



“National Stock Exchange of India Limited
Q1 FY'25 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to Quarterly Analyst Conference Call for NSE. 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. Ian Desouza, CFO, NSE. Thank you, and over to you, sir.

Ian Desouza: Thank you for that. Good morning everyone and welcome to NSE's earning call to discuss the results for the first quarter of the financial year 2025. Do note that this conference is being recorded and a transcript of the same will be available on our website. The financial results and investor presentation are also available on our website.

Joining us today on this earnings call is NSE's leadership consisting of Shri Ashishkumar Chauhan, MD and CEO; Shri Sriram Krishnan, Chief Business Development Officer; Shri Piyush Chourasia, Chief Regulatory Officer; Shri Ankit Sharma, CRO, Listing and Investor Compliance; Shri Somasundaram KS, Chief Enterprise Risk Officer; Shri Shharad Dhakkate, Chief Human Resources Officer; Shri Viral Mody, CTO, Applications and Development; Shri Mayur Sindhwad, CTO, Operations; Shri Sampath Manickam, CTO, Technology Infrastructure; Shri Vikram Kothari, MD NSE Clearing; Shri Mukesh Agarwal, MD NSE Indices and NSE Data & Analytics; Shri Balasubramanian Venkataramani, MD NSE IX; Shri Neeraj Kulshrestha, MD NSE IFSC Clearing; Shri Amber Gupta NSE legal; Shri Arijit Sengupta, Marketing and Corporate Communications; Shri Tirthankar Patnaik, Chief Economist; Smt. Prajakta Powle, Company Secretary. We also have our other colleagues from the Finance, Investor Relations and Secretarial teams.

Please note that NSE does not provide any specific revenue or earnings guidance. Possibly, anything said on this call may reflect NSE's outlook for the future which may be construed as a forward-looking statement and thus the same must be reviewed in conjunction with risks that the company faces.

With that, I would like to hand over the call to Shri Ashishkumar Chauhan, MD and CEO of NSE.

Ashishkumar Chauhan: Good morning, everyone. I welcome you all for joining us on the quarterly investor call today. NSE's business and financial performance for the quarter ended June '24 has continued its upward journey. Before I move on to the details of the business and financial performance of the company, I would like to take this opportunity to highlight a few of the key developments in the quarter.

This financial year started on a good note with continuity of a stable government at the centre. The union budget for year '24-'25 has been an all-round budget with a strong focus on growth, employment generation, infrastructure, agriculture and targeted support to MSMEs while adhering to fiscal prudence, targeting a fiscal deficit of 4.9% in financial year '24-'25.

India's strong economic resilience and growth outlook is reflected in the GDP growth projection of close to 7% in the economic survey for financial year '24-'25. Today itself, NSE has reached over INR10 crores unique investors as defined by unique PAN numbers with more than 19 crores accounts active and directly investing with the exchange that covers more than 99.8% of all pin codes in India. I would like to congratulate the entire investment community including the regulators, the exchanges, the stockbrokers, the mutual funds and everyone else associated with this industry for becoming the largest cohort of any type in India.

In May '24, the Indian equity markets, which is the fourth largest market in the world in terms of market capitalization, attained a noteworthy milestone by surpassing the market capitalization of \$5 trillion for the first time. The pace at which successive trillion-dollar increments have been added to India's market capitalization has accelerated significantly. The growth from \$1 trillion in July 2007 to \$2 trillion by July 2017 took nearly a decade.

The subsequent increase from US\$2 trillion to US\$3 trillion was achieved in approximate 46 months or 4 years. The rise from US\$3 trillion to US\$4 trillion occurred in 30 months, that is 2.5 years, while the final leap from US\$4 trillion to US\$5 trillion was accomplished in less than 6 months. This milestone of US\$5 trillion invites deeper reflection.

Since NSE started operations in 1994, the Indian market has expanded from a market capitalization near INR4 lakh crores to over INR445 lakh crores today. NSE, along with the market participants, recently celebrated Nifty 50 crossing 25,000 levels. The growth in market cap and in the benchmark index Nifty, mirrors the broader expansion of the Indian economy, which has become the fifth largest in the world.

