

Speech for Chairman – BSE Ltd.

18th AGM – 31 August 2023

1. Introduction:

Dear Shareholders,

It gives me immense pleasure to share with you the performance of your Company for the year and perspectives on the way forward.

Before I begin, I am proud to inform you that this year marks 149 years of BSE Group's service to the Indian Economy. Throughout the time your Company has constantly evolved to stay relevant to meet the needs of the Nation, the listed companies, investors and deliver value to all its stakeholders.

I am happy to inform you that on its 149th Foundation Day, your company unveiled a new logo, symbolizing prosperity, vibrance, growth, and new beginnings. The genesis of the new logo reflects the vibrance that BSE aims to spread.

Let me now start with the key updates.

2. Opening Remarks:

Briefing you at the Annual General Meeting always presents a good time to pause and reflect on the previous year, on our achievements and what they mean for the way ahead. Taking time to reflect is important, though – especially after a year like FY 2023, with the many profound changes it brought.

We are halfway past 2023 and year so far had some positive and encouraging things to offer – India is taking purposeful strides towards the vision of Amrit Kaal. Our country is buoyed by optimism and deeply engaged in realising that promise, striding on the pathways of clearly enunciated goals and policies. What is remarkable is that such an outlook pervades at a time when the world is grappling with serious issues affecting growth across all major economies. In this environment of poly-crisis and uncertainty, India has emerged as a beacon of growth and will remain the fastest growing major economy in the world this year.

3. Overall Business Performance

In this backdrop BSE's business recorded a strong business and financial performance.

Surpassing all the previous year's performance, I am happy to inform you that BSE delivered a record year in terms of revenues, to reach a total revenue of Rs. 954 crores for FY2023.

This gives me immense satisfaction to state that our business segments witnessed record growth, which was demonstrated by superior financial performance. Our team also ensured a seamless continuity of operations, and BSE, once again, operated at 100 percent with no system glitches or technical outages.

Funds raising by India Inc continues to be buoyant and BSE platforms continue to remain as the preferred choice of Indian companies to raise capital. In FY 2023, the BSE platform has enabled issuers to raise ₹ 14.4 lakh crores through the issue of equity bonds, commercial papers, municipal bonds, InvITs etc. BSE has also continued to be market leader in new instruments such as Green Bonds, and Muni Bonds.

BSE's equity segment facilitated trading on more than 4,000 companies - the highest number of companies listed on any exchange around the globe. The equity cash turnover has experienced a period of subdued performance in FY 2023, attributed to challenging market conditions, but Mutual Fund segment continues to show impressive and sustained growth.

The platform continues to be platform of choice for investment in Mutual Funds by investors and be India's dominant distribution infrastructure. The platform grew at a remarkable pace, and enabled 26.5 crore transactions for FY 2023, as compared to 18.5 crores in FY 2022. It has been consistently reaching new highs in terms of transactions, with the platform processing a new high of 3.05 crore transactions in July 2023.

The total number of investor accounts registered with BSE as on 25 August 2023, stands at 14 crores, from 10.15 crores at the end of previous year.

I am also happy to inform you that BSE's clearing corporation - Indian Clearing Corporation Ltd. (ICCL), played a vital role in the transition to T+1 Settlement cycle in Capital Market Segment from January 2023. India became only the second country in

the world to start the 'trade-plus-one' (T+1) settlement cycle in top listed securities today bringing operational efficiency, faster fund remittances, share delivery, and ease for stock market participants. This ensures significant capital efficiencies for investors and improves risk mitigation for the entire industry.

With the goal of promoting an investment culture in India, your Company has been undertaking several initiatives to promote investor awareness and education. BSE has been using television, print, on-ground events, and social media to reach out to investors spread across India. The initiatives undertaken by the Company have been getting significant coverage in all leading national and regional newspapers and television channels.

4. Growth Strategy:

While we can look back with pride on what we have done, we are equally conscious of the need for long term sustainable growth. Hence while we focus on the next sets of results, our focus continues achieving our medium and long-term goals with continuous product Innovation and diversification.

The BSE 2025 strategy seeks to energize this transformation with multiple interventions. Your Company's strategy is to build future-ready offerings of differentiated products and services to address the evolving needs of market participants. This means seeking new opportunities to drive growth through major priority areas of the trading segments of Equity, Equity Derivatives and Currency Derivatives segments.

In the equity cash segment, BSE has reduced the tick size for scrips below Rs. 100 to 1 paisa from 5 paise. In currency derivatives, we have introduced additional strike intervals of 10 paise for our USDINR options contract.

