

Speech for Chairman – BSE

15th AGM – 30 July 2020

1. FY 2020 Performance in Review:

I am happy inform you that BSE continued to develop its business in a reliable and sustainable way in Financial Year 2020, while building for the future by investing in innovation and its products.

1.1. Primary Market

Importantly, fund raising via the BSE platform continued. Funds worth INR 3.96 lakh crore were raised via equity, debt and commercial papers during Q1 FY2021, ensuring that system was flush with liquidity when businesses needed it the most.

In the equity segment, BSE has close to 4,000 companies available for trade, as on date - the highest number of companies listed on any exchange around the globe. The total number of investors registered on BSE now exceeds 5.15 crores based on Unique Client Code (UCC), an addition of over 1 crore over the last financial year.

Your exchange also continues to be market leader in the Bond platform for issuance of debt securities with a share of 58.4% and SME platform with market share of 61%.

1.2. BSE MF and Insurance Distribution

The BSE StAR MF platform has, once again, performed exceedingly well and continues to be India's largest exchange-traded mutual fund distribution infrastructure with a market share of 74%.

Built on the lines of BSE StAR MF, BSE Ebix Insurance Broking, a joint venture of BSE and Ebix Fincorp Exchange has successfully launched operations on February 7, 2020, offering Automotive and Health insurance. We expect that the network of insurance broking business and mutual fund distribution platform shall complement and leverage each other for strong growth over time.

1.3. Secondary Market Performance

In our equity and equity derivatives segment, your exchange is making further efforts to increase its business. The average daily turnover in our Equity segment has grown steadily to INR 5,008 crores in June 2020 from average of INR 2,676 crores recorded during Financial year 2020. Your company also received encouraging response from market participants in Equity derivatives segment, with daily turnover recording highs of INR 36,000 crores recently.

The Currency Derivatives segment of BSE continues to provide a very liquid platform for trading in currencies and recorded market share of 40% for Financial Year 2020.

I am also proud to inform you that within a short span of less than two years since launch, BSE has become the second largest commodity exchange in terms of turnover. Your exchange also added a wide gamut of products to its commodity portfolio and became the first exchange to introduce commodity 'options in goods'.

1.4. India INX

Your Company's subsidiary, India International Exchange, known as India INX, based in International Financial Services Center at GIFT City, continues to deliver exceptional performance, with average daily trading turnover growing by 195% in Financial Year 2020. Similarly, the Global Securities Market platform has emerged as the leading primary markets platform at GIFT IFSC with 100% market share in Medium Term Notes ("MTN") establishment and 99% market share in listed bonds.

Daily turnover in Rupee Derivatives, launched on May 8, 2020, is now averaging more than US\$ 200 million, with a market share of close to 87% among GIFT IFSC based exchanges.

Your Company's strategic and early investments in India INX, mutual funds, commodity derivatives, SME's and startups have positioned it well to benefit from the immense

opportunities that lie ahead. In a very competitive and demanding business context, BSE delivered strong growth in these segments.

The performance in the above business segments validate BSE's long-term value creation model, which enable us to continue generating value for shareholders over time.

1.5. Technology

On the technology front, I am happy to inform that BSE's uptime of trading system was 100% and there were no outages during FY 2020 and 1Q FY 2021. BSE also rolled out unique features such as negative pricing functionality for commodity derivatives to protect investors from volatility induced shocks, which added to the robustness of the capital markets in India.

BSE understands how profoundly financial markets are intertwined with technology and will continue to use IT investments to update legacy systems, improve cybersecurity and adopt newer technologies for development of markets.

2. Financial Performance

I will not go into details of the financial results here, since they are readily available and circulated to you. Your Company delivered a steady performance with a turnover of INR 630 crore on a consolidated basis, a decrease of 8 percent over the previous financial year. The income was lower mainly due to decrease in investment income, which was down by 22% on account of buy back of shares carried out during the year.

