February 12, 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 February 6, 2025**

Dear Sir/ Madam,

With reference to our letter dated January 30, 2025, intimating you about the conference call with Analysts/Investors held on February 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 Kamalaksha Bhat

Digitally signed by Vishal Kamalaksha Bhat
Date: 2025.02.12 16:54:50 +05'30'

Vishal Bhat
Company Secretary and Compliance Officer

Encl: a/a

BSE LIMITED

Q3 FY25 Earnings Conference Call

February 6, 2025

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 '25 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. Thank you, and over to you, sir.

Anand Sethuraman:

Good evening, everyone, and thank you so much, Raghav. Hi. This is Anand from the Investor Relations at BSE, and welcome to the earnings call to discuss Q3 FY 2025 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; Mr. Sunil Ramrakhiani – Chief Business Officer, Ms. Kamala K - Chief Regulatory Officer; Ms. Vaisshali Babu, MD & CEO - ICCL, Mr. Ashutosh Singh - MD & CEO, Asia Index Private Limited (AIPL). We also have other Key managerial personnel (KMPs) present here along with members of finance and investor relations teams. 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. Any actual results may differ materially from those contemplated by these forward-looking statements. And 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 of 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. Thank you, sir.

Sundararaman R.:

Thanks, Anand. Good evening, everybody, and a warm welcome to all our esteemed stakeholders for joining the call today. Two years have already passed since I took on the privilege of leading this prestigious institution. I am happy to state that in these two years, BSE has made significant progress across all key parameters, driven by a share division under tireless efforts of the entire BSE family, the BSE board, regulators, as well as the support of our partners.

When I first stepped into this role, our focus was clear to make the BSE vibrant, we embarked on a journey of revitalization, across the exchange, focusing on enhancing our technology and processes. Our second year was dedicated to deepening and broadening of the market, where we recognized the importance of expanding our reach and attracting new participants. Now as we embark on our third year together, our focus shifts to customer delight. We will strive for seamless experiences at every touch point, listen attentively to the feedback and continuously improve. Before we delve into our quarterly performance, I want to briefly address the recent market dynamics.

The last quarter of 2024 saw signs of increased market volatility, the market sentiment remaining cautiously optimistic amidst global fragility and ongoing uncertainty over the continuing geopolitical tensions and other macro challenges. Set against to this backdrop, the Honourable Finance Minister presented a comprehensive budget that has touched all the critical areas that needed attention for our economy, employment generation, consumption, energy, mobility, skill building, tourism, health, exports, MSME, etc., with fiscal stability given ample attention.

Considering the widespread expectations, the finance minister announced major tax relief for the middle class with a total tax exemption for income up to Rs. 12,00,000 per annum. This substantial enhancement may put more disposable income in the hands of taxpayers leading to increased savings and importantly, giving a significant boost to consumption and financial savings, that potentially bodes well for the Indian capital markets. We anticipate that the increased spending power can have a positive ripple effect across various sectors contributing to economic growth and benefiting companies listed and to be listed on BSE.

Against this backdrop, I'm happy to share that BSE once again, recorded its highest ever-quarterly revenues of Rs. 835.4 crores on a consolidated basis, up 94% as compared to the corresponding quarter previous year.

I will now share some of the key financial numbers on a consolidated basis for the quarter ended December 31, 2024, as compared to the corresponding quarter 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. On a year-on-year basis, BSE's operational revenues have grown by 108% to Rs. 773.5 crores from Rs. 371.5 crores.

Transaction charges, which include equity cash, equity derivatives, mutual fund and clearing house income has increased by 157% to Rs. 511.1 crores from Rs. 199 crores. Similarly, operating expenses for the quarter grew by 86% to Rs. 567 crores attributable to higher contribution to core settlement guarantee fund to the tune of Rs. 199 crores accounting for 35% of the total operating expenses. The higher contribution is on account of new methodology for computation, as per SEBI circular dated 3rd October 2024 for Minimum Required Corpus (MRC) for the Equity Derivatives segment and onboarding of new members at the clearing corporation.

Further 52% of the total operating expenses are attributable to core SGF and regulatory fees, whereas 15% was attributable to clearing and settlement expenses, all of which is directly correlated to increasing derivative volumes. Treasury income from clearing and settlement funds has increased by 3% to Rs. 48.5 crores from Rs. 46.9 crores. Other operating income, which includes data dissemination fees, trading income, software income, etc has increased by 77% to Rs. 64 crores from Rs. 36.2 crores. Income from investments increased by 7% to Rs. 58.2 crores from Rs. 54.6 crores. The operating EBITDA has increased to Rs. 236.5 crores as compared to Rs. 91.9 crores with margins expanding to 31% from 25%. Excluding contribution to core SGF, the EBITDA stands at Rs. 435.7 crores with a margin of 56%. The net profit attributable to shareholders of the company stands at Rs. 219.7 crores, up from Rs. 108.2

crores, a growth of 103%. 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.

