National Stock Exchange of India Limited

Q2 FY26 Earnings Conference Call

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MANAGEMENT:

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SHRI IAN DE SOUZA – CHIEF FINANCIAL OFFICER
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SHRI NEERAJ KULSHRESTHA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NSE IFSC CLEARING
SHRI TIRTHANKAR PATNAIK – CHIEF ECONOMIST
SHRIMATI PRAJAKTA POWLE – COMPANY SECRETARY

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY26 Earnings Conference call hosted by National Stock Exchange of India Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" and then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Shri Ian de Souza, CFO of NSEIL. Thank you and over to you, sir.

Ian de Souza: Thank you, Michelle. Good evening everyone and welcome to NSE's Earnings call for the second quarter of FY26 to discuss the results for the quarter and a half year ended 30th September 2026. Please note that this conference call is being recorded and a transcript of the same will be available on our website. The financial results and investor presentation are also available on our website.

Joining us today on this earnings call is the NSE leadership team consisting of Shri Ashishkumar Chauhan - MD & CEO; Shri Sriram Krishnan - Chief Business Development Officer; Shri Shharad Dhakkate - Chief Human Resource Officer; Shri Piyush Chourasia - Chief Regulatory Officer (Member Compliance, Surveillance, Member Inspection & Investigation); Shri Ankit Sharma - Chief Regulatory Officer (Listing and Investor Compliance); Shri Somasundaram K S - Chief Enterprise Risk Officer and Head Business Excellence; Shri Viral Mody - Chief Technology Officer (Applications & Development); Shri Mayur Sindhwad - Chief Technology Officer (Operations); Shri Sampath Manickam - Chief Technology Officer (Technology Infrastructure), Shri Shailesh Pathak - Senior Advisor Policy; Shri Vikram Kothari - Managing Director and CEO (NSE Clearing Limited); Shri Aniruddha Chatterjee - Managing Director (NSE Indices and NSE Data & Analytics); Shri Balasubramaniam Venkataramani - Managing Director and CEO (NSE International Exchange); Shri Neeraj Kulshrestha - Managing Director and CEO (NSE IFSC Clearing); Shri Tirthankar Patnaik - Chief Economist; Shrimati Prajakta Powle - Company Secretary. We also have other colleagues from Finance, Investor Relations, Secretarial and Corporate Communications.

Please note that the statements made on this call may reflect the company's outlook for the future which may be construed as a forward-looking statement. Such forward-looking statements must be reviewed in conjunction with the risks that the group faces. The actual performance or events may differ from those in the forward-looking statements, the result of various uncertainties and factors which may be beyond the company's control.

With that, I would now like to hand over the call to Shri Ashishkumar Chauhan, MD and CEO of NSEIL for his remarks. Over to you, sir.

Ashishkumar Chauhan: Good evening everyone and thank you for joining us today. Indian economy and capital markets continue to display strong resilience despite a fragile global environment. The Q1 FY26, GDP growth was at a five-quarter high of 7.8% that surpassed our expectations, reinforcing India's status as the fastest-growing major economy.

I congratulate Honourable Prime Minister Shri Narendra Modi ji and Honourable Finance Minister Shrimati Nirmala Sitharaman ji on the GST reforms which reduced the overall tax burden on citizens and businesses, strengthened core compliance through simpler structures and broader formalization, providing relief to small enterprises and making essential goods more affordable, easing the cost of living for the poor and middle class. The GST rationalization improved rural demand and supportive monetary policy are expected to keep the momentum sustained. Globally, India with a market capitalization of Rs 467 lakh crores or US $ 5.3 trillion remains the fourth-largest market in the world after US, China, including Hong Kong and Japan.

The flagship Nifty 50 index regained 26,000 levels in the month of October 25 after a subdued performance in Q2 FY26. In the last 25 years, Nifty 50 has generated an annualized return of 13%, well above developed as well as emerging market peers.

In the quarter, NSE Board and the management welcomed Shri Injeti Srinivas who joined as the Public Interest Director and Chairperson of NSEIL's Governing Board on September 9, 2025. A 1983 batch IAS Officer and former Union Corporate Affair Secretary and founding Chairperson of IFSC Authority, he brings 40 plus years of leadership in corporate regulation, financial services, governance and public policy.

Let me now highlight a few of the many milestones achieved in the last quarter.

The number of unique registered investors at NSE crossed 12 crore i.e. 120 million mark, adding the last 1 crore or 10 million in eight months, registering an annualized growth rate of 28.3% in last five years. The total number of investor accounts or unique client codes is now close to 24 crore after having surpassed 23 crore mark in July 25.

