

**NSE**  
**31<sup>st</sup> Annual General Meeting**  
**23<sup>rd</sup> August 2023**

– **Shri. Girish Chandra Chaturvedi- Chairman:**

- Good morning, ladies and gentlemen. Its 11 am. 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 31<sup>st</sup> Annual General Meeting (AGM) of National Stock Exchange of India Limited. I am participating in this AGM from the NSE's office at New Delhi. My colleagues are attending this meeting through video conferencing or other audio-visual means. 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 Stakeholders Relationship Committee, the PID Committee and the Advisory Committee.
- I wish to mention that in accordance with the various circulars and clarifications issued by Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) on holding the AGM through video conferencing or other audio-visual means, the Company has taken all the feasible efforts to enable the members to participate through video conferencing or other audio-visual means and vote on the items of business to be transacted at the AGM.
- I request my colleagues joining the meeting through Video Conferencing or other audio-visual means to introduce themselves.

– **Shri. K. Narasimha Murthy – Public Interest Director:**

- Good morning, I am K. Narasimha Murthy attending the AGM from Hyderabad. I am a PID on the board since February 2020. I am chairman of the Audit committee and the Nomination & Remuneration Committee of the company. Thank you.

– **Shri. Girish Chandra Chaturvedi- Chairman:**

- Thank you, Shri. Murthy. Professor S. Sudarshan – PID.

– **Shri. S. Sudarshan – Public Interest Director.:**

- My name is S. Sudarshan. I am PID on the board since February 2020. I am also Chairman of the Standing Committee of Technology. I am joining today's meeting from my office in Mumbai.

– **Shri. Girish Chandra Chaturvedi- Chairman:**

- Thank you, Shri. Sudarshan. Smt. Mona Bhide – PID.

- **Smt. Mona Bhide – Public Interest Director:**
- Good morning. I am Mona Bhide attending this AGM from Mumbai. I am a PID on the board since April 2020. I am also Chairperson of the Member and Core Settlement Guarantee Fund Committee and the Investor Protection Fund Trust. Thank you.
- **Shri. Girish Chandra Chaturvedi- Chairman:**
- Thank you, Smt. Mona. Shri S. Ravindran – PID.
- **Shri. S. Ravindran – Public Interest Director:**
- Good morning. I am S. Ravindran. I am on the board of the NSE since December 2022. I am also chairing the Risk Management Committee and the Regulatory Oversight Committee of NSE. Thank you.
- **Shri. Girish Chandra Chaturvedi- Chairman:**
- Thank you, Shri. Ravindran. Shri Veneet Nayar – Shareholder Director.
- **Shri. Veneet Nayar – Shareholder Director:**
- Good morning. I am Veneet Nayar. I am attending this AGM from my office in Noida. I am a Shareholder Director since September 2021. I am also the Chairperson of the CSR Committee and the Group Investment Committee.
- **Shri. Girish Chandra Chaturvedi- Chairman:**
- Thank you, Shri. Nayar. I request Shri. Ashishkumar Chauhan to introduce himself and also the other colleagues who are present with him.
- **Shri. Ashishkumar Chauhan – Managing Director & CEO:**
- Thank you, Chairman Sir. Good morning. I am Ashishkumar Chauhan. I am the Managing Director and CEO of NSE joining this meeting from NSE’s office in BKC, Mumbai. I welcome you all to the 31<sup>st</sup> AGM of the company. We also have some of the senior management colleagues of NSE and key subsidiaries who are attending the meeting namely:
  - Shri Yatrik Vin - Group CFO and Head Corporate Affairs
  - Shri Sriram Krishnan - Chief Business Development Officer
  - Shri Piyush Chourasia - Chief Regulatory Officer

- Shri Shharad Dhakkate - Chief Human Resource Officer
- Shri Viral Mody - Chief Technology Officer – Applications and Development
- Shri Mayur Sindhwad - Chief Technology Officer- Operations
- Shri Rohit Gupte - Company Secretary
- Shri Vikram Kothari – MD-NSE Clearing
- Shri Balasubramaniam Venkataramani - MD and CEO, NSE IFSC
- Shri Neeraj Kulshrestha – MD & CEO, NSE IFSC Clearing
- Shri Arjit Sengupta – Marketing and Corporate Communications
- Shri Tirthankar Patnaik – Chief Economist

We also have our other colleagues from the Finance, Investor Relations and Secretarial teams.