Let me start by covering our primary market segment. BSE platforms continue to remain the preferred choice by Indian companies to raise capital by enabling issuers to raise Rs. 20.9 lakh crores by means of equity, debt, bonds, commercial papers, mutual funds, etc. In Q3, 2024 BSE welcomed 30 new listings, raising a record Rs. 95,512 crores, up 261% on a year-on-year basis. The IPO market continues to show signs of growth, and the IPO pipeline remains healthy with 108 active applications. On the listing front, we continue our efforts to promote high standards of corporate governance and disclosure practices among listed issuers and ensure the competitiveness of our listing framework.

Moving on to our Trading segment. Despite the challenging macroeconomic backdrop, as stated earlier, the BSE cash market continue to demonstrate resilience with an average daily turnover of Rs. 6,800 crores for the quarter as compared to Rs. 6,643 crores in the same quarter last year, a marginal increase.

The BSE Derivatives segment sustained its growth trajectory in the quarter with highest ever average daily premium turnover of Rs. 8,758 crores for the quarter. As stated by me in the previous earnings call updates, we worked closely with our regulator SEBI, to implement the measures to strengthen the index derivatives framework that promote the quality and attractiveness of our markets. While at least one more recommendation, intra-day monitoring of position limits remains to be implemented, the other five regulations that have been rolled out, have made a significant impact on the trading patterns. Further, as you may be aware, BSE also changed the expiry day of its Sensex and Bankex contracts from Friday and Monday respectively to Tuesday with effect from Jan 4, 2025. The number of contracts traded, and notional turnover has declined, as seen from the numbers stated in our investor presentation and website, while the premium turnover has remained stable so far.

While these are all still early days, we remain committed to further improve market efficiency and trading dynamics for the benefit of all market participants, while Sensex contracts continue to remain liquid, BSE is committed to rebuilding liquidity in its Bankex contracts.

BSE single stock derivatives segment is yet to pick up volumes in a meaningful way, as members are still developing connectivity. So far, 174 members have participated in single stock futures and 139 in single stock options. The total turnover, since relaunch is Rs. 564 crores in futures and Rs. 498 crores in options.

As part of our commitment to driving innovation and efficiency in our markets, to process the increase in number of orders and trades handled in the derivatives segment, we plan to continuously upgrade our trading systems to adopt the best-in-class future-ready technology. This is aimed at enhancing trading experience, clearing and risk management capabilities, adding co-location racks for client requirements, etc.

Moving on to our mutual fund distribution business. BSE StAR MF delivered yet another quarter of record revenues and performance, up 92% year-on-year to reach Rs. 63.5 crores. The total number of transactions processed by BSE StAR MF grew by 39% to reach 17.99 crores transactions in Q3 FY '25 from 10.99 crores in the corresponding quarter previous year. On an average, the platform processed 5.37 crores transactions per month in the current financial year as compared to 3.21 crores last year.

The platform also processed a new high of 6.15 crores transactions in December 2024. Given the growth, we are continuously investing in StAR MF to improve it in terms of scalability, functionality and order processes.

Moving on to our subsidiary business now.

Asia Index Private Limited, AIPL BSE's indexed company continues to launch innovative indices, which are very relevant for the asset management industry and the investors at large. The company has launched 15 indices in the ongoing financial year and is focusing on launching more indices and expanding the factor family of indices and broad market family of indices before the year-end towards. I am happy to announce that AIPL has won the highly commended “Index Provider of the Year” award at futures and options world (FOW)

India INX, BSE's subsidiary exchange at GIFT City continues to expand its product offerings with the launch of Sensex derivatives contracts on February 3, 2025. As India's most recognized index representing the equity market, Sensex futures and options will offer international investors to participate in India's growth story. This represents a key step in broadening access to India's benchmark index for global investors. With its launch at India INX, we reinforce our commitment to deepening liquidity, enhancing market access and positioning GIFT IFSC as a premier global financial centre in lines with the vision of our Honourable Prime Minister.

