

**February 13, 2026**

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 February 9, 2026.**

Dear Madam/Sir,

With reference to our letter dated February 2, 2026, intimating about the results conference call with Analysts/Investors held on February 9, 2026, please find attached transcript of the aforesaid conference call.

This intimation will also be available on the website of the Company: [www.bseindia.com](http://www.bseindia.com)

This is for your information & record.

Thanking you,

Yours faithfully,

**For BSE Limited**

**Vishal Bhat**  
**Company Secretary & Compliance Officer**  
**ACS- 41136**

Encl: a/a



BSE LIMITED  
Q3 FY26 Earnings Conference Call



*February 9, 2026*  
*BSE LIMITED*  
*25th Floor, P.J. Tower, Dalal Street, Fort, Mumbai 400 001*

**Moderator:**

Ladies and gentlemen, good day, and welcome to BSE Limited Q3 FY '26 Investor Conference 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anand Sethuraman from BSE Limited. Thank you, and over to you, sir.

**Anand Sethuraman:**

Good evening, everyone, and thank you so much, Danish. A warm welcome to all of you for participating in Q3 FY 2026 earnings call for BSE. My name is Anand, and I'll be the host for the call. Today we are joined by BSE's leadership team consisting of Mr. Sundararaman Ramamurthy - Managing Director and CEO; Mr. Deepak Goel - Chief Financial Officer; Smt. Kamala K - Chief Regulatory Officer; Mr. Sunil Ramrakhiani - Chief Business Officer; Mr. Viral Davda - Chief Technology Officer; Smt. Radha Kirthivasan - Head of Listing and SME; Mr. Rudresh Kunde - Chief of Product Strategy and Policy; Smt. Vaishali Babu - MD and CEO of ICCL. Also present here are senior members of our business, finance, and investor relations team. The results for the quarter ended 31st December 2025 have been announced, and the data pack consisting of financials and investor presentation is available on the BSE website. We will begin today's call with remarks from BSE's MD and CEO on the business and financial performance. All participant lines will be muted for the duration of the call. There will be an opportunity for you to ask questions after the management remarks. Please note that some of the remarks made today may be forward-looking in nature and are subject to risks and uncertainties. The company does not undertake to update these forward-looking statements publicly. With this, I would now like to invite BSE MD and CEO to share his views. Thank you, and over to you, sir.

**S. Ramamurthy:**

Thank you, Anand. Good evening, everybody, and a warm welcome to all of our esteemed stakeholders for joining the call today to discuss Q3 FY 2026 earnings. Warm wishes for the New Year to all of you.

Let me first talk a little bit about the macroeconomic environment. The global landscape has become more volatile with geopolitical tensions, trade and tariff uncertainties have weighed on global investor confidence. We have seen unprecedented movement of gold and silver prices and outflows from India by FPIs. However, the Indian economy continues to demonstrate strong and stable growth with the year starting on a good note. I take this opportunity to congratulate Honourable Prime Minister Narendra Modi ji for successful agreement of the trade deal with the United States. Together with the trade deals with EU and UK announced earlier, the move to progressively lower tariffs and non-tariff barriers has the potential to enhance market access, boost trade, and enable deeper strategic collaboration while further strengthening India's position as a trusted partner. This will enhance the global competitiveness of Indian products while catalyzing manufacturing growth, employment creation, and the development of resilient supply chains, directly advancing the vision of Viksit Bharat which bodes well for the Indian capital markets. I also congratulate Honourable Finance Minister Shrimati Nirmala Sitharaman ji for her ninth consecutive budget, articulating a clear shift towards ecosystem-driven industrial strategy and long-term capital formation. For capital markets, the budget offers a blend of structural reforms, liquidity-enhancing measures, and regulatory fine-tuning aimed at shaping deeper, more resilient financial architecture. By expanding foreign investor limits, strengthening the corporate bond framework, and maintaining fiscal discipline, the budget enhances liquidity and broadens participation. The STT adjustments also appear to be realigning investor focus towards long-term equity investments and healthier market liquidity. Additionally, the rationalization of the buyback tax removes distortion that previously encouraged tax arbitrage.

