

Date: August 8, 2020

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Symbol: BSE

ISIN: INE118H01025

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Transcript of the Conference Call held on August 03, 2020

Dear Sir/ Madam,

With reference to our letter dated July 31, 2020 intimating you about the conference call with Analysts/Investors held on August 03, 2020, please find attached the transcript of the aforesaid conference call.

The above information will also be available on the website of the Company: www.bseindia.com.

This is for your information & record.

For BSE Limited

Sd/-
Prajakta Powle
Company Secretary and Compliance Officer

Encl.: a/a



BSE LIMITED

Q1 FY 20-21 Earnings Conference Call



August 3, 2020

BSE LIMITED

25th Floor, P.J. Tower, Dalal Street, Fort, Mumbai 400 001

Moderator

Ladies and gentlemen, good day and welcome to BSE's Q1 FY2021 Earnings Conference Call. My name is Margaret and I'll be the moderator for today's conference. 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Yogesh Joshi, Head - Investor Relations, BSE Limited. Thank you and over to you, sir.

Yogesh Joshi

Hello, everyone and welcome to BSE's earnings call to discuss Q1FY21 results. This is Yogesh, Head – Investor Relations. Joining us today on this earnings call is BSE's leadership team consisting of –

Mr. Ashishkumar Chauhan – Managing Director & Chief Executive Officer

Mr. Nayan Mehta – Chief Financial Officer

Mr. Sameer Patil – Chief Business Officer

Mr. Girish Joshi – Chief Trading Operations and Listing Sales

Mr. Neeraj Kulshrestha – Chief Regulatory Officer

Mr. Kersi Tavadia – Chief Information Officer

Do note that the 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.

I would now request Mr. Ashishkumar Chauhan to give a brief overview of the company's performance followed by a Q&A session. Please note that BSE does not provide specific revenue or earnings guidance. Anything said on this call which reflects BSE's outlook for the future or which could be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces.

With that, I would like to turn the call over to Mr. Ashishkumar Chauhan.

Ashishkumar Chauhan

Thank you, Yogesh. Good Morning, Good Afternoon and Good Evening to all of you wherever you are.

As COVID-19 pandemic continues to ravage economies worldwide and as various countries continue to go through bouts of lockdown and easing thereof from time to time till a vaccine is found, India also is working to restore normalcy in day-to-day life's as much as possible within the constraints imposed by the pandemic.

Over past few months, BSE has been able to continue normal operations inspite of migration of almost all human intervention activities to outside office premises while continuing to innovate and enter into new initiatives.

Let me start by providing you with certain updates on our business and operations.

BSE has been at the forefront of new innovative products and exceptional user experience in all its platforms and especially its StAR Mutual Fund Platform. BSE's StAR Mutual Fund platform continues to be the electronic mutual fund investment platform of choice for investors across India. Investment through this platform has been growing steadily over the years to a level that even during the last few months when the mutual fund industry has overall been facing negative flows in equity segment, BSE's platform has been receiving net positive inflows in equity segment for the mutual funds. It may be noted that the net equity inflow in mutual funds of Rs. 241 crore in June 2020 is due to net equity inflow of Rs.1,882 crore through the StAR Mutual Fund platform.

The total number of orders processed has risen by 52% to 186 lakhs during the quarter ended 30th June 2020 as compared to 122 lakhs during the quarter ended 30th June 2019.

Inspite of COVID-19, the Platform has processed a record 11.58 lakh transactions on a single day on 13th April, 2020 surpassing the previous best record was 10.10 lakh transactions on 10th February, 2020.

The total number of SIP registered under this segment increased by 51% to 1.78 lakhs for the quarter ended 30th June, 2020 from 1.18 lakhs for the quarter ended 30th June, 2019. The total number of X-SIPs registered under this segment increased by 23% to 5.76 lakhs for the quarter ended 30th June, 2020 from 4.67 lakhs for the quarter ended 30th June, 2019.

The total value of orders processed in the Mutual Fund Segment increased by 57% to Rs. 85,000 crore for the quarter ended 30th June, 2020 from Rs. 54,000 crore for the quarter ended 30th June, 2019.

BSE had launched BSE StAR MF app in May 2019 to enable Mutual Fund Distributors process transactions on the go. The app has been well received by the investment community and it has processed over 7 lakh transactions till 31st July, 2020.

BSE's relentless scaling up of the Mutual Fund Distributors and IFA's network along with its technology drives the growth in its Star MF platform. In spite of social distancing and COVID-19, BSE has appointed 740 IFAs / Members over last four months taking their total to 57,413 as on 31st July, 2020. This network is over and above BSE's 1400 members backed by over 2 lakh authorized representatives covering length and breadth of our country.

The income earned in the StAR MF segment increased by 19% to Rs. 14.19 crore for the quarter ended 30th June, 2020 from Rs. 11.90 crore for the quarter ended 31st March 2020 as adjusted for previous quarter adjustments. Income earned in this segment has contributed to 17% of the revenue from operations for the quarter ended 30th June, 2020 as compared to 12% of the revenue from operations for the quarter ended 31st March 2020. Seeing it differently, the income earned in StAR MF segment is equivalent to 85% of the income earned by BSE in its equity segment during the quarter ending 30th June, 2020. BSE continues to remain positive on growth of this segment. BSE's market share in this segment for the quarter ended 30th June, 2020 stands at 80%.

As it has been discussed in earlier calls, the effective rate per processed transaction in this segment would be lower in financial year 2020-21. However, the same is expected to be offset by commensurate increase in total number of transactions processed in this segment during the current financial year. Further, BSE also plans to increase its revenue in this segment through value added services such as e-KYC, commission distribution services, etc.

In May, 2020, BSE has partnered with LIC Mutual Fund for e-KYC services on BSE StAR MF Platform. The digital KYC process facilitates BSE's member and distributors to ensure zero contact, hassle-free customer on-boarding process, especially during this COVID-19 situation. LIC MF is now able to facilitate a complete digital customer onboarding experience to all distributor partners on BSE StAR Platform.

The Board in its meeting held today has given 'in-principle' approved exploration of the possibility of unlocking value in BSE's distribution business of StAR MF and appoint a merchant banker for the same.

You would be glad to know that BSE Ebix Insurance Broking Private Limited, a joint venture of BSE with Ebix Fincorp Exchange Pte Ltd., has successfully launch Health insurance products on 3rd June 2020 and Life Insurance products in 13th July, 2020 in

addition to Motor Insurance products which was launched on 7th February, 2020. As on 31st July, 2020, the company has 3290 registered Point of Sales (POS). Total number of Point of Sales (POS) are more than 7000. The total premium collected till 31st July, 2020 is Rs. 78.77 lakhs. The company has issued 1901 policies till 31st July, 2020. It is expected that the network of insurance broking business and mutual fund distribution platform shall complement and leverage each other for strong growth over time. BSE holds equity stake of 40% through its subsidiary, BSE Investments Limited in this company.