The BSE group directly or via subsidiaries also has its presence in other related areas, including Ebix Insurance distribution, Hindustan Power Exchange, BSE e-agricultural markets, and BSE administration and Services Limited. BSE is committed to these new areas and is constantly working with partners for the growth of these businesses.

Before I conclude, I'm happy to note that throughout 2024 BSE demonstrated focus and resilience amidst challenges on the business, regulatory and geopolitical front by introducing new products, market enhancements and expanding our strategic footprint. These included expansion of our offerings at the AIPL and India INX, modification of index derivatives contracts and introduction of single-stock derivatives. BSE also continues to remain India's premier capital raising venue with positive sentiment returning to the IPO market culminating in a record year. Our derivative markets also had another record year, resulting in closing the year strongly with the group reporting record third quarter financials.

While the road ahead will not be without challenges, we are optimistic about 2025, and we look forward to continuing to execute on our vision to lead and shape the development of India's capital markets, supporting our vision to build the preferred marketplace for the benefit of our customers.

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 be now open for question and answer.

Over to you, Raghav.

Moderator:

Our first question comes from the line of Vivek Patel from Ficom Family Office.

Vivek Patel:

I have two questions. First, post the implementation of SEBI recommendation. What has been the loss in the trading volume of Bankex and increase in the trading volume of Sensex. And secondly, could you please expand on the nature of the core SGF contribution? And what will they be going ahead as a percentage of revenue or in absolute terms?

Sundararaman R:

I will take the second question first. And on the loss of Bankex volumes, I will talk subsequently. As far as core SGF is concerned, as you would be aware, SEBI came out with a recent circular dated October 1, 2024. Basically, it enhances the stress testing framework for equity derivatives. Under that it defines a minimum required corpus. This computation methodology has actually three stress test models - factor model, stressed VaR and Filtered Historical Simulation. When we apply this along with the price shock as stipulated, the minimum required cross corpus have significantly increased. SEBI was also kind enough to permit one-time inter-segment transfer of funds. So, considering that, the net core SGF requirement, which we needed to provide for this quarter came to around Rs. 199 crores, of which Rs. 147 crores were to be contributed by ICCL and Rs. 53 crores were to be contributed by BSE that is the impact and reason of SGF increase.

As far as the number of contracts reduced is concerned. What we find is, the overall volumes in Bankex have significantly fallen down almost by around 95%. Sensex notional volumes have fallen down marginally, and premium volumes have almost remained stable for most of the part and is showing an increasing tendency because of the activity we see on non-expiry days owing to the change in the expiry day. We are trying to rebuild the Bankex liquidity by encouraging people to consider strategies, which suite the monthly cycle and helps them to take a long-term view. The market is used to such views because of existing such contracts from the past in Indian exchanges. So, we are confident we will rebuild the monthly contract of Bankex.

Anand Sethuraman:

Vivek further, you may also refer to our website it does give the product-wise breakup of Bankex, Sensex along with notional, premium and other parameters.

Moderator:

The next question comes from Prayesh Jain from Motilal Oswal.

Prayesh Jain:

Couple of questions. Firstly, continuing on the SGF part, you mentioned what has caused the contribution in this quarter. But how should we look at it from a going-ahead perspective, do we with volumes if they continue to increase, whether it will be a regular contribution? Or is there any strategy that the Board has decided to kind of incrementally contribute on a regular basis? Or it would depend upon SEBI, giving out circles and then you contribute, which will be kind of sporadic in nature. That is my first question. Second question is on the clearing and settlement side of the business, where the clearing, there has been talks about or there has been consultation paper on the clearing corporation is getting demerged and that stream of income could be at risk? Or how do we see that eventually panning out? And what could be the measures there?

Sundararaman R.:

Thank you for these questions. In terms of core SGF, you may recall, we have always been telling that the core SGF computation is dependent on a multiple number of factors making itself unamenable to a linear extrapolation. Also, it has this various price shocks, volatility shocks, multiple models, which I mentioned.

So given that periodically to forecast what it could be next quarter becomes very difficult. Hence, that's the reason why we are not able to continuously provide for the number every quarter. Will it increase? Will it increase? If so, what will be the factor that causes increase and what is your strategy with regard to that was the other part of the question that you were asking.