Domestic institutional investors remain the strong buyers of Indian equities for the 18th quarter in a row, contributing Rs. 2.2 lakh crores or US $ 25.3 billion during the quarter. The strong domestic participation has helped support markets amid global capital flow volatility.

We marked a major milestone with the 14 July 2025 launch of monthly electricity futures, giving the market a robust hedging tool and transparent pricing. Adoption has been strong. Liquidity is nearing parity with the spot market NSE has emerged in last few months as a leader in this segment. Prices have moderated meaningfully since launch and auction and futures prices are now closely aligned, signaling that our unified volume-weighted contract is becoming the reference benchmark for physical deals and a step change in the maturity of India's power trading ecosystem.

Our mutual fund business continues to ramp up steadily as we processed over 15 lakh mutual fund transactions, highest ever in a single day on 10 September 2025 on our newly migrated NSE MF Invest platform. NSE launched four new digital initiatives and major enhancements to the NSE MF Invest platform this Diwali. Digital solutions include enhanced investor app with portfolio tracking and 13-language support, WhatsApp chatbot and apps for members and for companies.

SEBI chairman Shri Tuhin Kanta Pandey ji launched the World Investor Week at NSE with the ceremonial bell ringing and also launched joint investor awareness campaigns by SEBI and NSE for TV and print media focusing on safe investing. NSE also introduced new initiatives for youth and first-time investors such as digital learning games and awareness drives to make learning practical and engaging.

As of September 30, 2025, the corpus of the NSE Investor Protection Fund Trust stood at Rs. 2,682 crores reflecting a strong 20% YoY growth while core SGF value stood at Rs. 12,545 crores. NSE International Exchange continues to scale strongly. Gift Nifty hit all-time high monthly turnover of US $ 106.22 billion for month of October 2025 and all-time high open interest of US $ 21.23 billion on October 24, 2025.

NSEIX launched zero-day index options - globally popular and highly liquid product - under IFSCA's regulatory framework to deepen liquidity and enhance market appeal. We also unveiled NSEIX Global Access IFSC Limited which is set to be fully operational by end of Q3FY26. NSEIX Global Access will serve as a seamless gateway for global investments, enabling Indian investors to invest in equities, bonds and global ETFs under the liberalized remittance scheme of RBI while entities in GIFTS-IFSC and non-resident investors will be able to trade global derivatives and other permitted financial securities.

NSEIX is also strengthening its global footprint with multiple strategic collaborations and partnerships with global exchanges to enhance connectivity and market innovation. NSE IFSC Clearing Corporation became the first MII in GIFT IFSC to settle funds via the foreign currency settlement system enabling efficient local dollar clearing and smoother cross-border payments.

This quarter NSE Clearing earned two marquee honors - Innovation in clearing and collateral services at Global Custodians Leaders in Custody Asia Award 2025 and Best Technology Innovation by an Exchange or Clearing House at the FOW Asia Pacific Awards 2025 in Hong Kong.

As part of our CSR initiative, NSE has partnered with Advanced Centre for Treatment, Research and Education in Cancer at ACTREC, Navi Mumbai, established by Tata Memorial Centre, an autonomous grant-in-aid institution under the Department of Atomic Energy, Government of India for a landmark G+11 storey cancer hospital project at ACTREC, Navi Mumbai with multi-specialty block and 60-bed bone marrow transplant centre which will be the largest in the country and one of the largest in South Asia.

It is projected to serve approximately 1.3 lakh OPD patients annually and will have the capacity to conduct 600 plus life-saving BMT procedures in a year. On October 5 2025, NSE conducted Bhoomi Pujan for the same. The project will have a built-up area of 2.4 lakh square feet and will be completed at a cost of about Rs. 380 crores. It is expected to commence operations by July 2027. It will be constructed by Larsen & Toubro in EPC mode.

At NSE, we remain committed to continue building a fair, efficient and transparent capital market ecosystem. As India advances on its path toward becoming a global economic leader, NSE will keep playing an enabling role through fund mobilization, capital formation, wealth creation, job creation and empowering every Indian to participate with confidence in the nation's growth story.

Ian de Souza: Thank you, sir. I will now cover the financial performance for the second quarter of FY26. NSE consolidated group total income for Q2 FY26 at Rs. 4,160 crores was sequentially down by 13%. The sequential decrease in total income was primarily on account of a decline in average traded volumes across both cash and derivatives segments. This resulted in income from transaction charges (which constitute 67% of the consolidated total income) declining by 12% to Rs. 2,785 crores.

Non-operating investment income of Rs. 475 crores in the Q2 FY26 decreased sequentially on account of lower realized yields in mutual fund investments and reduction in investment portfolio size consequent to a dividend payout of Rs. 8,663 crores during the quarter. Other non-operating income in Q1 FY26 was higher on account of receipt of interest on income tax refund amounting to Rs. 132 crores.