India International Exchange (IFSC), Limited (also called as “India INX”), India’s first international exchange based in the International Financial Services Centre (IFSC) at Gujarat International Finance Tech-City (GIFT City) introduced Rupee Dollar Derivatives Contracts on 8th May 2020 which was inaugurated by Hon’ble Finance Minister Smt. Nirmala Sitharaman. The said contracts have seen strong interest by the market participants with its average daily turnover increasing to USD 2,911 million in July 2020 and average daily number of contracts traded increasing to 98,158 in July 2020.

Average daily turnover on India INX’s trading platform for the quarter ended 30th June, 2020 was USD 1,924 million. The turnover comprises of significant contribution by Equity Derivatives Segment. The Equity Derivatives Segment contributed to 85% of average daily turnover and the other Segments has contributed to 15% of average daily turnover for the quarter ended 30th June, 2020. India INX is the dominant IFSC exchange in GIFT city with the market share of 91% in derivatives trading and 100% in bond listing for the quarter ended 30th June, 2020. During the quarter ended 30th June, 2020, almost all of Indian issuers of Debt Securities in the international markets have listed on India INX’s global securities market.

As on 31st July, 2020, India INX’s cumulative turnover since inception has crossed USD 1 Trillion. It also witnessed an all-time high turnover of over USD 4.92 billion on 24th July, 2020. The previous all-time high turnover was USD 4.83 billion on 27th February, 2020. The constitution of the IFSC authority at Gandhinagar is a big step towards development of the IFSC as a major international financial hub and growth of exchange therein.

The Currency Derivatives Segment continues to provide a very liquid platform for trading in currencies. The average daily turnover of Currency Futures Segment for the quarter ended 30th June, 2020 was Rs. 7,920 crore and the average daily turnover in the Options Segment for the quarter ended 30th June, 2020 was Rs. 10,405 crore. BSE’s market share for the said period was 31%.

Coming to Commodity Derivatives Segment, BSE launched options contracts on Gold and Silver on 1st June, 2020 and launched world’s only Almond future contract on 22nd June, 2020. In a very short span of time, BSE’s almond in shell prices are widely used as

reference prices for physical market transactions and helping industry stakeholders with better price marking and quality benchmarking. 16,000 Kgs of Almond in shell were delivered in the last settlement at BSE.

In the Commodity Derivatives Segment, BSE facilitates trading in derivatives of Gold, Silver, Oman crude oil, Brent crude oil, Aluminum, Zinc, Copper, Guar seed, Guar Gum, Cotton, Turmeric, Castor seed, Chana, Soy bean and Almond. The total number of members admitted in this segment is 278. The turnover in Commodity Derivatives segment for the quarter ended 30th June, 2020 was Rs. 30,251 crore and highest turnover of Rs. 5,010 crore recorded on 29th July, 2020.

The number of companies listed on BSE SME Platform has grown by 7% as on 23rd July, 2020 to 324 companies as compared to 302 companies listed as on 30th June, 2019. Of the total number of companies listed in BSE SME platform, 82 companies have migrated to the BSE Main Board as at 30th June, 2020. Total Market Capitalisation of companies listed on SME platform as on 31st July 2020 was Rs. 17,747 Crore and total funds raised by these companies was Rs. 3,279 Crore. The companies listed on BSE's SME segment have shown outstanding growth over the last 7 years. The SME IPO index which was launched on 14th December 2012 with 100 as base has increased by 1,321% to 1,421 as on 30th June, 2020. BSE's market share in listing of companies in SME segment stood strong at 61% as at 30th June, 2020.

BSE launched platform for Electronic Book Mechanism "BSE BOND" on 1st July 2016. This platform facilitates issuance of debt securities on private placement basis. Issuers in this segment include renowned corporates from public as well as private sector in India. During the quarter ended 30th June, 2020, 179 issues have successfully raised over Rs. 1.17 lakh crore through this platform. BSE's market share for the said period stands at 58%. BSE continues to be an institution for capital formation in India. The total debt raised under this platform till date has crossed Rs. 11.60 lakh crore as on 30th June, 2020.

The trading volumes in the equity segment at BSE have generally been found to be correlated to the macro-economic growth and many other factors. As such certain volatility has been historically observed in the volumes in this segment which is affected, inter-alia, by the level of activity in capital markets in India. BSE's Equity segment has stabilized and Equity Derivatives segment is also growing reflecting in the quarter on quarter improvement in the operational performance of the company. The average daily turnover during the quarter ended 30th June, 2020 increased by 39 % to Rs. 3,724 crore as compared to the Rs. 2,683 crore during the quarter ended 30th June, 2019. In June 2020, pursuant to earlier circulars and recent communication from SEBI, the trading members have been advised to execute transactions for its clients at the best available market price and remove 'trade default preference' towards a particular exchange inbuilt in their

trading interfaces. The trading members are required to report compliance to the exchange and SEBI by 31st August, 2020. The implementation of the above regulatory requirement is expected to positively impact the turnover and liquidity across all trading platforms, including equity trading platform of BSE.

Average daily turnover in Equity derivatives segment for the quarter ended 30th June, 2020 was Rs. 3,915 crore. BSE changed the weekly expiry of contracts to Monday from Thursday in its equity derivatives segment from June 29, 2020. This change has resulted in a transformational increase in its turnover in the equity derivative segment. Since the change in weekly expiry day to Monday, the average daily turnover has increased many-fold to Rs. 26,196 crore for the month of July 2020 with the highest daily turnover of Rs. 52,763 crore on 30th July, 2020. BSE shall continue to make further efforts to increase its business in Equity Derivatives segment.

Inter-operability amongst clearing corporations facilitates efficient order execution by enabling any order to be executed at more than one exchange and thus reduces the slippages in execution without the need to maintain margins at multiple clearing corporations. As more and more members of the investment community start insisting on best price execution across exchanges from their trading members, a positive impact on the liquidity and turnover on the equity and equity derivative segment is possible.

BSE along with PTC India Limited and ICICI Bank Limited have filed a petition with the power market regulator, Central Electricity Regulatory Commission (CERC) on September 7, 2018 for grant of license for setting up a new power exchange. The CERC approval is awaited. This proposed institutional exchange, subject to necessary regulatory approvals, would leverage on the experience and expertise of its stakeholders in their fields; knowledge of the power sector, funding of power projects and associated infrastructure, setting-up and running various exchanges and platforms in India, and offer the market participants a credible power trading platform. BSE has a stake of 41.08% as on 30th June, 2020 in the proposed power exchange through its wholly owned subsidiary, BSE Investments Limited. The said stake would have to be bought down to 25% post receipt of grant of license or even before that as per new terms and condition imposed by CERC.

With respect to listing of securities, the number of companies listed with their equity capital on our Exchange which are available for trade are 3,913 as on 31st July, 2020. BSE has the highest number of companies listed on any exchange around the globe. Market Capitalization of companies listed on BSE is above Rs. 147 lakh crore. The total number of registered investors registered on BSE exceed 5.23 crore.

Further, under BSE's Framework for Listing of Commercial Paper ("CP") for listing of commercial papers issued on or after 27th November 2019, 139 Issuers have done 1742 issuances of Commercial Papers and have successfully listed CPs of Rs. 6.75 lakh crore on BSE.