- **Shri. Girish Chandra Chaturvedi- Chairman:**
- Thank you, Ashish.
- Shri Amit Borkar – Partner & Authorized representative of M/s Price Waterhouse and Company Chartered Accountants LLP, the statutory auditor of the company has joined this AGM through video conference. Shri Vaibhav Dandawate authorized representative of M/s Makarand M. Joshi & Co- Company secretaries – secretarial auditors has joined this AGM through video conference.
- The integrated annual report for the financial year 2022-23 and the notice convening the AGM were sent to shareholders on their registered email IDs in electronic form and has also been 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 of proxies by the members is not applicable. Accordingly, the company did not provide proxy form 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 auditors on financial statements which have any adverse effect on the functioning of the company are matters required to be specifically read out in the meeting of the shareholders. The

Statutory Auditors report on the financial statements for the financial year ended March 31, 2023, does not contain any qualifications, observations or adverse remarks. Accordingly, the said report is not required to be read at this meeting.

- The 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/ comments given by the board of directors in their report. The Secretarial Audit Report for the financial year ended March 31, 2023, issued by M/s Makarand M. Joshi & Co had an observation on delay in filing application for re-appointment/appointment of a Public Interest Director to Securities and Exchange Board of India. The reason for delay has been informed to SEBI.
- 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 an opportunity to all its members to exercise their voting rights through electronic voting between Friday, August 18, 2023, 9.00 a.m. and Thursday, August 22, 2023 5.00 p.m. Shareholders who have not cast their votes earlier and are participating in this meeting can cast their votes now through the e-voting module made available by NSDL.
- Before I move to the business items for the meeting, members are requested to take note of the appointments of PID's made on the board of NSEIL since April 1, 2022; attached as annexure to the AGM notice.
- **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 31,2023 together with the Reports of the Board of Directors and the auditors thereon.
  - Item no. 2 – To declare final dividend on equity shares for the financial year ended March 31, 2023; of Rs. 80/- per share.
  - Item no. 3 – To re-appoint Shri Veneet Nayar (DIN: 02007846) as Shareholder Director who retires by rotation and eligible for re-appointment subject to approval of SEBI.
- The Board has appointed Shri Makarand M. Joshi, Partner, failing him Smt. Kumudini Bhalero, Partner of M/s Makarand M. Joshi & Co., Practicing 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 the consolidated report of voting in compliance with the provisions of the Companies Act 2013 and the SEBI LODR Regulations, 2015.