During the quarter ended June '24, NSE saw listing of 13 IPOs on its main board, raising capital to the tune of INR16,618 crores. And as you also witnessed, listing of other securities with around 569 commercial papers raising funds of INR2 lakh crores during the quarter ended June '24. We saw about 88 private investments of NCDs raising INR 89,000 crores and 34 public issues of NCDs raising INR1,334 crores during the quarter ended June '24.

NSE has already operationalized additional racks in colocation facilities for this financial year. Last week itself, we opened Colo phase 10 at NSE BKC premises for 160 racks. Additionally, at least 500 new racks will be created at NSE BKC premises by March 31, 2025, which will be sufficient to meet current and future requirements till July 2025 as per current projections. Broker members will have sufficient Colo racks available for next one year at NSE BKC premises as per current projections. In the meantime, we would have planned for future course of action to be undertaken from July 2026 onwards.

Under the guidance of SEBI, NSE has initiated a series of awareness initiatives across the country on Social Stock Exchange. Listing of non-profit organizations on NSE's Social Stock Exchange platform has seen an encouraging progress. Eight Non-Profit Organizations (NPOs) have raised nearly INR 11 crores, contributing to areas such as education, healthcare, women empowerment, environment sustainability and culture.

In line with the cautious approach suggested by SEBI on the SME listings, we have brought in additional measures to standardize the equilibrium price across exchanges. During special pre-open session for initial public offer for the SME platform, it has been decided to put an overall capping of up to 90% over the issue price for SME IPOs.

During the quarter, we saw listing of 39 SME companies raising INR1,351 crores. NSE International Exchange at GIFT City, Gandhinagar, has continued to hold a dominant market share of 96% in the current quarter as well, highlighting NSE IX's extensive leadership in GIFT-IFSC.

GIFT NIFTY contracts have set an all-time high monthly turnover of US\$97.78 billion for month of June 2024, along with all-time high open interest of US\$18.22 billion on June 25, 2024. As on June 30, 2024, NSE IX has a total number of 75 registered members. Since the full-scale operations begin in July '23, GIFT-NIFTY has witnessed a total cumulative volume of 21.11 million contracts with total cumulative turnover of US\$883.51 billion as on 30th June, 2024.

NSE endeavors to ensure that investors understand the concept of finance, obtain and use information required for investing, evaluate various investment options to suit their specific goals, ascertain rights and obligations in a particular investment, deal through registered intermediaries, take necessary precautions and seek help in case of any grievance.

In quarter 1 of financial year 24- 25, NSE conducted a total of 669 investor awareness programs through webinars and on-ground seminars covering approximately 32,481 participants, including 31 regional seminars along with SEBI. The corpus of NSE Investment Protection Fund Trust has on June 30, 2024 stood at INR 2,112 crores.

Investment Protection Fund Trust of NSE has been established with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors.

Recently, in the matter of governance and conflict of interest, NSE withdrawn both its appeals filed against the SEBI Whole-Time member order dated April 30, 2019 and over AO order dated June 30, 2022 before the Securities Appeal Tribunal in which interim stays were granted vide order dated July 9, 2019 and August 11, 2022 respectively. SAT vide its order dated July 24, 2024, accordingly dismissed, both the appeals as withdrawn. Consequently, NSE has paid a penalty of INR 1 crores along with an interest of approx. INR 25 lakhs levied under the SEBI order.

On the volumes front, NSE recently witnessed record volumes on its platform that are larger than any exchange in the world. On June 5, 24, NSE processed 1,971 crores orders and 28.55 crores trades while on 23 July 2024, NSE processed 2,044 crores orders in one single day and 25.97 crores trades. During the June quarter, NSE's average daily turnover in cash segments stood at INR 1,23,000 crores which grew 10% over the previous quarter ended March 24 and a robust 110% over the same period last year.

NSE's cash equity segment witnessed turnover of INR 2,71,000 crores and 8.85 crores trades on June 4, 2024 due to heightened trading activity on the general elections results day. Participation of individuals in Indian equities in terms of active investors remained strong in the first quarter as I said earlier.

On average, about 1.37 crores individuals traded at least once every month in the June quarter in equities market marginally lower than 1.39 crores individuals per month in the previous quarter but much higher than 1.1 crores individuals the whole of last fiscal year. NSE's average daily turnover during the June quarter in equity index and stock options on premium value of options stood at INR 71,957 crores which increased by 33% over the same period last year. The average daily turnover in equity index and stock futures stood at INR 2,09,000 crores which increased by 101% over the same period last year.

