

May 16, 2022

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 May 11, 2022

Dear Sir/ Madam,

With reference to our letter dated April 27, 2022, intimating you about the conference call with Analysts/Investors held on May 11, 2022, 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



Vishal Bhat
Company Secretary and Compliance Officer

Encl.: a/a



BSE LIMITED

Q4 FY 21-22 Earnings Conference Call



May 11, 2022

BSE LIMITED

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

Moderator

Ladies and gentlemen, good day and welcome to the BSE Limited Q4 FY22 Investor Conference Call. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anand Sethuraman - Head, Investor Relations, BSE. Thank you and over to you, sir.

Anand Sethuraman

Thank you, Steven. Good evening, everyone. This is Anand from Investor Relations. Welcome to BSE's Earnings Call to discuss Q4 & FY22 Results.

Joining us today on this earnings call is BSE's leadership team consisting of

Mr. Ashishkumar Chauhan - Managing Director and 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 this call will be made available on the BSE website.

Before we get started, I will have this opportunity to remind you that our remarks today will include forward looking statements. Actual results may differ materially from those contemplated by these forward-looking statements. Any forward-looking statements that we make on this call are based on assumptions as of today and BSE assumes no obligation to update these numbers as a result of new information of future events.

I would now request Mr. Ashishkumar Chauhan – the MD and CEO of BSE to give a brief overview of the company's performance which will then be followed by a Q&A session.

Thank you.

Ashishkumar Chauhan

Thank you, Anand. Good evening and thanks for joining the call today. I hope all of you and your loved ones are safe and keeping well. For much of financial year 2022, there is a sense of cautious optimism that we might finally have put the worst of the COVID-19 pandemic behind us. As a restriction that India began to ease economic activity picked up strongly has demonstrated by the recent macroeconomic numbers, but towards the end of 2021, our resilience was put to taste once more as the spread of the Omicron variant reminded us of the unpredictable nature of the pandemic.

I am happy to inform you that despite the uncertainties, the BSE group delivered a strong financial performance and recorded its highest ever revenues of Rs. 863.5 crores in a financial year. Further BSE's net profit attributable to shareholder of the company increased by 76% to Rs. 254.3 crores. This performance was driven by growth in transaction-based segments and stable listing segments. For the quarter ended 31st March 2022, BSE's operational revenues grew by 34% to Rs. 204.6 crores from Rs. 152.2 crores in the corresponding quarter previous year.

Further, BSE's net profit is attributable to shareholders of the company increased by 129% to Rs. 74.5 crores from Rs. 32.6 crores in the corresponding quarter previous year. The operational performance has continued to grow across business segments resulting in higher operational revenues and profits.

On back of superior financial results, it is my pleasure to inform you that the board of directors of BSE has recommended a final dividend of Rs. 13.5 per share having face value of Rs. 2 for the financial year 2021-22 on the higher capital subject to the approval of the shareholders in the ensuing annual general meeting. The total pay-out with a dividend pay-out ratio of 95% of the current year profits would be Rs. 185.5 crore. You may note that BSE had issued bonus shares in the ratios of two equity shares for every one equity shares held as informed in the previous earnings call. The said dividend would be paid on the expanded share capital.

On the business side, let me start by covering our primary market segment, Funds raised by India incorporated continue to be buoyant and BSE platforms continue to remain the preferred choice by Indian companies to raise capital. In 2022, the BSE platform has enabled issuers to raise Rs. 18.4 lakh crores through issue of equities, bonds, commercial paper, municipal bonds, InVITs etc., including Rs. 3.1 lakh crores for the quarter ending March 2022. The total number of investor accounts registered with BSE now stands at Rs. 10.5 crores and continues to move up. This number has more than doubled in the past two years.

I shall update you on BSE's trading segments now which witnessed growth in the year ending March 2022 reflected in the operational performance in the current period. For the year ending March 31, 2022, BSE's average daily turnover in the equity segment increased by 29% to Rs. 5,396 crores as compared to the last year. In the equity derivative segment, the average daily turnover increased by 89% to Rs. 2.66 lakh crores as compared to the last year. In the currency derivative segment, the average daily turnover increased by 28% to Rs. 26,672 crores as compared to the last year. In the commodity derivative segment, the average daily turnover increased by 24% to Rs. 2,969 crores as compared to the last year. Like I updated in the last earnings call, BSE is keen on launching spot trading in gold by electronic gold receipts for which it has the requisite technology and knowhow and has received principle approval from SEBI. BSE is in process of taking final regulatory approval from SEBI to launch EGR as the new segment.