The way I look at it, I may be proved right, I may be proved wrong, to be very honest. The way I look at it is the method that has been stipulated on October 1, 2024. It's a significantly different and highly enhanced in terms of the requirements, that type of a method. That is why, if you look at it, the numbers have jumped from around Rs. 74 crores to somewhere around Rs. 550 crores. When this type of a jump happens, it is mainly because the system, which is being used to compute is new. And if this continues, there is a greater probability the incremental increase that will happen over a period of time would be marginally much lower than the initial jump that has happened. Multiple factors, including acquisition of new members, increased open interest amongst the existing members could be a very important reason for increased core SGF. But if you look at it, they are all good problems to have because if the volumes are increasing and if you are getting more and more members and because of which you are putting more money into the core SGF, that's good because you are creating a permanent revenue stream with a marginal increase in the contribution to the core SGF. I hope that answers by and large the question that you raised on the core SGF.

On clearing and settlement business, it is very early days. There is a consultation paper available. If you look at the principle, which is guiding the regulatory thought process in respect of clearing and settlement, I understand it as and all. Clearing and settlement is a very, very, very important part of the MII framework in handling the transactions and therefore, an integral part of market efficiency. Such type of an important organization, institution. Should it be a subsidiary, or should it be an independent organization, fully capable of managing itself in its thought process, totally oriented towards its job of clearing and settlement are not dependent upon a parent for its policy formulation. The answer looks very evident. It has to be very independent. That is the direction in which the regulators are thinking. So, when you say independent, the shareholding should be such a passion that it makes it independent. The revenue stream should be such that it makes it independent, how to achieve it from a current 100% model to a diversified model, how do we achieve? The Indian regulatory thought process has always been clear. We cannot have monopoly structures. We cannot have concentration risk. We cannot put all these into 1 basket and have a risk of failure. So if you are to achieve 2 exchanges, 2 clearing corporations have a diversified shareholding and that's result in an independent entity, nevertheless, it's not a very easy task. I'm sure it will get achieved by the great brains of our country, but it is a process slightly away.

Given that it will be very difficult today to project what will be the impact, whether it will impact our revenues. So, all you know, the diversified shareholding pattern may result in increased revenue for an exchange like BSE. So, it's too early to predict. So, I am not able to clearly give a direction in that. Therefore, my apologies.

Moderator:

The next question comes from the line of Sudarshan, an individual investor.

Sudarshan:

So I just wanted to know how can we increase our market share in the equity cash segment, sir? Can we do a different strategy rather than the traditional model of collecting money for the turnover instead of that, can you have money collection based on the execution-based order for the equity cash segment, sir?

Sundararaman R:

Thank you, Sudarshan. My apologies for making you to repeat the question. The equity cash segment market share has had initially shown a good growth trajectory, when the markets were on an upward trend. First one to the global headwinds that we are seeing, and the market volumes have started diminishing though in terms of the ADTV, we have done better than year-on-year quarter, if you look at the market share percentage, it has not shown any great improvement. We have been trying a lot to bring in greater attraction. For us, one of the most important requirements from an institutional front is common contract note. With the help of the guidance from regulators, we have been working with all partners and we are trying to make them understand the importance for market efficiency through a common contract note. It should have been implemented in October 2024, if you may recall.

Many of the stakeholders for various good reasons of themselves, wanted the timeline should be extended to January. Now they have further extended it to March. In our opinion, common contract note is very important for getting the secondary market volumes in the best place of execution, which we feel BSE has a chance of 50-50. The second is the retail volumes. Today, notwithstanding all the regulatory directive and intentions to ensure a level playing field on the capability of the client to choose the best price for execution, the software provided by the systems and front ends provided by many of the market participants are far from being satisfactory. We are working with every one of them. We are talking to them to ensure that it provides a fair play and a level play and good access for a best price execution. Already, the regulators have made it very clear through multiple communications to the exchanges and also to market participants. It is a necessity. The timeline that has been prescribed as October 2024 for the qualified stockbrokers and for others by Jan 25. The timelines are over, but still some people are languishing. I am sure the regulatory directive will take effect and at some point, everybody will be providing a level playing field. With these 2 things happening, we feel equity market segment will see better light for BSE. In respect of the differentiation in the charging structure, I will certainly consider this. It is a good suggestion for us to consider and think about and if you could be kind enough to write a detailed note on what you meant by this and how you feel it will help and forward it to us, we are more than happy to analyse it. As you know, we always go and take the voice of customers, and we go by what the customers tell us. We work here for customers' delight, and we will certainly factor it in our decision-making.

Sudarshan:

Thank you, sir, my second question is, how are you going to improve the quality of the premium, sir. Have you onboarded more FPIs as we intended to. If we wanted to improve from 200 to 500. And what is the status of that? And what is the capacity utilization of these data racks?