NSE's average daily turnover in currency futures during the June quarter stood at INR 7,713 crores and in currency options and premium value stood at INR 7 crores. These volumes over the same period last year declined by 74% and 96%, respectively. The drop was seen mainly on account of the RBI regulations where RBI stated that any trades in the rupee futures contract and options contract without an underlying exposure would be a breach of foreign exchange rules.

In commodity derivatives segment, our product basket includes futures and options on all key products in energy, bullion and base metals category and are available on our platform.

Total revenue of NSE Group on a consolidated basis for the quarter ended June '24 increased by 47% from INR 3,357 crores to INR 4,950 crores. The operating revenue during the current quarter was at 91% of the total revenue.

The total consolidated revenue comprises 74% from transaction charges, 14% from investment income, 5% from data center and connectivity charges and 2% from data services, 1% each from listing services and index services. The net profit after tax of NSE Group stood at INR 2,567 crores which grew by 39% as compared to the corresponding quarter of the previous year. The earnings per share for the quarter ended June '24 was INR 51.86 per share.

During the quarter ended June 24, NSE earned the transaction charges revenue of INR 3,623 crores showing a growth of 44% over corresponding quarter ended June 2023 while the overall volumes in cash equity and equity derivatives grew by 86%. The total transaction charges grew by 44%. NSE's income from listing services which includes listing fees, book building fees and processing fees for the current quarter stood at INR 67 crores out of which listing fee income was of INR 35 crores.

NSE's income from data center and connectivity charges was INR 260 crores during the quarter ended June '24 as compared to INR 194 crores during the quarter ended June '23. As you know, NSE maintains one of the most robust state-of-the-art and the largest trading technology platform in the world and to cater to such high volumes NSE needs to continuously invest in technologies.

In the quarter ended June '24, the Group has spent about INR 208 crores towards technology related operational expenses and INR 146 crores towards the capital expenditure. NSE continues

to rationalize costs, which is key in any platform business to bring in the maximum operating leverage. NSE on a consolidated basis incurred total expense of INR 1,530 crores. 56% of these total expenses amounting to INR 856 crores are towards regulatory fees and contribution to core SGF.

44% of the total expenses amounting to INR 674 crores are towards operational expenses like employee cost, technology cost and other administrative expenses. These operational costs have increased by 9% from INR 620 crores during quarter ended June '23 to INR 674 crores during quarter ended June '24. SEBI vide its letter dated May 3, 2024 advised the company to augment core SGF of F&O segment of NSE Clearing (NCL) to INR 10,500 crores.

The board of directors had approved the voluntary contribution at 2% of the transaction charges earned to the core settlement guarantee fund to maintain corpus of the same fund based on assessment of the current trends in volumes and overall increase in market activities. Accordingly, during the quarter ended June '24, NSE has recognized an expense of INR 587 crores towards contribution to the core SGF in the financial results.

During the quarter, NSE contributed INR 14,003 crores to the exchequer of which comprised of STT INR 12,054 crores, stamp duty INR 1,018 crores, GST INR 362 crores, SEBI charges INR 333 crores and income tax INR 236 crores.

NSE's operating revenue on a standalone basis for the quarter increased by 43% from INR 2,833 crores during the quarter ended June '23 to INR 4,051 crores during the quarter ended June 24. The operating revenue for the current quarter stood at 93% of the total revenue. NSE reported an operating EBITDA of 59% for the quarter ended June '24.

The net profit after tax excluding subsidiary dividends stood at INR 1,960 crores and earnings per share for the quarter on a standalone basis was INR 39.59 per share on a quarterly basis.

NSE Clearing post interoperability continues to have a robust market share of 93% for clearing and settlement for cash equity segment, 96% for equity derivative segment and 60% for currency derivative segment.

NCL along with exchanges and clearing corporations have jointly implemented the Unified Distilled File Formats (UDIFF) in capital market and the old file formats have been discontinued. The uniform file formats across all MII's have reduced the multiple formats to one single standard format for all exchanges. The uniformity will aid simpler back-office development and maintenance. The total revenue of NSE Clearing increased by 162% from INR 287 crores during the quarter ended June '23 to INR 752 crores quarter ended June '24 and profit after tax increased by 267% from INR 131 crores during the quarter ended June '23 to INR 482 crores quarter ended June '24.