Moving to Indian capital markets, the defining feature of 2025 was the composition of capital flows, not their absolute size. When Foreign Portfolio Investors retreated during 2025's geopolitical turbulence, India's Domestic Institutional Investors, comprising of mutual funds, insurance companies, banks, and others deployed Rs.7 lakh crores during the calendar year, representing a 33% increase from Rs.5.25 lakh crores in 2024. This represented a fundamental change in market microstructure. The year demonstrated that domestic capital could manage foreign outflows without systemic disruption. Equally encouraging is the unwavering commitment of India's retail investors. SIP flows touched a record high of Rs. 3.34 lakh crores in 2025 from Rs. 2.68 lakh crores in 2024, reaching new all-time levels and reinforcing the deepening culture of disciplined long-term investing across the country.

Against this backdrop, I am pleased to share that BSE delivered its 11th consecutive quarter of record revenue with consolidated revenues of Rs. 1,334 crores, surpassing the previous quarter's record of Rs.

1,139 crores and marking a robust 62% year-on-year expansion. Moreover, with cumulative revenues reaching Rs. 3,518 crores during the first nine months of the current financial year, BSE has already exceeded the total top line of Rs. 3,236 crores recorded for the entire previous fiscal, underscoring the strong and sustained growth momentum across its business segments.

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

BSE's operational revenues have grown by 62% to Rs. 1,244 crores from Rs. 768 crores. Transaction charges, comprising revenues from the equity cash, equity derivatives, mutual fund, and clearing house segments have registered a substantial increase of 86%, rising to Rs. 953 crores from Rs. 511 crores, reflecting robust growth in core trading and settlement-related activities. Other operating income, which includes enhanced data dissemination fees, colocation, index services, have increased by 56% to Rs. 92 crores from Rs. 59 crores. Income from investments has increased by 47% to Rs. 84 crores from Rs. 57 crores. Operating expenses increased by 40% to Rs. 511 crores from Rs. 364 crores. It may be noted that 51% of the total operating expenses are attributable to regulatory fees and clearing and settlement expenses, all of which is directly correlated to increasing transaction volumes. The operating EBITDA including contribution to core SGF has more than tripled to Rs. 732 crores as compared to Rs. 236 crores with margins expanding to 59% from 39%. The net profit attributable to the shareholders of the company has demonstrated a significant acceleration, more than doubling to Rs. 602 crores from Rs. 220 crores, representing a robust year-on-year growth of 176%.

This marked improvement across both top line and bottom-line performance underscores the company's enhanced operational resilience, disciplined execution, and sustained financial momentum. The continuation of this trajectory further reflects the breadth and depth of participant engagement across our platforms, the effectiveness of our strategically aligned initiatives, and the progressively increasing confidence that India's capital market ecosystem continues to repose in BSE.

As highlighted in our previous earnings calls, the SGF contributions recorded during the quarter reflect the implementation of BSE's revised policy whereby 5% of transaction-linked revenue is allocated to the Core Settlement Guarantee Fund on a monthly basis. The policy framework incorporates an upper limit mechanism to ensure prudent capital management while simultaneously maintaining robust and adequate risk coverage. As of Jan 2026, BSE's core SGF balance stood at Rs. 1,202 crores, inclusive of an incremental contribution of Rs. 45.6 crores made during the quarter arising from the application of

this new policy. Furthermore, employee expenses for the period increased by Rs. 22 crores primarily attributable to the enactment of Government of India's new Labor Codes notified on November 21, 2025, which introduced a standardized wage definition and revised regulatory provisions relating to gratuity, leave encashment, and other employee benefit obligations.

Let me now highlight a few of the many business milestones in Q3 FY 2026.