During the quarter, NSE has recognized a provision of Rs. 1,297 crores including interest towards settlement applications for (a) Co-location WTM order and Co-location AO order and (b) Dark Fibre WTM order and Dark Fibre AO order.

Revert from SEBI on the above-mentioned applications is awaited.

Our investor presentation, available on our website, provides a comparative analysis of key performance parameters for both reported as well as excluding the impact of provision for SEBI settlement fees recognized during Q2 FY26.

On a consolidated basis, total expenditure reported for Q2 FY26 stood at Rs. 2,354 crores against Rs. 1,053 crores in Q1 FY26.

Excluding the provision for SEBI settlement fees, the total expenditure for Q2 FY26 was almost flat at Rs. 1,056 crores. Regulatory fees were sequentially up due to a sequential increase in notional turnover in the Options segment. Depreciation and amortization expenses increased 7% QoQ due to capex investments and technology infrastructure.

The operating EBITDA excluding provision for settlement fees in Q2 FY26 stood at 76% as compared to 78% in Q1 of FY26. In August 2025, NSE sold a 9% stake in NSDL through the offer for sale process during the NSDL IPO. On a consolidated basis, the profit on sale of investments due to this transaction was Rs. 1,201 crores.

Currently, NSE owns 15% stake in NSDL and is compliant with relevant SEBI regulations in this regard. Excluding the gain from sale of investments and the provision recognized for SEBI settlement fees and other one-offs, the normalized consolidated profit before tax in Q2 FY26 decreased 15% QoQ to report at Rs. 3,138 crores.

On a consolidated basis, profit after tax for Q2 FY26 was Rs. 2,098 crores and excluding the provision for settlement fees, PAT for Q2 FY26 increased 16% sequentially to report at Rs. 3,396 crores, with a PAT margin of 63% and earnings per share on a non-annualized basis of Rs. 13.72 per share.

For H1 FY26, consolidated total income was Rs. 8,959 crores. Excluding the provision for settlement fees, PAT for H1 FY26 stood at Rs. 6,320 crores up 11% Y-o-Y with a PAT margin of 61% and earnings per share on a non-annualized basis of Rs. 25.53 per share.

As regards NSE's standalone financial performance, total income in Q2 FY26 decreased 14% sequentially to Rs. 3,666 crores. The sequential decline in total income was driven by a decrease in average traded volumes across segments coupled by lower income on investments. Standalone revenue from operations in Q2 FY26 decreased 9% sequentially to report at Rs. 3,266 crores.

Revenue from transaction charges declined 12% QoQ and was Rs. 2,760 crores. For the quarter, the composition of transaction charges was as follows. Equity options constituted 76% of transaction charges while cash market and equity futures accounted for 13% and 11% respectively.

For H1FY26, total income on a standalone basis stood at Rs. 7,909 crores. Excluding the provision for settlement fees in Q2 of FY26, total expenditure on a standalone basis for H1FY26 remained flat sequentially.

Standalone operating EBITDA decreased 12% sequentially excluding the impact for settlement fees. Operating EBITDA margins excluding the impact for provision of settlement fees stood at 73% in Q2 FY26 as compared to 75% in Q1 FY26. While reported standalone net profit after tax in Q2 FY26 declined 23% sequentially, net profit adjusting for the provision for settlement fees was up by 31% sequentially.

During H1 FY26, NSE contributed Rs. 28,308 crores to the exchequer which included STT and CTT of Rs. 23,451 crores, stamp duty of Rs. 1,651 crores, SEBI related fees of Rs. 496 crores, income tax of Rs. 1,809 crores and GST of Rs. 901 crores.

I will now cover few facts on key subsidiary companies.

NSE Clearing reported a total income of Rs. 997 crores and a profit after tax of Rs. 539 crores for H1FY26. NSE Data & Analytics reported a total income of Rs. 191 crores and a PAT of Rs. 77 crores forH1FY26. NSE Indices that provide services including creation and maintenance of all NIFTY branded indices reported a total income of Rs. 95 crores and a PAT of Rs. 58 crores for H1FY26. NSEIX, our wholly owned subsidiary in Gift City reported a total income of Rs. 67 crores and a profit after tax of Rs. 3 crores in H1 FY26.

With this overview, let me hand over the call to my colleague Shri Sriram Krishnan, Chief Business Development Officer of NSE, who will take you through the operational performance of the company and group on key business parameters. Thank you. Sriram, over to you.

Sriram Krishnan: Thank you, Ian. Good evening, everyone. I will discuss the trends and highlights across our key products and business segments. Let me start by covering the listing services segment. NSE continues to solidify its role as the engine of capital formation, channeling household savings into productive investments and remains the preferred exchange among corporates in India for raising capital. The momentum with respect to fund raising activity has picked up.

