for BSE's re-launch of derivatives trading.

In the mutual fund space, after a difficult year in 2011-12 when total Assets Under Management (AUM) in India declined, 2012-13 brought a refreshing change. AUM at the end of March 2013 stood at ₹ 8,16,657 crores, an increase of 22.8% over the previous year (₹ 6,64,792 crore). And most encouragingly, the BSE's Mutual Fund platform continued to gain acceptance with turnover reaching ₹ 4,131 crore in 2012-13, up 315% from 2011-12 turnover (₹ 994.53 crore).

With new features and continuous innovation to meet customer needs, the model of investment and redemption of mutual fund shares through an exchange-provided infrastructure appears to be gaining acceptance from the market.

2.4 Secondary Market Policy Developments

• Reduction of Securities Transaction Tax (STT) Rates

As a result of the Finance Act, 2012, which received Presidential assent on May 28, 2012, Securities Transaction Tax (STT) rates with effect from July 1, 2012 were reduced for buyers and sellers of equities (for delivery) to 0.10% from 0.125%. STT on equity trading (not-for-delivery) remains unchanged at 0.025%.

The STT on equity futures was reduced from 0.17% to 0.1% with effect from June 1, 2013.

For the delivery-based purchase of a Mutual Fund (MF)/ Exchange Traded Fund (ETF) on an exchange, STT was reduced to 0.0% from 0.1%, with effect from June 1,

2013. For the delivery-based sale of a MF/ETF on an exchange, the STT was reduced to 0.001% from 0.1%, with effect from June 1, 2013.

• Procedural norms on Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations (December, 2012)

On December 13, 2012, SEBI issued a detailed circular for the implementation of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations, 2012).

• Expert Committee on clearing corporations constituted (November, 2012)

The Broad terms of reference for the Committee are to investigate:

- The viability of introducing a single Clearing Corporation (CC) or interoperability between different CCs.
- Investment by a recognized CC and the manner of utilization of profits of CCs.
- The existing regulation governing the transfer of profits every year by recognized Stock Exchanges to the funds of recognized CC.
- The definition of 'the liquid assets' of CCs for the purpose of calculation of Net worth of a clearing corporation.
- Any other matter that the Committee considers relevant or incidental thereto.

• Ownership and Governance Norms for Depositories

Pursuant to the decision taken in the Board Meeting of SEBI, held on April 2, 2012, SEBI introduced Securities and Exchange Board of India (Depositories And Participants) (Amendment) Regulations, 2012 for depositories in accordance with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 for stock exchanges and clearing corporations.



Mr. N. R. Narayanmurthy, Chairman Emeritus, Infosys Limited along with (Left) Ms. Nirmala Kurien - daughter of Mr. Verghese Kurien and (Right) Mr. Ashishkumar Chauhan, Interim CEO, BSE Limited launching the Audio Book "The Man Who Made The Elephant Dance" on, 5th September 2012 at BSE.

- **Rajiv Gandhi Equity Savings Scheme (RGESS) (September, 2012)**

RGESS is an equity tax advantage savings scheme introduced on September 21, 2012 for first-time equity investors in India. Investors who invest up to ₹ 50,000 in "Eligible Securities" and have gross total annual income less than or equal to ₹ 10 Lakhs will obtain tax benefits from a new section 80CCG under the Income Tax Act, 1961. The income limit was raised to ₹ 12 Lakhs from the original level of ₹ 10 Lakhs with effect from April 1, 2013.

Eligible securities are defined as:

- Equity Shares in BSE-100 or CNX 100 companies
- Equity Shares of Maharatna, Navratna, Miniratna companies
- Units of eligible ETFs or MFs
- Eligible FPOs & NFOs
- IPOs of eligible PSUs

- **Regulations on Investment Advisors (August, 2012)**

SEBI issued "Investment Advisors Regulations" providing a framework for registration and regulation of Investment Advisors. All individuals, body corporate and partnership firms engaged in the business of providing investment advice to investors in exchange for consideration are required to be registered and regulated under these Regulations.

- **Platform for E-Voting by Shareholders of Listed Entities (June, 2012)**

SEBI has mandated electronic voting for the top 500 listed companies at BSE and NSE based on market capitalization. Listed companies may choose any one of the agencies which currently provide e-voting services.

- **Manner of dealing with Audit Reports filed by listed entities (June, 2012)**

To enhance the quality of financial reporting by listed entities, new mechanisms to process qualified annual audit reports have been instituted. Listed entities will be required to file annual audit reports to the stock



Dignitaries on the dias from (L to R) Shri Ashishkumar Chauhan, MD & CEO, BSE Ltd., Shri S Ramadorai, Chairman, BSE Limited, Mr. Boris Johnson, Mayor of London, Shri Sachin Ahir, Hon'ble Minister of State Environment and Shri. Peter Beckingham, British Deputy High Commissioner, Mumbai at the launch of BSE CARBONEX, 30th November 2012 at BSE.

exchanges along with the applicable Qualification Form. SEBI has announced the creation of a Qualified Audit Report Review Committee (QARC) to guide SEBI in processing qualified audit reports.

