

May 9, 2025

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Symbol: BSE

ISIN: INE118H01025

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Transcript of the Conference Call held on May 6, 2025

Dear Sir/ Madam,

With reference to our letter dated April 29, 2025, intimating you about the conference call with Analysts/Investors held on May 6, 2025, please find attached the transcript of the aforesaid conference call.

This intimation will also be available on the website of the Company: www.bseindia.com

This is for your information & record.

Thanking you,

Yours faithfully,

For BSE Limited

Vishal Bhat
Company Secretary and Compliance Officer

Encl: a/a



BSE LIMITED
FY25 Earnings Conference Call



May 6, 2025
BSE LIMITED
25th Floor, P.J. Tower, Dalal Street, Fort, Mumbai 400 001

Moderator:

Ladies and gentlemen, good day, and welcome to the BSE Limited FY '25 Investor Call.

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 "*" then 0 on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anand Sethuraman – Head of Investor Relations. Thank you and over to you, sir.

Anand Sethuraman:

Thank you so much, Allierick. Good evening, everyone and apologies for the slight delay. This is Anand from Investor Relations and welcome to BSE's Earnings Call to discuss FY '25 performance. Joining us on this call is BSE's leadership team consisting of Mr. Sundararaman Ramamurthy – Managing Director and CEO; Mr. Deepak Goel – Chief Financial Officer; Ms. Kamala K, Chief – Regulatory Officer; Mr. Sunil Ramrakhiani – Chief Business Officer, Mr. Subhash Kelkar – Chief Information Officer, Mr. Khushro Bulsara – Chief Risk Officer. Also present here are Mr. Ashutosh Singh – MD and CEO, Asia Index Pvt. Ltd., Ms. Vaishali Babu – MD and CEO, Indian Clearing Corporation Ltd., and other members of our Business, Finance and Investor Relations team. Do note that this conference is being recorded and the transcript of this call along with the earnings release and presentation can be found in the Investor Relations section of the BSE India website. Before we get started, I once again remind you that our remarks today may include forward-looking statements, and actual results may differ materially from those contemplated by these forward-looking statements. Any forward-looking statements that we make today on this call are based on assumptions and BSE assumes no obligation to update these statements as a result of new information or future events.

With this, I will now request Mr. Sundararaman Ramamurthy – Managing Director and CEO to give a brief overview of the Company's Financial and Business Performance for FY 2025.

Sundaraman R:

Thanks, Anand. Good evening, everybody, and a warm welcome to all our esteemed stakeholders for joining the call today. I am filled with immense gratitude and pride as we embark on the third year of this transformative journey together. It is a privilege to lead an institution as iconic as the Bombay Stock Exchange. Over the past 2 years, we have achieved remarkable milestones, navigated challenges and laid a strong foundation for growth, innovation and trust. But today, as we step into this new chapter, our focus is sharper, our purpose is clearer, and our ambition is bolder.

On April 17, 2025, BSE commemorated its 150th Foundation Day with Honourable Minister of Finance and Corporate Affairs, Srimati Nirmala Sitharaman Ji as the chief guest; and guests of honours were the Honourable Minister of State for Finance, Shri Pankaj Chaudhary Ji; and Chairman of SEBI, Shri Tuhin Kanta Pandey Ji to mark the occasion. To mark this historic milestone, the distinguished guests unveiled a specially minted commemorative coin, BSE at 150 logo, BSE 150 Index, and rolled out impactful new CSR initiatives to strengthen community welfare.

At BSE, we are not just a platform for trading, we are a trusted partner in the wealth creation journey of millions of investors, a catalyst for businesses to grow and a cornerstone of India's financial ecosystem. Customer delight is not just a theme, it is a commitment to exceed expectations, to create meaningful experiences and to empower every stakeholder who interacts with us.

Before we delve into our quarterly performance, I want to briefly address the recent market dynamics. The global and Indian capital markets have been navigating a period of unprecedented change. From a macroeconomic perspective, India demonstrates notable stability despite global pressures. Indian capital market experienced a mixed performance of over the last few months characterized by volatility, a recovery phase and selective sectoral strength. BSE's benchmark index, SENSEX, increased by approximately 2370 points, a growth of 3.02% since the beginning of 2025.