Let me now update you on the BSE SME segment, I am happy to inform you that BSE has completed 10 years of operationalizing India's first SME exchange, BSE's endeavor to support the SMEs and startup in India has seen listing 9 companies on its SME platform and 1 company on startup platform. During the quarter ending March 31, 2022, taking the total companies to 367 and 14 respectively, this 367 SMEs raised Rs. 3,898 crores and 14 start-ups of raised Rs. 61 crores via the BSE platform with the market value of Rs. 482 crores and Rs. 435 crores respectively as of March 31, 2022. BSE's market share in the SME segment stands at 60%.

I shall now discuss our mutual fund distribution platform, BSE StAR MF, India's largest mutual fund distribution platform continues to grow at a remarkable pace with total number of transactions growing by 97% to reach Rs. 18.5 crores, transactions during financial year 2022 from Rs. 9.4 crores last year. For the quarter ending March 2022, the BSE StAR platform registered Rs. 5.2 crores transactions as compared to Rs. 2.9 crores transactions in the same period last year. BSE StAR MF platform continues to scale new peaks in terms of single day transactions with the platform processing the high of 30.1 lakh transactions on April 18, 2022, outdoing its previous best single day record of 29.9 lakh transactions on April 11, 2022. It also continues to contribute consistent net equity inflows to the mutual fund industry with inflows of Rs. 81,350 crores in financial year 2022.

The BSE StAR MF app launched in May 2019 to help mutual fund distributors register clients on real-time basis and execute paperless transactions has processed over 56.8 lakh transactions as of March 2022. On the regulatory front, SEBI has agreed to mutual fund industry's request to extend the deadline to July 1, 2022, from April 1, 2022, for implementing discontinuation of pooling of accounts, the extension is to facilitate an efficient technology overall and its smooth

transition to growing investor needs. BSE's work is going to increase due to this new change that is coming up.

I shall cover developments at our subsidiary companies now, BSE promoted India International Exchange at Gift City, Gandhinagar, India INX has been growing exponentially ever since it commenced trading activities on January 16, 2017, with average daily trading turnover of US\$ 10.1 billion and a market share of 92% for the year ended March 31, 2022. India INX has more than US \$ 62 billion medium-term loans and bonds established and over US \$ 44 billion of bonds listing till date.

I am also happy to inform you that India INX has enabled a global access platform for investors wanting to invest in global securities. The platform permits investments in more than 30,000 stocks across 33 countries and 135 exchanges across US, Asia Pacific, and Europe. One can also invest in more than 80 global portfolios of renowned international portfolio managers with a minimum of US \$ 100. Owing to investments by sudden strategic and financial investors, BSE stake in India INX stands at 61.9% and 59.9% in India International Clearing Corporation as on March 31, 2022.

As informed in the last earnings call, India INX and India ICC have invested Rs. 6.75 crores each in India International Bullion Holding IFSC Limited, holding company for setting up and operationalizing the international bullion exchange for 10% stake each making it totally 20% in BSE group as directed by IFSCA. Trial run for India International Bullion Exchange was conducted on April 18, 2022, and first trade was executed on April 19, 2022. We expect it to go fully live by the first quarter of financial year 2023. BSE's wholly owned subsidiary - BSE Technologies is a technology solution provider for the International Bullion Exchange at Gift City. We are also confident that the same technology which we are going to use in the domestic market for the BSE's proposed electronic gold receipt market is also going to be successful.

On the insurance distribution front, BSE Ebix Insurance Broking – a joint venture of BSE and Ebix Fincorp Exchange is now present in all the three insurance verticals; auto, health and life and is integrated with 20 insurance companies as compared to 16 in the preceding quarter. In the last quarter, BSE Ebix has onboarded LIC, Tata AIA and Max Bupa. BSE Ebix has over 11,158 registered point of sales as of March 2022 of which 1,486 were added during the year. Total premium collected is Rs. 11.95 crores for the year ending March 2022, a growth of 149% over the last year. The Company has recently appointed Shri. Sachin Seth, a partner with Ernst & Young as MD & CEO. This appointment is another step forward to establish BSE Ebix as a linked insurance distribution player in India, while providing the best-in-class services to our customers across

the length and breadth of the country, BSE holds equity stake of 40% through its subsidiary, BSE Investment Limited.

