

**NSE****30<sup>th</sup> Annual General Meeting****12-07-2022****– Mr. Girish Chandra Chaturvedi – Chairman, NSE:**

– Good morning, ladies and gentlemen, it is 11 am, and the requisite quorum being present, I declare the meeting open. On behalf of the board of directors, I, Girish Chandra Chaturvedi, Chairman of the Board of NSE, welcome you all to the 30<sup>th</sup> Annual General Meeting of National Stock Exchange of India Limited. I hope you and your families are safe and in good health. I wish to mention that in view of the continuing Covid 19 pandemic, the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), issued various circulars and relaxations on holding the AGM through video conferencing or other audio-visual means. The company has taken all the feasible efforts to enable members to participate through video conferencing or other audio-visual means and vote on the items of the business to be transacted at the AGM. I am attending this meeting along with my fellow board members from the Conference room at NSE's office in BKC. Ms. Sunita Sharma is attending through video conference from Delhi and Mr. Veneet Nayar has conveyed his inability to join the meeting due to his pre-occupation. Before we start the main proceedings of the meeting, let me introduce myself.

– I have been on the board of NSE since November 2019. Besides being the Chairman of the board, I also chair the Regulatory Oversight Committee, Stakeholders Relationship Committee, the PID Committee, the Independent Directors Committee and Trading Member Advisory Committee. I now request my fellow board members to introduce themselves.

– Ms. Anuradha Rao, PID.

**– Ms. Anuradha Rao – PID, NSE:**

– Good morning, I am Anuradha Rao, I am a PID of the board since November 2019. I am also the chairperson of the Nomination and Remuneration Committee and of the Investor Protection Fund Trust. Thank you.

**– Mr. Girish Chandra Chaturvedi – Chairman, NSE:**

– Mr. K. Narsimha Murthy, PID.

**– Mr. K. Narasimha Murthy – PID, NSE:**

– Good morning, I am PID since February 2020. I am the chair of Audit Committee.

**– Mr. Girish Chandra Chaturvedi – Chairman, NSE:**

– Thank you. Professor S. Sudarshan, PID.

- **Professor S. Sudarshan – PID, NSE:**
- Good morning, I am Professor S. Sudarshan. I am a PID on the board since February 2020. I am also chairman of the Standing Committee on Technology. Thank you.
- **Mr. Girish Chandra Chaturvedi – Chairman, NSE:**
- Ms. Mona Bhide, PID.
- **Ms. Mona Bhide – PID, NSE:**
- Good morning, I am Mona Bhide and a PID on the board since April 2020. I am also the chairperson of the Risk Management Committee and Member & Core Settlement Guarantee Fund Committee.
- **Mr. Girish Chandra Chaturvedi – Chairman, NSE:**
- Ms. Sunita Sharma, Shareholder Director.
- **Ms. Sunita Sharma – PID, NSE:**
- Good morning, I am Sunita Sharma, attending this AGM from Delhi. I am a Shareholder Director since October 2016. I am also the Chairperson of the Delisting Committee. Thank you.
- **Mr. Girish Chandra Chaturvedi – Chairman, NSE:**
- Thank you. I request Mr. Limaye to introduce himself and also the other colleagues who are present with him.
- **Mr. Vikram Limaye – Managing Director & CEO, NSE:**
- Good morning, everyone, I am Vikram Limaye, I am the Managing Director and CEO of NSE. I have with me senior management colleagues. I welcome you all to the 30<sup>th</sup> AGM of the company.
- Mr. Rohit Gupte, Company Secretary
- Mr. Hari K., Chief Business Officer
- Ms. Priya Subbaraman, Chief Regulatory Officer
- Mr. Vasudev Rao, Group General Counsel and Head of CSR
- Mr. Shiv Kumar Bhasin, Chief Technology and Operations Officer
- Mr. Somasundaram, Chief Enterprise Risk and Information Security Officer
- Mr. Vikram Kothari, Managing Director, NSE Clearing