- I now request Shri Yatrik Vin, Group CFO and Head Corporate Affairs to brief the members about the FY 2023 results:
- **Shri. Yatrik Vin – Group CFO and Head Corporate Affairs:**
- Thank you, Sir and Good Morning to all of you. Before I quickly summarize the financial results, which are also put on the website, I would just like to largely give the overall flavour of how the markets were in FY 23 over FY 22. So, in the extreme left box we have the cash market which actually period on period de-grew by about 20% in terms of market size. Equity Futures and Equity Options respectively had a de-growth of 3% and a growth of 73% respectively. Currency Futures and Currency Options year-on-year grew by about 47% and 88% respectively and Interest Rate Futures de-grew by about 29%.
- In the extreme right box, we have the overall market share of NSE. So, in the Cash Equities market NSE continued to maintain its 93% market share. In Equity Futures and Options we maintained the leadership with practically 100% market share. The Currency Futures and Currency Options market share was 68% and 97%. In terms of the Open Interest in currency markets for Futures the market share was 82% and in options it was 98%. Interest Rate Futures, Debt and NSE Mutual Fund respectively had a significant improvement in the overall market share. We are happy to inform you that NSE continues to be the world's largest derivative exchange for the 4<sup>th</sup> consecutive year as published by WFE (World Federation of Exchanges).
- Moving on to the financials, we start with standalone financials. For FY 23, the overall revenue stood at Rs. 11,859 crores which was year-on-year increase of about 45%. 94% of the total revenue was Operating Revenue standing at Rs. 11,181 crores. On the expenditure front the total expenses stood at Rs. 3,240 crores which grew by about 42% year-on-year. The ratio of expenses to revenue, however, was at 27%, which in the previous year was at 28%. On the profitability side the operating margin stood at 71% at Rs. 7,941 crores i.e. Operating EBITDA stood at 74% at Rs. 8,243 crores and the PAT margin was at 54%, Rs. 6,400 crores.
- The FY23 EPS for Face Value Re. 1 stood at Rs. 146.12. NSE's standalone Net Worth as of FY 23 stood at Rs. 16,676 crores and the book value per share was Rs. 337. As an additional input, we just wanted to share with the members that over FY 23, we contributed overall close to about Rs. 28,989 crores to the Government exchequer currently. We largely contributed in terms of STT which was about Rs. 21,965 crores, stamp duty of Rs. 1,987 crores, GST of about Rs. 1,655 crores, income tax of around Rs.2,687 crores and SEBI fees of Rs. 695 crores.
- NSE standalone revenue drivers can be bucketed in 4 major lines of income, one is Transaction Charges, second is Treasury income, Colocation Charges and Listing services. Transaction Charges stood at Rs. 10,173 crores, which is almost about 85% of the overall topline. Treasury income stood at Rs. 714 crores which was 6% of the

topline. The colocation charges which is RACK and the connectivity that we offer to the members stood at 5% i.e. around Rs. 613 crores and the listing fees was at Rs. 180 crores.

- On the expenditure front, the overall increase is at Rs. 959 crores, however, large part of this Rs. 959 crores is towards increase in expenses towards what we contribute to our subsidiary company, NSE Clearing, in terms of clearing and settlement charges. Also, since the overall volumes and the activities were high the overall SEBI fees also had gone up in the year and also there are some of the other variable expenses which have gone up. Down below, we have some trend surrounding the ratio of total expenses to total income and it can be seen that FY 18 – 19 we had overall ratio of expenses to income of 35% - 38% which has actually come down to 27%. This essentially indicates that NSE, as an exchange and being a platform business, there has to be some operating leverage and that is actually getting reflected in these numbers.
- Moving on to the Key Financial Ratios, the operating profit stood at 71% in FY 23, the operating EBITDA stood at 74%, the PBT stood at 73% and PAT stood at 54% at Rs. 6,400 crores.
- Along with NSE standalone, we also have presented consolidated financials. FY 23 we had 16 subsidiaries and 9 Associates which had to be consolidated. Financials of subsidiaries have been consolidated at a line-by-line level and associates at profit level. So, at consolidated level the overall revenue increased by 44% to Rs. 12,765 crores, overall operating income grew by 43% to Rs. 11,856 crores. The operating income to total income ratio at the NSE consolidated level stood at 93% and treasury income at group level was Rs. 1,204 crores.
- At a Group level, the EBITDA at group level stood at 78%. PBT at 78% and PAT at 58%. The consolidated net worth of NSE stood at Rs. 20,478 crores and the overall book value for face value Re. 1 at consolidated level stood at Rs. 414.
- Ratios at group level: Operating Margin – 75%, Operating EBITDA – 78% and PAT - 58%. The dividend declared for FY 2023 is Rs. 80 per share, which leads to a total payout of Rs. 3960 crores, which is 8000% on the face value. Thank you.
- **Shri. Girish Chandra Chaturvedi – Chairman:**
- Thank you Yatrik. I would now like to invite shareholders who have registered themselves to speak or ask questions. With due respect to other speakers and managing the time, I request each speaker to be brief and restrict their suggestions/ comments to three minutes on matters as set forth in the notice, annual accounts and operations of your company for FY 2023. Meanwhile, those shareholders who have not registered themselves as speakers and have any questions, may kindly raise those through the question box. To avoid repetition, the answers to all the questions will be provided at the end of the Q&A session.

