

## Speech for Chairperson – BSE Ltd.

19<sup>th</sup> AGM – 15<sup>th</sup> July 2024

### 1. Introduction:

Dear Shareholders,

It gives me immense pleasure to share with you the performance of your Company for the financial year 2023-24 and perspectives on the way forward.

The current year marks the 150<sup>th</sup> year of BSE's dedicated service to the nation, the institution that has shaped the country's capital markets since 1875. This is a momentous occasion. On 9<sup>th</sup> July 1875, your company was incorporated. And what a journey it has been! A journey of growth, dynamic reinvention, sustained value creation, and nation building. BSE's evolution mirrors our nation's soaring journey and today it reflects the boundless spirit of a resurgent India.

In the coming address, I will delve deeper into aspects which will outline the key developments of the past year, the initiatives we are undertaking to further strengthen the exchange and our vision for navigating the evolving financial ecosystem.

Before we proceed, I would like to express my sincere gratitude to all our shareholders for your unwavering support that has been instrumental in our journey.

Let me now start with the key updates.

### 2. Opening Remarks:

India, today, stands out in a world roiled by uncertainties. Businesses globally have had to navigate the aftermath of the pandemic, geopolitical shifts, supply chain disruptions, and technology transformations. Yet, amidst these uncertainties, your Company has remained steadfast, guided by our purpose and commitment to creating stakeholder value. BSE has remained committed in supporting the growth of Indian businesses, enhancing investors' confidence, and together building a collaborative ecosystem.

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 for the first

time in history, BSE group revenues have exceeded Rs. 1,500 crores to reach a total revenue of Rs. 1,618 crores, up 70% compared to the previous financial year.

### **3. Overall Performance:**

This achievement is a testament to the exceptional growth achieved across all our business segments. I am proud of our team's relentless efforts in ensuring not only this remarkable achievement but also maintaining flawless operational continuity. Remarkably, BSE has operated at 100% uptime throughout the year, a feat that speaks volumes about our team's dedicated to unwavering service.

BSE, registered investors based on Unique client code (UCC) stands at 17.75 crore, as we witness a surge in investor registration, I want to acknowledge a crucial aspect of our responsibility which is investor education and investor protection. We have taken concrete steps to enhance and safeguard the Indian capital market ecosystem.

The Company, through its Investor Protection Fund, was instrumental in conducting 13,780 Investor Awareness Programs throughout the country in FY 2024. As a part of digital strategy, BSE successfully made videos on various topics related to securities market evolving around one common character called "Mr. Mane" which became very popular in a short span of time with total views exceeding 10.75 crore views.

Moving on to some notable regulatory initiatives in the areas of investor protection initiatives. I am happy to inform you that starting March 28, 2024, India implemented the beta version of T+0 Settlement with 25 stocks. This initiative is expected to bring cost and time efficiency, transparency in charges to investors, strengthened risk management at clearing corporations and the overall securities market ecosystem.

The Investor Risk Reduction Access or IRRA platform was launched which is an initiative conceptualized and implemented by Market Infrastructure Institutions under the guidance of SEBI, to reduce risks faced by investors in the eventuality of technical glitch at trading member end at both primary site and disaster recovery site.

On the listing side, we streamlined the IPO listing process with the introduction of T+3 Day listing for IPOs. The faster turnaround time benefits both companies seeking to raise capital and investors eager to participate in new offerings.

#### 4. Business Performance:

Entrepreneurs are the lifeblood of the Indian economy, and we are committed to supporting them and help them thrive. Building on our position as the leading venue for businesses, BSE platforms continue to remain the preferred choice by Indian companies to raise capital by enabling issuers to raise Rs. 21.3 lakh crores by means of equity, debt, bonds, commercial papers, etc.

BSE's equity segment has facilitated trading on more than 4,000 companies - the highest number on any exchange around the globe. The equity cash turnover demonstrated record highs in Financial Year 2024, attributed to robust participation from retail participants directly and indirectly via mutual funds.

BSE's StAR MF platform continues to show impressive and sustained growth, as it continues to be platform of choice for investment in Mutual Funds by investors and be India's dominant distribution infrastructure.