NSE's Gift City business continued to perform well for the quarter NSE IX reported a revenue of INR 34.83 crores and a net profit of INR 4.44 crores. This is the second sequential quarter in which NSE IX has reported a profit.

NSE Indices, one of the subsidiaries of NSE, which owns the flagship indices like Nifty 50 and Nifty Bank have been doing quite well. Total AUM of ETFs and index funds in India tracking Nifty indices is Indian rupees 7.11 lakh crores.

Currently there are 311 passive products (ETFs and index funds) tracking Nifty indices in India. In international markets, there are 19 ETFs, 9 index funds and 2 ETNs tracking Nifty indices with a total AUM of ~USD 4.4 billion.

NSE Data that manages and disseminates the exchange data has seen an expansion in its client base for both real-time data and historical data. NSE Data has further augmented its offering and is a managed service provided to CERSAI for CKYCRR.

As of June 30, 2024 more than INR 89 crores individual KYC records and more than 1 crores legal entities KYC records have been uploaded on CKYCRR. The total revenue of NSE Data increased by 34% from INR 63.83 crores during the quarter ended June '23 to INR 85.7 crores in quarter ended June '24 and profit after tax increased by 19% from INR 28.85 crores during the quarter ended June '23 to INR 34.3 crores in quarter ended June '24.

NSE Group also has its presence in other new age market infrastructure institutions as well. NSE is committed to these new areas and is constantly working with partners for the growth of these platforms. Other than these, the non-core businesses are being divested and are at various stages of exit.

You may recall that the board in its meeting date May 3, 2024 had approved the increase in authorized share capital of the company from existing INR 50 crores to INR 500 crores and thereby consequent alteration to the Memorandum of Association of the company, and issue of bonus shares by way of capitalization of reserves to the equity shareholders of the company in the ratio of 4:1 i.e., 4 new fully paid equity shares of INR 1 each for every 1 existing fully paid equity share of INR 1 each held by the eligible shareholders as on the record date. I am happy to announce that we have progressed well on this. We already have shareholders' approval in place and the same has been notified in the Gazette. We have submitted an application to SEBI for approval of increasing the authorized capital. Once SEBI approval is in place, the bonus shares shall be issued.

NSE remains committed to provide the most transparent and regulatorily compliant market Infrastructure.

We continue to invest in our technology capabilities and infrastructure to provide seamless experience to the investors. Our risk management practice remains one of the most efficient processes in the market ecosystem across the world. With this overview, let me welcome you once again and invite you for the question and answer session. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We will take our first question from the line of Devesh Agarwal from IIFL Securities. Please go ahead.

- Devesh Agarwal:** Good morning sir and thank you for the opportunity. My question would be on this SEBI consultation paper that has come in. What are your initial views on that and how do you think that can impact the overall volumes in the market that will be my question, sir?
- Ashishkumar Chauhan:** Thank you Devesh. It's a very important question for the future of at least the profitability of the market infrastructure institutions specifically stock exchanges. SEBI's purpose of this consultative paper seems to be to bring down the volumes and if the proposals as given in the consultative paper are implemented in their totality there will be a very significant impact on the exchange volumes across India.
- Moderator:** Thank you. We'll take our next question from the line of Pratik Kothari from Unique Portfolio Managers. Please go ahead.
- Pratik Kothari:** Hi, good morning. Sir if you can elaborate more how substantial it is because there are two main parts. One is the notional going up 3x, 4x and another is getting our number of indices down from 3 to 1, I mean 3 major to 1. So anything that you can quantify how substantial this can be if it's implemented in the same strength?
- Ashishkumar Chauhan:** We are still waiting for the final framework to emerge after that we will try to decide the sensitivity analysis, but it is anyone's guess. You are probably better expert than us because we are only market infrastructure institutions operators. It's like in a game of cricket umpires don't know that much vis-a-vis the players and so probably you will have a better understanding of what happens here compared to us.
- Moderator:** Thank you. Our next question is from the line of Kshitij Bhasin from Kshitij Portfolio Private Limited. Please go ahead.
- Kshitij Bhasin:** Thank you for this opportunity. Am I audible?
- Moderator:** Yes.
- Kshitij Bhasin:** Next question is that with the recent regulatory requirements which mandates a decrease in the unique number of derivatives.
- Moderator:** I am sorry, you are not clearly audible. Can you use your handset mode, please?
- Kshitij Bhasin:** Yes. My question is that with the recent regulatory requirements which mandates a decrease in the unique number of derivative instruments available for the Nifty 50 index, how would this hamper revenue for the NSE Group and what measures would be taken to maintain or exceed the current levels of profitability?
- Ashishkumar Chauhan:** Thank you for this important question. Earlier two questions were the same which have been answered.
- Moderator:** Thank you. We will take the next question from the line of Jagannadham Thunuguntla from Techpro Ventures. Please go ahead. Mr. Jagannadham your line is unmuted. Please go ahead.