Against this backdrop, I am happy to share that BSE recorded its strongest year yet in its 150-year history with record revenues of Rs. 3,236 crores on a consolidated basis, an increase of 103% against the previous year. The growth in revenues is led by strong performance in transaction-related income, treasury income from clearing and settlement services and investment-related income.

I will now share some of the key financial numbers on a consolidated basis for the year ended March 31, 2025, as compared to the previous year:

On a YOY basis, BSE's operational revenues have grown by 116% to Rs. 2,957 crores from Rs. 1,371 crores. Transaction charges which include equity cash, equity derivatives, mutual fund and clearing house income has increased by 186% to Rs. 2,030 crores from Rs. 709 crores. Further, 32% of the total operating expenses are attributable to core SGF and regulatory fees, whereas 22% was attributable to clearing and settlement expenses, all of which is directly correlated to increasing derivatives volumes. Treasury income from clearing and settlement funds has increased by 18% to Rs. 218 crores from Rs. 184 crores. Other operating income which includes enhanced data dissemination fees, software charges, etc has increased by 71% to Rs. 220 crores from Rs. 129 crores.

Income from investments increased to Rs. 1,500 crores as compared to Rs. 384 crores with margins expanding to 51% from 28%. Excluding contribution to core SGF, the EBITDA stands at Rs. 1,590 crores with a margin of 54%. The net profit attributable to shareholders of the Company stands at Rs. 1,326 crores up from Rs. 778 crores, a growth of 70%.

I would now like to address the reversal of Rs. 109 crores reflected in our P&L statement for the current quarter under contribution to core SGF. As explained in the previous earnings call, BSE set aside a provision of approximately Rs. 200 crores with BSE directly contributing Rs. 53 crores to the SGF and ICCL Rs. 147 crores. Subsequently, ICCL on receiving approval from SEBI utilized surplus funds lying in the currency segment, which led to the reversal of the provision on ICCL's part. For the Quarter 4 FY '25, BSE has contributed an amount of Rs. 37.6 crores towards NSE Clearing Ltd. (NCL) leading to a net reversal of Rs. 109 crores.

On back of these financial results, it is my pleasure to inform you that the Board of Directors of BSE Limited has recommended a special dividend of Rs. 5 in celebration of the 150th anniversary of BSE, and a normal dividend of Rs. 18 resulting in a final dividend of Rs. 23 per equity share having a face value of Rs. 2 for the FY '25 subject to the approval of the shareholders in the ensuing Annual General Meeting. The total payout with a dividend payout ratio of 28.4% of the current year profits would be Rs. 316 crores on a stand-alone basis.

I would now like to share updates pertaining to business:

For specific numbers pertaining to turnover, kindly refer to the BSE website and the investor presentation.

Indian Capital Markets witnessed a surge in activity in FY 2025 driven by a record number of IPOs, augmenting capital formation, and reflecting strong market fundamentals. This has provided a robust foundation for market stability and growth contributing to the diversification of the investor base and enhancing market liquidity. Empowering investors through education and awareness is of paramount importance to BSE.

In FY 2025, BSE IPF undertook around 14,000 investor awareness programs to promote financial literacy and bring about awareness in securities markets for their financial well-being and protect investor interests. Additionally, investor education is also carried out through various social media posts and TV advertisements.

Moving to our primary market segment: BSE platforms continue to remain the preferred choice by Indian companies to raise capital by enabling issuers to raise Rs. 25.59 lakh crores by means of equity, debt, bonds, commercial papers, mutual funds, etc. In 2025, BSE welcomed 81 new listings, raising a record Rs. 1.82 lakh crores, up 194% compared to the previous year. In the near term, the market, however, faces challenges due to geopolitical situation and economic challenges intensified by global trade tensions and tariffs.

On the listing compliance front, we continued our efforts to promote high standards of governance and disclosure practices among listed issuers and ensure the competitiveness of our listing framework.