- Mr. Mukesh Agarwal, Managing Director, NSE Data and Analytics and NSE Indices Limited
- Unfortunately, Mr. Yatrik Vin who is our CFO is not with us today because he has some health issues, otherwise he would have been here today.
- Thank you very much.
- **Mr. Girish Chandra Chaturvedi – Chairman, NSE:**
- Thank you, Vikram. Mr. Sumit Seth, partner and authorized representative of M/s. Price Waterhouse & Co. Chartered Accountants, LLP, statutory auditor of the company has joined this AGM from Mumbai. Secretarial auditor, Mr. Makarand Joshi, partner of M/s. Makarand M. Joshi & Company, Company Secretaries has joined this AGM through video conference.
- The integrated annual report for the financial year 2021-2022 and the notice convening the AGM was sent to the shareholders on their registered email ids in electronic form, and this is also uploaded on the website. Shareholders may note that the AGM is being held through video conferencing or other audio-visual means, therefore the facility for appointment proxies by members is not applicable. Accordingly, the company did not provide proxy forms to its members and has not maintained a proxy register. Similarly, a route map was not required to be shared along with the notice. The statutory registers are made available electronically for inspection by the members during this meeting.
- Coming to the business of the meeting, with your permission I shall now take the notice convening the meeting as read. In line with the provisions of the Companies Act 2013, only the qualifications, observations, comments or matters of the auditors on financial transactions which have any adverse effect on the functioning of the company are matters required to be specifically read out at the meeting of the shareholders. The Statutory Auditor's Report on the financial statements for the financial year ended March 31, 2022, does not contain any qualifications, observations or adverse remarks, accordingly the said report is not required to be read at this meeting. Qualifications, Observations or Comments or other remarks, if any mentioned in the Secretarial Audit Report issued by the Company Secretary in Practice, which have any material adverse effect on the functioning of the company, shall be read at the Annual General Meeting and attention of members present shall be drawn to the explanations or comments given by the board of directors in their report. The secretarial audit report for the financial year ended March 31, 2022, issued by M/s. Makarand M. Joshi & Co., had two minor observations. First, the Code of Conduct does not contain some of the minimum standards as per Schedule C of the PIT Regulations. Second, the Company was not having approval for acting as STP Centralized Hub till June 08, 2021, which was to be taken from SEBI.
- With reference to management response on the said observations. First, the company has made the necessary changes to its Code of Ethics framed pursuant to the Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations)

and Regulations), 2018 in line with the requirements of SEBI circular dated March 3, 2021, issued in this connection, and Schedule C of PIT Regulations and Second, the matter has been settled through Order No. SO/SBM/KL2021-22/6462 upon payment of Rs. 4.87 crores. The matter is now closed. The said responses by the management were also provided in the report of Board of Directors forming part of the Integrated Annual Report circulated to Members.

- I would like to inform you that in compliance with the Companies Act 2013 and relevant Rules and SEBI Listing Regulations, the Company had provided opportunity to all its members to exercise their voting rights through electronic voting between Friday, July 8, 2022 - 9 am and Monday, July 11, 2022 - 5 pm. Shareholders who have not cast their votes earlier and are participating in this meeting can cast their votes now through e-voting module made available by NSDL.
- Before I move to the business items of the meeting, an update to the members on appointment of Shareholder Directors. We had invited suggestions from shareholders on names for appointment of additional Shareholder Directors on the board of the company particularly in two areas of competence or skill set that is Regulatory Skill Set and Knowledge of Markets. Suggestions were invited on or before June 7, 2022, by the Company considering ensuing AGM by mid of July 2022. However, the company did not receive sufficient names from shareholders to proceed further. Hence, the appointment of additional Shareholder Directors is not included in today's meeting. We are also looking at names of potential candidates in the areas specified and would look to bring the resolutions for appointment of shareholder directors at an appropriate time.
- Ordinary Business:
  - Item no. 1: To receive, consider and adopt the audited financial statements including the consolidated financial statements of the company for the financial year ended March 31, 2022, together with reports of board of directors and auditors thereon.
  - Item no. 2: To declare final dividend on equity shares for the financial year ended March 31, 2022.
  - Item no. 3: To appoint Mr. Vishnu Charan Patnaik, DIN: 08384583 in place of Ms. Sunita Sharma, DIN: 02949529, shareholder director who retires by rotation.
  - All the above resolutions proposed are ordinary resolutions to be passed by simple majority.
  - The board has appointed M/s. Makarand M. Joshi, Partner, failing him, Ms. Kumudini Bhalerao, Partner of M/s. Makarand M. Joshi & Co., Practising Company Secretaries as a scrutinizer for conducting the e-voting process in a fair and transparent manner and to scrutinize the votes cast and to submit consolidated report of voting in compliance with the provisions of the Companies Act 2013, and the SEBI LODR Regulations, 2015.
- I now request Mr. Harshit Maniar to brief the members about FY 2022 results.