In H1 FY26, a total of Rs. 9.7 lakh crores was raised via equity, debt and business trusts on the NSE platform. In the equity segment, a total of 122 companies raised about Rs. 64,363 crores in the first six months of fiscal year 2026 through IPO on the main board and SME segments. Of this, 54 companies raised nearly Rs. 60,991 crores through IPO issuance on the main board.

Our SME platform NSE Emerge facilitated 68 companies to raise Rs. 3,372 crores in H1 FY26. As of September 30, 2025, a total of 678 companies were listed on NSE Emerge. In the quarter, NSE and Government of Haryana signed an MOU to spread awareness amongst MSMEs in the state regarding fundraising via IPO mechanism using NSE Emerge.

Further, a total of Rs. 7.6 lakh crores of funds were mobilized through debt instruments, that is CPs and NCDs in H1 FY26. Our electronic bidding platform facilitated corporate bond issuances worth Rs. 1.97 lakh crores in H1 of FY26. We are witnessing an increase in adoption of green financing among corporates. Last quarter, we had a green bond issuance of Rs. 670 crores by KPI Green, which was India's first externally credit enhanced green bond.

Let's now move to NSE's domestic rankings. Across product segments, NSE continues to maintain its leadership position. In Q2 of FY26, our market share stood at 92.3% in the cash market, 99.8% in equity futures and 75.6% in equity options based on premium turnover.

In debt, secondary market trade execution and reporting, our market share was 97% in the RFQ segment, 86% in CBRICS and 100% in tri party repo in Q2 of FY26. Now turning to trading activity and new product launches, Q2 of FY26 saw a decline in average daily turnover across the cash market and the equity derivative segments, reflecting the impact of geopolitical developments, along with regulatory intervention in index derivative segment.

In Q2 FY26, over 83% of the block deals and 84% of the bulk deals were executed at NSE, reaffirming NSE as a preferred exchange providing superior price discovery for large transactions. In commodity derivatives, crude oil options contracts have continued to gain market traction. The average daily traded quantity in Q2 of FY26 rose by 117.3% YoY to 10.6 million barrels as compared to 4.9 million barrels in Q2 of FY25.

In electricity futures segment, we have seen significant traction and engagement since its launch on July 14th, with 15,846 million units of electricity futures traded across 3.17 lakh contracts with a total traded value of Rs. 6,076 crores, commanding a 74% market share as of October 31, 2025. In comparison, the spot market has recorded 16,806 million units, indicating that electricity futures are sufficiently liquid at almost 100% of the spot market volume.

Additionally, there has been notable price decline of approximately 37% in both the electricity futures and the spot market from the launch date of 14th July up to the October 2025 contract. In the recent price auction held on 31st of October in power exchanges, the physical market auction price was similar to the price at which the NSE electricity futures contracts were trading.

The spot market price discovered for the auction mentioned was Rs. 3,231 per megawatt hour, closely aligning with the NSE electricity futures price of Rs. 3,236 per megawatt hour for the November contract, indicating that participants are beginning to use NSE's electricity futures as a reference benchmark for physical TAM deals, a sign of growing maturity in India's power trading ecosystem.

Building on this strong momentum, NSE is now actively advancing efforts to introduce quarterly and yearly electricity futures contracts along with contracts for difference.

I shall now cover a few aspects of our key subsidiary companies.

NSE International Exchange at GIFT City, Gandhinagar continues to witness strong activity. Total cumulative volume in GIFT Nifty derivatives contracts for H1 FY26 was 11.64 million contracts with total turnover of USD 564.84 billion. Average daily turnover in GIFT Nifty derivatives contracts for the first half of FY26 stood at USD 4.34 billion. For NSE indices, as on 30th September 2025, a total of 400 of passive funds comprising of ETFs and index funds in India were tracking NIFTY indices.

These funds had a combined AUM of Rs. 8.25 lakh crores, accounting for 73% of the total equity and debt passive AUM of Rs. 11.36 lakh crores in India. In H1 FY26, out of the total of 66 equity and debt passive funds that were launched in India, 52 passive funds were linked to NIFTY Indices.

NIFTY Indices continued to gain traction in the global investment market as well, with a total of 32 passive funds tracking the same. The total AUM of international ETFs and index funds linked to NIFTY Indices stood at USD 4.1 billion, as on 30th September 2025. Beyond trading, NSE continues to empower investors with knowledge, information and data for promoting greater participation in the capital markets and taking informed decisions while investing.

As mentioned earlier, this Diwali, NSE launched several digital solutions, marking another step in NSE's ongoing commitment to technological innovation and its mission to make financial markets more inclusive, informed, and efficient. The NSE Investor app now enables users to track their portfolios seamlessly through manual entry or by linking their trades executed on NSE.