BSE also remains fully committed to expand the BSE E-Agricultural Markets, BEAM platform, a JV between BSE Investments and Frontier Agricultural Platform to start a nationwide electronic spot trading platform to facilitate spot transactions in both agri and non-agri commodities. It has enrolled 840 members, an increase of 52 members from the previous quarter, trades worth Rs. 63 crores in three agricultural commodities - bag, jowar and bajra were executed on the platform during the quarter ended March 31, 2022. The company is working closely that the government and government enterprises to enhance the efficiency of procurement and sales of the commodities. Considering the market and opportunities, this platform is expected to grow at a faster pace in time to come in both agricultural and non-agricultural segments.

As informed in our earlier call, the power market regulator, Central Electricity Regulatory Commission has granted registration on May 12, 2021, to Pranurja Solutions to establish and operate the power exchange. The company name was changed from Pranurja Solutions to Hindustan Power Exchange Limited in November 2021 to brand itself as a power exchange. We are awaiting regulatory approvals and the company proposed to commence live operations in the first quarter of financial year 2022-23. BSE has a stake of 22.61% in the proposed power exchange through its wholly owned subsidiary, BSE Investments Limited.

BSE's wholly owned subsidiary, BSE Administration and Supervision (BASL) which was incorporated in March 21 to administer and supervise investment advisors in June 21 and received approval as an accreditation agency for investors in December 21, has onboarded 986 investment advisors and 35 accredited investors as of March 31, 2022. KYC and KRA agency for which BSE has recently got a license as well as BSE also has got a license for trade receive discounting system (TReDS) recently from RBI. BSE Technologies is awaiting the receipt of final approval in certification of license from the regulators to commence KYC KRA and trades businesses. We are confident that the experience of BSE for over 147 years as a frontline regulator will help the growth of BASL trades and KYC KRA businesses in the time to come.

I would also like to update you that the BSE's wholly owned subsidiary, BSE Investments acquired 4.76% stake in government enabled private sector led non-profit company, ONDC, Open Network for Digital Commerce platform, which promises to be a game changer for India's bustling e-commerce ecosystem. This is a great opportunity to participate in this national initiative for digital transformation and financial inclusion. ONDC is a non-profit company.

Now, I shall brief you on the financial results for the year ended March 31, 2022:

On consolidation basis, BSE's operational revenue grew by 48% to Rs. 743.15 crores from Rs. 501.37 crores.

Transaction charges in revenue increased by 86% to Rs. 258.85 crores from Rs. 138.88 crores.

Listed aggregate income increased by 19% to Rs. 220.54 crores from Rs. 185.78 crores.

The clearing and settlement operational revenues increased by 108% to Rs. 45.25 crores from Rs. 21.73 crores.

Net profit attributable to shareholders of the company increased by 76% to Rs. 254.33 crores from Rs. 144.90 crores.

The operating EBITDA increased by Rs. 174.3 crores to Rs. 213.14 crores as against Rs. 38.84 crores with operating EBITDA margin increasing 29% from 8% earlier.

The net profit margin increased 29% as against 22% earlier.

As seen over the last few years, BSE has operated with the strategy to build products and markets for institutions and investors in a manner that enables us to grow in all economic and interest rate conditions, so that BSE stood in all-weather growth story, something that does not exist in the single market or asset class alone. As we begin financial year 2023, we are better positioned than ever to capitalize on trends occurring across asset classes and we remain focused on investing and executing on the main growth opportunities in front of us. By expanding our solutions beyond traditional business, we remain confident to deliver growth by leveraging on technology expertise by integrating our traditional offerings to enable the many new opportunities. These opportunities combined with our deep expertise in trading and clearing will help unlock BSE's longer-term opportunity in India's financial services space.

With this overview, let me welcome all of you once again and invite all of you for question-and-answer session. Thank you.

Moderator

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and one in their touch phone. If you wish to remove yourself from the question queue, you may press * and two. Participants are requested to use handsets while asking a question. Ladies and Gentlemen, we will wait for a moment while the question queue assembles.

Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Amit Saxena from AS1 Capital. Please go ahead.

Amit Saxena

My question was related ONDC where we have recently invested, sir, my question was, as this is a not-for-profit organization, what interest does the shareholders have in investing in this venture?

Ashishkumar Chauhan

BSE is a nationally bound institution which works for the benefit of the nation in addition to its benefit for its own shareholders. So, whenever the e-commerce grows, many more company will come and list on BSE and that is where BSE will also make profit. So, it is basically a nation building activity which will in the long run will help BSE also.

Amit Saxena

And sir, what is the amount that we have invested here?

Nayan Mehta

Rs. 7.5 crores.

Amit Saxena

Sir, another question was related to the dividend payout, so this time we are distributing Rs. 13.5 per share which comes close to 95% of I think the net profit, however when I am going through the slide 37 and the dividend payout, there I see it is mentioned as for 21-22 the dividend payout is Rs. 962 million or Rs. 96.2 crores, so it looks to me that probably it is a typo, or I am missing something, if you can just?

Anand Sethuraman

The dividend payout will happen after the AGM, so the dividend which is being proposed will reflect for the financial year 22-23, Rs. 962 million was what was made last year in FY22.

Amit Saxena

It is basically based on the cash flow and not on the dividend pay-out in that particular financial year.

Moderator

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

Pranav Thakkar

My question is related to StAR MF, are we planning to make a separate listing of any of our subsidiary associate or make divestment or stake sale, so if you can clarify on this?

Ashishkumar Chauhan

We have always maintained that we are looking for good opportunities. If any opportunities comes for any of our subsidiaries, our board will take a look at it seriously and whether it is divestment or any listing or separate floating, all those things will be looked at as and when opportunities arise.

Pranav Thakkar

Are we planning to look that in our quarter or two and the efforts are being seriously made in this direction?

Ashishkumar Chauhan

Efforts are being seriously made, but it may not happen in one or two quarters, or it may happen in few days also. So, efforts sometimes get results and sometimes the results come fast.

Pranav Thakkar

And sir, another question is also related to this only that did we got valuation of specially StAR MF from independent agency and if you can share what valuation it is being valued based on the recent transactions that are happening?

Ashishkumar Chauhan

No, we do not have any such details.

Pranav Thakkar

Because you know since we are trying to find the suitable investor, obviously there would be some valuation being done from our side, some independent agency?

Ashishkumar Chauhan

Independent agencies don't invest, and investors don't look especially in the private market, they don't look for the independent agency's valuations. They have their own metrics; they do their due diligence and accordingly they do it.

Pranav Thakkar

Sir, this power exchange, and listing, can we expect it to happen before June like you mentioned in first quarter of 22-23?

Ashishkumar Chauhan

It is not listing; it is the starting of operations. So, starting of operations should happen because the mock testing and all things have started.

Moderator

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

Pratik Shah

I just want to ask Ashish sir about the gold spot exchange, what is the current state of this process, and can we expect BSE to start getting revenues from the gold spot exchange in the coming financial year?

Ashishkumar Chauhan

It should happen, in this financial year because we are ready with the technology and everything, so as and when the final approval comes and the depository start taking the gold in their vaults, we should be able to start. So, it is still probably couple of months away, but as and when it happens, it is a great product and earlier also, similar product was actually traded in some ways. So, in fact our associate, CDSL also has experience of handling this before. They are also preparing their technology and so as and when it is ready and SEBI approvals come, we will be able to launch it.

Pratik Shah

And in this financial, you have given this high dividend Rs. 13.5 which is included the dividend you have received from CDSL, right?

Ashishkumar Chauhan

Naturally, what we receive gets into the total pool and then what we give is coming out of our total profits which include CDSL dividends.

Moderator

Thank you. The next question is from the line of Chetan Shah from Abakkus AMC. Please go ahead.

Chetan Shah

Just two quick questions are, one, this ONDC investment which we are doing of Rs. 7.5 crores, what kind of stake which we will be getting as BSE?

Ashishkumar Chauhan

I mentioned about the percentage we get, it is not for profit, so irrespective of the stake, it is not going to get the dividend, the total percentage we have got is 4.76%.