- **Mr. Harshit Maniar – Chief Manager – Finance & Accounts, NSE:**
- Thank you, Chairman sir.
- Good morning, members. FY22 indeed has been a good year from a market performance and financial performance of the company. Our company has reported a good financial performance on the revenue and the profit numbers. Before I move on to the revenue and profitability of the company, for the financial year ending FY22, CM segment saw an overall market growth of 9%. This growth over and above the growth of 70% that we saw in CM segment in FY21. Equity futures also reported a market growth of 9% and equity options of 114%. In currency futures and currency options we have seen a market growth of 24% and 54%. With this the market share of NSE has remained constant and in CM segment which has been in the vicinity of 92% to 94%. In equity futures and options, we continue to remain a market leader at 100% market share, and currency futures we had a market share of 70% and Currency Options at 95%. On the open interest front market share on the currency derivatives, in Futures we had 72% market share and Options was at 99%. It is a moment of pride for all of us in India and at NSE that NSE continues to be the world's largest derivatives exchange for the third consecutive year.
- Moving onto the financial numbers of NSE Standalone, the company has reported a standalone revenue of Rs. 8164 crores which was 55% higher than the previous year of Rs. 5263 crores. This number excludes the subsidiary dividend. The operating revenue of the company stood at Rs. 7763 crores which is 95% of the total revenue. The expenditure of the company for the financial year ending FY22 on a standalone basis was Rs. 2281 crores while the cash expenditure was Rs. 2021 crores. The ratio of expense to revenue stood at 28% which was 26% in the previous year. The operating margin of the company stood at 71% at Rs. 5482 crores. The EBITDA margin was 75% at Rs. 6143 crores, the PBT margin was 72% at Rs. 5883 crores, and PAT margin was 54% at Rs. 4401 crores. The EPS of face value Re.1 share of NSE is Rs. 93.36. NSE standalone networth is Rs. 11,548 for FY22 and Book Value per share is Rs. 233 per share for a face value of Re. 1.
- Moving on to some details on the revenue of the company, while Operating Revenue of the company was Rs. 7763 crores the major four-line items of business from where we generate the majority of the income. The transaction charges of the company was Rs. 6965 crores. This increased by 64% which was Rs. 4236 crores in the previous year. The treasury income on NSE standalone basis stood at Rs. 423 crores of which the operating treasury income was Rs. 47 crores. The co-location charges which includes Rack and connectivity charges was at Rs. 433 crores. And the listing services which include listing fees, the book building fees and the processing fees that we receive from the listed companies were at Rs.184 crore rupees which was Rs.145 crores in the previous year as we saw more IPO's in FY22.
- Moving onto the total expenses, NSE standalone total expenses stood at Rs. 2281 crores and the cash expense was Rs. 2021 crores. If you look at the graph on the bottom left, the total ratio of expenditure to total income was 28%. If we see in FY 17-18 this was somewhere, in the vicinity of 35% to 36%. So, over a period of last

5 years, we have been able to generate a good operating leverage in the business of almost 7% to 8%. While we are seeing a bit of growth over FY21, this is mainly in certain variable expenses, on account of the increase in the turnover and the increase in the revenue and also the higher spend on the technology areas. As a percentage of total expense, the focus continues to remain on technology areas which is almost 29% of the total expenses followed by the employee cost at 12%, while Clearing and Settlement is at 20%, which is within the group and regulatory expense is at around 10%.