- So, now I start with Shri. Hitesh Doshi. Your mic has been unmuted. We request you to switch on your camera before speaking.
- **Shri. Rohit Gupte – Company Secretary:**
- Sir, Shri. Hitesh Doshi has not yet joined us. We can move to the next speaker and we'll see if he joins later, we will allow him to speak then.
- **Shri. Girish Chandra Chaturvedi – Chairman.:**
- If he joins later on, we will provide him the opportunity.
- The next is Shri Pritesh Vora. Now, Shri. Pritesh Vora's mic has been unmuted. We request Shri. Vora to switch on your camera before speaking.
- **Shri. Pritesh Vora – Shareholder:**
- So, sir, this is Pritesh Vora representing Mission Group. We would like to congratulate entire team for the recent performance of NSE. We are growing day-by-day. Sir, we have full faith in your leadership and understand that chairman will act and the entire Board will act in the best interest of shareholder keeping the interest of other stakeholders in mind as far as NSE is concerned. Sir, we are holding shares from 2019 onwards and we always understood from the NSE management that Settlement Guarantee Fund - SGF which we call as, and which was always provided and always amended time-to-time basis, considering algorithm which provides simultaneous default of two large brokers or entity on a given day of a very high volatility or market meltdown and such SGF fund requirement has been arrived by some sort of algorithm by doing the simulation activity and such scenario has been worked out as per the formula determined by NSE's own algorithm. We also understand that as of March 2023 such SGF fund was around Rs. 5000 crores. In the recent Q1 quarter 2024, this was amended by providing additional Rs. 203 crores at 2% of transaction fees. We also understand NSE plans to take this SGF fund up to Rs. 10,000 crore in medium to long term basis. My question here is, what formula will be used to provide/allocate such fund to this pool on time-to-time basis? We also want to understand what is the basis, working for this intention of additional provision of Rs. 5000 crores and whether it was driven by any of the following factors like: is there any direction from SEBI to amend this pool of money or is there any decision taken by NSE just to match large pool of such amount maintained by the rival exchange which has some past history but no scientific basis to arrive at quantum of such fund? our decision is influenced by activists and some sort of a comparative figure matching with the rival exchange and if you believe this total Rs. 10,000 crore provision is required as per the scientific formula, then did we under provide for this amount in the past? Thank you very much.
- **Shri. Girish Chandra Chaturvedi – Chairman.:**
- Thank you Shri. Vora. May I request Shri. Vineet Sharma to speak? Your mic has been unmuted. We request you to switch on your camera before speaking.



- **Shri. Vineet Sharma – Shareholder:**
- Before I move on to the question, I wanted to thank management for their leadership over the past year.
- **Shri. Girish Chandra Chaturvedi – Chairman:**
- Shri. Sharma, can you switch on your video if you have not done it earlier? Because we are not able to see your image.
- **Shri. Vineet Sharma – Shareholder:**
- I'm a little bit technologically challenged here sir. Can I continue?
- **Shri. Girish Chandra Chaturvedi – Chairman:**
- No problem. Your audio is clear. Please go ahead.
- **Shri. Vineet Sharma – Shareholder:**
- Thank you. So, I wanted to thank management for their leadership over the past year and while I'm sure significant efforts were put behind the curtains not visible to us, I wanted to particularly highlight some impactful and more visible initiatives as below.
  - First, the decision to hold regular quarterly investment calls post results which is an excellent forum enabling shareholders like me and other investors to ask questions and seek updates on developments.
  - Second, the decision to raise payout ratios and dividends.
  - Third, initiatives taken to strengthen corporate governance.
  - And fourth the initiative to accelerate new investor approvals and compress the share transfer timelines.
- So thank you very much. My question is a relatively simple one and relates to the NSEIX in gift exchange where there seem to be significant advantages to trade derivatives on this platform by the way of lower transaction costs and tax incentives, and as liquidity surges on this platform, which we all expect in the coming years, will that growth be synergistic to our domestic exchange derivatives volumes? Or likely cannibalize some of it, particularly if some large global market makers and HFT institutions shift from the domestic segment to IX? Thank you.
- **Shri. Girish Chandra Chaturvedi – Chairman.:**
- Thank you, Shri. Vineet Sharma. May I now request Shri. Pankaj Kajaria to speak? Shri. Kajaria's mic has been unmuted. We request you to switch on your camera before speaking.