BSE's SME platform achieved a significant milestone with the successful listing of its 700th SME company on February 1, 2026. The pace of listings has accelerated meaningfully with the most recent tranche of 100 companies added within a span of just 179 days, marking the shortest interval recorded to date. Collectively, these 700 SMEs have mobilized Rs. 14,735 crores in capital and together represent a cumulative market capitalization of approximately Rs. 1.8 lakh crores, reflecting the platform's growing depth, scale, and relevance within India's evolving capital markets ecosystem. The total number of investor accounts registered on BSE has surpassed 24 crores, with 10 states individually contributing more than 1 crores registered investors, reflecting a broad-based deepening of retail market participation across regional demographics

On the investor education front, BSE conducted 4,841 investor awareness programs during Q3 FY '26, aimed at enhancing financial literacy, strengthening informed decision-making, and furthering the protection of investor interests within the capital market ecosystem. BSE signed a Memorandum of Understanding (MoU) with the Department of Posts (DoP) to enable the distribution of mutual fund products via India Post's vast network of post offices.

Under the agreement, selected postal employees will be trained and certified to act as mutual fund distributors using the BSE StAR MF platform to facilitate transactions. This partnership aims to enhance financial inclusion, specifically targeting rural and semi-urban areas by leveraging the BSE StAR MF platform.

SEBI, along with BSE, launched the first-ever bond issuer outreach program, introducing the new identity, Bonds -- Ek Sashakt Bandhan. This initiative strengthens our collective push to deepen India's corporate bond market. At BSE, we remain committed to building a transparent, digital, and issuer-centric ecosystem that broadens participation, enhances trust, and positions corporate bonds as a key engine of long-term capital formation.

BSE's fundraising platforms continue to remain the preferred choice by Indian companies to raise capital by enabling issuers to raise Rs. 22.4 lakh crores in FY'26 by means of equity, debt, bonds, commercial papers, mutual funds, Q3 FY '26 proved to be an exceptionally strong quarter in terms of capital mobilization. A total of 39 companies raised a record of Rs. 95,272 crores, reflecting the depth and resilience of fundraising environment on BSE. The strong uptick in the IPO pipeline since early 2025 continues to reflect the vibrancy of India's primary market, reinforcing BSE's position as a preferred listing venue across both the main board and SME segments.

Moving on to our trading segment.

It continues to maintain strong growth momentum, supported by healthy volumes and increased client participation across key business lines. Cash market trading volumes remained at long-term normalized levels at Rs. 7,645 crores in Q3 FY 2026 against Rs. 6,800 crores in the same period last year. On the regulatory front, SEBI directed exchanges to introduce a closing auction session to be implemented from 3rd August 2026, replacing the existing methodology of determining closing prices through the volume weighted average price of trades executed during the final 30 minutes of continuous trading. The shift is anchored in the objective of ensuring a fair, transparent, and representative closing price, particularly given its critical role in derivative settlement, index computation, and mutual fund net asset value calculations. In addition, SEBI has aligned the pre-open auction session with the CAS framework. The pre-open session will remain 15 minutes long, allow market and limit orders, follow a similar equilibrium price discovery mechanism with random closure, and improve transparency through dissemination of indicative prices and other imbalances. BSE is preparing to implement the changes to ensure a smooth transition for all market participants.

The BSE index derivatives segment continued to exhibit a strong and sustained growth trajectory during the quarter, with the average daily premium turnover reaching a new record of Rs. 19,459 crores, more than double recorded the corresponding quarter of the previous year and representing a sequential increase of 30% Q-o-Q. Following the transition to a Thursday expiry cycle, we have observed a pronounced expansion in open interest, deeper market participation, and a broadening of the contract's liquidity profile. Sensex index options has consequently advanced to rank among the most actively traded contracts in 2025, with continued momentum observed in 2026 so far. In addition, BSE has revamped the Bankex index to make it broad-based and representative of the evolving banking landscape. Following this enhancement, we are witnessing a marked increase in market participation



and liquidity, further strengthening the index relevance as a benchmark for investors and market participants.