On a Consolidated basis, the profit attributable to shareholders of the Company for the quarter ended 30th June 2020 has increased to Rs. 33.15 crore as against loss of Rs. 1.31 crore for the previous quarter. The Total Revenue for the quarter ended 30th June, 2020 has grown by 4% to Rs. 162.11 crore as against Rs. 155.79 crore for the previous quarter. Operational expenses has been decreased by 3% to Rs. 111.05 crore. The EBITDA has been increased by 25% to Rs. 51.06 crore for the quarter ended 30th June, 2020 as against Rs. 40.80 crore for the previous quarter. EBITDA margin stands at 31% for the quarter ended 30th June, 2020 as against 26% for the previous quarter.

On a Standalone basis, the profit attributable to shareholders of the Company for the quarter ended 30th June 2020 has increased to Rs. 32.34 crore as against Rs. 1.59 crore for the previous quarter. The Total Revenue for the quarter ended 30th June, 2020 has grown by 6% to Rs. 138.08 crore as against Rs. 130.51 crore for the previous quarter. Operational expenses has been decreased by 6% to Rs. 90.28 crore. The EBITDA has been increased by 37% to Rs. 47.80 crore for the quarter ended 30th June, 2020 as against Rs. 34.87 crore for the previous quarter. EBITDA margin for stands at 35% for the quarter ended 30th June, 2020 as against 27% for the previous quarter.

Interoperability among clearing corporations was implemented from June 2019. After implementation of interoperability, the members have the option to choose the clearing corporation to clear their trades. Based on their selection, the trades of BSE are cleared by respective clearing corporations. As per Regulatory requirements, BSE needs to contribute to Core SGFs of all the Clearing corporations through which its trades are cleared. BSE has already contributed ₹ 153 crore to Indian Clearing Corporation Ltd., which is in excess by ₹ 123 crore as compared to the requirement, as of 30th June, 2020, of the above mentioned circular relating to Core SGF. Based on the transactions executed on BSE and which are cleared by other Clearing Corporations, BSE's requirement to contribute to Core SGF is ₹ 18 crore as on 30th June, 2020. The Board of the Company has represented SEBI to allow utilisation of excess contribution by BSE lying with ICCL to the requirement of Core SGF contribution to other clearing corporations. The Company have also represented to SEBI that the contribution by exchanges towards Core SGF of clearing corporations may be allowed to be contributed in the form of Bank Fixed Deposit / Government Securities. The Company is awaiting approval from SEBI in this regard. In view of the above, no contribution has been made to other clearing corporations and the Company has not taken any charge for the contribution to Core SGF in the current quarter's statement of profit and loss.

As on 31st July, 2020, the total balance lying in Settlement Guarantee Fund maintained by Indian Clearing Corporation Ltd is Rs. 441 crore of which, as mentioned above, Rs. 153 crore has been contributed by BSE. BSE's consolidated net-worth as on 30th June, 2020 stands at Rs. 2,460 crore and standalone net-worth stands at Rs. 2,199 crore.

Before I conclude, I wish everyone in this call to stay safe with their near and dear ones in COVID-19 times. The situation remains unpredictable and would remain so till efficacy of treatment is established. BSE has been able to operate and continue with its new initiatives in this crying time. It continues to look forward to pursuing growth and growth opportunities in the best interest of its stakeholders.

With this overview let me welcome you all once again and invite all of you for question and answer before that Happy Raksha Bandhan to all.

Thank you.

Moderator

Thank you very much. We will now begin the question and answer session. The first question is from the line of Praveen Kurve from ICICI Securities. Please go ahead.

Praveen Kurve

Congratulations on the numbers, I just wanted to know what will be the cash as on Q1 FY20, cash and cash equivalent, a free cash which is available with the exchange?

Nayan Mehta

So, Praveen our total cash which is available on book is around 1400 crores.

Praveen Kurve

Ok. And just a small follow up, sir I just wanted to know I came late so, was there anything mentioned about StAR MF Platform apart from the regular operational data?

Ashishkumar Chauhan

Yes, StAR MF Platform?

Praveen Kurve

Value unlocking remains?

Ashishkumar Chauhan

Yes. Board has given in-principle approval to explore the value unlocking.

Praveen Kurve

So, we will be demerging the StAR MF Platform, right?

Ashishkumar Chauhan

Only after necessary, if the board finds it useful, also approvals are available.

Praveen Kurve

Thank you sir, I will get back to you sir.

Moderator

Thank you. The next question is from the line of Vikas Kasturi from Focus Capital. Please go ahead.

Vikas Kasturi

Hello Sir, I had a question regarding StAR MF. Sir, in the previous call, you had mentioned that because of COVID you were reducing the transaction charges to the AMC. But, in the earnings calls in the past years you have mentioned that we save approximately Rs.300 to Rs.400 per transaction that is the transaction were to happen on StAR MF the AMC would stand to gain about Rs.300. So, my question is sir, why did we reduce the transaction cost to the AMC at this time? We had a great amount of value to the AMC, so why did we do it?

Ashishkumar Chauhan

Basically, there is a competitive pressure because NSE earns a lot of money on their other businesses, so they tend to subsidize the newer businesses to a level where it becomes hugely non-competitive for everyone to do those businesses. Although BSE StAR MF is a much larger business compared to what NSE does. Despite that NSE offered very,

extremely low amounts of transaction charges to association of mutual funds who together with NSE suggested that we need to match that otherwise they will move over to NSE and because of that, we have to match those rates. We have not reduced the charges because of COVID in fact we continue to the older charges because of COVID. But in future we have agreed due to this competitive pressure and AMFI's collective pressure on BSE.

Vikas Kasturi

Okay. So, we are now charging the lower levels now sir at the moment?

Ashishkumar Chauhan

We will start charging sometime soon, Yes.

Vikas Kasturi

Okay. And all the AMCs are now paying, am I correct sir?

Ashishkumar Chauhan

Everyone is paying, and they have some of them have dispute on certain other areas for the past. Going forward at least AMFI is committed where they will not have, anyone will not raise this disputes, but AMFI is able to collectively reduce the charges to be paid to us but not able to handle the disputes of their own members as and when they raise. So, it's a bit of a mixed bag.

Vikas Kasturi

Sir, if I may ask one more question. Sir in the last call, you had given us an update saying that you will do the sort of the clearance and settlement of the payments which have to come from the AMCs to the distributors. Is there any update on that sir?

Ashishkumar Chauhan

So, we are in the process of launching that service. The software has been tested and it should happen sometime in this quarter.

Vikas Kasturi

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

Moderator

Thank you. The next question is from the line of Rohit Potti from Marshmallow Capital. Please go ahead.

Rohit Potti

Thank you for the opportunity and thank you for giving such a detail update at the beginning. So, my first question is, given the large amount of free cash still available, what is the board and the management intent with this available free cash?