Users can avail to link their broker account registered with NSE in a unique client identification. Additionally, the app is now made available in 12 regional languages, expanding accessibility across India. NSE's new WhatsApp chatbot provides investors with instant access to the latest market updates, statistics and price automation, ensuring seamless on-demand communication through a familiar and ubiquitous platform.

NSE introduced a dedicated member app designed to simplify compliance. The app offers a real-time dashboard for submission and penalty statuses and on-the-go access to key resources such as investor awareness programs, self-circulars, and FII DII statistics. The new company's app offers listed entities a convenient way to monitor their submission status, access the compliance calendar and stay updated on their stock performance and exchange-related developments.

These apps are live and available on both the Apple App Store and Google Play Store. NSE also introduced significant enhancements to the NSE MF Invest platform, including a carting facility and payment re-triggering, placement of up to 10 orders in one session, folio auto-population, and EUIN /sub-broker code / ERN mapping.

As part of the student skilling program initiative, NSE has partnered with multiple state governments and district administrations to equip students with job-ready financial skills in the BFSI sector. In H1 of FY26, a total of close to 6,400 students were trained as part of Level 1 program and over 700 students were trained for Level 2 program.

NSE remains committed to strengthening the social stock exchange by nurturing a supportive ecosystem for social impact fundraising. With all the 14 projects listed on NSE SSE, including two joint listings and 148 registrations till 30th September 2025, NSE continues to lead in this segment.

As of now, these 14 projects have collectively raised more than Rs. 43 crores through the platform and the pipeline remains strong. As we look ahead, our focus remains on working collaboratively with stakeholders to deepen market access, strengthen capital formation, and channel investments into productive sectors.

Over the past three decades, India's capital markets have undergone a remarkable transformation, with NSE contributing to greater transparency, efficiency and investor confidence. Going forward, we see significant potential for well-regulated and inclusive markets to play a central role in supporting India's growth and development while creating sustainable wealth opportunities for investors. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Devesh Agarwal from IIFL Capital. Please go ahead.

Devesh Agarwal: Good afternoon, everyone, and thank you for the opportunity. So my first question is, as you also alluded that equity is the largest contributor to our revenues, and we have seen market volumes coming off. I just wanted to understand your thoughts as to what we are doing to diversify our revenue base and what are the segments that you think have the potential to contribute meaningfully, if not immediately, say in three to five years. That will be my first question?

Ashishkumar Chauhan: Equity is not the largest contributor to revenue. It is the equity options that is the largest contributor and naturally, when the markets sort of develop, you never know which scales up faster. We also launched the electricity futures, which we think is going to change the electricity markets.

It has already started doing things which were unheard of or unthinkable even a few months back, and so it's giving government many flexibilities and abilities, which people didn't think to be possible earlier. And so in some ways, currently it will remain as of now, and in foreseeable future, it's equity options, which is the prime driver of NSE's revenues. And last one year, as you know, it has been sideways. So the markets have kind of reduced in terms of the total transaction intensity. But hopefully, if it grows in future in some time, then we'll see some upside there, in addition to settling down on the new regulatory regime for the derivatives.

Devesh Agarwal: Right. And sir my second question is on your clearing and settlement charges. If you see the charges that we pay on a standalone basis to our own subsidiary, for whole of FY25, if I just take the charges and divide by the number of contracts, that number should come around somewhere around 12 paisa per contract, but the same number in first half is averaging somewhere around 17 paisa, 18 paisa per contract. Has there been any change in terms of charges that Clearing Corporation is levying to the exchange?

Ian de Souza: So actually, it's a function of the interoperability agreement. So as per that agreement, till January 2025 the charges were being levied per contract. But then as you're aware, due to the SEBI measures relating to derivative framework that came in from November of 2024, the number of contracts in the market itself have declined steeply.

So the charging framework has now shifted to premium turnover. So this is the inaccurate method of calculation which you're using. It is now a basis of premium turnover.

Vikram Kothari: And this is a part of the way the tariff structures have been drawn up at the time of interoperability. And it is the tariff structure that computes charges on the basis of number of contracts as well as number of premium; and the higher of the two actually applies and in this case, as Ian explained, since the number of contracts came down, automatically the charges as per the premium actually became higher as compared to contracts and that became applicable and that's the difference that you're seeing.

Ashishkumar Chauhan: And my request is to keep the questions to only one number. After that when the queue gets over, you can come back again.

Devesh Agarwal: Sure. I had some more questions, but I'll rejoin the queue. Thank you so much.

Moderator: Thank you. The next question is from the line of Madhukar Ladha from Nuvama Wealth. Please go ahead.

