

Chairman's Speech – BSE Ltd.

17th AGM – 14 July 2022

1. Introduction:

Dear Shareholders,

I am happy to inform you that, despite the uncertainties, the BSE Group delivered a strong business and financial performance. Your company recorded its highest ever revenues of ₹ 863.5 crores in a financial year.

This gives me immense satisfaction to state that our business segments witnessed record growth, which was demonstrated by superior financial performance. We ventured into new segments to strengthen and broad-base our future growth strategy.

However, what has given us far greater happiness than our business performance is, BSE's humanitarian efforts and endeavor to strengthen its contribution towards the betterment of the society. Regular vaccination and testing camps were organized within the BSE premises for its employees and their families, brokers and their staff, and the general public as well. BSE also assisted many trusts and hospitals across India in their COVID-19 relief efforts.

BSE also coordinated with central and state governments, and regulatory authorities, for seamless operations including transportation, e-passes, and ease of compliances, for members, and all our vendors.

With member brokers and clients preferring to work in hybrid mode, BSE continues to provide several solutions and technology platforms, to enable continuous operations for business continuity.

Despite challenges, our team ensured a seamless continuity of operations, and BSE, once again, operated at 100 percent with no system glitches or technical outages.

2. FY 2022 Performance in Review:

In this backdrop BSE's business recorded a milestone year of performance in FY'22. Let me share some of the highlights from the year:

2.1. Primary Market

It gives me immense pleasure to convey that fundraising activity via the stock exchange platform remained stable in FY 2021- 22 after a record performance in the previous year.

Funds raising by India Inc continued to be buoyant and BSE platforms remained the preferred choice by Indian companies to raise capital, enabling issuers to raise ₹ 18.4 lakh crores through issue of equity bonds, commercial papers, municipal bonds, InvITs etc. BSE has also emerged as market leader in new instruments such as Green Bonds, Muni Bonds, REITs, InvITs, etc.

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 combined market capitalisation of BSE-listed firms crossed the US\$ 3.5-trillion mark for the first time on September 16, 2021.

I am happy to inform you that BSE has completed 10 years of operationalizing India's first SME exchange – which has seen over 375 listings till date.

Over the last few years, BSE has been working with members for e-enabling customers with a less-paper ecosystem and on-boarding through an easy and hassle-free digital process. This has enabled BSE to double the number of registered investor accounts on the BSE platform to 10.9 crores currently, from 5 crore in June 2020.

2.2. Secondary Market Performance

This growth in investor participation complemented our performance in the trading segments, and BSE was able to increase its volumes in all the trading segments. In the equity segment, BSE recorded trading turnover of ₹ 13.4 lakh crore for the year FY 2022 is the highest recorded on the platform since FY 2010. Turnover in derivatives segments - equity, currency and commodities also witnessed growth of 89%, 28% and 24% respectively, as compared to the previous year.

I am also pleased to inform that BSE has received in-principal approval from SEBI to launch spot trading in gold via Electronic Gold Receipts (EGR). This is a culmination of our efforts

since 2015, wherein BSE made several presentations to the Government and Regulators on enabling such a platform. We are confident that we will be able to launch it in this financial year, subject to the requisite approvals. Our business teams are reaching out to market participants, including banks, vaults, wholesalers, retailers, importers, exporters, etc., who will participate in this ecosystem.

The Indian Clearing Corporation Limited (ICCL), the wholly owned subsidiary of BSE, responsible for clearing and settlement has continued the track record of successfully completing all settlements in a timely manner across segments, moved from T+2 settlement cycle to T+1 during the year for select securities in the equity segment. This has helped reduce the settlement risk, release funds faster and thereby increase liquidity in the market.

2.3. BSE MF and Insurance Distribution

Let me now update you on the performance of BSE's distribution segments.

The BSE StAR MF 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 18.5 crore transactions for FY 2022, as compared to 9.4 crores in FY 2021.

BSE Ebix Insurance Broking, a joint venture of BSE and Ebix Fincorp Exchange, collected a total premium collected of ₹ 11.95 crore for the financial year 2022, a growth of 149% over previous year. BSE holds equity stake of 40% through its subsidiary BSE Investments Limited.

We expect that the network of insurance broking and mutual fund distribution platform shall complement and leverage each other for strong growth over time.

3. India INX

BSE promoted international exchange at Gift City, India INX, undertook a series of measures to enhance product offering, improve liquidity, and widen participation – which

led to increased volumes and marketshare. The exchange recorded average daily trading turnover of USD 10.1 billion with a market share of 92%, for the year ended March 31, 2022. India INX has more than USD 62 Billion medium term notes established and over USD 44 Billion of bond listings till date.

I am also happy to inform you that India INX has enabled a Global Access platform for investors wanting to invest in global securities. The platform permits investment in more than 30,000 stocks across 33 countries and 135 exchanges across the US, Asia Pacific, and Europe. One can also invest in more than 80 global portfolios of renowned international portfolio managers with a minimum of US\$ 100.

India INX and India ICC also hold 10% each in India International Bullion Holding IFSCA Limited - Holding Company for setting up and operationalizing the International Bullion Exchange.