Moving on to our Trading segment: As mentioned earlier, revenue growth in FY 2025 was led by strong volumes in our Sensex derivatives product as we expanded our client base and drove higher non-expiry day activities. Our equities and mutual fund business lines are on a healthy growth momentum with volumes doubling in the last 2 years. Our equities turnover showed stronger activity, especially in the first half of the financial year, resulting in average daily turnover of Rs. 7,766 crores for FY 2025 as compared to Rs. 6,622 crores in the previous year. The BSE Index Derivatives segment sustained its growth trajectory in the quarter with highest ever average daily premium turnover of Rs. 11,782 crores for the quarter.

In the coming year, we will continue to move ahead with our efforts to increase market participation, product development and adoption, as well as investments in data center and enhanced connectivity options. At the same time, we will work closely with expert working groups set up by SEBI to recommend measures to strengthen equity derivatives market development. We continued our efforts to bring

liquidity to single stock derivatives segment with 215 members having participated in single stock futures and 257 in single stock options. The total turnover since relaunch is Rs. 830 crores in single stock futures and Rs. 2,773 crores in single stock options.

Moving on to our mutual fund distribution business: BSE Star MF delivered yet another quarter of record revenues and performance of 80% year on year to reach Rs. 230.70 crores. The total number of transactions processed by BSE Star MF grew by 61% to reach 66.3 crores transaction in FY '25 from 41.1 crores in the previous year. On average, the platform processed 5.52 crore transactions per month in the current financial year as compared to 3.50 crores last year. The platform also processed a new high of 6.24 crores transaction in Jan 2025.

Moving on to our subsidiary businesses now: The BSE Group directly or via subsidiaries also has its presence in other related business including Asia Index Private Limited, India INX, Hindustan Power Exchange, BSE E-Agricultural Markets (BEAM), spot platform for trading in commodities, and BSE Administration and Services Limited (BASL). BSE is committed to these new areas and is constantly working with partners for the growth of these businesses.

As part of our strategic vision to concentrate on our core operations, BSE signed a share purchase agreement to sell its 100% stake in BSE Institute for a consideration of Rs. 16.9 crores to FinX. We are confident that FinX with their strategic long-term vision will complement and enhance the 30-year legacy of BSE Institute.

FY 2025 was a year of milestones for BSE. We completed 150 years of operations which coincided with our best performance yet. It is a great pleasure, honour and a lifetime opportunity that I am part of this prestigious organization. At this time, the breadth and depth of our multi-asset offering and ecosystem, coupled with an expanded product suite and customer base, positioned us well to capture market opportunities. We saw rising demand of our index derivative suite, increased trading across products and higher activity due to a buoyant market. We also hit the ground running in FY 2025 in terms of strategic initiatives from acquisition of S&P Dow Jones 50% stake in AIPL, new product launches at India INX that underscores our commitment to enriching the GIFT City ecosystem to product launches at BSE that add more vibrancy and liquidity to our markets.

Looking forward, while there could be some moderation of macro tailwinds in the near term, we are focused on growing our businesses and remain optimistic about our medium-term outlook. Looking at

the rest of 2025 and beyond we will continue to leverage our unique Sensex brand, expand our connectivity suite with market participants and enhance our channels, platforms and products, ensuring that it remains resilient at all times, while being capable of capturing the many exciting opportunities ahead. While concluding, I once again assure you that BSE is engaging actively in all areas and remain committed to our vision of contributing to a resilient, transparent and inclusive capital market ecosystem.

With these updates, I now hand over the call back to Anand.

Anand Sethuraman:

Thank you so much, sir, for these updates. With this, we will now open the floor for questions-and-answers. I would request all participants to limit their questions to 1 per participant so that we can accommodate as many questions as possible. Thank you.

Moderator:

Thank you, sir. Ladies and gentlemen, this is now the question-and-answer session. We will wait for a moment while the question queue assembles. The first question comes from the line of Devesh Agarwal from IIFL Capital. Please go ahead.

Devesh Agarwal:

Good evening, sir, and thank you for the opportunity. Firstly, many congratulations to the entire team on the completion of 150 years of BSE's operations. That's a big achievement. My question in terms of, sir, is on the regulatory developments. If you can help us understand, there are 2-3 developments which are pending. The first one is basically the implementation of gross trading limits, which was proposed by SEBI on Feb '24. Before that, they were talking about separating the clearing corporation from the exchanges. And for a very long time, we've been talking about common contract note. So on all these 3, what is the development? And if one were to assume what has been proposed in the consultation paper, if that is implemented, what is the impact on BSE for each of these regulations? Thank you so much.