Madhukar Ladha: Hi. Good afternoon. Thank you for taking my question. Sir, in index options in this quarter, we've seen some reduction in our market share and even with the shift in expiry from Thursday to Tuesday, we've not seen any sort of very material improvement in market share coming for us. So, my question is, what are your thoughts in terms of, is this sort of a more stabilized number that we should look at or do you think market share will improve from here on?

Sriram Krishnan: So, we have seen an increase in trading activity in cash and derivative segments and subsequent average daily volume increase in both September and October 2025. In Q2 of FY26, more than 83% of the block deals and 84% of the bulk deals were executed at the exchange, reaffirming NSE as a preferred exchange providing superior price discovery for large transactions.

Across product segments, NSE continues to maintain its leadership position. In Q2 of FY26, our market share was 92.3% in the cash market, 99.8% in equity futures and 75.6% in equity options based on premium turnover. We don’t want to comment on how things will pan out in the future, but we can say that we have seen a positive uptick in the trading activity.

On the query from earlier participant with regards to diversification across product segments, we have strategically diversified our product suite across multiple other segments and products including mutual funds, fixed income instruments and commodity derivatives.

This multi-pronged approach not only broadens the revenue base, but also enhances market resilience by catering to a wider spectrum of participants. For instance, our mutual fund platform, MF Invest 2.0, has gained significant traction. On 10th October 2025, the platform reached a record high of about 15 lakh transactions in one single day.

NSE also has introduced 16 enhancements to the NSE MF Invest platform aimed at elevating investor convenience and providing ease of doing business for market participants. In the debt secondary market trade execution reporting, our market share was 97% in the RFQ segment, 86% in CBRICS and 100% in tri party repo in Q2 FY26. Retail participation in corporate bonds has increased significantly due to the emergence of online bond platform providers or OBPPs, where we have market share of 87% in terms of the number of transactions and 72% based on value of transactions for volumes of less than or equal to Rs. 5 lakh.

The number of OBPP transactions have more than tripled in the last six months, from about 77,000 to about 2,60,000. NSE has on boarded 27 OBPPs, contributing to a broader access and deeper market penetration.

In commodity derivatives, crude oil options contracts have continued to gain market traction. The average daily traded quantity in Q2 of FY26 rose by 117.3% year-on-year to 10.6 million barrels as compared to 4.9 million barrels in Q2 of FY25. More than 240 members, about 3,400 APs, and 83 FPIs are registered, covering about 236 cities in India. Our successful launches, such as electricity futures and crude oil options and commodities, benchmark contracts in interest rate derivatives, steady expansion of single-stock futures and options universe reflect our commitment to innovation and responsiveness to evolving market needs.

We expect to further build on this diversification by periodically introducing new products to our product suite based on market demand. In this quarter, we launched electricity futures contracts on 14 July 2025. Since inception, we have witnessed significant traction and engagement, with more than 15,846 million units of electricity futures having got traded across 3.17 lakh contracts, with a total traded value of Rs. 6,076 crores and market share of 74% as of 31 October 2025.

Madhukar Ladha: So if I look at July index option market share were 75%, August it was at 70.7%, September we saw a slight improvement about 220 basis points and October again it is down a little bit. I know September, October is the number of Tuesdays and number of Thursdays that has sort of made of a little bit of an impact of that, but broadly is this the kind of share we should expect, or do you think that we can take higher market share in index options ?

Ashishkumar Chauhan: Got it. So Mr. Ladha you are a best judge, you are as good as us in terms of judging things. Hopefully what you are saying is correct probably even better. So currently we don't have any view into the future, but we think what we have done is correct.

Madhukar Ladha: Understood, sir. Okay. Thank you.

Moderator: Thank you. The next question is from the line of Ansuman Deb from ICICI Securities. Please go ahead.

Ansuman Deb: Yes, good evening, sir, and thanks for the opportunity. My question was regarding the, now that we have almost one year passed since the regulations came in on excessive speculation, I just wanted to understand how you are seeing in terms of investor behavior, in terms of participation as well as intensity of trading. As in, my question is to understand that, do you think regulators would be satisfied with the way the participation has panned out over the last one year?

Ashishkumar Chauhan: Thank you. Intensity of trading has come down. Regulator satisfaction, you must ask them.

Ansuman Deb: Yes, sir, but overall because we have almost one year passed, so in a way you would agree that some kind of speculation intensity would have reduced in some manner?

Ashishkumar Chauhan: My agreement has no relevance to regulator's feeling.

Ansuman Deb: Sure, sir. Sure. Understood. Okay. Thanks a lot. I'll get back in the queue.