Ashishkumar Chauhan

Basically, the current amount of cash is in a way regulatory capital. Because to run an exchange you need to project a very strong balance sheet and that's what these amounts are. Over last for three years and literally four AGMs BSE has distributed as dividend and the buyback around Rs.1277 crore already. So currently there is no proposal to buy back if you have that question and a large amount of money has already been distributed.

Rohit Potti

Okay, fair enough. So, as of now there is no buyback, but we'll continue to do the 95% of standalone earning payout is going forward?

Ashishkumar Chauhan

Yes, more than 90% is the policy but board has been basically giving approval for more than 95%.

Rohit Potti

Okay great. Sir my next question was on StAR MF. I know it's quite premature, but if, what are the avenues that the board and the management is open to, is it? will it be a demerger sort of thing or will it be a plan where you put in a separate company and sell small portions of strategic stake, sort of like what you did with ICICI with INX?

Ashishkumar Chauhan

It is early days; we don't know what the contours would be and if at all it happens. So, the board has given in principal approval we will appoint a merchant banker who will discuss with market participants and figure out what could be the proposals that could be there

to present it to the board. And once board takes a decision, then only we'll be able to figure out which side of the, what kind of forward path would be there. Currently, it's too early to say.

Rohit Potti

Understood, that's helpful and my third question is on the debt platform. So, we seem to have built an exceptionally strong debt platform both on the domestic exchange as well as in the international exchange. Even the commercial paper platform you mentioned, more than 6 lakh crore number over the last few months that companies have been able to raise on the platform. So, do you think this, the debt platform the BSE bond, the commercial paper, and all the platforms together are the next closest to being monetized among all the optionality's that are there in BSE right now?

Ashishkumar Chauhan

In a way Yes. But what we have observed also is that NSE is able to basically cut the prices where they are losing, especially new markets, and also spoil the monetization opportunities for other people also. So somewhere on the line where cross subsidization is basically hurting the entire market everywhere. And so, it remains to be seen how we are able to basically monetize despite very, very strong, anti-competitive, what I call unreasonable competition, and the complete emulation of prices by the sort of incumbent in other businesses.

Rohit Potti

Understood. The last question sir, it's very heartening to see the volumes on the equity derivatives over the last quarter. Just curious to know if there is a liquidity enhancement scheme there and if that were to be withdrawn, will we continue to will the volumes continue to be strong or do you see the scheme required to be continued much longer?

Ashishkumar Chauhan

Basically, there are several aspects to this. One is, earlier also we had some liquidity enhancement schemes but not much volumes were there. The current scheme is also not significantly different in terms of monetary payout vis-à-vis what earlier was there. Only thing is that we change the index to Sensex 50, which is closer to Nifty 50 by 200 -300 points. The difference is not very high and co-efficient of co-correlation also is very, very good. So, because of that probably and second is that we have changed the expiry, weekly contract expiry to Monday instead of Thursday, which was basically both were 'me-too' contracts in a way, this will become slightly off sited contracts. And these two reasons

might be the reason but one never knows how this thing happens in terms of if we reduce or if we take away the liquidity enhancement scheme will this volumes continue it remains to be seen but there are other ways to monetize once the volumes pick up and more and more people come to BSE for trading on derivatives.

Rohit Potti

Thank you again sir, very happy with the detailed answer, will get back to you

Moderator

Thank you. The next question is from the line of Pritesh Vora from Mission Holdings. Please go ahead.

Pritesh Vora

Sir congratulations for your superb results and I see every front BSE is improving, I have a question around these operating incomes and the SGF. So, what is the difference between other operating income and income from investment and did we put any amount in the SGF in this quarter?

Nayan Mehta

So, Pritesh when you say other operating income it is basically the income which is with respect to certain ancillary support services in consolidated it would mean some amount received towards MTPL income from our IT subsidiary, then certain training income from our education subsidiary BSE institute and which are basically subsidiary income and not related to exchange, but they are operating because they're consolidated. And as far as CORE SGF is concerned, we have not contributed anything for standalone in this current quarter. However, ICCL has contributed about 6 crores from their standalone books towards SGF.

Pritesh Vora

Right. And I see a jump in the income from investment and deposit, is it due to the forming of the yield of the investment papers?

Nayan Mehta

Yes, Pritesh. This quarterly we will see this effect in almost all companies. There is a very good mark-to-market revenue which every company will have to book especially in debt

segment. And our also basically, the amount which you see jump is basically reflecting the mark-to-market movement.

Pritesh Vora

Okay, and also you are reporting a good derivative volume performance over the last couple of quarters. What is our total income out of this derivatives segment, equity derivatives and what is the breakup between futures and options in this derivative index options and futures?

Ashishkumar Chauhan

It's largely it's almost the entire things is index options and the income are zero because we don't charge in the sense, we also pay for order flow. So, before you, the person asked question on the liquidity enhancement scheme that is basically payment for the order flow and so it's a little bit of investment we are making, in making people give two way course in market that is another thing and that's where basically we are not currently earning anything from the equity derivatives market.

Pritesh Vora

So, it is purely index options, index futures and options is it?

Ashishkumar Chauhan

Yes, currently that is how it is working out. It's a Sensex 50, index option.

Pritesh Vora

All right sir thank you very much, I'll come in the queue.

Moderator

Thank you. The next question is from the line of Utkarsh Ritesh Kumar Solapurwala from Damos Capital. Please go ahead.

Utkarsh Solapurwala

So, why it is getting delayed in getting approval from CERC? It is two years since we have applied for the approval.

Ashishkumar Chauhan

Basically, CERC has an approval process by which they allow people to raise objections and the competition in this field, Indian Energy Exchange and Power Exchange of India Limited. Both had raised their objections which were being heard over last two years almost. And now, the CERC has given a framework by which we have to comply with the regulation for shareholding within max eight weeks by which, after which they will again take up the matter.

Utkarsh Solapurwala

And CERC in the recent draft has announced a, has way for equity futures in India. So, would we be launching equity futures in our commodity derivative exchange?

Ashishkumar Chauhan

Yes, electricity futures is what I think you mean. And as and when the regulations are framed by SEBI certainly BSE would try to also be in that market.

Moderator

Thank you. The next question is from the line of Pankaj Bhatt an Individual Investor. Please go ahead.

Pankaj Bhatt

Hi sir, thank you for giving me the time I'm an individual investor. My question is very basic; I have invested my hard-earned money into this company. So, I just want to know, what company is doing to increase the shareholder value, I see the results which are there in public domain, we all know how the revenue and profitability is going on and I have two sub questions to this. Part one is if BSE considering the platform and the technology that we have deployed looking at redefining the mission and vision considering the changes which are happening in the world all over and even considering the name change, so as to probably reflect the global picture. Point number two, I heard about the liquidity enhancement scheme. That's a positive step, but going forward will BSE have a plan in place to make profit from the equity derivatives and cash segment, which are the biggest market leaders because if I look at the nearby two exchanges MCX and Indian Energy Exchange, they have actually increased the shareholder wealth in last three to four years. Whereas in case of BSE for investors like me, the wealth have actually gone down by 30 to 40%. Thank you.