Sundaraman R

First of all, thank you for your congratulatory message. We are very glad and happy that we are part of the system when BSE is celebrating 150th year. As far as your questions are concerned, as you may

recall, which I always tell, regulation in India is an evolving setup, and clearly created in a co-creation manner in a consultative basis. In respect of the limits that you talked about, and the segregation of clearing cooperation into an independent entity, as you would know, there are consultation papers for which the markets have given their feedback. You also could have given the feedback, I guess, and we also have given our feedback. We have always seen that the regulators consider the feedback and also, they have their own consultation process further and the regulations are evolved. So at this point of time, we have to wait and see how the regulation is going to evolve in respect of the first 2 points.

Regarding the third point, on the common contract note, as you would recall, I have always been advocating about level playing field in order to ensure a reduction of concentration risk and benefiting the investors and protecting their interest. Common contract note is one such measure, and it was proposed by the regulators, it must have gone live by 1st of May, that is 30th of April. Since some part of the market participants, notwithstanding that it has been postponed 4 times, still expressed that they would like to do some further testing to check their readiness. Kindly the regulators have considered it and given further time. We are very confident and sure that in the coming months that those testing's will be completed, and the common contract note will go live.

Moderator:

The next question comes from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra:

Yes sir, thanks for the opportunity. So my first question is obviously we have gained market share but if I see in the last 3 months the market share gain has been very impressive. But if I see the mix in terms of the mode of trading, the algo plus co-location together combines to around 68%. But in terms of the mix between algo and co-location trading it has changed over the last 3 months and also if you can quantify what would be the HFT volume in this 68%? And now we have seen the algo volumes have been rising. Is it because more HFTs are now participating in BSE?

Sundaraman R

Thank you for participating in the call. As I always say, at BSE we consider that our market share is 100% in derivatives because we have a unique product. And also, as I always repeat, we don't look into whatever market shares are because the numbers are a result of the efforts with a larger goal. Our goal

has been deepening and broadening of markets. When we talk about that, we like to bring in not only the HFT and co-lo players as mentioned by you, but we also want a good mix of others like foreign participants, etc. So what we presume generally is, whatever is coming through co-location is all because of high frequency trades and algorithms. Whether that presumption is right or wrong, we wouldn't know. We don't go by that type of classification. What we track as numbers are how many members we have in the system? How many foreign participants we have been able to increase? How many more racks we have been able to provide? How much of our rack space is being efficiently utilized? These are the numbers we track, and we have found that this strategy of deepening and broadening whereby, we increase these parameters. And we also work with the brokers and other investors to increase their presence on non-expiry days and on contracts other than weekly expiries. This has been very helpful for us and that is the journey generally we pursue. We don't go by what percentage individually people have contributed for shaping our strategies.

Moderator:

Amit, that was your question. I am sorry to interrupt. I would request you to rejoin the queue for more questions. Thank you. The next question comes from the line of Prayesh Jain from Motilal Oswal Financial Services Limited. Please go ahead. Prayesh, please go ahead with your question and unmute yourself in case if you are on mute.

Prayesh Jain:

Yes. Congratulations sir on completing 150 years and on a decent set of numbers. Just the question on co-location, you were mentioning about the utilization of co-location where we now have efficiency. So where we are with respect to the number of racks and how many have been utilized and what are the plans ahead on co-location with respect to the addition of racks as well as charging in terms of per order rate. Yes, that would be my question. Thank you sir.