We remain focused on further enhancing market depth by expanding participation, evolving our product suite, particularly through the promotion of longer tenor contracts, and strengthening our technology infrastructure through systematic upgrades to data center capabilities and connectivity framework. Colocation continues to constitute a strategically significant component of our broader diversification agenda, serving as a critical enabler of enhanced market access, latency-sensitive trading infrastructure, and long-term revenue stability. During the quarter under review, colocation revenues stood at Rs. 48 crores, broadly in line with the previous quarter. The revised throttle charge framework introduced in July 2025 continues to support the steady performance with utilization trends remaining healthy.

Turning to our mutual fund distribution business, BSE StAR MF continues to serve as a strategically important pillar of our market infrastructure ecosystem, playing a critical role in facilitating retail participation at scale and strengthening the efficiency and transparency of mutual fund transactions nationwide. During the quarter, the platform delivered yet another period of record performance with revenues increasing 14% year-on-year to Rs. 72.5 crores. Transaction volumes also exhibited strong momentum, rising 21% to 21.7 crores transactions in Q3 FY '26. Notably, the platform achieved a new monthly peak of 7.97 crores transactions in Jan 2026, further reinforcing its position as a high-growth, systemically critical distribution channel within India's mutual fund landscape.

Moving to our subsidiary business now. BSE's clearing house, Indian Clearing Corporation Limited, ICCL, continues to grow in Q3 FY '26, with equity settled turnover at Rs. 8.14 lakh crores and equity derivatives premium turnover at Rs. 12.57 lakh crores, while number of equity derivatives contract settled stood at 364 crores. This was enabled by major tech upgrades including re-engineering of our real-time risk management system and scaling trades per second per member from 3,000 to 27,000.

BSE Index Services, a wholly owned subsidiary of BSE, offers a comprehensive portfolio of 200 plus indices spanning broad-based, thematic, factor, and strategic equity categories, serving over 350 marquee clients both domestically and globally. As of December 2025, passive products tracking our indices has surpassed Rs. 2.7 lakh crores in AUM with 85 passive schemes benchmarked to our indices. Since the acquisition of 50% stake from SPDJI, the company has launched 50 new indices, significantly



accelerating innovation. Additionally, the company has obtained RBI approval for two debt indices, expanding our product suite beyond equities.

Overall, this quarter, we recorded our strongest performance to date across multiple dimensions, including top line and bottom-line expansion, new listings, transaction-linked revenue, clearinghouse activity, market data services, and index-related revenues, underscoring the scalability, resilience. These outcomes reaffirm the effectiveness of our strategic initiatives and the deepening trust placed in BSE by participants across the financial ecosystem. As we move forward, BSE remains firmly committed to strengthening India's capital market architecture with integrity, innovation, and resilience at its core. Supported by a healthy IPO pipeline, sustained retail participation, and the expanding adoption of our trading, clearing, and settlement platforms, we are well-positioned to enable the next phase of market development. Our strategic focus will continue to centre on broadening opportunities, simplifying market processes, and upholding the highest standards of governance and institutional discipline. Together, we will continue to build a more vibrant, inclusive, and future-ready market for all stakeholders.

Thank you for your continued trust and support. And sorry for the disturbances and noise which you might have encountered during my speech. With these updates, I now hand over the call back to Anand.

**Anand Sethuraman:**

Thank you so much, sir, for the remarks. We will now open the floor for Q&A. Over to you, Danish.

**Moderator:**

Our first question come from the line of Sucrit D Patil from Eyesight Fintrade Private Limited. Please go ahead.

**Sucrit D Patil:**

Good evening to the team. I have two questions. My first question to Mr. MD sir is, how do you see BSE balancing between expanding new product offerings, strengthening technology infrastructure, and protecting the profits? As investor participation and competition evolves, what will guide your decision-making process on which of these areas should get the strongest focus in the coming quarters? That's my first question, I'll ask my second question after this. Thank you.