Sundararaman R:

Sudarshan, I will answer this question with a request to you. No further questions from you will be allowed. You have to stand in the queue because there are many other aspiring people are asking the question. I'm sure you will appreciate that. As far as this question is concerned, the premium quality increase improves its participation is for longer dated and also on all days of expiring. As you would see, all of our efforts have been in that direction, and it has already started showing proper fruits. Today, the percentage of volume traded of Sensex derivatives on expiry day has consistently fallen down and the other days, including the next day of expiry i.e. E-4 days, if I were to call has significantly increased. In fact, on many days from what the past numbers were, I find it 4x to 5x more. So that is these are the things we are doing to improve the quality of premium.

Moderator:

The next question comes from Devesh Agarwal from IIFL Securities.

Devesh Agarwal:

My first question is a clarification question. You said on the colo side, the new methodology has led to an increase in the requirement from Rs. 75 crores to Rs. 540 crores. Now what we have provided in this quarter is Rs. 200 crores. So is the balance likely to come up in the coming quarters?

Sundararaman R:

No, there is one set of number, which was told with you. There are other sets of numbers you need to consider. The new MRC difference came for us to Rs. 481 crores. And in that, we have already been permitted a onetime transfer of excess funds from equity cash segment to the equity derivatives segment, as I mentioned to you. After doing that, the resultant balance, which we needed to provide for, was around Rs. 199 crores. Roughly, you can take it as Rs. 200 crores of that, Rs. 150 crores was to come from ICCL and Rs. 50 crores had to come from BSE, which we have done.

Devesh Agarwal:

Understood. And my second question, sir, is on what your plans for colocation facilities are. Now that SEBI is also talking about retails to benefit from the colo services. So, are you what exactly are the plans in terms of putting up new colo facilities? And when will we start monetizing this thing?

Sundararaman R:

Three parts for that, your question, my dear friend. One is about retail algo. Retails are permitted to have algo whether that will increase the colo demand was one thing, which we have to wait and watch. That is one part. Already, as we have started monetizing the colo to the extent of racks rent, which is competitive rent now. So that's a second part. Well, for the order flow, we are not charging anything in a meaningful way, very, very small token of a charge is what we have introduced. At the right time when we feel, as I always say, when the market is in a position to take extra cost, that's the point when we burden the market, we will do that. As far as the colo plan is concerned, if you may recall, we started with almost no colo facility with hardly any the number of racks with us. And subsequently, we had a significantly large number of racks, almost the total rack, the total now, which we have crossing somewhere around 200, 220 racks is what we currently have. Is that a good number or a sufficient number? No. We do have a big waiting list. As you know, we are working on providing extra colo space, and we are in the process of implementation. And as we do really understand the need of colo racks for the market and their importance of colo racks for the market participants, we are in the process of providing in the days to come as and when the complete our colo, we will be releasing it so that the market benefits from that.

Devesh Agarwal:

Alright sir thank you so much.

Moderator:

The next question comes from Sanidhya from Unicorn Assets.

Sanidhya:

So my first question would be on core SGF, so you were saying the figure that came for us was Rs. 481 crores, so there was onetime setup that we gained from like transfer from one fund to the another. So can we assume for the next year, if we see some growth as well, it would be more than Rs. 500 crores for the entire year, FY '26?

Sundararaman R:

See, I think I answered this question in great detail, when the first or second question was asked. I have given a lengthy explanation as to how it's nonlinear. It cannot be projected and how, when a new methodology gets introduced, the delta increase is always very high. And subsequently, the deltas become small. Here, I do not mean the option delta. I mean by delta, the difference between the old number and the new number. And I also said that how when the volumes and open interest increases, which is bound to increase because we are working on better premium quality. We are asking people to trade next month and next to next month. So open interest will increase, and we are in the position of acquiring new members to come into our clearing market. So clearly, these are good growth standards for core SGF.

If we by some delta increase the core SGF of that, we are going to get the perennial source of revenue. I have also explained in the previous question, how any number cannot be put at that point of time. And that is the reason why many of the many these computations cannot be regularly provided for because it is very difficult to extrapolate.

Sanidhya:

Okay, sir. Got it. And secondly, if you see the overall premium for the last this quarter versus the previous quarter, it has kind of remained same, whereas the number of contracts have significantly decreased as well -- and as we see for the month of January, our premium turnover, net-net has increased and the number of contracts has been lower than the last quarter.

So can we assume of getting more operating leverage in that sense? And could you quantify like what number is variable for us, whereas how much it could be benefit -- we could be benefited from increasing the premium?