BSE is also thankful to have received a welcoming and warm response to the derivatives contracts in our Benchmark Indices – i.e., the Sensex, and Bankex, launched in the previous financial year. This relaunch was a watershed moment for BSE, and I am pleased about what your company has achieved in this past year. In less than one year BSE ranks second amongst exchanges in terms of contracts traded globally, according to the data published by the Futures Industry Association (FIA).

Moving on to our subsidiary business now – your Company acquired S&P Dow Jones Indices' entire equity stake in Asia Index Private Limited or AIPL, making it a wholly owned subsidiary of BSE. AIPL is committed to improving and expanding its product offerings by working closely with the financial market ecosystem and other relevant stakeholders.

The BSE group directly or via subsidiaries also has its presence in other business including India International Exchange (India INX) - BSE's Exchange at GIFT City, The Hindustan Power Exchange (HPX), BSE E-Agricultural markets (BEAM), spot platform for trading in commodities and BSE Administration and Services Limited (BASL). While the journey so far for these businesses has been short, it has been pioneering in the true sense, and your Exchange will continue to strengthen its investments to create a vibrant financial services ecosystem.

## 5. Financial Performance

Let me now move to the financial performance for the year FY 2024. Since they are readily available and circulated to you, I shall not get into details.

As I mentioned earlier, for the first time in history, BSE group revenue crossed Rs. 1,500 crores to reach a total revenue of Rs. 1,618 crores, up 70% compared to the previous financial year. This growth is led by strong performance in transaction related income, treasury income from clearing and settlement services and investment related income. The net profit attributable to shareholders of the company excluding CDSL Stake sale stands at Rs. 411 crores, a growth of 86% compared to the previous year.

On back of these financial results, it is my pleasure to inform you that the Board of directors of BSE Limited has recommended a final dividend of ₹ 15 per equity share having face value of ₹ 2 for the financial year 2023-24. We continue to deliver sustainable returns to shareholders, with the total Payout with a dividend Payout ratio of 71.3% of the current year profits at ₹ 206 crores, on a standalone basis, subject to your approval.

Your Company astutely anticipated and capitalized on the burgeoning opportunities in India last year. This foresight not only enabled us to navigate short-term challenges effectively but also to turn them into springboards for transformative growth. Demonstrating a robust performance in FY24, your Company is now strategically positioned to amplify its growth trajectory.

## 6. Growth Strategy:

As we stand at the threshold of the next phase of our growth journey, our guiding principles will be to continue focusing on investor protection and safety by inspiring trust. This serves as our beacon, influencing every business decision we make.

Product Innovation has become an integral part of our corporate strategy, and we believe that this approach helps us in becoming a thought leader in Indian capital market.

Building on success in Index Derivatives, we have also launched single stock derivatives on 1<sup>st</sup> July 2024, with the 2<sup>nd</sup> Thursday of the month as its expiry day. Last Thursday was our first successful monthly expiry, and participation exceeded our expectations.

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.

Other opportunities for long-term growth include expansion into related business verticals like Data and Index, which have broad applications and are fundamental to how many of our customers transact.

Finally, BSE will continue to work to 'Establish best-in-class infrastructure'. This financial year BSE enhanced its existing infrastructure by providing various new improvements including scaling up our processing capacity, added a new phase to our data center, and rolled out several new features and initiatives for investor safety and security.

## **7. Concluding Remarks**

As we look to the future, we do so with confidence. Against a volatile global economic backdrop, we continue to demonstrate the strength and resilience of our business, delivering a strong financial performance whilst proactively supporting our customers, shareholders, and laying the foundations for growth.

The management is constantly exploring new avenues, embracing technological advancements, and implementing initiatives that will deliver sustainable returns for our shareholders.

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 Chairperson of BSE is a matter of honor and a huge responsibility for me. So, I would like to thank the Board of Directors – not just for their support and counsel, but also for this 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.

Before I conclude, I would like to thank all the shareholders of the Company for their continued support.

We now rededicate ourselves to the journey ahead as we celebrate 150 years of the BSE Group.

Jai Hind and Thank you.