**S. Ramamurthy:**

Thank you first of all for asking this question. I'm not sure whether these objectives that you are talking about are conflicting. Actually, I feel they are complementary. As MII, we don't strive hard to protect the top line or bottom line. We try to provide services which will suit the market's requirement and fulfill the market's demand for products and better the economy in terms of capital creation. When we adhere to this process, naturally and necessarily infrastructure building becomes part and parcel of it, and profits becomes an automatic outcome, and therefore we don't have to go towards making profit as a specific goal. So our focus will continue as what it was. It will be deepening and broadening market, enhancing customer delight, and in the process help in the capital formations for the economy. All our product introductions will be keeping in mind these broad strategic objectives and this is what will be guiding. We are very confident and sure when we pursue these objectives, profit is a natural corollary that will be happening. Thank you

**Sucrit D Patil:**

Thank you. My second question to Mr. CFO is, again along the similar lines. As BSE plans for the next few quarters or next few years, which financial signals or metrics will be most important in guiding decisions on cost control, cash flow management, and capital allocation for technological investments? How do you see these particular levers shaping BSE's ability to protect the margins and deliver sustainable value as the exchange business grows? Thank you.

**Deepak Goel:**

So, thank you for this question. Protecting margin and managing cost is a continuous process. So it doesn't get driven by any one particular objective. Ultimately, the overall objective what MD sir mentioned is what guides us in terms of maximizing capital formation, maximizing providing best infrastructure to the market, and we get guided by the development of the market. As it's mentioned, cost control, is a guiding regular process which we continue to manage

**Anand Sethuraman:**

We request all participants to please limit there question to one per person and please follow the queue.

**Sucrit D Patil:**

Thank you and best wishes.

**Moderator:**

Thank you so much. Our next question come from the line of Swarnabh Mukherjee from B&K Securities. Please go ahead.

**Swarnabh Mukherjee:**

Hi sir, thank you for the opportunity. I just wanted to understand in terms of the Core SGF contribution. So the limit that you have in mind, so how much runway for that is left if you could give some colour on that, that would be very helpful. Thank you.

**S. Ramamurthy:**

Thanks for this question. At this point of time, if you recall, we decided to contribute 5% till we reach a threshold of 150%. In this quarter, we have reached the threshold of 150%, limiting therefore the requirement to contribute the amount to lesser than 5%. That is where we stand.

**Swarnabh Mukherjee:**

Okay, sir. Very helpful. I'll come back in the queue. Thank you

**Moderator:**

Thank you. Our next question come from the line of Supratim Datta from Jefferies. Please go ahead.

**Supratim Datta:**

Hi, thanks for the opportunity. What we have seen in the last few months is commodities has emerged as a key segment of interest for both HFTs as well as retail traders. Just wanted to understand how are you seeing that category, and is that -- this a category of interest that you would like to build in the next coming years? Thank you.

**S. Ramamurthy:**

Datta ji, thanks for this very valuable question that you have asked me. As you would recall, BSE commenced its journey in derivatives very late and very recently, somewhere around some 30 plus months back. We started it from scratch, and therefore we needed to consolidate ourselves, put ourselves in a growth path, and the policy of deepening and broadening of markets and customer delight were to be achieved. So, I think slowly and steadily we are reaching there. And we do recognize the fact that commodities are very important underlyings from a nation's perspective, and its overall economic development. So clearly, once we feel well-stabilized in what we have started to do and once we feel we are resilient, we will certainly be embarking on all the available opportunities including commodities, with the same seriousness with which we took derivatives for equities. Hope this answers your question.

**Supratim Datta:**

Just, you know, sir, when would you think that you have become resilient on the equity derivative side so that you can pursue these, you know, new opportunities?

**S. Ramamurthy:**

Honestly, 30 plus months before when I started, I never thought I will reach this place in 30 months. So it's very difficult to put a timeline. It can be anything. So, the passage of for us in equity derivatives has been really swift. We hope the same way we progress further, so that we can take up other areas.

**Supratim Datta:**

Thank you, sir.

**Moderator:**

Our next question come from the line of Amit Chandra from HDFC Securities. Please go ahead.