Moderator: Thank you. We'll take the next question from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: Yes. Hi, good evening, everyone. So just on this, on the pricing front, in case there is further any regulations on the F&O front, do you think you have more room to increase the price or increase the transaction charges and would you need an approval from the regulator to increase the prices?

Ashishkumar Chauhan: Currently, we do not require regulators approvals to increase the charges, but we have no plans to increase the charges and all.

Prayesh Jain: But in case you have to, you need an approval from the regulator, or you can increase it without the approval of the regulator?

Ashishkumar Chauhan: Regulators usually don't get involved in the charging framework.

Prayesh Jain: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Dharmil Shah from Dalmus Capital Management. Please go ahead.

Dharmil Shah: Hi, thank you for taking my questions. The first question will be on the index options part where there has been quite a lot of news about, say, the regulators speaking about doing away with the weekly option contracts. So how would it impact NSE? I mean, majority of our activities, weekly options have dominated.

So firstly, what would be the impact and what measures could NSE take in terms of gaining that volume, and secondly, the question was on the second largest stream is the co-location charges. What are the demand drivers for co-location charges? Is it the overall market activity or is it linked to some other factor?

Ashishkumar Chauhan: I think your guess is right on market activity for demand for co-location racks. So it's largely market activity and also regulations, of course. And in terms of the index options, our volumes are not dependent on the last day trading by investors. Our volumes are spread over almost all days, even without the expiry date. And so we do not see any issue going forward, whatever SEBI decisions are in this regard.

Dharmil Shah: Okay. But what would be the impact on financials the weekly options were to spread?

Ashishkumar Chauhan: It is difficult to guess, but broadly speaking, we do not see too much of an impact of any other change that is being discussed. Although it may happen, it may not happen depending on whatever the consultation paper brings on table.

Dharmil Shah: Thank you, sir.

Moderator: Thank you. We'll take the next question from the line of Pinaki Banerjee from AUM Capital Private Limited. Please go ahead.

Pinaki Banerjee: Good evening, sir. Thanks for the opportunity. So just after the listing of NSDL, your stake has come down now to 15%. So do you have any plans to further reduce the stake further due to any regulations or so?

Ashishkumar Chauhan: Thank you, sir. Currently, the regulations allow us to hold up to 15%. So we plan to hold to the extent maximum we can hold.

Pinaki Banerjee: Okay. And another question is, apart from your current stake in NSDL, which comes from a market value of around Rs. 3000 crores, sir, can you please state what is the market value of other investments at present?

Ian de Souza: Market value. Are you talking about equity investments or?

Pinaki Banerjee: No sir all the liquid investments.

Ian de Souza: Liquid investments you means investment surplus, right? For the standalone it's around Rs. 21,000 crores and on the consolidated basis, it is much higher, but that has the core SGF. It also has the margin money and collateral which gets up-streamed to the clearing corporation. So that's a much higher figure of almost Rs. 60,000 crores, but that includes core SGF and it also includes margin and settlement money, which can get upstream. But at the standalone level, it's Rs. 21,000 crores.

Pinaki Banerjee: Fine, sir. Okay. That's from my end. Thanks and all the best.

Moderator: Thank you. The next question is from the line of Karan from PM Securities. Please go ahead.

Karan: Hi, Ashishji and team. My question is that on NCL, as I mean, NCL remains a strong tool in the arsenal of NSE and also SLB as a segment is sort of under-monetized. So is there any work direction thought on being able to monetize NCL better through possibly getting more clearing charges even for the trade that happens through other exchanges? When they happen through us, anyway, it will be in our own subsidiary, but if they happen through the other exchange on a console level, NSE can earn more. And on the SLB side, are you making endeavors to bring in technology to bring in broad participation from retail and discount brokers and so on and so forth?

Ashishkumar Chauhan: It's a good idea and we will continue to endeavor to try better technology, better usefulness to even retail participations coming in from all over India in SLB segment. Currently, we don't think we will be able to -- when the NCL would be able to charge differentially to different exchanges, because those charges are supposed to be common across both exchanges basis variety of parameters that have been determined when the interoperability of clearing cooperation was discussed and debated originally.

Karan: Can it charge more to both the exchanges, given that whatever is charged to NSE itself will end up in console balance sheet of NSE only? Is it possible to charge higher to both exchanges and thereby benefit NSE?

Ashishkumar Chauhan: It remains to be seen because there is also another competing clearing house also.

Karan: Thank you.

Moderator: Thank you. The next question is from the line of Vivek Patel from Ficom family office.

Vivek Patel: Very good evening. Thanks a lot for the opportunity. Am I audible?

Moderator: Yes, sir. Please proceed.

Vivek Patel: Thank you. Just stepping back a little, asking about how do you compare NSE to a benchmark exchange globally, say for instance, NYSE? Which are the areas that we are relatively stronger and there is some scope of improvement? Obviously, keeping in mind that improvement as the continuation?