- Jagannadham T.:** Thanks for the opportunity. Regarding core SGF what is the final status after this quarter's INR 587 crores contribution what is the current balance and how much more we have to do going forward?
- Ashishkumar Chauhan:** Our current understanding is that broadly this was the last quarter where we had to put INR 500 crores, but final details will be worked out towards the end of October 2024 when in case some amounts are to be provided we will look at it in that quarter, but effectively currently we think this was the last quarter that we had to put in that INR 500.
- Moderator:** Thank you. Next question is from the line of Sanjay Shah from KSA Securities Private Limited. Please go ahead.
- Sanjay Shah:** Good morning gentlemen. Thanks for the opportunity. My question was regarding the future opportunities what as a management we see as a National Stock Exchange platform. Since we are into the platforms where we share the majority shares that are rated one from debt, currency, interest, mutual fund everything. So what are the new avenue what we see of growth from here on?
- Ashishkumar Chauhan:** We do not see any new avenues other than whatever SEBI approves. Those are the only products in which we can operate and those are the products in which we can trade in. Currently the Gift City might become the beneficiary of the trading volumes going down in the Indian jurisdiction later on if the SEBI proposals are implemented.
- Moderator:** Thank you. Next question is from the line of Tanubhav Vasisht from Stock Pulse. Please go ahead.
- Tanubhav Vasisht:** Good morning and thank you for taking my question. My question was on similar lines, but have you thought of any initial discussion which has happened if regulator decides to go ahead with one expiry per exchange per week then which index will you be selecting for that expiry. And secondly there was one suggestion when the presentation is given which will really help us if you can give us quarter-on-quarter volume growth as well along with year-on-year? Thank you.
- Ashishkumar Chauhan:** Thank you. We have taken note of your suggestion. The SEBI consultation paper is clear about broad based index. So the broad based index will have to be selected and not thematic index. For example, a bank theme is a thematic index and broad based index has all sorts of companies. So I hope you will be able to figure out the answer out of this.
- Moderator:** Thank you. Next question is from the line of Devansh an individual investor. Please go ahead.
- Devansh:** Thanks for the opportunity. So regarding SGF can you help us understand what would be the SGF contribution because of the retrospective exposure we had to meet and what would be the SGF contribution because of the increase in the options volume specifically from this quarter to last quarter. There will be some increase in the exposure percentage and because of which what would be the contribution specific to this quarter only?
- Ashishkumar Chauhan:** There is no specific to this quarter.