**Amit Chandra:**

Yes, so thanks for the opportunity. So my question is on the strategic direction that you laid in terms of gaining market share in the cash segment, and also improving on the monthly contribution in the options side, and also the institutional participation. So where we are in that journey maybe you can update us, versus last quarter's commentary? And also, in terms of the market share that we see in terms of

colocation and clearing corporation, we are at around 14%-15%, in Clearing Corp, we have gained to around 25% to 27%. So is it fair to assume that these market share will converge to our options market share eventually ?

**S. Ramamurthy:**

On the cash market segment and in the monthly options to start with. As far as cash market segment, clearly we felt, there need to be a level playing field in the market, which was absent. So with lot of regulatory advocacy, common contract notes were brought in place. What we are understanding from the market participants is that, while they absolutely realize the benefits of common contract notes, when they seek algo approval, so that the SOR can be implemented and best price execution could be implement for the market participants. There are quite a few bottlenecks that they are encountering. We are very confident that wisdom will prevail and the market will be ready to embrace competitiveness with open mind so that the market participants get the benefit of best price execution and become exchange agnostic. I think it's a transformation and it's therefore a journey, all participants need to embrace what is good for the market without thinking what is good for themselves, and we are confident that it will happen. More and more participants are getting aligned with this, particularly mutual fund and insurance companies have started seeing the benefits of embracing this path and getting the benefits of best price execution.

As far as long-term rather, other than, rather than always we used to measure it in terms of other than weekly expiry. Other than the current weekly expiry, our market share has started, market share means, the share of whatever we trade within that has started growing. And earlier we were nothing there in the next week and next to next week. Today we are very proud to say including the monthly, other than the current week, total volumes of around of our 5% comes from that.

I think this is a starting process and we will be going further ahead. Amitji, I'm not actually remembering your second question. Oh, I think you talked about colocation. Colocation we never started as a profit center. As we earlier also stated, deepening and broadening of markets was a necessity for us, and without colocation, it could not have happened. It is incidental that we put in place colocation as a requirement and it has become a profit center. At this point of time, we are planning to allocate 80 more racks which is in the offing soon, which way and how will depend upon multiple factors. With that we will be having around 500 racks in place. Currently, the colocation revenue is somewhere around Rs. 45 to Rs. 48 crores per quarter. We think it could get stabilized at that level if we are not planning to increase

any charges, which at this point of time will not be done ad hoc; it will be only at appropriate time, appropriate levels.

As far as Clearing Corporation is concerned, we have put in lot of efforts to improve the technological supremacy and efficiency of Clearing Corporation. Traveling from 3,000 trades per second per member in clearing corporation, that capability to 27,000, I think, which we are doing now, in itself was a great achievement. And there is still a long way to go, we will strive hard to provide the best of services, therefore, so that there is a level playing field in the market in the area of clearing as well.

**Amit Chandra:**

Thank you, sir. Thank you and all the best, sir.

**S. Ramamurthy:**

Thank you so much, Chandra ji.

**Moderator:**

Thank you. Our next question come from the line of Prayesh Jain from Motilal Oswal Financial Services. Please go ahead.

**Prayesh Jain:**

Yes, hi sir. So my question is on stock options, how do we kind of scale up that segment? Is it linked to the cash volumes? And what are the efforts, and what are the plans for that particular segment? Because I think that's a decent part of the industry volumes in terms of premium turnover, and the premium to notional is also significantly better there. So what are the thoughts on that particular category over the medium term?

**S. Ramamurthy:**

It's a very good question that you are asking. BSE always looks for product diversification in its portfolio. Certainly, therefore, stock options would be one of the areas which we will be looking into. As you would be knowing, comparatively stock futures were more attractive products for the market compared to stock options, and stock options were therefore getting slightly lesser attention compared to stock

futures. And as I said previously, we recently started our journey, just around 30 months before, and it was fortunate for us that we were able to grow to the level where we are. Now we have -- our primary focus has been at this point of time on our cash market volumes and bringing in level playing field there, and ensuring other than the current week options gaining traction. Slowly we are progressing there. At the appropriate time, like, what we talked about commodities, we will be putting in efforts for stock options as well to gain momentum at BSE, and use the existing infrastructure of market participants and technology, so that we can leverage on it, and provide a very good alternative competitive platform for the market participants.