- Shri. Kajaria.
- **Shri. Pankaj Kajaria – Shareholder:**
- Respected chairperson and august Board of NSE and my dear shareholder family, India is witnessing an *amrit kaal* and we are seeing all round development.
- **Shri. Girish Chandra Chaturvedi – Chairman:**
- Shri. Kajaria, we are also listening to your audio only. Anyway there is no problem, you can go ahead. But if you can switch on your camera that will be wonderful.
- **Shri. Pankaj Kajaria – Shareholder:**
- Now it is there, I think.
- **Shri. Girish Chandra Chaturvedi – Chairman:**
- Yes, you are visible now.
- **Shri. Pankaj Kajaria – Shareholder:**
- Yes Shri. Chairperson. India is witnessing a very big *amrit kaal* and we are seeing all round development due to vision of our Prime Minister Shri Narendra Modi ji and participation in growth and development by all sections of our people. Now, I would like to request the Board to consider the issue of bonus shares for unlocking value and to reward the shareholder and to see that the illiquidity in the shares of the company is made quite liquid by issuing bonus shares because the shares are priced in the market at a very big price. So no one can buy or very less number of people can participate as a shareholder of your company. This is all I wanted to request the Board, to consider the issue of bonus shares.
- **Shri. Girish Chandra Chaturvedi:**
- Thank you, Shri. Pankaj Kajaria. May I now request Shri. Sourav Dhanani to speak? Your mic has been unmuted. Request you to switch on your camera before speaking.
- Shri Sourav Dhanani.
- **Shri. Sourav Dhanani – Shareholder:**
- *Namaskar* to everyone.
- **Shri. Girish Chandra Chaturvedi – Chairman:**
- Please switch on your camera if you can.
- **Shri. Sourav Dhanani – Shareholder:**

- I'm unable to do that sir, I can only see all of you.
- **Shri. Girish Chandra Chaturvedi- Chairman:**
- Alright, please go ahead. Yes.
- **Shri. Sourav Dhanani – Shareholder:**
- Hope all of you are fine. Further, I would like to congratulate the whole NSE team for robust set of numbers.
  - Now my first question is, how is NSE IFSC Gift City evolving and especially after the transition from SGX Nifty?
  - Where are our volumes vis-à-vis volumes that used to happen on SGX Nifty?
  - has there been any seen in the journey of developed western economies, during their developing years when their economy doubled, the volumes at their exchanges increased by 5x and in some cases even more.
  - Where does the management see NSE's volumes and market share in the next 5 to 10 years as it is presumed that India would be a \$10 trillion economy by 2031-2032, that is 3x from now?
  - I would like to ask about the IPO status. So these are my three questions sir.
- **Shri. Girish Chandra Chaturvedi – Chairman.:**
- Thank you, Shri. Dhanani. So, our next speaker is Smt. Jayna Nilesh Gandhi. I request her to speak. Mic has been unmuted and we request you to switch on your camera before speaking.
- Smt. Jayna Nilesh Gandhi.
- Can you switch on your camera and then speak? Or you can speak only, if it is not getting switched on.
- **Smt. Jayna Nilesh Gandhi – Shareholder:**
- Thank you, sir, for the opportunity. So my first question is on the SGX Nifty which is rechristened as Gift Nifty. So here what kind of volumes which have been shifted and what sort of economic benefits can NSE expect going forward sustainably? So, that is the first question.
- There are a couple questions on the side of new products, is there any possibility of introducing a product on Options side, the option which expires on a daily basis, which are called zero day to expiry like the one introduced by CBOE? And the second question is on the passive investment product. Is NSE gearing up for introducing a new type of ETF product such as we have so many indices to replicate? If there is an ETF on

small cap, mid cap indices, it can really help increasing volumes and creating liquidity beyond NSE top 800 stocks. And the last question, like every shareholder I also have, what is the status of listing of the NSE? any update on that? Thank you.