- This slide shows the brief trend of how the operating margin and the EBITDA, PBT and the PAT of the company has been over a period of 5 years. If we look at a period of last 5 years right from FY17-18 to FY21-22, we have almost moved 8 to 10 percentage up in each of the ratios and the operating margins stands at 71% with EBITDA at 75%, the PBT at 72% and the PAT at 74%. So, there has been a significant growth in each of the margin percentages over the period of last 5 years.
- Moving onto the consolidated financials of the company, for FY22 the company had 17 Subsidiary companies and 9 Associate companies. The total revenue of the company stood at Rs. 9500 crores which was 53% higher than the previous year FY21 which stood at Rs. 6202 crores. The operating income was higher by 59% at Rs. 8929 crores which was 94% of the total income. The treasury income of the overall NSE Group stood at Rs. 800 crores which was Rs. 828 crores in the previous year. The profitability of NSE Group is Rs. 7251 crores of EBITDA, Rs. 6912 crores of PBT, PAT at Rs. 5198 crores and EPS of Rs. 104.95 for a face value of Re. 1 each share. If we look at the bar graph on the right-hand side top which represents NSE margins and NSE Group margins, where we can see that NSE Group margins are 1% higher vis a vis to NSE standalone margins. This means that all the other subsidiaries and associate business are also contributing positively to the NSE Group. For FY22, the networth of NSE Group stood at Rs. 15,418 crores and the book value per share was Rs. 311 per share. The trend over a period of last 5 years also show that, we have been able to improve or maintain the margin at each of the operating profit, the EBITDA, PBT and the PAT margin consolidated basis. The company has recommended a dividend of Rs. 42 per share which is 40% of the total consolidated profit. This will result into a total dividend pay-out of Rs. 2079 crores which is almost 70% higher pay-out than FY21 which was Rs. 1225 crores. Thank you very much.
- **Mr. Girish Chandra Chaturvedi – Chairman, NSE:**
- Thank you, Harshit.
- I would now like to invite the shareholders who have registered themselves to speak and ask questions. I request the speakers to be brief and restrict themselves to suggestions/comments on matters as set forth in the notice and the accounts and operations of your company for FY2022. Meanwhile in case any other shareholders has any queries, they can send them through chat box.

- So, now I move onto the shareholders who have expressed their desire to speak on this occasion. I welcome Mr. Pritesh Vora, your mic has been unmuted, we request you to switch on your camera before speaking, Mr. Pritesh Vora.
- **Mr. Pritesh Vora – Shareholder:**
- Good morning, Sir, this is Pritesh Vora. I have two broad questions. One is the NSE has a lot of initiatives which can be promising over a period of time like what we have the currency exchange has become a sizeable business now. But it is still short of our exchange volume which we see on the OTC counter. So NSE along with BSE should liaise with the government and see that to bring currency on exchange platform, that is one initiative. Second about the gas exchange, I want to understand what kind of business it can be over a period of time, as well as the bullion exchange along with the 5 Mll institutions, what can be the opportunity here over a period of time. Next question is about SGX Nifty, today we heard the news appearing that Prime Minister is inaugurating SGX Nifty at GIFT City, so I want to understand what kind of business opportunity SGX Nifty will present over a period of time. Will all of the Singapore Nifty trading shift to GIFT City? What is the arrangement here? Also, I want to understand in fixed income what we are doing. I mean overseas it is very promising, still the volume is not that material on the fixed income side. So what management is doing to bring fixed income instrument on the exchange platform? While above are the promising businesses, I see some draining in the commodity exchange, what kind of burn we are doing, because exchange is all about winner-takes-it-all business. So, is it primarily required to continue our effort on the commodity side? What kind of burn are we seeing on the commodity exchange? As well as the foreign stock trading on the GIFT City, is it a business case here for NSE, I can understand it is an additional avenue but is there any business case to continue foreign stock exchange on GIFT City. Thank you very much, these are my questions, Thank you.
- **Mr. Girish Chandra Chaturvedi – Chairman, NSE:**
- Thank you, Mr. Vora. Now I welcome the second speaker who has given his name, Mr. Sourav Dhanani, your mic has been unmuted, we request you to switch on your camera before speaking, Mr. Dhanani.
- **Mr. Sourav Dhanani – Shareholder:**
- Namaskar to everyone, hope everyone is doing well. Since this will be the last AGM as MD and CEO for Mr. Limaye, I would like to mention that it has been a wonderful experience interacting with him over the past few years. Wishing him all the best for his future.
- Now I come to my questions and suggestions, one, is how do you see NSE-SGX connect evolving, has it turned over, and what would the profitability be say 3 years down the line. Secondly, as per media reports regarding NSDL IPO, how much is NSE going to offload and what will be done with the proceeds. Thirdly, as per NSE's stated dividend policy of distributing 60% of its consolidated PAT amongst

shareholders, it is being seen that the distribution is around 40%. So, could you please explain about the lower pay-out than the stated policy? Fourthly, again when can we expect the NSE IPO? And lastly would like to suggest to have informal or formal shareholders meets after every quarterly results. Thank you very much.