Sundararaman R

Thank you for your congratulations. At this point of time, as you would know, we started with almost not a great presence in co-location, and then we increased it to some 100 plus racks, and subsequently another 100 and another 100 roughly. Today we are standing at 300 racks approximately. In the 300 racks, the 200 racks have been allocated quite some time before and they are most optimally utilized. The recent 100 has been a very recent addition. So the number of people using are increasing day by day

while the allocations have happened, and we feel over a period of 1 or 2 more months, they all will get fully occupied and therefore will get optimally started getting utilized. Our intention has always been to assess the market requirement in this space and accordingly build rack to suit their requirements. As you know, we offer 2 classes of racks, 15 kVA racks and 6 kVA racks. That all happens based on our assessment of the market need. Based on whatever needs that we have seen now; we are in the process of implementation of adding 200 more racks in 2 separate tranches. The first tranche should happen in another 3- or 4-months' time and the next tranche should get completed before the completion of this financial year. We feel at this point of time, this is a good number, that is around 500 racks with a mix of 15 kVA and 6 kVA, probably giving an equivalence of around 650 racks is a good number to aspire for, given the number of products we have as a profile with us. Notwithstanding that, we will continue to be in touch with the market to assess their needs and based on that and the feedback that we regularly get, we will be augmenting this area and ensure that the market has the necessary infrastructure available to them for pursuing trading at BSE.

Prayesh Jain:

Yes. Sir, just on the part of per order rate...

Moderator:

I am sorry to interrupt, Prayesh, could you please rejoin the queue if you have more questions.

Prayesh Jain:

I am just asking the previous question only I had asked it, just asking for the per order rate agreement.

Sundaraman R

Oh yes, sorry I forgot to reply to that. My apologies. So, at this point of time, we have not been meaningfully charging anything for per order rate. We wanted to enhance the capacity in such a fashion that we could make some meaningful difference by having different throttle rates. While we have introduced a throttle rate that is more on a test basis, we are fine-tuning it. We want to introduce systems and procedures which shall be customer friendly, and which will be in line with the expectations of the market in the area of throttle. We will be very soon coming with what type of throttles will suit to whom, and what type of charges would be meaningful to the market and how we will be

arriving at. It will be at the appropriate time, appropriate charges with appropriate throttles and it should be soon.

Prayesh Jain:

Thank you so much, sir.

Moderator:

Thank you. The next question comes from the line of Sanketh Godha from Avendus Spark. Please go ahead.

Sanketh Godha:

Yes. Thank you for the opportunity, sir. Sir, your settlement fees, what you pay to the clearing corporation, if I do the math, till first 9 months, the cost per contract seems to be around Rs. 0.105. Suddenly, it has increased to Rs. 0.16 for the fourth quarter. But if I look at full year, it looks at Rs. 0.11 per contract. So, just wanted to understand the new normal is at Rs. 0.16 or Rs. 0.11 is the cost per contract for settlement fees?

Sundaraman R

Honestly, I am not able to relate to the numbers that you have told. May I request you to do the math again and offline connect with us. I can explain you what our experience and understanding is. Our idea is that it generally remains somewhere around Rs. 0.10 per contract. But this statement has to be taken with additional information, because when we tell the contract if the contract size changes or the contract that gets traded on which day of the expiry cycle, they make a lot of difference with regard to the realizations and ultimate margin. So, with regard to the number of 0.16 and 0.11 which you said, unfortunately, I am not able to relate and understand how you have arrived at. So, may I request you to approach us offline with your computation, so that we can explain how we have arrived at our numbers of around Rs. 0.10 and we can understand how you are arriving at Rs 0.16, and if our understanding needs to be corrected, we shall do so.

Sanketh Godha:

Okay, sir. Sir, maybe if I can squeeze one more if okay.

Anand Sethuraman:

Sanket, we can speak offline, please.

Sanketh Godha:

Okay, sure, sure.

Moderator:

Thank you, the next question comes from the line of Madhukar Ladha from Nuvama Wealth Management Limited. Please go ahead.

Madhukar Ladha:

Hi, good evening, everyone. Congratulations on a great set of numbers. So, 2 questions. One, see, you mentioned SGF, there is a reversal of Rs. 147 crores. And then we have made a contribution to NCL of about Rs. 36 crores, which is resulting into a net reversal of around Rs. 109 crores. I wanted to get a context of this Rs. 36 crores contribution to NCL. And how should we think about contributions to SGF on a recurring basis? If you can give us some colour on this, and is sort of Rs. 36 crores, a quarter, a number to look at? Some understanding here will be helpful. Second, on the clearing and settlement charges, I noticed that our consolidated clearing and settlement charges is higher than our standalone clearing and settlement charges. So, standalone, the number is closer to Rs. 60 crores. Consol is at about Rs. 84 crores. Normally, it should be the other way around. And which is why I think the confusion is there that why this quarter's rate has gone up. So, some explanation, is there something one-off in the consol clearing and settlement charges?