- Moderator:** Thank you. Next question is from the line of Kishan Sonthalia from United Infracore Limited. Please go ahead.
- Kishan Sonthalia:** Yes. Good morning, sir. And congratulations for the wonderful growth. But two things that comes to our mind. We have been eagerly waiting. When is the IPO likely to come for NSE? And is the dividend policy going to be annualized or you're going to increase the frequency?
- Ashishkumar Chauhan:** IPO we do not have any visibility. So I don't have comments. And in terms of the dividend policy there are no plans to make it more frequent.
- Moderator:** Thank you. Next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.
- Prayesh Jain:** Yes. Hi, sir. A couple of questions. Firstly, on the transaction charges which have to be kind of aligned to the true-to-label regulation that was announced. What are your thoughts initially and what kind of impact that could if any could have on your revenues and profitability? And secondly, on the consultation paper of the clearing and settlement treasury income to be given to the given back to the customers. What kind of impact that would have on our earnings and what was the share of that revenues for us?
- Ashishkumar Chauhan:** On the transaction charges I am on record even on television saying the true-to-label part will not have much of an impact because our realisation will basically be similar. It's the brokers who will have to basically have to look into that part of it. On the clearing side I will tell my colleague Vikram who runs the NCL to answer.
- Vikram Kothari:** So while we wait because this is a consultation paper we still have to see how it gets implemented in what form. It will be very difficult to immediately predict the impact on the income that the clearing corporation and the subsidiary of the exchange will see on its profitability on a month-to-month basis. We will need to wait for the guidelines to be crystallised on what basis this circular consultation paper might be implemented.
- Moderator:** Thank you. We'll take a next question from the line of Saurabh Bansal from Star Fininvest Private Limited. Please go ahead.
- Saurabh Bansal:** Good morning everyone. Thank you for taking the question. Congratulations on a good set of numbers. My first question is regarding the SGF. As you can see in the consolidated financials we have taken approximately INR 580 crores to be transferred to SGF. But in the disclosure that you gave in note number 7 in quarter-on-quarter if we compare then SGF's total figure has gone up from INR 8,800 crores to INR 9,130 which is an increase of only INR 300 crore. So what explains the gap?
- Vikram Kothari:** The numbers that you are seeing are as of 30th June. The provision that has been made for the additional 500 is for the requirement as Mr. Chauhan mentioned that we have to meet the requirement by the end of October or the end of next quarter. So that provision is for the added requirement that will be required to be contributed during this coming quarter to the SGF requirement.

- Moderator:** Thank you. Next question is from the line of Sagar Tanna from Alchemy Ventures. Please go ahead.
- Sagar Tanna:** Sir, if you can tell us in FY'24 what was our percentage revenue from options, futures and cash?
- Ashishkumar Chauhan:** Financial year '24, right? Not for this quarter?
- Sagar Tanna:** That's right.
- Ashishkumar Chauhan:** Give a few seconds. The options was 65% of the total revenue. We'll just come back to the question. We'll go to the next question.
- Moderator:** Thank you, sir. The next question is from the line of Ritesh Vora from Mission Street. Please go ahead.
- Ritesh Vora:** Sir, on the considering option and future volume may decrease because of if SEBI's guidelines are implemented. Do you think that in that case the SGF calculation of whatever we are doing, that also drastically will come down and once we put already fund into SGF, there is no reverse from there. So, how do you see this SGF building up?
- Ashishkumar Chauhan:** These are SEBI guidelines which we need to implement anyway and India continues to grow so effectively this is a kind of a collective framework. SGF is like a collective insurance which helps provided for and so this will remain there in the SGF as you rightly pointed out and it will continue to provide the collective risk management framework for the country.
- Moderator:** Thank you. Next question is from the line of Rajamohan V, an investor. Please go ahead.
- Rajamohan V:** Thank you for the opportunity and congratulations on a brilliant set of numbers. Broadly Mr. Chauhan from your vantage point if you could give a broad prospective, on the one hand, you rightly keep warning uninformed retail investors to desist from derivatives trading. While on the other hand, our overall business is materially dependent on such products with significant informed institutional investor participation. In this context, what percentage in your eyes is susceptible to misinformed risks within NSE's volumes? And how has it been moving since probably COVID with such buoyancy in our capital markets?
- Ashishkumar Chauhan:** It's a good question. It requires a much longer debate and you know as much as I know in terms of the numbers that are given by NSE every month in a magazine which we publish on a soft basis called Market Pulse. So it is for everyone to see, analyze, understand and detail and then come to their own conclusion. I don't have too much of a vantage point vis-a-vis you guys who are much better analysts and I would respect your judgments rather than my judgment in this.
- Moderator:** Thank you.
- Ian Desouza:** Coming back to the earlier question of transaction charges for each of the products against total revenues, it is for the previous financial year 8% for cash market, 8% for futures and 65% of options as a percentage of total revenues.