**Prayesh Jain:**

Sir, just follow up on that, is there any linkage between cash volumes having a low market share on cash volumes and stock options? Would there be any linkage in that sense?

**S. Ramamurthy:**

It is very difficult to say that because the market microstructure is not that easy to predict. Whether the stock market volumes will increase, stock options volume or vice versa will happen or they will continue to exist. See today, if you look at it, the cash market is fungible across exchanges. The stock options, in a way, are fungible across exchanges. So I don't know whether there is any prerequisite of one to be present in the same exchange or the other. So it's very difficult to give an answer in that sense. The stock as a underlying is very active in Indian markets. That in itself therefore should be sufficient for picking up stock options. Probably it may not be venue sensitive. That is one view, but we have to wait and see, how it unfolds.

**Prayesh Jain:**

Thank you so much, sir. All the best.

**Moderator:**

Thank you, our next question come from the line of Deepak Ajmera from IGE India. Please go ahead.

**Deepak Ajmera:**



Thank you, thanks for the opportunity and congratulations on great set of return, and also congratulations considering or looking at January number where Sensex is higher than the NSE in terms of notional turnover Nifty. So my question is on the charges. To my knowledge, premium compared to the turnover, we are charging lower than the NSE. So what is plan there to increase the same? Thank you.

**S. Ramamurthy:**

Ajmeraji, thank you for your congratulatory messages and thanks for kindly attending this call and asking this question. And thanks for noting the way in which Sensex is growing. At this point of time, the charges that we make are around Rs. 250 lower on a per crore basis. If you recall, we started our journey with no charges, then we went into Rs. 500 rupees, and then we slowly increased it to some mid-level, and then we ultimately landed up with the current charges that we are. Charges are not fixed and written in stone, certainly they have some scope for further increase. As I always say, depending on the market's capability to bear the cost, there are multiple costs that are evolving in the market. Profit cannot be a sole objective for an MII, it also has other responsibilities. Keeping that in mind, any increase in charges, will be considered at an appropriate time for appropriate reasons, and after considering, what the voice of customer would be in this regard.

**Deepak Ajmera:**

Thank you, all the best.

**Moderator:**

Our next question come from the line of Dikshant Boolchandani from DB Wealth. Please go ahead.

**Dikshant Boolchandani:**

Congratulations management on the good results. What is the sort of impact...

**S. Ramamurthy:**

I am really sorry Mr. Boolchandani. Your voice is very low.

**Dikshant Boolchandani:**

Is it better?

**S. Ramamurthy:**

Yes, please go ahead.

**Dikshant Boolchandani:**

So management, what is it that we are thinking on the recent changes that the Government has made on the STT? What are the reflection in the markets that you have started to expect that what can happen now? What are your thoughts on it?

**S. Ramamurthy:**

Thank you, Mr. Boolchandani ji, for congratulating us and thanks for attending this call and asking this question. I think you are primarily referring to the STT increase. The other part of it is, of course, with regard to the buyback, the capital gains tax. I think that's a very wonderful change. Lot of people talk about the STT, so let me take the question to reflect to that area and answer you. It had two portions, one is increasing the STT for futures, and second is for options. As I have been telling the press also before, my experience from the past is that whenever STT charges are increased for options, it has not had any meaningful impact on the volumes, and volumes have continued as before. That is the experience that I have seen from my limited knowledge of what I have seen in the market.

As far as futures are concerned, I think the thought process behind the move probably could be twofold. One is to encourage long-term equity investments among retailers instead of getting into the derivatives. And secondly, to encourage longer-term future contracts which may help mutual funds and other institutions which are permitted to trade derivatives. Both if materialized will be in the interest of the market. So I think, there will be some time to adjust and re-orient for the market. And once it happens, it will be in the interest of the market, as more retail people may move towards mutual fund and long-term equity investments, and mutual funds which are doing arbitrage funds and others, may think of a longer-term option instead of monthly option, so that the cost that would be debited to the funds will get lower.