Chetan Shah

And sir, second question in terms of, we spend money to expand our derivative or commodity, currency, INX and other businesses, the new businesses which are still in an investment mode or a phase, if you can give us some sense or a colour in terms of which are the businesses now have reached closer to the breakeven point where we don't need to spend money or still how much money we are spending or a burn rate, if you can give some colour on all the new businesses will be very helpful for us to understand where have we reached over a period of time and that is the one question? And sir, second question we are continuing that ONDC thing, are we also going to use our technology expertise to help ONDC to achieve a nation building exercise apart from the money and the state which we are buying?

Ashishkumar Chauhan

The ONDC part is correct, why BSE was invited is also due to its technological expertise, basically e-commerce and BSE is one of the pioneers of e-commerce in India due to its automated trading systems and the fastest exchange in the world. In terms of the investment that we have made, we have made different investment into the BSE E-Agricultural Markets, Power Exchange, KYC KRA, Trade Receivable Exchange, Insurance Broking Business, India International Exchange, these are all businesses which are yet to start bringing profit, but the investments which are made are very limited and very specific, so additional investments currently are not foreseeing in any of these activities. In terms of the mutual fund platform, BSE has started making large amount of revenues. For first 9 years of its existence, BSE did not make single rupee revenue from StAR MF, but this year it has been able to make good revenue. Similarly, BSE SME platform has started giving good revenue. Derivatives, liquidity enhancement scheme for equity derivatives and commodity derivatives are currently on and will continue to happen over foreseeable future, but all the liquidity enhancement schemes are taken as the cost or expenses in the specific year and specific quarter in which we make it. So, we do not capitalize our liquidity enhancement schemes in any way and in terms of technology, we continue to invest which of course is capitalized and then depreciation is charged on top of that, but overall, in most of these areas, the technology of our own or our partner firms like Ebix gets used in setting up of those markets or distribution platforms and then we are able to basically create more revenues out of as and when we become market leaders in a particular segment.

Chetan Shah

Last question from my side, sir, last call also we have discussed about from investor point of view whichever exchange gives a base rate even the authorities are also trying to push the same mandate, can you give us some update on that where exactly we have reached and where do you see that shaping up in a time to complete?

Ashishkumar Chauhan

Although the regulation is more than 25-year-old, it has not been implemented in its true sense and so the SEBI has been talking with exchanges on how to implement along with vendors and some regulations are being formed. At some point in time, those regulations will be announced, and exchanges and brokers will have to follow that. Currently, it is still far away, but BSE will continue to push for that like what BSE did for the interoperability of clearing corporations which took more than 12 years to be announced and still many brokers have not been able to fully implement due to their software vendors not able to comply with those kinds of situations or they have partially fulfilled, not fully. That is real time still not happened in certain brokers because the vendors are not able to create that software and so on and so forth. So, these are all work in progress and in all these areas where thousands of brokers have to change their software, millions and millions of their customers have to also learn how to use it, these are all things which sometimes take longer than what we anticipate.

Moderator

Thank you. The next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain

Firstly, a book-keeping question, what would be the owned cash for BSE on its book at the end of March?

Ashishkumar Chauhan

Owned cash, for BSE or BSE group?

Prayesh Jain

BSE group.

Nayan Mehta

For BSE group it would be around Rs. 2,200 crores.

Prayesh Jain

Second one, just want your views on how the cash trading segment volumes will pan out and even the margin are now behind, how do you see this segment panning out going ahead?

Ashishkumar Chauhan

Cash segment, our percentage volumes are increasing over last 1-1/2 years and with interoperability and best price execution becoming more prevalent going forward, we believe that BSE will continue to gain market share. In equity derivatives, we have not been able to gain traction and that is why we have been providing liquidity announcement scheme. That is true with commodities also that we have not been able to get as much traction as we want and hopefully going forward with our excellent technology and better products, people would prefer to trade on BSE in equity derivatives and commodities also, but till the time we gain traction, we will have to continue to be in the market to basically provide an alternative and as and when it becomes more successful, then we will probably start charging. Currently, we do not have plans to charge, of course in commodity we have started charging small amounts recently, but in equity derivatives, in both areas we continue to have some sort of liquidity announcement scheme going forward.

Prayesh Jain

Sir, then in spite of the liquidity enhancement scheme, we haven't seen any material change on the derivative side, so what else can you do apart from the liquidity enhancement scheme to ensure that we feel some improvement on the market share in terms of derivatives?