- **Shri. Girish Chandra Chaturvedi – Chairman:**

- Thank you, Ms. Gandhi.
- Rohit, have you checked whether Shri. Hitesh Doshi is able to make it?

- **Shri. Rohit Gupte – Company Secretary:**

- Yes, sir. I think Shri. Doshi has been able to log in.

- **Shri. Girish Chandra Chaturvedi – Chairman:**

- So we come back to Shri. Hitesh Doshi. Your mic has been unmuted. We request you to switch on your camera.

- **Shri. Hitesh Doshi – Shareholder:**

- Thank you sir, for the opportunity. My questions are as follows.
  - Number one, in a complaint filed by a competitor against NSE, the Competition Commission of India directed NSE to pay a penalty of Rs. 55.5 crores. And in respect of the same subject matter, a separate compensation claim has been filed against NSE, amounting to around Rs. 857 crores. Can you please throw some light on these cases?
  - Number two, what are the new products launched in last two years and how much did each product contribute to revenue in last two years?
  - Third, what is your strategy to de-risk the top-line and bottom-line from over reliance on equity index and stock options?
  - Fourth, do we have any plans to launch same day expiry option products as in the US?
  - Fifth, how much extra would we contribute to core SGF in FY24 over and above the normal contribution?
  - Sixth, can you please provide an update on NSDL's IPO?
  - Seventh, what is the revenue contribution from SGX Nifty and what other products are we going to launch in the Gift City?
  - Eighth, what is the contribution of Algo trading as a percentage of total turnover in cash and F&O segment in last financial year and how has it been impacted by recent revision in STT?

- And lastly, what are your plans to reward shareholders by enhancing dividend or announcing buyback?
- That's it from my side and all the best for your future endeavours.
- **Shri. Girish Chandra Chaturvedi – Chairman:**
- Thank you, Shri. Doshi. That's quite a lot from your side, basically. So I hope your questions have been noted down. We could record it. So all the queries will be responded by MD and CEO.
- So now, I request Shri Ashish Kumar Chauhan - Managing Director and CEO to respond to the queries raised by the shareholders.
- **Shri. Ashish Chauhan – Managing Director & CEO:**
- Thank you, Chairman Sir.
- Thank you, members. So, I'll take Shri. Hitesh Doshi's questions, because I think most of them also cover other people's questions. So one was on the issue of the Competition Commission and the compensation which had been claimed. NSE had preferred an appeal before National Company Law Appellate Tribunal against the order of the Competition Commission of India in June 2014 which upheld the penalty of Rs. 55.50 crores against NSE. Subsequently, Metropolitan Stock Exchange (MSE) filed a compensation claim of Rs. 865.99 crores against NSE in NCLAT. NSE filed a Civil Appeal before the Hon'ble Supreme Court and in September 2014, the Hon'ble Supreme Court stayed the compensation claim filed by MSE pending hearing of the matter in detail. The matter is yet to be heard by Hon'ble Supreme Court.
- Then there was a question on the new product launches in last 2 years. There were several new product launches such as Nifty Financial Services Index Derivatives, Options In Goods, In Copper, Futures In Copper, Futures In Gold 1 GM, STRIPS Trading In Cash, Nifty Mid-Cap Select Index Derivatives, Sovereign Green Bonds, WTI Crude Oil Futures, Natural Gas Futures, Tri-Party Repo, and few others. Out of that, the Nifty Financial Services Index product has seen a good traction, and the product has accounted for almost 18% of equity futures revenues and 11% of the equity options revenue in Quarter 1 of FY24. So, that is being reflected in the new results.
- The other question was on, what is your strategy to de-risk the top line and bottom line from over-reliance on equity index and stock options? As you know, the stock options have actually gone up. I think, there was a question by somebody else also on that. The market volumes have gone up by 5 times vis-à-vis the growth of the country. And, you might have seen that this has happened probably in a much shorter period in India, that in last 3 years the volumes have gone up manifold due to a variety of reasons. So effectively, now that we have almost more than 80-85% coming out of options in terms of our revenue, we are working towards trying to introduce newer products in other areas. This includes index futures for the government bonds. Even,