– **Mr. Girish Chandra Chaturvedi – Chairman, NSE:**

– Thank you, Mr. Dhanani. In fact, these were the only two names who had expressed their desire to speak today. Apart from it, we have certain queries and questions on our chat box which have been passed onto Mr. Vikram Limaye, so I now request Mr. Vikram Limaye, Managing Director and CEO, to respond to the queries raised by the shareholders either directly or through chat box. Mr. Limaye.

– **Mr. Vikram Limaye – Managing Director & CEO, NSE:**

– Thank you, Chairman. And thank you to all the shareholders for your questions and for attending this meeting. I will try and answer the questions that have been raised.

– First of all, as it relates to the new businesses that we got into whether it is the Gas exchange or the Bullion exchange, these are very early days to talk about how these will develop over the next 2-3 years. As you know the International Bullion Exchange has not even started as yet. It is expected to start next week after the launch happens on Friday. So, it is early days, I think the overall potential is obviously large given the dynamics surrounding gold and the fact that we expect this exchange to really be sort of the gateway for all the imports of gold into the country. And that as you all know is not a small number. The government has also facilitated recently, even the jewellers etc., to start operating through the exchange, so some of those facilitations will also help in building this exchange but the point I want to make is that the International Bullion Exchange is early days. So, I don't want to hazard a guess in terms of what this exchange will be in terms of size, volumes, etc, because we haven't even started.

– As it relates to SGX, we certainly expect the volumes post consolidation of liquidity of the SGX volumes in GIFT city to pick up. Because I think, what will end up happening is that, you will have a more complete ecosystem to trade the NIFTY Futures contract, which is the contract that is currently on SGX. But, beyond the NIFTY Futures contract, we expect that this consolidation of liquidity will also result in other products such as NIFTY Options to also pick up, which currently don't trade very much in Singapore. But as you know, the options contracts onshore in India are very large as it relates to index options. So, we certainly believe that will also be the case in the dollar option contracts and there obviously the consolidated ecosystem of the SGX participants and our own participants in India will also start trading in GIFT city, will result in pickup in volumes, not only in futures, but also in options which currently are quite low as it relates to the SGX volumes.

– The third question was surrounding currency, and I'll request Hari who is here, to just outline some of the things that we're doing as far as the currency markets are concerned. These markets, again, relative to potential are small in terms of the



volumes and the revenues we get from currency. But, we have been working with the regulators to try and see what additional facilitation can be done in order to enhance the volumes for currency on the exchange platform. So Hari, if you would like to take that?

– **Mr. Hari K – Chief Business Officer, NSE:**

– Thank you. Good morning to all of you. On the currency side, we launched currency derivatives in August 2008, and slowly, as Harshit also showed in the presentation, we got about 67% market share in futures and about 80% market share in options. So basically, exchange traded currency derivatives has given a facility for small SMEs to come and hedge their exposure, because when an SME goes to the bank, he does not get the same rate that a big corporate will get, on exchange you get that facility. And, we have deepened this market quite a lot. We have got thousands of SMEs to hedge their exposure, along with big tech companies, to hedge their exposure on the exchange platform. One of the very important things which we read in the RBI report some time back is that the Central Bank also intervenes in the exchange traded currency market to stabilise the currency over and above what they do in the spot market. And, putting all this together, I think we have got an average traded volume of about 35,000-40,000 crores on a daily basis in the currency segment, and it's growing every day. USD-INR spread is not only traded in India, it's also traded in Dubai, it's traded in Singapore, it's traded in Hong Kong, CME, ICE and Moscow. USD-INR is supposed to be one of the most actively traded currency. So today, our market closes at 5 p.m. India time, and lot of US data points come at about 7.00-7.30 p.m. India time, and at that time we are closed and they are not able to take advantage or the participants are not able to hedge their exposure because we are closed at that point of time. So, RBI set up a committee under Madam Usha Thorat and the committee has recommended that the exchange traded currency derivative segment should be extended beyond 5 p.m. India time. It was done in July 2019. We are also talking to the regulators to see whether we can gradually extend the exchange traded currency market timing beyond India time 5 p.m. to say about 8 p.m. and then up to 11.30 p.m., that's the time when the commodity markets close. So, that will be a good step to increase the exposure and also to allow participants to hedge more effectively. So, we are waiting for that announcement.