Ashishkumar Chauhan

You mean to probably say that shareholders price, the share prices have gone up or not. BSE does not have much control over share prices of its own, because the shares are bought and sold by other people other than the management or Board of Directors, the management is not even allowed to buy shares in BSE stock itself, nor they have any stock options. So, this is basically a matter of disclaimer that share prices have very different dynamics vis-à-vis having the shareholders wealth. As, I said earlier in my interactions BSE has distributed the total amount of dividend and also buyback of around Rs.1277 crore. So, if you look at the BSE's total market capitalization at the time of listing was around Rs.4400 crore and if you remove the approximately Rs.1300 crore then you are talking about 3100 crores. Currently BSE has around Rs.2400 crore of consolidated net worth and within which the CDSL 20% shares are at around Rs.47 crore and the building, the entire building is and there are other buildings also in Hyderabad and all around Rs.35 crore. So, the total wealth is much more than at least on paper is much more than the amount I specify and there are many other investments which we have BSE Institute, BSE Market Place Technologies and so on and so forth. And the platform which it has created on BSE-BONDS or BSE StAR MF, India international exchange and so on and so forth are far valuable than currently market is giving it value for but that is not for us to say because we are only a management, the other shareholders will have to look into it. In terms of creating the new cash flow, you might recall that when BSE started the currency futures, BSE started around seven, eight years after NSE started in 2014, NSE had started in 2007. Along with MCX-SX and they also fought the same battles of cross-subsidizing by NSE against MCX-SX for which MCX-SX also won competition commission phase and now it is in Supreme Court and BSE started in 2014, BSE did not charge in the beginning for the currency future options but now, BSE charges some amounts. So that there is a way to start charging later on, if you have the liquidity so BSE is currently trying to get liquidity in equity derivatives. You might have also observed that equity derivative and equity go hand in hand. And so, equity derivatives volume if they increase the equity volumes also may increase going forward so that's why equity derivatives are very important for BSE's sort of going forward. Of course, the StAR MF and other areas Indian international exchange has continued to progress but just for the sake of getting volumes and equity and equity derivatives are also very important for BSE. That is why BSE is working on this.

Pankaj Bhatt

Thank you sir. Just to add on, as you rightly mentioned so, equity is the main business. So, is BSE trying to influence brokers, so that the more business can come and point number two, I asked about was on the disruption that is going on, is BSE looking at something like global footprint, say for example considering some name change or vision, mission

statement change so that more business come. I don't ask specifically on share price, but yes share price reflects, again the profitability and the revenue and the operations. Thank you.

Ashishkumar Chauhan

So basically, the name change is not on the card. BSE name is world famous and that's where BSE doesn't have any current plans to change its name, the vision and mission you might have seen are now much broader in terms of being a financial supermarket, 10 years back BSE was only in the business of stock market, that is share markets and nothing else. Today, you might have observed that BSE is pretty much there in every segment that is in commodities, agricultural commodities, bullion metal, base metals, in bond distribution, in IPOs, in every aspect including equity derivatives, currency derivatives and all. So, BSE already has shifted and also expanded its horizon. It has also set up one exchange called India International Exchange, which is an international exchange which trades in dollars and international participants are allowed to trade there in US dollar and not Indian rupee. So it's also in a way BSE's international foray into, in a way of course in a much lower cost because if you want to set up new exchanges in other parts of the world, which are already developed, the cost of running exchange is very high and the probability of success may not be that high. So effectively, you might be actually running a very large cost sort of in a very short time. And that's where BSE has done well calibrated activities in terms of going international, as you rightly said. It has also gone into many, many, many areas other than purely stock that is share market related activity. And that's where I think BSE will continue to do that. The vision, mission is basically to use BSE's technology process to ensure it goes into the maximum number of areas and also generates the value for its shareholders.

Moderator

Any other question Mr. Bhat.

Pankaj Bhatt

No thank you, thanks a lot.

Moderator

Thank you. The next question is from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra

First, related to the annual listing fee, so, we have seen a sharp drop in the annual listing fee so maybe this is because of COVID. So, can you please throw some light on what led to the sharp decline and can we see it reversing into the previous levels from the next quarter onwards or there are some high number of defaults there?

Nayan Mehta

Amit, Nayan here. I explain this that, last year we suspended many companies in the last quarter, as per the current tax regulations we have to go on billing them if we are providing them service and we have to then accordingly make a provision because they are defaulting in payment. But because of the change in the regulations which we work with SEBI we were allowed to suspend many of these companies around 1000 of them and that's why the fees from this company we are not booking in the current year accordingly the provision also will come down at the year end for their default.

Amit Chandra

So, this will be the new base, or will it be reverse to be?

Nayan Mehta

Actually Amit, the base is the same only earlier we used to book income and provide for it. Now, we are not booking income and will not have to provide for it.

Amit Chandra

Okay. And sir my next question is on the platforms like the commodity and transaction. So now we have been trying hard to gain market share both on the currency and on the commodity side and we have been spending so, if you can quantify what expenses we are doing on quarterly and on yearly basis and despite all our efforts in the commodity side also we have not been able to gain in fact we have lost and now the competition has gained market share. So, any thoughts that we are trying to get into segment we are standing but now, despite StAR MF we have not been able to really compete in other segments so, that is my one question, and another is on the INX. So, now we have reached a level where there has been around a lakh transactions per day, and maybe you can throw some light on then we can go and start charging there. Because it's been quite a while that we are spending and it's impacting our operating profits.

Ashishkumar Chauhan

So basically, in commodity derivatives contrary to your perception now we are the second largest commodity exchange in the country. And the third largest exchange is around 25% of our volume or less. Second, basically what had happened is recently SEBI allowed options in goods. Earlier, the options were allowed on the futures, now they're allowed on the straightaway, the underlying like gold and silver and all. We have launched those contracts and we have seen quite a lot of traction. Even if you see overall the STT options is pretty much around on a notional basis around 1 or 2% of the future. So, people prefer a trading in options in even securities market and we believe that because the differentiator in the CTT is also equally bad. And that's why people may finally move towards commodity options and not futures. And that's where currently we are the largest marketplace for commodities options in India and the second largest overall for the notional value. So, this is just basically for your understanding that your perception was wrong. Having said that, Indian international exchange has the same issue, is that the NSE's own exchange called NSE IFSC is charging zero. In fact, they are also paying for the order flow. And that's where we also have to pay for the order flow and till the time, they are able to subsidize, and nobody stops them from being so anticompetitive. This will continue and that's why basically, in certain areas where we become large like in StAR MF, we started charging when NSE was not charging. And there also they're still acting anti-competitive. So, we have many areas in which we have gained success in terms of market share, but we have not able to, we have not been able to gain the monetary aspect of it because of the NSE's anti-competitive activity in all these areas. And that is where basically, we have in a way this quarter we are also hoping to take up with the regulator requesting them to look into the issues and ensure that fairness prevails going forward. And once that happens probably, we'll see how the charging in different markets including in the India International Exchange can happen.

Sameer Patil

Sir also to give a perspective about the options on goods contract launched on the BSE and the gold mini there is a 100 grams contract today, at this point of time month-on-month BSE has 58.8% market share as far as the Gold mini contracts are concerned.