Sundararaman R:

So it's like this, as you rightly observed, we if you look at the total number of contracts and the average notional daily turnover they have consistently -- they have fallen down compared to the previous quarter. If you look at it in Q2 FY '25, my average daily notional turnover of around Rs.

128 lakh crores basically. It has come down to Rs. 105 lakh crores in the last quarter, whereas the average daily premium has marginally gone up from Rs. 8,203 crores to be precise to Rs. 8,758 crores, it has gone up. So, in this process of premium improvement, what happens is one is the quality of premium is going up with lesser number of contracts. Second is, therefore, the clearing and settlement charges and the regulatory fee, which are based on a number of contracts traded they come down. That is the way it is benefiting us. And if we improve our next month or next to next month contracts, it more and more long-term participants coming in, that the market reorienting itself towards trading longer-term contracts, reintroducing more colo racks into the system. We feel that we will be able to continue to grow in the coming months.

Sanidhya:

Sure, sir. Sir, just to confirm the number. So you are highlighting on the Rs. 8,200 crores is the average. So if we see a particular day that is January 21, it was more than Rs. 40,000 crores in terms of option premium turnover. So is it rightly understand that this may be due to the rollovers in terms of the last week to previous week?

Anand S.:

I'm not sure where you're getting the numbers from, please check our website, Rs. 50,000 crores was an all-time high. I think that you are referring to, which happened somewhere in September or October. But on an average basis, the numbers are given in the investor presentation.

Sanidhya:

Yes. I was just highlighting on the January 21 derivatives turn over, the option premium turnover on the website. So, for 21st of January, it's like Rs. 41,716 crores. So, is the understanding right that this is due to rollover taking place on that particular expiry date?

Sundararaman R:

See, we will not be able to comment on whether it is because of rollovers or whatever it is. Because you see rollover means we have to go to an individual client to see whether he rolled over or not. That will not be the right way of looking at it.

What we will certainly see is whether on the expiry day, there is significant number of contracts has opened interest in the next week, next to next week and in the monthly contract and whether it is consistently growing. That is the way we will look at it. We may not give a technical jargon call rollover because that will be client specific in our opinion. I hope this answers your question.

Moderator:

The next question comes from Shalini Gupta from East India Securities.

Shalini Gupta:

I have one or two questions. One is that the transaction, your BSE transaction charges for F&O are more than NSE, so what steps are you taking to increase institutional participation on the exchange?

Sundararaman R:

I don't know why the transaction charges is related to incentivizing participants. It's like this. BSE charges are Rs. 3,250, you are right. NSE charges are about Rs. 3,500. It is around Rs. 250 per crore of premium, which is more there. The reason why we put the number that we have is not to incentivize anybody or disincentivize anybody. If you may recall, we fix the charges based on what realization we had at that point of time when we wanted to bring in the regulation of "True to label".

You will appreciate that we are a very young and new exchange as far as derivatives are concerned. We are not, therefore, knowing any equal pedestal to a fully matured nicely grown long-term exchange. We are very young exchange. So, our intention of pricing is to bring in the uniform charges, so whatever realizations are based on that we fixed it. It's not as any creating competitive advantage we have fixed to this number.

Shalini Gupta:

Then, sir, how do you increase your market share. If you don't get an institutional participation, how will you increase your market share?

Sundararaman R:

In which segment you are talking about? Sorry.

Shalini Gupta:

F&O.

Sundararaman R:

In F&O, I do have sufficient good amount of institutional participation, and it is consistently increasing. At this point of time, FPI participation is 5%. Many of the FPIs, who have converted themselves as brokers in India, one by one, they are also taking registration with BSE, and they are also able to trade more with us.

And I have repeatedly told in all my investor calls. Market share is a result. It is not the goal. The goal is to provide a good viable nicely complementing product to the market. We feel Sensex fits that bill. So, more and more participants should get the benefit of it. So, what do we do? We go ahead and bring in more participants in terms of members, FPIs, etc. So, the market share will become a result, it is not a goal to pursue for us. The goal is to provide a good viable complementary contract.

Moderator:

Ladies and gentlemen, we will take that as a last question for today. I now hand the conference over to the management for closing comments.

Anand S:

Thank you so much, Raghav for hosting this call. And thank you, everyone, for joining us on this call. If you have any questions, please feel free to reach out to us at bse.ir@bseindia.com. Thank you so much.

Moderator:

Thank you. On behalf of BSE Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.