– **Mr. Vikram Limaye - MD & CEO, NSE:**

– Thanks Hari. I think, as it relates to the Fixed Income markets, as we have mentioned before, there is a very serious focus on trying to see how we can grow these markets a lot more. As you all are aware, we had launched the RFQ platform sometime ago, and because of the regulatory mandate for Mutual Funds and Insurance Companies to mandatorily trade a certain percentage of their volume on the RFQ platform, we have seen volumes on the RFQ platform pick up. As we had mentioned last time as well, almost 60% of the CP trades now happen through the RFQ platform, and approximately 20% of the corporate bond trades happen on the RFQ platform. Our market share on the RFQ platform is almost 98-99%. But, we have a long way to go in terms of secondary market trading in bonds. There are lot of initiatives that SEBI is currently taking for the same. There is a specific committee that has been set up for

enhancing bond markets in India and some of the initiatives that have been discussed include market making, etc in order to facilitate more secondary market trading in bonds. So, we will see how that evolves, but as has been rightly pointed out, this is a very large market internationally as well. We certainly expect it to grow domestically. The primary market activity has been quite encouraging over the last few years, as you all are aware. What we need to do is, get the secondary market activity to be more robust, and that has some issues surrounding regulatory issues because there are only certain categories of companies that the insurance and pension companies are currently allowed to invest in, which is largely AA and higher. And therefore, you just have a very narrow set of issuers, primarily financial services companies and the PSUs that end up issuing a lot of debt. Many of the capital raising that happens goes to insurance and pension companies and does not come to the secondary market, because these are largely buy and hold investors. So, we have to find ways of broadening the pool of issuers, and therefore, the paper that is available in the secondary market, and then do various things including market making and other things that are being discussed, to facilitate greater secondary market volumes. So, we will see how that evolves, but everybody has been at it for some time, as you all are all aware. And currently, there is also a pretty large focus on trying to figure out how we will expand the Fixed Income markets.

- The other question was surrounding commodities and whether this is a segment that we should continue to be in, and what the burn is on commodities, etc? As you all are aware, we got into this segment only 3-4 years ago. Since we got in, one year out of those 3-4 years has been lost on account of various things in terms of not being able to launch new products and things of that nature in two, 6-months periods. Be that as it may, as we have said earlier as well and as is the experience in other segments, building volumes in a segment that is already well established on other exchanges, is not necessarily easy, also because some of the regulatory dispensations that we have been asking for have not been forthcoming in terms of the regulations surrounding what type of contracts can be launched, whether co-location facilities are permitted, what kind of liquidity enhancement schemes can be launched surrounding existing contracts that have already established liquidity on another exchange, etc. So, it is not that easy for a new entrant to take away liquidity from established exchange in this particular area. Some of these measures are not necessarily consistent across segments. But, commodities is looked at a bit differently than equities, as far as SEBI is concerned. So, some of these measures are different from what exists in the equity segment. So, we are at it, it will take time. But, I think, it's an important segment to be in. We are also exploring other initiatives in commodities, and over time, once we are ready to make announcements in those areas, I'm sure you all will hear about them. But, I do not think we cannot be in this segment. We will have to work hard to try and see how we can get some of the regulatory changes done, as well as launch new products and launch products that do not have established liquidity on other exchanges and try and grow the market. That is also SEBI's interest in terms of expanding the market, rather than fragmenting liquidity. So, their thrust is also towards trying to see how new products can be launched and the market can be expanded, rather than three exchanges taking away liquidity from an established liquidity pool on a certain

contract. So, we will see how that market evolves. As far as the spend on the commodity segment is concerned, it's approximately Rs. 15-18 crores a year, that includes operating costs as well as the liquidity enhancement scheme that we do surrounding commodity products. As you all are aware, the liquidity enhancement scheme is not mandatory by any means. The operating cost would be in the range of about Rs. 5-10 crores and I think it's important to look at it as an investment, because we need to develop new segments and new markets even in terms of diversifying NSE's revenue streams. So, this is an important area. It will take time, but we will have to be at it. You know, we look at our derivative markets today and I think we tend to forget that when derivatives were launched, it took several years of a lot of hard work to even get the derivatives markets going. So today when we reflect back, it looks very good and obviously, we are the largest derivatives exchange globally and all that. It took several years of hard work to get those volumes to any kind of respectable level. Likewise, in some of these new segments, we are focused on it. I think it's important for us to stay focused because these are large areas from an economic perspective, whether it's fixed income or commodities. They are relatively small, relative to potential and so as these markets grow, it is important for us to remain in these markets and help grow these markets because they are also important for the country's economic growth, whether it's the fixed income markets, commodity markets or even the currency markets. So, these are areas that I think we will continue to focus on.