Amit Chandra

Okay. So we are not still charging on commodities and the future also by now, by what time we would consider a baseline in terms of volume that we can read this volume, then we can start charging because anyways, what, we are have observed in the market that the exchange charges doesn't impact the volume to a higher extent or the exchange a very small part of the overall trade. So maybe, because NSE has the cushion to fund these kinds

of new initiative, but we don't have that, we don't have that kind of cushion. So maybe we can start charging and at least we should break even in this initiative, that all from my side.

Ashishkumar Chauhan

So, premature charging may actually end up bringing away liquidity. So, what you're saying to some extent is your experience or what I call success buyers, that monopolies are able to do that. Once the BSE become monopoly it might be able to do that, till the time we will have to basically keep on struggling, on the. First it becomes monopoly and becomes so large that other people cannot even come closer, then it may be able to charge some things so that's why you're sort of asked your suggestions are most welcome. But in some ways, they are a little out of way.

Amit Chandra

Okay sir, Thank you All the best.

Moderator

Thank you. The next question is from the line of Vikas Kasturi from Focus Capital. Please go ahead.

Vikas Kasturi

Thank you Sir in your answer to one of the previous participants, you mentioned about some of the real estate that BSE has. So, is there any plan of unlocking that real estate value the one that you're not using, is there any plan on the in the annual?

Ashishkumar Chauhan

BSE does not have any plan to do anything on the real estate yet.

Vikas Kasturi

The building that you're not using you don't plan to sell it or something like that?

Ashishkumar Chauhan

We have one large building which is where half of it we are using more than half and the rest has stockbroker sitting there inside.

Vikas Kasturi

Okay, alright sir. Sir just coming to StAR MF. Sir, you already have about 80%, 90% market share in StAR MF in that category. So, you have the market power sir. So why would you go about reducing prices, I am unable to get that part?

Ashishkumar Chauhan

This is not a liquidity-based market. This is a distribution-based market and there AMFI and NSE combined to push us into a corner to say that they are all going to move or mass which would have created a disruption overall. That's why we had to start charging less to match NSE prices.

Vikas Kasturi

Sir but my limited understanding is that the distributors actually love your platform. And it would be very hard for a distributor to actually move from say StAR MF to NSE's platform is my understanding correct sir?

Ashishkumar Chauhan

In some way yes, I would also love to believe that and at the same time some large ones may be enticed by other people to also go with them if sort of AMFI decides and things like that right. So, there are more complexities than we think there are. So, life is not so easy.

Vikas Kasturi

Sir and would you be able to share how much does StAR MF contribute to the bottom line?

Nayan Mehta

So, on a pre tax it will be around 40 to 50% post tax it will be you have to deduct 20%, 30% from that.

Vikas Kasturi

So, 40 to 50% of BSE's bottom line?

Nayan Mehta

Before tax.

Ashishkumar Chauhan

No, Nayan he is saying the StAR MF the total, he is saying that StAR MF is contributing to 50% of our profits?

Nayan Mehta

No, the StAR MF revenue, of the StAR MF revenue otherwise.

Ashishkumar Chauhan

That's why I am saying, he is asking a question of the total revenue vis-à-vis StAR MF sort of total profit versus StAR MF profit and all.

Nayan Mehta

It will be around Rs.15 to Rs.16 crores at the most.

Ashishkumar Chauhan

The total profit might be in that range Rs.15 crore or so from the StAR MF. The others would be expenses evening out on the estimate side.

Nayan Mehta

Yes. And that's on annualized basis.

Vikas Kasturi

Right, so Rs.15 correct Sir?

Nayan Mehta

Yes.

Vikas Kasturi

And sir in the case of a direct mutual fund transaction so is there any difference to StAR MF if it is a direct transaction versus a regular transaction?

Ashishkumar Chauhan

For the StAR MF to charge we don't differentiate between whether it is a direct or indirect we allow both and there are now SEBI has allowed like MF utility the large corporates to also trade directly through BSE StAR MF. So that also that service will be launched this quarter. But the numbers are very few there. You can get a lot of volume in terms of value, but we charge on the number, so the numbers are few there but it's just that we also are going to start that additional service.

Vikas Kasturi

So, what I meant was, if you charge let's say Rs.5 per transaction to the AMC that is irrespective of whether it is direct or regular, that was my question sir?

Ashishkumar Chauhan

Correct. We do not differentiate.

Vikas Kasturi

And one last question sir. On the INX at some point, Mr. Bala had said that, we had gathered, we had to cornered about 6% of the USD INR derivatives market, within the first month what would it be now sir?

Ashishkumar Chauhan

It might be similar.

Vikas Kasturi

Okay. This is as compared to SGX and DGCX is it?

Ashishkumar Chauhan

Correct.

Moderator

Thank you. The next question is from the line of Deepak Mehta an Individual Investor. Please go ahead.

Deepak Mehta

Good evening sir, thank you for taking my question. My question is that there was news that retail investor can assess through direct market assess they will have the access, right now it's not available so do you think it's a huge opportunity for BSE?

Ashishkumar Chauhan

No, as and when if at all if it is allowed BSE being the great brand name and having a super technology, we do similar things in mutual funds and all, you might have seen that. So, BSE in a way what I call well equipped to, or well placed to do this. But it remains to be seen as and when we are not even aware of the contours of what is being discussed.

Deepak Mehta

There was a news that retail investor can directly pay from platforms such as NSE, BSE, they don't have to open the account with brokers?

Ashishkumar Chauhan

Correct.

Deepak Mehta

I think It's a huge opportunity so directly we can add clients to our system without any broker or dealers. So, it will.

Ashishkumar Chauhan

It remains to be seen whether it will be allowed or not, but if it has allowed them BSE has a much better system to handle all that.

Deepak Mehta

So, as a proactive company or as a financial institution, we can develop something similar. If the opportunity comes, we can ready with the right platform and good. Like, good apps and software system, that is my question sir. And can I ask one more question sir?

Ashishkumar Chauhan

Yes, please.

Deepak Mehta

And how much interest and that you have seen for this BSE Ebix insurance aggregator platform which you have recently launched, is there any marketing or advertisement you are going to do to promote the platform?

Ashishkumar Chauhan

Currently during COVID period, we were just launching it because of the fact that we started in February beta basis and then in March this happened and so we have been a little slow in kind of ramping up, because we have not been able to hugely market it in any way. But we have taken the time to connect various insurance companies launch all the products, and so on so forth. So, it's basically still once this COVID thing, in a way recedes, we will be able to go out to the market currently it's all word of mouth. And 7000 odd people have registered, some of them have almost 5500 plus people have become, they have passed the minimum criteria and all are in terms of study material and exams and all and so those people are allowed to place this orders on behalf of the customers.

Deepak Mehta

Okay. So, it will directly compete with Policybazaar right sir?