Ashishkumar Chauhan: It is a very interesting question. And so, internationally, actually what you call exchanges are not similar to NSE in terms of their function. NSE is currently also performing a regulator function which none of those exchanges do perform which you keep on tracking. They have become pure play commercial entities. So, in some ways, they are not comparable to what exchange in India do.

And a large portion of their revenues come from actually data being sold via Bloomberg and Reuters and those kind of people and not directly to the sort of giving free which is a compulsion in India on the website and otherwise through the brokers. NSE and other exchange in India provide free data to all the population whoever wants to see.

So, it is a completely different business model, although they look like the same in terms of their name called exchanges. But for example, NYSE is actually owned by a company called ICE, which is called Inter-Continental Exchange. And so, it is also into many, many other businesses. And similarly, whatever numbers you or whatever name comes to your mind, I can give you how they are similar, how they are dissimilar.

But broadly, Indian exchanges have very few opportunities to make money. One of them is listing, other is the transaction charges. Broadly and probably a little bit on the co-location rack side and other things. But otherwise, Indian exchanges are working more in sort of a more as also regulators in addition to providing a commercial function.

So, that is where we need to be acutely aware that there are not too many benchmarks, very similar to NSE in the world. At the same time, if you look at the profitability and other things, NSE ranks very high in the world markets in terms of the number of transactions per day, number of trades per day and number of orders per day.

Again, NSE ranks very high in the world markets; like last year, NSE Equity Cash markets were ranked by World Federation of Exchanges as number two after Shanghai Stock Exchange and so on and so forth. So, in some ways, they are not comparable because the US has much larger per transaction value, India has smaller per transaction value and so on and so forth. So, whichever way you look at, we keep on analyzing this because we are part of that sort of spectrum. But there are many, many differences also, which many of us do not realize.

Vivek Patel: Thanks a lot for that elaborate answer. So, but appreciating the differences and NSE's stellar financials and what are a few things that we can possibly emulate, not just from NYSE, but from other exchanges? Is there any key point that we can inculcate over here that will help us?

Ashishkumar Chauhan: Many of them are trying to emulate us and many of them are actually having lower participation compared to India in terms of the population that has been reached, like NSE has reached 120 million, that's 12 crores people on a direct ID basis, unique almost 240 million accounts. Other than Chinese exchanges, nobody has done it. And so many of them want to emulate NSE in a democratic setup like the way we do.

But they have older population, less techno centric population like India has and so our growth, our ability to expand because of a larger population base and also overall a sort of hope that is there.

Otherwise, if you look at London Stock Exchange, it has become largely a refinitiv driven company, not an exchange. There are varied estimates of their revenue coming out of the stock exchanges, a small fraction of literally less than 10% on the overall revenues they earn. They also provide a lot of OTC clearing through which they tend to make money through LCH and all and similarly, in many other exchanges, each of them have many other businesses which Indian regulators don't allow Indian exchanges to do.

And so there are too many differences. But NASDAQ is trying to become an IT company. They've started acquiring too many IT companies and things like that because the traditional businesses are not growing as much as India. And so each exchange works in a domestic market and under many different circumstances. So they are good to compare, but they have their own circumstances.

Vivek Patel: Anything on technology or AI adoption side? Is there anything?

Ian de Souza: Can we request that you allow one more person to ask the last question for the day, please?

Moderator: Thank you. We'll take the next question. That will be the only last question from the line of Mohit from Centrum. Please go ahead.

Mohit: Yes, thanks for the opportunity. Just one question. So after settling the co-location in dark fiber case, is there any litigation or compliance matter left with the regulator?

Ashishkumar Chauhan: Broadly speaking, in any organization like ours, there will be many, many sort of transactions going on with the regulator on a daily basis. The Colo and dark fiber cases are basically the top cases over the last almost 10 years. And so there is nothing comparable to that today other than the Colo cases that are in the Supreme Court, where SEBI has gone to the Supreme Court.

Mohit: Right. So there will be not much of a P&L impact like we saw in this quarter. Is that the right assumption?

Ashishkumar Chauhan: As of now, that was the largest, yes.

Mohit: All right. Thanks and wish you all the best.

Moderator: Thank you. Ladies and gentlemen, as that was the last question for today, I now hand the conference over to Shri Ian de Souza for closing comments. Thank you and over to you, sir.

Ian de Souza: Thank you, Michelle. And thank you everyone for participating quite well in today's conference call and look forward to interacting with you. If there are any questions, you can write to the IR team, and we can meet with you separately over the next few weeks. Thank you so much.

Moderator: Thank you, members of the management. On behalf of National Stock Exchange of India Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.