Sundararaman R

First of all, thank you for your congratulations. The problem for me is, under one question, if you pack multiple questions, I tend to forget what your first question is. So, I think I remember your first question. Let me test my memory. You were talking about Rs. 147 crores, Rs. 109 crores and Rs. 37 crores contribution. How you should look at the Rs. 37 crores, if my memory is right. So, here it goes like this.

We provided some amount, Rs. 200 crores totally as BSE family towards SGF earlier. Since the capability to use currency derivatives SGF towards this normal SGF of ours in other segments was

provided by SEBI, we were able to reverse. But, as you know, the clearing corporations have a requirement to collect a portion of the SGF from the relevant exchanges, subject to the stipulations of SEBI in this regard. Accordingly, a demand of Rs. 37 crores came from NCL, which has been duly met, and the contribution has been made. The question you have asked is, is it to be taken as the number to be projected for the future? How do we understand this? What is the relationship with which we should take this? Is there a method probably of forecasting? This is what you had in your mind. As I always have told, it is a complex algorithm based on which the amount of SGF gets worked out. There are multiple factors involved in it, because of which a straight relationship with volumes cannot be established and a linear relationship cannot be put in place, which therefore prohibits and prevents and makes it difficult for us to project the requirements of SGF. The question is, is there any way by which the SGF contributions could be made periodically instead of being ad hoc at some point of time when demand rises? Because of the complexity, we have been grappling with this problem of providing on a periodic basis. Nevertheless, our thought processes are on this, and in case we are able to find a mechanism where we periodically provide instead of on requirement ad hoc we do not provide, it will be helpful. So, that is the answer for the first part.

Honestly, I do not remember the second part, so I would request my CFO to answer the second part.

Deepak Goel:

So you are right. Normally, on a consolidated basis, the C&S (clearing and settlement) expenditure should be lower than standalone. It could be because of the elimination of provisions. As we explained earlier, we are not able to relate to these numbers at this point in time. Maybe we can connect offline, and we will explain it to you.

Madhukar Ladha:

Sure sir. Okay. Thank you and all the best.

Moderator:

The next question comes from the line of Gurpreet Sahi from Goldman Sachs. Please go ahead.

Gurpreet Sahi:

Thank you for taking my question. Can I have two, please? So, very simple ones. First is that I know, sir, we have a unique product which is growing in the derivative space, but overall industry, can I please ask you for some advice? The options industry has now started to grow after the reforms have been implemented. For the first time in April, it was up. So, how do we see the options industry overall premium growth? That is the first question. And second, from 1st of July, we will have the common contract note. So, what is our expectation of an increase in volumes on back of that? Thank you.

Sundararaman R

First of all, thank you for congratulating us and for being present. I am not sure I am capable of giving any insight and advice. I can give you what I see more as a commoner like one among you. When I look at the options market, what I am seeing is there is a sort of a consolidation that is happening. From more of an expiry date product, which most of the contracts were trading, because of the multiplicity, and also because of every one day one expiry, the total economic purpose typically which any contract serves, whereby it provides the capability for people to take a directional view ahead of an event, so as to safeguard what is getting lost. With this consolidation more which has been brought in, rightfully by the regulatory process, today makes the options product somewhat getting more mature than what it was. In the case of BSE, we are clearly seeing that it is no longer an expiry day product. It is spread across the weeks. Therefore, people are able to take a view on market not just for the expiry day, but ahead of it next week, next to next week, next month, etc. If this trend continues, if more products on a monthly basis were to be looked at, then I feel the option industry will be growing more towards an alignment with the underlying market and underlying portfolios, which in my opinion could be a healthier development. Also, if you look at it from an infrastructure perspective, if it is every day expiry, every day the infrastructure being stretched to the maximum, in terms of huge and significant number of orders coming in, resulting in not so many trades, but lesser number of trades, in a way hogging the infrastructure, tiring it, increasing the infrastructure cost for no gain economically, probably gets addressed by this rationalization that the regulators have brought in.

