



ASHISH CHAUHAN THE 'FATHER OF DERIVATIVES IN INDIA'

The view from his cabin on the 25th floor of Bombay Stock Exchange Building is awe inspiring, some not only of the city of Mumbai but also of the Indian financial markets! The panoramic sea view of Mumbai City with all the high rise buildings alongside is mesmerizing. It seems they all look upto the Jeejeebhoy Tower which has made and unmade many a fortunes in this country. The person sitting at the top is none other than Mr. Ashish Kumar Chauhan MD and CEO, Bombay Stock Exchange Ltd.

Born to Ahmedabad based Civil Engineer father and a Gold Medalist Economist mother, Ashish is MD and CEO of

BSE Ltd since 2nd Nov 2012, is an alumni of IIT Mumbai and IIM Kolkata. Starting his career with IDBI he got the break of his life at then newly formed NSE, where he was instrumental in setting up initial Information and Technology infrastructure including the first commercial Satellite telecom network for NSE. Due to his work in setting up modern exchange traded financial derivatives at NSE, he is also known as the 'Father of Derivatives' in India. He also had a very successful stint with Reliance Group where he had multiple roles at Reliance Info and later also the CEO of the Mumbai IPL team.

Apart from making the 143 year old BSE truly public with a highly successful listing in Jan 2017, he also made BSE the fastest Exchange globally and launching new innovative products exponentially at BSE.

He also loves to spend time with the younger generation in different capacities, sometimes at Ryserson University, Toronto, Canada and Nottingham University UK as Visiting Professor , at IIT

Jabalpur where he is on the Board, while also with start-ups at the Incubation Centre of BSE and often at the cricket ground.

I had the privilege of meeting Mr Ashish Kumar Manilal Chauhan, on the auspicious day of Dussehra in his cabin and here below our conversation on various subjects.

Q-1. How do you see the prospects for recently launched Commodity Trading Platform by BSE?

A. We launched this from 1st October 2018, though we were ready since 2015 when SEBI and FMC, the two separate regulators told us to wait for them to get merged and then BSE start trade in commodities also on other equities exchanges. We started with Gold and Silver and initially there is no transaction charge for one year. Crude and Copper will follow soon. Volumes are brisk as we had a ready base of 1400 brokers with us. This will surely be to the advantage of customers as they need not deal with multiple brokers. We plan to add Agri Commodities at later stage.

Q-2. What is the feedback from BSE's International Trading platform launched in January 2017 at GIFT City Gandhinagar, Gujarat?

A. We started India's First International Exchange "India International Exchange", which was inaugurated by the Hon'ble Prime Minister of India Shri Narendra Modi in January 2017 at Gandhinagar, Gift City. Today the daily turnover is over Rs 10,000 crores and it is now bigger than Dubai Gold & Commodity Exchange and also NCX. It is a separate company and targets audience of the exchanges

from abroad. Indians are not allowed to trade and I would say it is for Japanese housewives to royal families of Gulf and Middle East. The experience has been very good so far. This will help us mobilize more investments to India.

Q-3. How do you see the Evolution of Fintech on Stock Exchange platforms and response of BSE?

A. I am personally very comfortable with technology and so is BSE as a whole. BSE is making good progress on the Fintech front with new product launches garnering a 20 % market share through this route. Mutual Fund Trades, introduction of Star platform, it is generating 40% growth in new investors. Since our customer base is massive and physical infrastructure is huge the two meet midway and I call it 'Physical'!

We introduced mobile securities trading in India at BSE in 2010 and have furthermore, initiated the largest and the fastest trading system in India. While on the one hand BSE is keeping pace with Algo trades it is also flashing information fastest with Co Secretary directly posting results and information basis a new OTP based system. Cyber risk is being addressed successfully on continuous basis.

New products like Insurance products trading, Power Trading etc are great opportunity for BSE through this route.

Q-4. What are BSE initiatives on market expansion front and bringing new retail investors to the capital markets?

A. One of our key arms for this is the BSE Institute which is facilitating the knowledge sharing and bigger enrolments for its courses is a clear indication that new comers are keen to have a formal knowledge and BSE is assisting capital markets by getting it well informed investors.

Q-5. What has been the progress on the listing of MSMEs at BSE and what future do you see for them?

A. Today BSE has over 200 companies listed on the SME platform and they have to move towards the main board in due course. The growth of SME's is extremely vital to the growth of the Indian economy. Some may not do well. Some regulatory changes are needed in lot size etc else retail investors tend to jump in to this and get hit by high risk. Else the going is good and it seems a right step.

Q-6. What role do you see for BSE in enhancing Good Corporate Governance?

A. BSE is doing a lot in bringing greater transparency to the trading arena like speedy filing of returns via the OTP route. We firmly believe that Good Governance is the only route to attract bigger capital inflow in to the Indian markets. Insider trading issues are being taken seriously and monitored regularly and as well penalizing promoters with fines etc, which seems to be a good deterrent for now. Our BSE Institute is bringing more knowledge updates for our

investors and they are being made more aware of their rights and responsibilities. BSE is looking forward to greater transparency and ethical practices by Indian Listed companies and fully endorse the need for Training of Directors and Board Evaluation practices. We fully endorse the need for training and ongoing updates for Board Members and Gender Diversity being implemented at the Board levels. BSE is using last technologies to monitors any information from listed companies landing up at BSE later than going public otherwise! Technology again is a great help in promoting Good Corporate Governance.

Q-7. What are reasons behind BSE setting up Startup Incubators at Mumbai and Varanasi?

A. We are starting an Incubation Centre at Varanasi, and there is one right next to us on the 18th Floor of BSE Tower. It has to be seen more than a CSR initiative by BSE in creating more jobs and opportunities for the youth and also a nursery for the future MSME listing! Currently there are over 160 companies so far of which 60 are doing well and of course some have wound up. The selection criteria are that it should be beyond a drawing board level with some turnover and traction. Grants are expected from BHU and NITI Aayog for the BHU initiative at Varanasi.

Q-8. What are your leisure activities, do you miss the cricket time?

A. I love reading and watching movies and of course Cricket remains my great love.

Vikesh Wallia

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