- Moderator:** Thank you, sir. Next question is from the line of Vishal Gupta from Altius Investec. Please go ahead.
- Vishal Gupta:** Hello. Good morning, sir. I have one and two questions. First thing is, despite several promises from the NSE team, still it will take 2-3 months of time for the approval of stage 2 documentations?
- Ashishkumar Chauhan:** It is again a point. The number of transactions we handle has gone up by 10 times in last one year and each transaction we have to, unlike normal companies which are listed, this is a manual transaction and both depositories have their own manual processes. Additionally, NSE has to also look into the fit and proper part of the framework and to ensure that there are no mistakes, we have a lot of audits that have been recently instituted. So it will, we have tried, we have brought it down.
- Currently also for most people it is few days, but some people where there are issues related to fit and proper or the data not being correct, there is a lot of to and fro between the investor, their brokers and also the exchange. And so there are each transaction has its own complexity and I am sure once you give the correct data, things should happen faster.
- Moderator:** Thank you. Next question is from the line of Kunal Kaul from Blue Edge. Please go ahead.
- Kunal Kaul:** Hi, good morning. Thank you for the opportunity. Very quickly, in the note number 7 on SGF, it refers to a letter from SEBI on 3rd May, which reads that there is a directive to take the equity derivative segment, SGF number to 10,500. Now my question is twofold. Number one, the figure reading under the FNO column is 7890. Does that mean there is a INR2610 crores gap from the required figure of SEBI under this column or do we read it as what we had been given earlier, 10,000 was the goal post and we are at 9130. That means there is a gap of 870. So bottom line gap is 870 or 2610?
- Ashishkumar Chauhan:** Vikram.
- Vikram Kothari:** So you are correct. The letter of 3rd May refers to the futures and options segment SGF to be taken to INR 10,500 Crores, which is as at 30th June at INR 7890 Crores. And that difference you mentioned is correct. So that is where Mr. Chauhan mentioned that we have time available till 31st of October to actually take this number to INR10,500 crores.
- Ashishkumar Chauhan:** But some portion of that will be met by NCL's own resources and some portion which is already given or provided for in this quarter will be sufficient along with some portions, minor portions next quarter going from NSE which is a continual process. So that should be sufficient to handle up to INR 10,500 Crores.
- Moderator:** Thank you. Next question is from the line of Chandraprakash Siyal from Kct Group. Please go ahead.
- Chandraprakash Siyal:** Hi sir. Wanted to check on the option segment. In option segment if we see the market share is down by 10% year-on-year. So what are your comments on that? Separately on FY'24 numbers

which you have given, options is 65%, futures and cash is 8 and 8%. So the numbers and the value is not going to 100%. What is the difference?

Ashishkumar Chauhan: So on the market share front earlier also when the new competition started coming up, I had said that more competition means actually more arbitrage and more business. It seems to be coming true and those are the results you are seeing in terms of the financial numbers and it remains to be seen how in future also. It's not like a car market where one car sold excludes the buyer from buying into another car.

In stock markets it's actually a lot of to and fro happens between many exchanges across the world. So that's what you need to understand. And in terms of the details which you asked for, I'll ask my colleagues to figure out the numbers and we'll come back to you once they are ready.

Moderator: Thank you.

Ashishkumar Chauhan: We can take up next in the meantime.

Moderator: Next question is from the line of Venkataramana C from Chinnakotla Venkataramana. Please go ahead.

Venkataramana C: Yes, good morning, sir. I just wanted to understand about the time limit for the bonus share because when the client applies for the share, there is a three-to-six-month window to get it. So how it will be accounted? And my second question is on that SEBI's new initiative on doing a module for investor certification series on capital markets. Can you throw light on that?

Ashishkumar Chauhan: Investor certification, we'll have to study. You might like to take that in case you have not taken. But it has no current bearing on who can trade in the markets and all. And as somebody had asked the question on the transaction getting completed on NSE in terms of the transfer of shares, it does take some time because of the issues I mentioned. So we are still trying to work on it and to also ensure that we don't make mistakes.

There are many audits that are going on. So whatever accounting framework you need to do, you should basically do it on your end. We would not be able to advise on your accounting activities.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Ian Desouza for closing comments. Over to you.

Ian Desouza: Thank you, everyone, for joining us in today's conference call and look forward to meeting you in future conference calls as well. And one question which was asked was, we'll come back to you offline with the answer. Thank you, very much and good day, to you. Thank you.

Moderator: Thank you, members of the management team. On behalf of NSE, that concludes this conference. Thank you for joining us and you may now disconnect your lines.