- As it relates to the foreign stocks that we are offering through the depository route in GIFT city, that is a new product, as you know. We are certainly optimistic about the prospects for that. The start has been a bit slow, but that is primarily on account of some of the retail brokerages being able to establish their operations in GIFT city. What we are seeing now is all the large retail brokerages, whether it's Zerodha, Upstox, IIFL, etc, they are now setting up their offices in GIFT city to start trading this product. So, once these guys get ramped up in GIFT city, I am pretty sure the volumes in this product will also pick up. It is an innovative product; it's a new product and the ecosystem is falling into place. As you know, this is targeted towards the LRS Scheme (Liberalised Remittance Scheme) of the Reserve Bank of India which allows resident Indians to transfer upto 250,000 USD. So, this is targeted towards those individuals, and they are necessarily retail or high networth. Therefore, once these retail brokerages and their wealth units start operating in GIFT city, they will also pull the volumes from their client base. We are encouraged because all these retail brokerages, when we talk to them, are very excited about this product, and they certainly believe that they will be able to get many of their clients to start getting into this product once they establish their offices there. So, we are still optimistic about the prospects of this product in GIFT city.
- The next set of questions are related to our dividend policy and our shareholder meetings, etc. As far as dividend policy is concerned, as you all are aware, we amended the dividend policy more than a year ago, and that's in fact on our website. It does not really talk about any fixed percentage the way it used to be – about 60% of consolidated profits or anything. The dividend policy actually is one that says that the Audit Committee, board, etc. will evaluate the free cash flow available in the

business, will evaluate what the needs are business related or risk related. As we mentioned last time also, there was a detailed exercise conducted in order to determine what is the risk capital required for the business, and therefore, what is the surplus cash flow that could be available for dividend distribution. And based on that, the Audit Committee and board takes a call on what is an appropriate amount of dividend and what is prudent from a distribution perspective so that enough cash is retained from a risk perspective, as well as for business needs, inorganic opportunities, growth opportunities, etc. So, it is not a certain percentage of profits, it is more based on what the cash flows are and what the needs of the business are, what the risk capital requirements are, and therefore, what a prudent dividend pay-out would be. The objective being that we would like to continue to pay dividends that grow each year relative to the prior year. So, we want to try and pay higher dividends each year, not necessarily in percentage terms, but certainly in absolute terms. As the expectation is, as the profits of the enterprise grow, and as you would have seen between last year and this year, the dividend pay-out is almost 70% higher in FY22 v/s FY21, and that is after taking into account the risk capital needs of the business. So, that is the philosophy and policy of the company as it relates to dividend. So, that is what you all should expect going forward.

- In terms of the NSDL IPO, there was a question about media reports regarding the NSDL IPO and how much NSE is likely to offload and what we will do with the proceeds? So, for the IPO, there are discussions ongoing surrounding the IPO with bankers, at the management and board level. If and when this actually fructifies, we will certainly offload an appropriate percentage in the IPO. Because as you all are aware, regulatorily, we are required to bring our shareholding down from 23-24% to 15% over a period time. So, I think we will necessarily offload a certain percentage in the IPO; we have not really decided what that percentage would be. It really depends on the size of the IPO, the markets, the appetite of investors, valuation, etc. But the idea is that we will monetise because we are required to bring down our stake regulatorily. So, we will offload some in the IPO and then offload some in the secondary market over time in order to bring down our stake to the regulatory requirement.
- The next question was surrounding the NSE IPO, and as we have said before as well, this is something that is likely to take some time in light of recent events and concerns that have been expressed by the regulator as well surrounding various governance issues that have cropped up, as you all are aware. So, some of the ongoing issues are still unresolved as it relates to Co-lo, etc. And, in the course of the next few months, we will obviously continue to interact with the regulator and get them comfortable with all the governance related matters and other things that they would want to get comfortable with whatever it is that has come out in the press recently as well as the regulatory, technology, various other issues that they may want to get comfortable with in terms of how things evolve. And so, we will work with the regulator over the next few months and get them comfortable on various issues that they might have in order to clear the IPO. But my own view is that I do not expect this to happen in the near term; that's just my view based on everything that's transpired and the concerns that the regulator has. We will keep you updated

on how the discussions are progressing, and if there is anything tangible that we can share surrounding timing of the IPO, but at this point in time I am unable to give a concrete timing surrounding the IPO.