So, this is the direction I see. I therefore see more meaningful use of options, more meaningful products continuing to grow in the coming future is what I am able to see as a result of all the actions. In terms of common contract note, what I feel today is every FPI or every domestic institutional investor would like to ensure that their acquisition price is minimal, and their selling price is maximum based on what is available in the market. And there are 2 marketplaces, always because of multiple factors, there is a price difference. If the orders were to be sliced in a fashion where the best price is always taken in the

next part of that order, then the objective which I stated before could be nicely met. In that direction, a common contract notes which does not differentiate between the exchanges, which is able to provide a single V-WAP, enabling the institution to allocate it across multiple schemes and therefore brings in economies and deficiencies is a very good move. I feel when that happens, the market will overall grow because institutions will be liking to approach both the venues. Therefore, there will be more players in the market who will use algorithms which use both the marketplaces resulting in overall growth of the pie, increase in liquidity, lesser impact cost, lessened bid-ask spread. In a way, it could be a win-win for the market is my view at this point of time.

Gurpreet Sahi:

Thank you.

Moderator:

The next question comes from the line of Abhishek Leekha from Nestle Wealth Llp. Please go ahead.

Abhishek Leekha:

Yes, hi. Thanks for the opportunity, and congrats to the entire team for covering 150 years, and excellent set of numbers. Just want to understand from here on the dividend policy, because I have seen like over the past 1 year, the dividend percentage to net profits has gone down. So, what is the future outlook on that?

Sundararaman R

So, dividend is a function of earning, and also a function of opportunity available for reinvestment and providing better results for the coming years. In terms of numbers, if you see, the total amount of dividend paid in the last 3 years, last 3 dividends I have been part of this journey. I have found that the dividends that we have been paying has always been going up. The first year when I joined, it was Rs. 154 crores. In the second year, I gave Rs. 204 crores as dividend post my shareholder's approval. In the third year, we are proposing Rs. 316 crores. If you look at it in the last 2 years, the dividends have doubled. This is on one side. And also, we have been creating reserves in order to ensure 2 things. We are in the process of infrastructure building from the place where we were. Today, if we are delivering what we are delivering, it is thanks to the infrastructure that we have built. We spent around Rs. 500 plus

crores till now on technology and related aspects. And if you look at it, that has paid us well, more than that number already it has earned for us.

Secondly, the balance sheet is continuing to grow. It gives confidence if somebody wants to use our clearing corporation. While in the exchange area, our reserves have become very evident, and the market support has become very prominent. In the area of clearing, still the number of members for which my clearing corporation is clearing and settling is very low. We have enhanced our capacity so as to ensure that we can handle multiple and almost all, even, if need be, biggest players of this country in our clearing corporation without any problem. That is the type of capacity that we have built. If in this process, we are able to achieve enabling more and more members, use our clearing settlement system, then my balance sheet should be big enough to give confidence to such big players. So it is very essential for me, while I continue to pay higher and higher dividend, while I continue to spend money on infrastructure building, I also continue to create a very healthy balance sheet whereby it exudes confidence to people who want to use our clearing and settlement system. With these multiple objectives in mind, our representations are heard by the Board and the Board, in their wisdom, decides what should be the dividend. And if you look at the dividend percentages also, has been significant and the numbers, as I told you, have doubled in 2 years, and that will be paid based on the shareholder approval.

Abhishek Leekha:

Fine. Thanks for the explanation. Thank you so much.

Moderator:

The next question comes from the line of Marcel, an individual investor. Please go ahead.

Marcel:

My question is that our profit before this corporation clearing charge has really increased. So is it sustainable, number 1. Number 2, in the same context, this corporation clearing charge is completely distorting the net result. In one quarter, it is Rs. -147 crore. In one quarter, it is Rs. 100 crore plus. So is this phenomenon over or is it going to again continue in the June quarter also regarding this exceptional item from the corporation clearing charges? Thank you so much.

Sundaraman R

On your question of sustainability of our operations, yes, indeed. In order to ensure the sustainability is what we are working very hard. How sustainability can be ensured? It has multiple parts to it.