Ashishkumar Chauhan

In a way Policybazaar is a pure web play, ours is a little bit of a physical play because distributor point of sale person is actually selling by showing the different aspects of the policies to the customer. So, there are a lot of differentiation between the two. Policybazaar doesn't help you in finally executing the transaction because they take you to the website of the respective company. While as our person is able to also not only take you to the company, but also pay and give you the policy in your hand and within a few minutes or within few seconds. So, it's a different thing.

Deepak Mehta

Okay. So, can I say that so as an individual or as a layman, I can directly buy a policy from this application or this platform or I need to go through one of the broker or insurance agent?

Ashishkumar Chauhan

Yes, insurance agent which they are called POSP, point of sale persons but good thing about is any layman can become also our point of sale person if he satisfies some criteria. So, if people are unemployed or want to have additional income, they may be able to become literally point of sale persons on BSE at no extra cost to themselves, and then they can sell the insurance to everyone in any area not only in life, but general, health, auto and everything.

Deepak Mehta

Okay, so it's an interesting business model. So, what will be the margin for BSE Ebix, so what will be the business model for adding profit?

Ashishkumar Chauhan

It's a distribution model, it's not an exchange framework. So, it will get money as a distributor and then naturally people who are selling will get the maximum out of it, some small portion will be kept by the company.

Deepak Mehta

So, it's not impossible layman can directly purchase from this platform. So, with some extra benefit or with some because Policybazaar also they have margin of 8 to 10% and when they sell the policy, they have some good margin?

Ashishkumar Chauhan

I have my doubts, because if that was the case people would not be making huge losses. But you never know what it means. In our case, our fees what we call point of sale person model, theirs is a web model, there are different models by the regulators. So, this does not allow a direct connectivity to the customer. So, currently, I don't think it is possible for us to allow directly. Of course, we have a broken license. So, we can also go to the person directly as a company not through POSP, but currently we do not have people to do that. We are currently focusing only on making life easier for the agents to become

agents of multiple companies in multiple areas, not only say life insurance only particular company No, not that way, they are trying to give you everything under in the same computer and you can compare and show it to your clients and give them the best service. So that's, there are CRM systems involved in everything which is given in that it's a web-based platform. It's a browser-based platform, but it's not for direct customers.

Deepak Mehta

So, if anyone registers as an agent and he sells the policy through BSE platform, so is he getting any commission from BSE Ebix or he will be getting from insurance company?

Ashishkumar Chauhan

He will be getting from BSE Ebix which he does get today also every month.

Deepak Mehta

And generally, what is the percentage he would get as a commission?

Ashishkumar Chauhan

It will vary from company-to-company, and it will vary from business-to-business, but my request is, currently I'm trying to explain the entire business model of BSE Ebix to you and there are other people in the queue. My request would be to allow other people also to have chance of asking about the previous question.

Moderator

Thank you. The next question is from the line of Neeraj, an Individual Investor. Please go ahead.

Neeraj

In this quarter our equity turnover has improved year-on-year by 36% but still our equity transaction income has been low, why so?

Nayan Mehta

In this quarter, the income which we have booked that is on the equity segment turnover, in last quarter we had few transactions in physical settlement where our charges are high. When we do physical settlement, and our transaction charges were high, and our income

was more than Rs.6 crore last year. SEBI said to stop physical settlement and there should be only Demat settlement so after that the physical settlement was stopped. And if you remove the Rs.6 crore of last quarter then you will see the difference and this quarter also has increased by 30%.

Neeraj

Last year we had physical settlement, so our charges were more?

Nayan Mehta

Yes, for physical settlement the charges are more, but that has stopped this time. So, that should not repeat as it was a onetime income that time.

Neeraj

Yes, but it has increased from last quarter as well.

Nayan Mehta

When you say last quarter, is it of March quarter?

In March quarter we had another one income from securities income which was pertaining to membership subscription. We give a rebate to the members, if their transaction charges are more then we give some offset in the membership subscription. But if a member has not done transaction then he gets full paid for membership. So our securities services head includes membership fees as well and the adjustment which we do in last quarter, that time our securities services fee was high that time and if you see apple-to-apple then our overall income of this quarter is more than last quarter and more than last year June quarter as well.

Neeraj

But what we did in this quarter is all digital settlement in that we take less charges, am I right?

Nayan Mehta

That is right, but the point is that, last time I had one-time income in June quarter, and last quarter there was adjustment which is not in this quarter.

Neeraj

Okay. And group wise charges are same or different?

Nayan Mehta

If it's a normal group then it has very low charges around Rs.300 per crore and we have specified rate due to security which we have in small cap and in mid-cap the liquidity is not there then we charge Rs10,000 per crore and we used to charge more in physical but now what you are seeing is liquidity, you will see that where we have liquid stocks our volume has increased and that means our volume actually increasing as per competitive exchange.

Neeraj

Okay. So, in next quarter if the equity turnover become low then equity transaction income will also go down?

Ashishkumar Chauhan

Correct.

Neeraj

Okay. And you said in last quarter concall that our future per transaction average realisation will go down. So, how much is it in this quarter?

Nayan Mehta

In this quarter our transactions have increased from 122 lakh last quarter to 186 lakhs transactions this quarter.

Neeraj

Yes, but I am asking the rate, in this quarter how much is the?

Ashishkumar Chauhan

We have used old rates in this quarter which we had last quarter, because due to COVID we said to do this but from July month they want us to charge the new rates which are

less. So accordingly, we will try to charge new rates and we had discussed with them this week and next week we will discuss again on this and announce that.

Moderator

Thank you. The next question is from the line of Shrivallabh Kulkarni an Individual Investor. Please go ahead.

Shrivallabh Kulkarni

Hello, I have gone through those numbers; I feel really good and I appreciate all your efforts to compete with the tough competition with NSE and all those things. And I know it's not that easy to give the competition as we started very late. But I have two questions, what will be the roadmap. So, first question is, SEBI just allowed, if I'm not wrong if you confirm also, that 15% equity stakes is allowed in BSE so can't we first of all take the BSE stakes into our investment firm, investment arm. Because there are two benefit, one is that in dividend income of BSE will be always higher than the yield down the line because due to COVID-19, I don't think so, RBI will increase the interest rate over the period of time. Second, is that if down the line, if I'm not wrong some strategical investor will come up and if he would like to come we can get that, we can sell that stake and you will get the higher benefit of it. So, this is my first question and the second question is for the Sensex. Sensex, we launched but we lagged once again. So, we launched Sensex 50. But I feel that if we launch like a mini option, like Sensex 30 divide by 10 will be the quote then it will be like a US 500. So, it will be like a very easy for you like trader or anyone to track that out to trade. Because most of the time people will be difficult for quote that big number, most of the time but it's not the case only that we started little late due to which it happens I understand. But can we start doing like that, is it possible. So, these are the two questions?