- There was another question about whether there can be informal or formal shareholder meetings after every quarter and every quarterly results? We will examine that and discuss that at the Stakeholder Relationship Committee and the Board, and we will come back to you on what our thoughts are on that. As you will know, we certainly engage with shareholders 2-3 times a year. So, one is at the AGM, there is atleast one other opportunity when we interact with shareholders. We will try and see if we can do it every quarter or every six months, but we will come back to you after we have a discussion surrounding that at the Stakeholder Relationship Committee and the Board. Obviously, we are all available if any of you want to discuss anything with us. The management is available and feel free to reach out to us, if you have any specific questions or if you want to have a discussion surrounding any matter.
- There was another question surrounding dividend, whether it's possible to move to a quarterly dividend? I do not think at this point in time there is any plan to move to a quarterly dividend. We'd rather do an annual dividend, because I think, given the volatility and given everything that is market related, it's much better to take a call on what is a prudent dividend pay-out when we know what the results are, what happened during the year, what kind of risk capital is required, and therefore what the surplus cash flows are. So, at this point in time, I don't think there's any plan to move to a quarterly dividend pay-out.
- There was another question on the chat box surrounding understanding SEBI charges, Co-lo charges? I don't know exactly what this question is.
- **Mr. Harshit Maniar – Chief Manager – Finance & Accounts, NSE:**
- The question was what are the SEBI charges and the Co-lo charges that we levy and is there a way to predict that? So, SEBI charges are actually levied basis a circular issued by SEBI which is 0.000012% of the turnover in each of the segments. While it is on the traded value in each of the segments, in case of options it is on the notional value of the options traded and not on the premium value. As regards the co-location charges, the card rate is available on our website for all the racks and connectivities, and it is levied basis the member's subscription to those racks and connectivities.
- **Mr. Vikram Limaye - MD & CEO, NSE:**
- I think I've answered all the questions. Unless I've missed out something, please feel free to ask. Otherwise, Chairman, I think I have answered all the questions that were specifically mentioned and those that came on the chat box.

- **Mr. Girish Chandra Chaturvedi – Chairman, NSE:**
- Thank you. The queries have now been answered. If there are any more queries, please do write to the company or to the Secretarial Department. Those who have not cast their vote on the resolutions set forth in the notice, may do so immediately as the e-voting platform is available only for the next 15 minutes, after which the voting will be closed.
- I authorise the Managing Director and CEO or the Company Secretary to declare the results of the remote e-voting as well as the electronic voting done at the AGM today, along with the Scrutinizer’s Report. The results will be announced within 2 working days from the conclusion of the meeting and shall be updated on the website of the company as well as the e-voting website of NSDL along with the Scrutinizer’s Report. The same would also be recorded as part of the proceedings of the AGM.
- With this, we come to the end of the formal business of the meeting.
- Mr. Limaye would be completing his tenure as MD & CEO later this week. Before I conclude, on behalf of my fellow board members and the employees of the company, I wish to place on record our appreciation of all the contribution made by Mr. Limaye during his tenure as Managing Director & CEO of the Exchange. He has steered the organisation through difficult times. His able stewardship and guidance have ensured NSE is well-positioned through several transformational changes that have been implemented in the last 5 years relating to governance and controls, regulatory effectiveness, technology, investments, business growth and cultural change. We wish him well for his future endeavours.
- I would also like to take this opportunity to thank Ms. Sunita Sharma – Shareholder Director for all her valuable guidance and contribution during her tenure as director with the exchange.
- I wish to also place on record appreciation and gratitude to all our shareholders for their active participation in the proceedings and for their valuable suggestions.
- Stay safe and stay healthy! Thank you very much.
- **END OF MEETING**