One is the product part. As you know, we always continue to work on improving our product, our new products that we have brought in are doing well. Second is the market part. For the market part, we are deepening and broadening our market base, which I have multiple times repeatedly talked about, passionately telling how we are increasing our deepening and broadening of markets. Third is infrastructure creation. Infrastructure is physical, technological, technical, human resources, talent building, talent acquisition, talent grooming, talent retention, all comes under our infrastructure acquisition. We are going ahead with clear plans, clear strategies and implementing all of them. We wanted to bring in vibrancy as the first goal. Then we added deepening and broadening of markets and then we have added now customer delight as our third one, and therefore we are progressing in this direction only to ensure that we have resilience. As far as your settlement guarantee fund number, I have multiple times talked about how we are not able to linearly project this number and come to a situation where we say this is what is going to be the number. Notwithstanding, as I just told a few minutes before, we are trying to see whether we can have some methodology whereby we are able to bring in some sort of, what should I say, predictability to a number by allocating some number regularly and restricting the ad hoc numbers to wherever it is required only. Whether we can do any such thing, we are also working on, let us see whether we are able to succeed or not.

Marcel:

Sir, like in the last call also I mentioned that although you have started this new series of options, and this is like a future, but many brokers have not onboarded the BSE terminal for this future on option like for example Shoonya, like for example JM Finance. They have not even activated this BSE future on option series, number one, BSE Exchange future option. Number two, even some brokers are, if we are dealing in the future of NFO, they are not charging anything or they are charging nominal charge, Rs.5 for example, per future lots. But here, for BSE, if you trade anything, any future lots through BSE, they are charging Rs.20. So, they are discouraging that people should not trade in the future through BSE, but they should go for the NFO, like for the NSE only. So, sir, can you take some pragmatic and real action with the Chairman or the CEO of each of these big brokers from your level, so that the proper instruction passes from the pyramid, like from the top to the down in the broker, although you can say like this new

Generation broker or this discount broker, whosoever it is, so that way we can get much more volume in the future on option, and that will really skyrocket the earning of BSE in the ensuing quarters.

So, it needs some direct intervention and direct meetings from you, sir, to the CEO or the MD of the respective big, for example, top 10 broker Company in India, for example.

Sundaraman R

Sure. Thank you for the suggestion. Point noted. We will analyze and look into whether there are any major brokers who are not yet providing, and we will talk to them if they are overcharging. Thank you for your time.

Marcel:

I am telling you, sir, like for JM Finance, NFO is only Rs.5, but for the BSE, they are Rs.20. In Shoonya, they didn't even activate yet. Although, as I mentioned, sir, it needs intervention. Your team is not able to do it, sir. Please do something from your end, sir.

Sundaraman R

Thank you.

Marcel:

Thank you.

Moderator:

Thank you. The next question comes from the line of Deepak Ajmera from IGE India. Please go ahead.

Deepak Ajmera:

Yes. Thanks for the opportunity. If the exposure norms that draft paper is issued recently, if that is implemented, what I understood is the delta-based exposure norms can reduce or the overall option volume significantly, if it is implemented and can impact anything severely, but what will be the impact for BSE assuming if the same is implemented? Thank you.

Sundaraman R

As I mentioned very clearly and very elaborately in the answer to my first question, it is at the consultation stage, regulations in our country are co-created on a consultation basis. Market participants have opined about the net and gross. So at this point of time it will not be fair on our side to imagine anything and speculate and say that this is what is going to be implemented.

We need to wait to see what is going to be the direction of the market participants' view and based on which what is going to be the regulatory view. Regulatory view would be paramount, because regulators have access. So all the viewpoints of all the market participants, since we have all submitted our views. Let us wait for the outcome from the regulators in this area.

Moderator:

Thank you, sir. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Anand Sethuraman to give his closing comments.

Anand Sethuraman:

Thank you everyone for joining us on this call today. And thank you Allerick for moderating this call. Should you have any further questions, please feel free to reach out to us at bse.ir@bseindia.com. Thank you everyone.

Moderator:

Thank you so much, sir. It was my absolute pleasure too. Ladies and gentlemen, on behalf of BSE Limited, that concludes this conference. You may now disconnect your lines.