we are trying to work on introducing electricity futures, carbon credit futures among other things. But all of them will require a lot of discussions and debate at the regulator's end. And as you are aware, we cannot launch any product like a normal company. Here, every product that we can launch is actually discussed, debated by the regulator with the entire country by issuing consulting papers, and then only they are allowed to be introduced by every exchange in India. So, you will get to know all the launches that happened or that may happen, in terms of the discussions that will continue, going forward. So, that was basically on the de-risking part. Currently, that is how the situation is. The regulator through Mahalingam Committee, and then acceptance of Mahalingam Committee report substantially, and also to ensure that we remain focused on the areas the regulator, SEBI (Securities and Exchange Board of India) regulates, they do not want us to get defocused and go into other areas which may look like adjacent areas. Currently, the entire regulatory stance is that we must focus primarily on regulatory aspects of the exchange, and of course, the business continues to happen once we focus on those regulatory aspects. So, that is where all the shareholders also need to be aware, and acutely aware of the regulatory stance that has changed, and accordingly, we are also trying to come out of some of our subsidiaries which may not be regulated by the regulators. This has been also announced over last few quarters by NSE.

- Do we have any plans to launch the same day expiry options? I think somebody else also asked for that. We currently do not have any plans. As I said, any new product that is introduced in India, is being discussed beforehand by the regulator. After consultative papers are issued and post responses, they are introduced. So currently, we do not have plans, because SEBI has not approved. If SEBI approves the same-day expiry options, we will certainly participate.
  
- Then how much extra do we contribute to Core SGF, I think somebody else also has asked, in FY24, over and above the normal contribution? So, in some ways, the philosophy of Settlement Guarantee Fund is, to provide settlement guarantee. And in that, we have currently, Rs. 5,000 crores or thereabouts. I mentioned earlier, in my answer, the volumes have gone up almost 4-5 times in the last few years and there has been an understanding that the total open positions/ open interest, which is where the risk arises, has also increased substantially. That's where the SGF has to be re-thought. The committees of the Exchange and also the NSE Clearing Limited (NCL), have arrived at those numbers by going through the details and also consulting experts in this area. And so, it'll continue to be enhanced based on the requirements. But, first and foremost, since our responsibility, as a part of the exchange is to provide safe, orderly, fair, efficient, transparent, continuously available markets. And whatever it takes for doing that to make the market more secure, more riskless that is what the exchange board and the clearing corporation Board will continue to provide. And that's where, basically, in the initial phase we had announced that we'll go from Rs. 5,000 crores to Rs. 10,000 crores. And, we have also announced, that Rs. 1,400 crores plus to be contributed from the previous year's already tax paid amounts to the clearing corporation, which will help them build their SGF further. But we'll continue to contribute more to ensure that the entire Settlement Guarantee Fund

provides the confidence to the investors. So, it is actually helping to enhance the business of the exchange going forward. It may look like, why are we keeping this money? But it actually helps us bring additional business into the exchange.