Dear Shareholders, our strong position enables us to pay out a dividend. We have always firmly believed in consistency and dependability, and never more so than in these uncertain times. This consistency and dependability are reflected in the Board of Directors proposal for a dividend of Rs. 17 per equity share, having a face value of Rs. 2 each, subject to your approval. The total payout would be INR 77.87 crores.

3. Appointment of New Directors to the Board

Dear Shareholders, BSE's strategic direction continues to stand the test of time. It is complemented by the continual renewal of our Board of Directors. SECC Regulations stipulate that the Board of the Company shall comprise of Public Interest Directors, Shareholder Directors and Managing Director. With this perspective, we are seeking your approval to enhance the diversity of the Board of Directors and add new perspectives and experiences in different areas that are highly relevant for our business.

With this in mind, we are, today, proposing the appointment of Shri Alok Vajpeyi, Shri Ghanshyam Dass and Smt. Rita Bhagwati to the Board of Directors. Also, Shri T. C. Suseel Kumar, nominee of LIC, will be replacing Smt. Usha Sangwan on the Board of the Company. They bring to the table extensive management expertise, entrepreneurial zeal, and strong technical and business backgrounds, which we believe will be crucial to successfully driving the future of BSE.

I moreover take this opportunity to pay tribute to Smt. Usha Sangwan who is retiring by rotation from the Board after 5 years of dedicated service. An esteemed and excellent leader, she has always been and will continue to be a strong advocate for BSE. She has been a greatly valued and highly regarded member of our Board of Directors and several of our Committees.

4. Strategy for FY 2020-21

Like I mentioned earlier, even with 99% of our employees currently working from home, we continue to function at 100%. The feedback from countless conversations with clients shows that even in this crisis, BSE has proven to be a reliable partner.

At a time when we are facing not only health but also economic consequences, BSE is looking to the future – a future that is surely more complex. Central to this future is a commitment to innovation at speed and scale.

The successful launch of our insurance platform, commodity 'options in goods', framework for listing of commercial papers and rupee derivatives at GIFT city

demonstrates this commitment. To keep expanding our footprint, BSE will continue to pursue this strategy of innovation for its future growth.

We will continue to invest and augment digital platforms like StAR MF and BSE EBIX insurance, in terms of offerings and reach to every corner of India. The eKYC platform, launched on StAR MF platform will enable us to add new investors without physically meeting them.

BSE is also looking to add more products on its commodity derivatives segment and remains committed to widen and deepen the commodity markets in India.

While the journey so far for INDIA INX has been short, it has been pioneering in the true sense. Your Exchange will continue to strengthen its investment in India INX as it seeks to create a vibrant International financial services ecosystem.

BSE is also awaiting Regulatory approval for setting up of a new power exchange in India and awaiting regulatory framework to setup a Bullion Spot exchange at GIFT City, jointly with strategic partners.

We also intend to strengthen our position as a preferred exchange in India and expand our cross-border reach via strategic alliances.

Your Company has shown itself to be immensely entrepreneurial, agile, adaptive and innovative over the years, and these attributes will continue to serve it well in the years ahead.

5. Concluding Remarks

Your exchange's role in the economy is vital to ensure India remains among the top destinations for domestic and global businesses to expand and invest. Given these enormous challenges, the top priority for us at BSE is to provide a stable and reliable contribution, so that our economy and society overcome this current situation.

Being Chairman of BSE is both a tremendous honor and huge responsibility. So, I would like to thank the Board of Directors – not just for their support and counsel, but also for the trust they have put in me in this regard.

On behalf of the BSE board, I would like to thank the Government of India, the Governments of Maharashtra, Gujarat, Telangana, other state governments, GIFT City, and various regulatory and statutory agencies for their continued support and advice.

I would also in particular, convey my deepest appreciation for all our regulators – SEBI, RBI and IRDA for constantly encouraging us in our endeavor in creating a robust, progressive and vibrant capital markets in India.

Before I conclude, let me assure you that team BSE is well equipped to adapt to the emerging business environment and continue to work relentlessly to fulfill the expectations of all stakeholders. Thank you.