It gives me great pleasure to inform to you all that BSE's wholly owned subsidiary – BSE Technologies is the Technology Solutions provider for International Bullion Exchange. The same technology shall also be used for BSE's EGR trading platform.

4. Strategic Initiatives

While we can look back with pride on our history of over 147 years, 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 on achieving our medium and long-term goals with continuous Innovation and diversification.

We continue to work on our vision by leveraging the infrastructure and expertise of our existing technological prowess, and fundamentally transform the markets in which we operate. With this vision, BSE has forayed in a variety of new initiatives including spot exchanges for agri and non-agri commodities, gold, power, and other financial services, which all complement BSE's existing businesses.

In our spot platforms, BSE E-Agricultural Markets Ltd. (BEAM), BSE's spot trading platform for agri and non-agri commodities continues its market outreach, while Hindustan Power

Exchange, promoted by BSE jointly with PTC India and ICICI Bank to establish and operate a power exchange has commenced live operations on 6th July 2022.

SEBI has accorded its in-principal approval to BSE Technologies - a wholly owned subsidiary of BSE, for setting up a Know Your Client Registration Agency (KYC KRA) and a trade receivable discounting system (TReDS) platform. The final approval is awaited.

I am also happy to inform you that BSE's wholly owned subsidiary, BSE Investments has acquired 4.76 percent stake in a government enabled, private sector-led, non-profit company Open Network for Digital Commerce (ONDC) platform, which promises to be a gamechanger in India's bustling ecommerce ecosystem.

As you can see, the company is well positioned to continue creating value for all our stakeholders, despite the environment, which remains challenging.

5. Financial Performance

Let me now move to the financial performance for the year FY 2022. Since they are readily available and circulated to you, I shall not get into details. Your Company delivered a record performance in FY 2022 with highest ever revenues of ₹ 863.5 crores in a financial year, as compared to ₹ 654.65 crore in the previous financial year. Our net profit attributable to shareholders for the year ended FY 2022 increased by 76 percent to ₹ 254.3 crores.

Dear Shareholders, our strong financial position owing to a strong networth coupled with cash and net earnings on a consistent basis year over year enables us to declare and pay high dividends to our shareholders. In view of the improved earnings during FY 2022, the Board of Directors have proposed a dividend of ₹ 13.5 per equity share, having a face value of Rs. 2 each, subject to your approval. The total payout with a dividend payout ratio of 95% of the current year profits would be ₹ 185.5 crore. You may note that BSE had issued bonus shares in the ratio of 2 equity shares for every 1 equity share held, as informed in the previous earnings call. The said dividend would be paid on the expanded share capital.

6. Outlook

In conclusion, FY 2021-22 was an important year for the BSE Group. We returned to a strong financial performance, laid out a compelling strategic vision for the Group and played a central role in India's financial markets.

As a financial institution of eminence, we have a crucial role to play for our stakeholders – especially at a time when many of our stakeholders are confronted with enormous challenges. We have made clear progress but there is still much work to be done. I am, however, convinced that over the last 12 months, we have created the conditions for a much more stable financial institution.

As seen over the last few years, BSE has operated with a strategy to build products and markets for institutions and investors, in a manner that enables us to grow in all economic conditions, so that BSE is truly an all-weather growth story, something that does not exist in a single market or asset class alone.

As we begin FY 2023, we are better positioned than ever to capitalize on trends occurring across asset classes, and we remain focused on investing and executing on the many growth opportunities in front of us.

By expanding our solutions beyond traditional business, we remain confident to deliver growth by leveraging our technology expertise, while integrating our traditional offerings to enable the many new opportunities. These opportunities combined with our deep expertise in trading and clearing will help unlock BSE's longer-term opportunity in India's financial services space.

7. Concluding Remarks

We know that the current economic outlook is uncertain with global events impacting every sector which will continue to test the capital markets.

At BSE, I am confident that our Purpose, and the commitment of our colleagues, will enable us to meet these challenges head on and we will continue to serve our customers with the highest standards of integrity and governance. Our diversification strategy, improved

financial performance, increased capital distributions to our shareholders as well as fulfilling our role as a robust market infrastructure institution in India has been possible due to support of all our stakeholders, including incessant efforts of the BSE Team and their indomitable spirit. On behalf of the Board and myself, I really would like to thank them all.

I would also like to take this opportunity to express my thanks to Shri Ashishkumar Chauhan, who has served as Managing Director and Chief Executive Officer since 2012 and completes his second five-year term in November 2022. Over these years, his able stewardship and guidance has ensured BSE to position itself well for the future through several transformational changes and initiatives, which I have touched upon briefly in my speech today. We thank him for his contribution in taking our Company to new heights and wish him well for his future endeavors.

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, IRDA and CERC, for constantly encouraging us in our endeavor in creating a robust, progressive, and vibrant capital markets in India.

I thank all our shareholders for their consistent support to the management. I look forward to your continued support as we take on the challenges of the future.

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

Wish you all the best again.

Jai Hind.

Thank you.