Ashishkumar Chauhan

A best price execution could be very important aspect because we have a lot of orders that comes into our market everyday even in equity derivatives, but the trades don't not happen because even stock options which are common for both, people are not used to passing on their orders, not the brokers or investors and that is where once the best price execution come into play, then automatically the orders will pass on to them, which provides better prices and in many cases it could be BSE, so once the order starts coming in then the matching happens and so on and so forth. So, those are the things which we are working on and of course new products if you can develop, then those products also can help us gain some market share.

Prayesh Jain

Sir, next question is on StAR MF, do you plan to get this entire business into a separate subsidiary or a company which will enable you to monetize it relatively much easily?

Ashishkumar Chauhan

Someone asked this question. I think the first question was this and we will continue to look for opportunities and in some ways, the market for StAR MF is growing so fast that people had never imagined that it will become so dominant at any point in time and so it remains to be seen what kind of valuation that comes if the StAR MF platform was standalone, sitting in Bangalore, it would be probably sort of quoting in very large values, but it is sitting in Mumbai in Fort and within BSE balance sheet, then it becomes very different. You and I know how these valuations happen, so we are hopeful, but otherwise it is a profit-making venture for us as of now and it is growing very rapidly, so we are very satisfied and even if we are not able to separately value it or separately doubt for any other reason. We are pretty comfortable because it is a profit-making venture for us.

Prayesh Jain

And sir, my last question is on, some understanding on some numbers which you can share on the subsidiaries with regards to their growth in revenues and any numbers on profits of the international subsidiary?

Ashishkumar Chauhan

Basically, I shared the number in my speech. Currently, it is doing around \$10 billion a day transactions India International Exchange. It is a very interesting new business which is basically earned through its subsidiary called INX GA where people sitting in India or in Gift City, Gandhinagar should be able to trade on any exchange in the world. That is the fraction of the cost of our competition and that has got a great response and it is actually revenue accretive activity. Similarly, our listing of bonds has reached more than \$76.2 billion out of which \$44 billion actually have been collected and so some real production is happening in the India International Exchange, India International Clearing Corporation and India INX GA that is called global access India INX global access and hopefully as and when more activity starts happening in Gift City, this is pretty much the market that people are looking up to.

Prayesh Jain

Sir, any sense on numbers in terms of revenues and bottom line?

Ashishkumar Chauhan

It will be part of our framework. As of now, in each of them if we try to tell you very many details, it will take probably few hours or even more, but in some way, some portion of that will be there in the annual report also, so you may be able to take a look at it.

Prayesh Jain

And lastly sir, what is the status on the appointment of the new CEO?

Ashishkumar Chauhan

The process is on, there is a separate committee which has been set up under the SEBI regulations where three Nomination and Remuneration Committee members of BSE, all of them are independent directors and two outside experts. It is approved by SEBI and have been sort of running this process. I am personally not aware, nor I get involved in that process, but the process I have been told is on track and in some ways, it will complete sooner than expected.

Moderator

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

Pratik Rathi

I just wanted to know some more details about say the revenue breakup if you could give me the income from IPOs which we generated in the previous quarter and the income from the StAR Mutual Fund platform for this quarter?

Ashishkumar Chauhan

Nayan, do we provide this?

Nayan Mehta

What I can say is that the amount of revenue which we have got from book building in the previous quarter and that amount is already given in the presentation and I will just read it out to you for your convenience. It is Rs. 9 crores which we earned in the last quarter. For the full year, we have actually earned about Rs. 65.8 crores. It is there in that presentation also, it is in page 16 of the presentation, so book building this is basically received at the time of IPOs. Obviously, the listing income also comes along with new IPOs, but the major component is book building which immediately comes into our revenue.

Pratik Rathi

And the revenue from StAR Mutual Fund, will you be able to quantify that?

Nayan Mehta

It is already there in the page 15 of our presentation, it is Rs. 50.4 crores for the current year.

Pratik Rathi

And coming to the main question which I think many of the earlier investors have already questioned, regarding the evaluation of StAR Mutual Fund platform, I think in one of the news channels, it was mentioned that the valuation is roughly between Rs. 9,000 to Rs. 10,000 crores, so I know it is getting into detail is much, is there round figure around that or if you can give some comment regarding that?