BSE is also thankful to have received a welcoming and warm response to the newly relaunched derivatives contracts in our Benchmark Index - Sensex, with lower lot sizes and expiry on Friday from the traditional Thursday expiry.

Overall, in our trading segments, we made important progress regarding our priorities and have taken significant steps to improve our product profile.

Your Company also continues to strengthen its Mutual Fund segment through fortifying technology, sharpening execution capabilities and upgrading infrastructure to reinforce market standing in the face of immense opportunity for growth. This multi-dimensional approach positions your Company well to harness significant market potential, maintain leadership and create growing value for all stakeholders.

Your company directly or via subsidiaries also has its presence in other related businesses including India International Exchange (India INX) - BSE's exchange at GIFT city, BSE Ebix - insurance distribution platform with EBIX Inc., the Hindustan Power Exchange (HPX) in association with PTC India and ICICI Bank, BSE E-Agricultural Markets Ltd (BEAM) - Spot Platform for trading in commodities, and BSE Administration and Supervision Ltd (BASL). BSE is committed to these new areas and is constantly working with partners for the growth of these businesses. As we move forward, we see that there is a significant opportunity to continue to expand and evolve these businesses.

5. Financial Performance

Let me now move to the financial performance for the year FY 2023. Since they are readily available and circulated to you, I shall not get into details. As informed in my opening remarks, your Company delivered a record performance in FY 2023 with highest ever revenues of ₹ 954 crores in a financial year. The net profit attributable to shareholders of the company stands at Rs. 221 crores.

On the back of these financial results, it is my pleasure to inform you that the Board of directors of BSE Limited had recommended a final dividend of ₹ 12 per equity share having face value of ₹ 2 for the financial year 2023. The total Payout with a dividend Payout ratio of 98.8% of the current year profits would be ₹ 165 crores, on a standalone basis.

I am also happy to inform you that BSE has completed the sale of its 5 percent stake in CDSL to meet regulatory requirements, at an average realization of Rs. 991 per share.

In view of the stake sale, your Board has approved the share buyback of 45.9 lakh equity shares, representing 3.39 percent of the total equity shares in the total paid-up equity

capital of the company as of March 31, 2023, via a tender route. The Buyback price has been fixed at Rs 816 apiece, representing a premium of 34.1 percent over the closing price on June 30, 2023, for a total consideration of Rs 374 crore, exclusive of taxes.

We continue to deliver sustainable returns to shareholders, announcing Rs. 539 crores of dividends and buybacks for FY 2023. Both the dividend and buyback are subject to your approval.

Over the years, Your Company has weathered changing economic cycles and market fluctuations, showcasing its ability to adapt and thrive in challenging environments. We also remain steadfast in our commitment to ensuring operational efficiency and cost optimization. Moreover, Your Company's resilience goes beyond financial metrics. It takes a forward-looking approach to navigating uncertainties and seizing opportunities in the dynamic financial market landscape.

6. Concluding Remarks

The future holds many opportunities for BSE, and the Company is well positioned to capitalise on them. As we embark on the journey, the Management team will continue to focus on product innovation, customer centricity, technology upgrades, digital initiatives to enhance the Company's competitive position, while remaining financially prudent while executing this growth strategy so that it can generate sustainable free cash flows and create long-term stakeholder value.

The Board remains fully supportive of the management's strategy which, I am confident, will help us to build long-term value and deliver long-term growth as well as sustainable returns for our shareholders.

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 – Securities & Exchanges Board of India (SEBI), Reserve Bank of India (RBI), International Financial Services Centre Authority (IFSCA), Insurance Regulatory and Development Authority of India (IRDAI) and Central Electricity Regulatory Commission (CERC), for constantly encouraging us in our endeavor in creating a robust, progressive, and vibrant capital markets in India.

I would like to thank all the shareholders of the Company for their continued support. We remain focused on building a sustainable long-term future for the Company for all its stakeholders while upholding the Groups Values and Purpose.

Consistency and dependability are the hallmarks of your company, BSE. They reflect the very foundations on which this company is built - A clear long-term vision combined with short-term intensity, a responsible and committed approach for creating shareholding value, and strong corporate governance. As we look to the future, you can count on Team BSE to rise to the challenges and opportunities that lie ahead.

Thank you for placing your trust in us. We now rededicate ourselves to the journey ahead as we celebrate 150 years of the BSE Group.

Wish you all the best again.

Jai Hind.

Thank you.