Ashishkumar Chauhan

See Sensex trading is still on and some people may still select to trade in Sensex 30 rather than Sensex 50. So, it's up to them and if we reduce the number by 1/10th or 1/100th, people are trading gold at Rs.50,000 also today. So that number business is somewhere, basically if we try to do too many activities at the same time, it may confuse the sort of participants very badly. And that's where in a way Sensex 50 has as a pretty much similar number as Nifty. And that's why probably people are also using it to move from one settlement to another because NSE has a Friday to Thursday settlements, and BSE has like Tuesday to Monday settlements. So, because of that people take position in one and go into another when the settlement comes in, so on and so forth. So, that seems to be happening and that's why BSE's volumes in Sensex 50 have increased pretty much today

also it costs Rs.60,000 crore in notional value. So, it looks as if that seems to be the case, but you never know what is happening. The second portion of your, the first portion was about basically BSE buying shares and keeping it in an investment company like what some old companies used to do as like shares kept in trust and they don't get extinguished, but BSE does extinguishes whatever it buys back, so it is bought back shares over the last two years, each year and all those shares have been extinguished. So, anytime anyone strategic partner comes in in case we'll may be able to issue new shares. So that's not a problem at all for a new strategic partner to come in. We don't have to keep the shares and try to earn income on that which becomes like a circular earning, you giving dividend to yourselves and so it's better to basically keep clean balance sheets, clean everything because we are also in a way regulator and that's where a lot of, sort of transparency is required in our operations otherwise, people may also raise questions on that.

Shrivallabh Kulkarni

Okay. I got that point that since 50s like somewhat similar to like a Nifty 50. But I know you're trying to push that on Monday delivery quite good step. Only one, you said that Sensex 33 quote prices divided by 10 and if we like, keep it up to three decimal can't be and whenever, because why I'm saying that because it will be easy for people and I don't want to, I don't want BSE to leave out the Sensex 30 which is like a brand of Sensex or brand of BSE, because whenever the NSE says it's a Nifty 50, and we are saying Sensex 50 people will say we are like a copycat on NSE. We would like to maintain that Sensex; I know Sensex 30 is there, but liquidity is not there. So, I'm just trying to provide some, anything like that we can come into the picture something like Sensex 50 and that will bring out the bigger volume and if we launch as a Sensex mini or something like that, which is very low in quantity so that it will be cost like a silver young if you can, MCX, silver, silver young, silver there are several options are there even in UK and U.S., if you see the U.S. fund, the U.S. 500 mini or those kind of options are there. We can launch in that way and we will keep out Sensex 30 like a major index so that people will, I know we started a bit late due to which everything happens like that, but I feel that there is hope too that we can try, I don't know I'm just proposing. I know it's not that easy to quickly get that point and bring out the market share very easily but I'm just thinking that Sensex 30 has to be indexed from BSE, I don't want a view. I would like to bring that one only and what happens to another stock is that, whenever you launch that Sensex for 50 I can't access that one from zero or rough stocks because the brokers are not providing those feeds to my account, even I'm very interested to take a trade, I can't trade. So either you have to make it mandatory for the broker, either you have to give that access if for me whether to check whether its liquidity there or not there, but what broker is doing is that they are suppressing at their level. So, even I don't know now I can see always that people are trading Sensex 50 but either those are like out of 10,000, only 600 it's always like

quoting very, very less number. We have to bring the retail investor also sometimes I feel people, whenever retail investor will come in, the volume will jump in. I feel in that way, I am a layman but I feel these kind of things you do it then we have to force the broker, we have to stick to our strategy, I am not saying that Sensex 50 is bad, Sensex 50 is perfect but we have to have another index, which is like a brand of our BSE. That thing is already there. Thank you.

Ashishkumar Chauhan

So, we appreciate your reasons and all and we'll take up with Zerodha also. And sometimes what happens is, the parents have a lot of hope on one child which is very bright, but the second child who is ignored starts doing well and parents still keeps on putting a lot of money into the brighter child who may not be able to earn much. So that's instead happened with us, Sensex we have spent a lot of time, but Sensex 50 we didn't spent and suddenly it has become successful. So, sometimes on our expectations are on one person and the other person starts doing well all these things happen, life as it comes. Of course, we must put money into the brighter child also which will continue to do. But if Sensex 50 is also becoming successful, we shouldn't try to stop it from being successful. So, we'll take up with Zerodha and other brokers to allow you to trade there also on Sensex 50. Thank you.

Moderator

Thank you. We'll take last three questions now. The next question is from the line of Pritesh Vora from Mission Holdings. Please go ahead.

Pritesh Vora

Sir, thank you for opportunity, What is our BSE's net cash to the net cash of the company. Not the brokers money I'm saying net cash which is there on our side?

Nayan Mehta

As, I mentioned earlier it is around Rs.1400 crores.

Ashishkumar Chauhan

On consolidated basis how much it is?

Nayan Mehta

Consolidated it will be Rs.1600 crores

Ashishkumar Chauhan

How much?

Nayan Mehta

Rs.1600 crores

Pritesh Vora

Okay, alright. And sir how about this, do we have a, because commodity you mentioned about gold and silver doing very well and other thing, but in the presentation, you've not mentioned anything on the commodity side of the thing. So please next time, please do mention something on the commodity also.

Ashishkumar Chauhan

Thank you. You have pointed a good point.

Moderator

Thank you. The next question is from the line of Deepak Mehta an Individual Investor. Please go ahead.

Deepak Mehta

Sir, thank you for the follow up question, I would like to ask what is the market share of BSE in commodity especially in USD INR?

Sameer Patil

Yes so, for the commodities today at this point of time BSE is 7.42% as-far-as the entire commodity market share is concerned and it is the second largest exchange for commodities, it is grown as the second largest exchange with commodities. In fact, this is I am talking about the overall commodity basket but if you specifically see after the product in the gold itself at the entire product basket gold it is 22% and for the gold mini

which we have launched the gold mini options on goods contracts where we have surpassed the competitive exchange also, we are 58% there.

Deepak Mehta

Okay, Thank you sir.

Moderator

Thank you. The next question is from the line of Rahul Kote an Individual Investor. Please go ahead.

Rahul Kote

Congratulations on your numbers So, I would like to give a suggestion, but it might sound like a layman suggestion, but I wanted to give forward. So, what I see is during when I trade on any broker platform. So, the default option what we have is of our competitor. So, can we not like have a BSE as a default option for trading or for investment. Like by giving them some incentives or some subsidies to increase our equity number, which we are currently lacking, can we not work on that front. Thank you.

Ashishkumar Chauhan

We are not allowed to give specific incentives to any broker. Whatever incentives we are allowed is only in derivatives, that also it has to be applicable to all and not to a particular broker or something. And so, equity we are not able to give those incentives. And still, many of them are changing it to neutral at least, if not giving preference to BSE, but it's a slow process they have to also change the technology. And some of them have done it. We are thankful to them. But most, as you rightly said have not yet moved, at the same time new SEBI regulations force all the brokers to give the best price to the customer, irrespective of whichever exchange it is on. So hopefully if they change their software, on best price many times people will be able to trade on BSE. And it doesn't matter where they trade because the clearing and settlement is happening from one single place. So hopefully everyone will start trading on BSE at some point.

Moderator

Thank you. Members of the management we don't have anyone in the question queue should we conclude the call now.

Ashishkumar Chauhan

Yes, please.
Thank you.

Moderator

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