Ashishkumar Chauhan

No, we do not have any such idea. People basically figure out themselves and that is basically doable by anyone.

Moderator

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

Amit Chandra

My question is on the transaction charges, so if you see most of the growth from the transaction charges have been driven from the special rate which is now 44% of transaction charges and there has been kind of significant growth there, so that is highly market linked, so how do you see that panning out, so just linked to that the annual listing fees also if you can provide the breakup between what is the breakup in annual listing fees from exclusive and nonexclusive companies that we have on BSE and are we planning to have special rate for the exclusive, the listed companies on BSE similar to like what we have been doing on transaction side?

Ashishkumar Chauhan

Specific listing charges are there, specific trading charges are also there for exclusively listed companies which are announced, and we charge that. In terms of numbers, Nayan should be able to give you easily and it should be there in the presentation.

Nayan Mehta

So, the annual listing fees totally for the, it is given in page 16 of the presentation, it is Rs. 156 crores for financial year 21-22 and we don't have breakup of the different types of company wise listing currently, but this is the one which is generally constant. If you see year-on-year, we continue between Rs. 150 to Rs. 160 crores.

Amit Chandra

This is just a sense in the sense that is there huge difference in terms of the rates that were charging from exclusive, non-exclusive on the annual listing side or is the same?

Ashishkumar Chauhan

There is some difference, not huge difference, there are some minor differences.

Amit Chandra

Are you planning something to have similar structure that we have on transaction side or the annual listing side also?

Ashishkumar Chauhan

Currently, we do not have.

Amit Chandra

And secondly, on the currency derivative and normal derivative side, we have seen some early success, but again the market share has been coming off, so is it because of the market conditions or is it because the initiative that we took has more or as you would throw more colour on what has not worked there?

Ashishkumar Chauhan

Maybe it is largely because of market conditions and remains to be seen some of the players are now twisting algo traders and all, if they join in, probably you might see some increase, but that remains to be same.

Amit Chandra

So, earlier we were having certain special contracts or special index kind of a thing, which actually picked off really well, so had something changed there or with just the market conditions as you said?

Ashishkumar Chauhan

Yes, I believe it is not to do with market conditions.

Amit Chandra

So, in terms of market share, we expect that to remain at that rate only sir or we will expect that to go up?

Ashishkumar Chauhan

In case, some of the algo traders' best execution price, the real-time interoperability comes into play for most workers, and it might change for kind of a better on a long-term sustainable basis.

Amit Chandra

And sir, on the INX side, so as you said we are having a dominant market share there and the volumes are also picking up at 1.8 lakhs trades per day for the last quarter, so actually we have been doing well there, but in the earlier call, you mentioned that NSE is also planning, they are also tying with SGX and some SGX related contract can also come in, so is that a risk to INX market share, that is why we are not charging or still it is pretty immature as of now, you see charge on INX, so from when we can expect the revenue from INX?

Ashishkumar Chauhan

No, revenue from INX continues in terms of the listing fees, in terms of INX GA fees which are slowly increasing, so revenue also continues, but we also need to develop a market because we need to attract the brokers to Gift City, we need to attract investors to Gift City, from abroad and so on and so forth. So, it is a longish process and probably it will continue for some time, but if SGX comes, it remains to be same, it is already 5 years since SGX has not come, but hopefully that will also happen and that remains to be seen how we are able to do it, but the only tie-up there is for the index trading, not for bonds, not for equity, not for foreign equity and so on and so forth. So, it remains to be seen how people are able to take it. Currently, we are the largest market as you rightly said with 92% market share and hopefully, we should be able to defend our market share going forward.

Amit Chandra

Sir, in terms of the regulatory approvals, all the regulatory approvals are through for NSE to launch the SGX thing or still some regulatory approval is still pending?

Ashishkumar Chauhan

We are not aware; we are not aware of what are they require to.

Moderator

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

Pranav Thakkar

My question is related to StAR MF again, sir, at least since we already own this excellent franchisee, we must be having some valuation in mind because when we are talking to the investors, I can understand that there could be the variation in terms of what exactly investor is looking to invest for, but what is the minimum valuation or your expectation that below which you are expecting to get it?