**Dikshant Boolchandani:**

Sir, just a follow-up here, a good chunk of our growth has happened because of the futures introduction by BSE. And if the charges go up more than double on STT, wouldn't that be a problem for our growth trajectory just from a basic perspective?

**S. Ramamurthy:**

It's a very valid question that you are asking. But the truth is slightly different. The growth of BSE's derivatives has been based on Sensex options volumes. At this point of time, in comparison to the Sensex options, Sensex futures are still at a very nascent stages of growth. Because it is at a small level, I don't think it will have much impact because of any increase or decrease. If it had been a significant chunk, there is a probability for us, to rethink on what could be the strategy for futures. Since at this point of time, it looks like more a supporting volume for options that is happening in very nascent stages, we do not find any impact specifically coming on Sensex futures because of the change.

**Dikshant Boolchandani:**

So this is more of a neutral news for us, rather than a negative news for us or an impact on our direct business.

**S. Ramamurthy:**

Boolchandaniji, I think we should restrict it to one question. You had two questions, and if you are getting into three questions, I have replied you, I am sure you get what I am saying. You should get into the queue again. Yes?

**Dikshant Boolchandani:**

Thank you, sir.

**Moderator:**

Our next question comes from the line of Devesh Agarwal from IIFL Capital. Please go ahead

**Devesh Agarwal**

Good evening, sir. Thank you for the opportunity and congratulations on a very strong performance. Most of the questions have been answered, just two clarifications. First, did you say that, you are nearly at 150% of your core SGF requirement and to that extent, the incremental contribution will not be there from the coming quarter, or it will come down? That is first. And secondly, the increase in the STT that has happened on the futures side, would that in any way directionally, can the volume shift from futures to either equity options or cash? Is that a possibility?

**S. Ramamurthy:**

As far as the SGF, if you look at it, most of the time, what we talk about SGF is more on a retrospective basis. On a prospective basis, it is not very amenable for prediction. That is why a adhoc number of 5% and 150% were arrived at by us to prevent any shocks. In this quarter, with the type of parameters that we have seen, we found that there was no need for us to contribute the entire full 5% and we restricted somewhere around 3% plus, I guess, because we touched the top line of 150%. Will the same thing will continue, and therefore there will be no need for any contribution in the next quarter? No, it is not predicted that way. As we always maintained, the algorithm for computing the SGF requirement is a complex one, and therefore, depending upon what is the highest open interest and other things in the next quarter, there may be a need for contributing or there may be no need. The move is not to predict and prevent, the move is to normalize so that there are no sudden jerks.

As far as the STT is concerned, your question was, will that result in move towards options, will that lead to move towards underlying equity volumes. My impression is that the way the futures STT is structured, I think it is more to encourage people, particularly retailers, to think of participating in longer term equity, and for mutual funds and others to think about longer term futures instead of monthly futures. So that could be the result. Options at this point of time, for various reasons in the growth trajectory, because of that, while the growth may be slightly slower compared to what it was, I think it will still grow and may not show any severe impact because of the STT increase. All these are what we consider could be truth.

The time will tell, what is the right thing, and maybe we have to wait and watch to see what type of reaction the market has, because the market cannot be just predicted with our own understanding. The market is complex, and so we will have to wait and watch my reply to your question.

**Devesh Agarwal:**

Thank you so much and all the very best.

**S. Ramamurthy:**

Thank you.

**Moderator:**

Ladies and gentlemen, due to the time constraint, that was the last question for today. I now hand the conference over to Mr. Anand Sethuraman for closing comments. Thank you, and over to you, sir.

**Anand Sethuraman:**

Thank you so much, Danish. Thank you, everyone, for joining the call today. If you have any further questions, please feel free to reach out to us at [bse.ir@bseindia.com](mailto:bse.ir@bseindia.com). Thank you so much.

**Moderator:**

Thank you Anand sir. Ladies and gentlemen on behalf of BSE Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.