- **Ownership and Governance norms for Market Infrastructure Institutions (June, 2012)**

The SECC Regulations, 2012 were notified on June 20, 2012 to regulate recognition, ownership and governance in stock exchanges and clearing corporations.

3 Audited Financial Results

3.1 The financial performance of the Exchange for the year ended March 31, 2013 is summarized below :

(₹ In Lakh)

Particulars	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Total Revenue	33,901	40,256	55,280	57,842
Total Expenses	20,798	18,964	28,296	24,832
Profit before exceptional items & tax	13,103	21,292	26,984	33,010
Exceptional items	9,554	6,049	9,791	6,049
Profit before extraordinary items & tax	3,549	15,243	17,193	26,961
Extraordinary items	-	-	73	-
Profit before tax	3,549	15,243	17,120	26,961
Provision for tax	594	3,514	3,745	6,426
Minority Interest & Share of Profit/Loss of Associates	-	-	(2,518)	(2,722)
Profit for the year	2,955	11,729	10,857	17,813
Balance brought forward from previous year	32,373	29,518	47,626	38,938
Rebate of Dividend Distribution Tax	138	-	-	-



Shri P Chidambaram, Hon'ble Union Minister of Finance, Government of India engaged in discussion with Shri UK Sinha, Chairman, SEBI & Shri Ashishkumar Chauhan, MD & CEO, BSE Ltd. at RGESS Inauguration.



Panelist on the dias along with (Extreme Left) Shri Ashishkumar Chauhan, MD & CEO, BSE Ltd. during the Announcement of New Strategic Partnership between BSE and S&P Dow Jones Indices on 19th February 2013 at BSE.

(₹ In Lakh)

Particulars	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Amount available for appropriation	35,466	41,247	58,483	56,751
Appropriations				
Proposed Dividend	4,230	6,345	4,230	6,345
Tax on Dividend	719	1,029	719	1,029
General Reserve	296	1,500	607	1,751
Settlement Guarantee Fund	-	-	15	-
Balance carried to Balance Sheet	30,221	32,373	52,912	47,626

3.2 Company Performance

Consolidated Profit before tax of BSE Limited increased from ₹ 5,120 lakhs in Q4 of financial year 2011-12 to ₹ 5,282 lakhs in Q4 of financial year 2012-13 and net profit increased for the same period from ₹ 3,704 lakhs to ₹ 4,222 lakhs. Standalone Profit before tax of BSE Limited increased from ₹ 1,495 lakhs in Q4 of financial year 2011-12 to ₹ 1,997 lakhs in Q4 of financial year 2012-13 and net profit increased for the same period from ₹ 1,494 lakhs to ₹ 1,763 lakhs.

3.2.1 Consolidated Results

During the financial year 2012-13, the Exchange recorded total income of ₹ 55,280 lakhs reflecting a decrease of 4.43% year-on-year. The total expenses for the year totalled ₹ 28,296 lakhs. Profit Before Tax & Exceptional Items reduced to ₹ 26,984 lakhs as against ₹ 33,010 lakhs in the previous year and profit for the year was ₹ 10,857 lakhs after considering exceptional expenses of ₹ 9,791 lakhs.

3.2.2 Standalone Results

On account of continued weak market conditions and lower trading volumes on the Exchange during the financial year 2012-13, total revenue declined from ₹ 40,256 lakhs to ₹ 33,901 lakhs. Total expenses for the financial year 2012-13 were ₹ 20,798 lakhs reflecting an increase of 9.67% year-on-year. Profit Before Tax & Exceptional Items was ₹ 13,103 lakhs

and profit after tax was ₹ 2,955 lakhs after considering exceptional expenses of ₹ 9,554 lakhs in the financial year 2012-13 as against ₹ 6,049 lakh in the previous year.

3.2.3 Financial Situation as on March 31, 2013

The net worth of the Exchange on consolidated basis grew to ₹ 2,28,975 lakhs, an increase of 2.67% over ₹ 2,23,022 lakhs as on March 31, 2012. The level of deposits from deposit based trading members decreased to ₹ 29,447 lakhs from ₹ 30,440 lakhs in the previous year. Investments were also made in bonds & debentures of corporates and 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 of the face value of ₹ 1/- each fully paid up for the year ended March 31, 2013 subject to the approval of the shareholders at the Eighth Annual General Meeting.

Under Clause 5.3 of the BSE (Corporatisation and Demutualisation) Scheme, 2005 (the Scheme), the allotment of equity shares to 16 Trading Members of the erstwhile BSE has been kept in abeyance for various reasons on 31st March, 2013. 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 ₹ 295.50 lakhs to the General Reserve out of amount available for appropriations.