Ashishkumar Chauhan

We are currently not having any such numbers in our mind. Whatever is reasonable and whatever is justifiable to our board and to our shareholder, that time we will see. Currently, we did not have any specific sort of proposal with us from anyone, so it would be more what I call in the realm of imagination and as and when something comes, we will take it to the board.

Pranav Thakkar

But sir, the thing is, you already mentioned that since it is not based on Bangalore, you will not get the valuation as the company is in Mumbai and so at least you must be having a fair idea of what exactly could be the valuation, I can understand that there could be if you can say in terms of multiple because StAR MF already had Rs. 50 crores of profit, so what is your multiple?

Ashishkumar Chauhan

We have no idea because we don't invest in such high growth platforms, I mean it is a platform and it is a profitable platform, one of the rare e-commerce platforms in India which is profitable also. It remains to be seen how it is valued going forward. We do not have much of an idea.

Pranav Thakkar

And sir, finally on the Power Exchange, PTC is also there as one of the investors, so what percentage of the volume we are looking to get it because PTC right now is trading on IEX, so what percentage of the volume we are trying to get it?

Ashishkumar Chauhan

Again, it remains to be seen, but this is one market where PTC is a large player and our other partner ICICI Bank also has basically en-routes into many companies which are users or producers and so we hope to capture a good market share going forward while it remains to be seen once we launch.

Pranav Thakkar

I read somewhere that PTC is doing about 30% of the volume of IEX, so straight forward that volume can get on the BSE platform?

Ashishkumar Chauhan

We have hopes to do that, but ultimately it remains to be seen how it works out.

Moderator

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

Pratik Shah

I have seen the presentation on the slide where you have mentioned the red ocean business and blue ocean business, I have seen that in the blue ocean business, we have high market share, in the red ocean business as we have mentioned that we are gaining the market share in the equity cash segment, but for other businesses what was our strategy to increase the market share, is there any plan or you are doing any strategy to increase the market share in the red ocean businesses?

Ashishkumar Chauhan

That is what we mentioned about equities, equity derivatives, currency derivatives, interest rate derivatives. In equity derivatives and commodity derivatives, we have incentive scheme that is going on. We also provide a technology support to many people. We also have a free BOW platform that is available for people to trade on any exchange, but we hope that once we get used to our platforms, they will want to pass on more orders to us, so we try many such things using our technological expertise and a very low-cost technology to attract people onto the BSE as well as provide incentives to trade on BSE where SEBI allows us to do. So, those are the things which, because these are a highly regulated business, and we are ourselves frontline regulators. We cannot do many things which the normal businesses which you are used to watching are able to do. We are allowed to do only very few things, allowed to trade in few instruments, any instrument we come out with our proposed has to go through many sorts of approvals, committees, public comments and so on and so forth before they are approved, and they are approved usually for every exchange. So, there is no inherent product which is like where you can have a monopoly, it is allowed to almost all exchanges and that is where basically we have to fight it out. In some areas, we were left behind which is what when they were launched. That is why we call it red ocean, some we launched recently where we have good market share over last 10-12 years, they have become also red ocean, but there we have got a market share in previous businesses and the new business we are launching where we are not competing with the traditional rivals, but we are competing with the insurance companies or agricultural portals and TReDS also, currently there are 2-3 exchanges already running and KYC KRA also there are 3-4 agencies running, so effectively we will be basically competing with newer competitions in those businesses. That is how I see that. There is no business which doesn't have competition, but the regulatory contours in those businesses are much what I call much less strict compared to the equities and equity derivatives or currency markets which are our traditional bread and butter markets and those are like highly regulated, highly tightly regulated markets. Each market has its own sort of dynamics, and we have to play within the rules of the game that the regulated define for us.

Pratik Shah

And sir, second question on the StAR MF, many have asked, but just one clarification from you, is there any plan to launch as an IPO to list this separate StAR Mutual Fund?

Ashishkumar Chauhan

Currently, no, we do not have that plan.

Moderator

Thank you. As there are no further questions, I now hand the conference over to Mr. Anand Sethuraman for closing comments. Over to you, sir.

Anand Sethuraman

Thank you so much everyone for participating and thank you Steven for coordinating. We can close the call now.

Ashishkumar Chauhan

Thank you and have a nice evening everyone.

Moderator

Thank you. Ladies and gentlemen, on behalf of BSE Limited that concludes this conference. We thank you all for joining us and you may now disconnect your lines.