- There is also a question on NSDL's IPO. NSDL has filed its prospectus for approval to SEBI. It has been put under 90 days abeyance period. And, as and when it is approved, the NSDL's IPO will take place. One of the part is that, we had to bring down our shareholding by regulations from 24% to below 15%, and IPO will help us remain compliant with those regulations that have been announced by SEBI several years back.
- There were questions on what is the revenue contribution from SGX Nifty, and what other products are we going to launch in GIFT Nifty? Currently, July 3, 2023, is when SGX Nifty shifted and became GIFT Nifty; hence it is early days. The total volume has remained similar to before its shifting. Similarly Open Interest, which is more a measurement of people's confidence, that has also remained similar or gone up slightly. On the peak day, the NSE International Exchange had done volumes of \$12 billion, and they had also open interest of around \$12 billion. So, that's a very heartening thing. It is early days, because it is the first time that two countries so far apart, have gone through this collaboration. People had apprehensions about technology working, people had apprehensions about how the entire trading clearing settlement, risk management and everything else will work, but it has gone smoothly. So, I would also like to thank and congratulate the NSE International Exchange team and the NSE International Clearing Corporation team for great work. And of course, our IT team and all the vendors who have made this possible. And of course, all the regulators from Singapore, from the GIFT City side, as well as our Ministry of Finance for taking this project towards conclusion.
- So, in terms of the revenue contribution, it is early days, and it remains to be seen how far we are able to go in terms of revenue. But, as you might have seen, NSE started with close to 700 trades per day, and since then it has taken off. It is now doing sometimes 20 crore trades per day and similar things can happen. It is early days, and I would rather say that, anytime a product becomes successful, that is when the revenue starts coming up. But, till that time, we will have to continue to invest in such projects. And, this is a project of national importance, to bring on-shore, or rather quasi on-shore, what has gone off-shore. So that's where I would urge our investors and members also to have patience, and hopefully, this will be a market to be proud about.
- There was a question on what is the contribution of Algo trading as a percentage of turnover in cash and F&O segment? And what has been the effect of STT revision? So, STT revision happened in the recent budget. The equity futures have declined by 8% from daily average. That was Rs. 1.12 lakh crores, and now in Q1 FY24 it is Rs. 1.04 lakh crores. So, it has gone down slightly. And even options have declined by 9% from daily average turnover of around Rs. 59,330 crores to Rs. 54,232 crores. But it may not be the sole cause, because there are other reasons due to which the markets may also

trade more or less. So, I would say, the impact of STT increase is still undefined and not yet well understood.

- The CTT (Commodity Transaction Tax) rates were kept the same, and there seems to be some increase in the commodities market's volume, as per the newspaper reports that have come.
- On the Algo trading reports, in FY23, in equities market, they accounted for around 50.8%, and derivatives around for 62.1%. In FY24 upto July '23 also, they accounted for similar numbers. So, there has not been any significant increase or decrease in the numbers of Algo trading, in terms of percentage over the last one year.
- And there is a suggestion by a member on the bonus shares. It's a good suggestion and we will propose it to the board as and when the time is right. But there is a perception that, once you give the bonus shares, suddenly liquidity will increase and somehow it will help. This is not a listed company, it is not listed on any exchange in India, and that's where I would request members to have some sort of understanding, that the liquidity broadly happens by way of listing of shares and that brings me to the question on when the IPO is expected? We do not have any idea as to when the approval from SEBI will come. We will formally inform the shareholders by way of issuing a public notice. And of course, we will work towards making it a reality, as and when we hear about it from the regulators.
- And there was a question on the new types of ETF products that could be launched. It is a good idea. We are constantly working with our index company, NSE Indices. We are constantly working with the market participants including the mutual funds for creating newer indices. As you are aware, we are market leaders on the ETFs, and for providing benchmarks for various mutual funds schemes. So, we will continue to strive to get more and more ETFs on the exchange that will be launched by the mutual fund industry. So, we can only launch the index, they have to launch the index funds, and of course, investors have to invest in those funds. And these are the minimum conditions for that.
- I think with that, broadly I have covered all the questions that we were asked. I hope the members have been satisfied with the answers. So with that, thank you very much and I handover the floor back to the Chairman Sir.
- **Shri. Girish Chandra Chaturvedi- Chairman.:**
- Thank you, Ashish. The queries have now been answered. If there are any more queries, please do write to the Company Secretary or the Secretarial Department at the designated email id mentioned in the AGM notice. 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 platform will close. I authorise the Managing Director and CEO or the Company Secretary to declare the results of the remote e-voting, as well as for the electronic voting done at the AGM



today, along with the Scrutiniser's Report. The result will be announced within 2 working days from the conclusion of the meeting and shall be disseminated on the website of the company, as well as on the e-voting website of NSDL, along with the Scrutiniser's Report. The same would also be recorded as part of the proceedings of the AGM. 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. Thank you very much.

- We have come to the end of the AGM. Thanks to all those who had participated. Thank you.
- **Shri. Ashish Chauhan – Managing Director & CEO:**
- Thank you, Sir. The dividend, which is approved, will be credited in the next 12-15 days in the members' accounts.

– **END OF MEETING**