4 Significant Developments

4.1 Management Changes

A number of changes took place at the Management level since the last report. Mr. Ashishkumar Chauhan, interim CEO from May 2012, was appointed as MD & CEO with effect from



Dignitaries on the dias from (L to R) Shri Ashishkumar Chauhan, MD & CEO, BSE Ltd., Shri K H Muniyappa, Hon'ble Minister of State with Independent Charge, Minister of Micro, Small & Medium Enterprises Govt. of India, Shri Rajeev Agarwal, WTM, SEBI, & Shri Nehal Vora, CRO, BSE Ltd. unveiling the BSE SME IPO Index factsheet on 14th December 2012 at BSE.

November 2, 2012. The Executive Management Committee as of this report consists of Mr. Ashishkumar Chauhan, MD & CEO; Mr. V. Balasubramaniam, Chief Business Officer; Mr. Nayan Mehta, Chief Financial Officer; Mr. Nehal Vora, Chief Regulatory Officer and Mr. Kersi Tavadia, Chief Information Officer.

4.2 BSE one of the top 5 Markets Globally in Index Options in 2012

BSE efforts to revive trading in derivative instruments continued throughout the last fiscal year as a number of new LEIPS incentive programs were implemented. The BSE achieved a significant milestone in 2012 when it traded a total of 355 million index option contracts and was named one of the top 5 exchanges globally in index options.

4.3 BSE and S&P Dow Jones Indices Form Strategic Partnership in India

On February 19, 2013 BSE and S&P Dow Jones Indices announced a strategic partnership to calculate, disseminate, and license BSE indices. The partnership brings together BSE's widely-followed India index suite, which includes the SENSEX and the BSE 100, with S&P Dow Jones Indices' 115 years of experience in publishing and commercializing global benchmarks.

The partnership will culminate in the formation of a new India-based joint venture allowing S&P Dow Jones Indices to further implement its South Asia growth strategy and create a fourth major operational hub in India to support clients globally.

As part of the partnership, each of the BSE indices has been co-branded with "S&P" including the S&P BSE SENSEX, the S&P BSE 200 and the S&P BSE 100. These new BSE co-branded indices will join S&P Dow Jones Indices' other iconic financial market indicators such as the S&P 500®, the Dow Jones Industrial Average®, the S&P/TSX 60, and the S&P/ASX 200 in providing global investors with must-have benchmarks of the overall health and direction of the world's financial markets.

4.4 Eurex and the BSE announce technology alliance

On March 13, 2013 Eurex and the BSE announced that they have agreed to deepen their strategic partnership through a



(L to R) Mr. Markand Adhikari, Vice Chairman and MD of SAB Group, Mr. P. S. Reddy, MD & CEO, CDSL, Mr. Ashishkumar Chauhan, MD & CEO, BSE Ltd. and Mr. N. Narendra, Chairman and MD, Indian Overseas Bank inaugurating the Indian Overseas Capital Market Branch at BSE on 25th May 2012.



Shri Sachin Pilot, Hon'ble Union Minister of Corporate Affairs, Govt. of India rings the "Opening Bell" during the event "Discussion with Shri Sachin Pilot Hon'ble Union Minister of Corporate Affairs, Government of India on 22nd February 2013" at BSE.

long-term technology alliance under which BSE will deploy Deutsche Börse Group's trading architecture and participate in Eurex's technology roadmap. The agreement is an important step in further developing the strategic partnership between Eurex and BSE.

The new partnership in the technology sphere will allow BSE to quickly achieve the highest global standards for speed, reliability and order-handling capacity. It will bring to BSE state-of-the-art levels of capacity and latency, already in place at the International Securities Exchange (ISE) and at Eurex Exchange. By aligning BSE, Eurex Exchange and ISE markets on a common trading infrastructure, IT costs for shared customers will be significantly reduced.

4.5 BSE Launches India's First Carbon-Based Thematic Index

On November 30, 2012 BSE launched the S&P BSE CARBONEX, the first-of-its-kind Index in India, inaugurated by Mayor of London. The S&P BSE CARBONEX index will promote active disclosure of non-financial information and provide investors with a reliable benchmark of the carbon strategies of companies. The index uses a risk-tilted version of the well-established S&P BSE-100 index. Weights of the constituents are adjusted to reflect their climate risk relative to industry peers.

The British High Commission in India, through the British Foreign & Commonwealth Office's Prosperity Fund, supported the development phase of the index. ENDS Carbon, a specialist in Environment, Social and Governance (ESG) ratings and benchmark services provider, provided expertise in assessing the companies with data sourced from the Carbon Disclosure Project (CDP), a not-for-profit organization which holds the largest and most continuous set of climate change data in the world.

4.6 BSE launches India's First SME IPO Index

The S&P BSE SME IPO Index was launched on December 14, 2012, by Minister of State with Independent Charge, Ministry of Micro, Small and Medium Enterprises, Government of India.

BSE is the first Exchange in the country to launch this type of Index for SMEs. The Index enables investors to track the performance of SME companies listed on BSE's SME Platform.