

**Headline:** An interview of Mr. Vikram Limaye, MD & CEO, NSE

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## PEOPLE

### **NSE's relationships have suffered: Limaye**

It has been less than a month since Vikram Limaye took charge as MD and CEO of NSE and he is already putting in 17 hours a day. He has a long to-do list which he says is a good thing.

By PAVAN LALL

Vikram Limaye joined as the National Stock Exchange's managing director and chief executive officer on July 17. Even though it has been less than a month since the 50-year-old veteran banker has taken charge of the country's largest stock exchange, Limaye is already putting in 17-hour work days. He has spent a decade in the U.S. (first completing his MBA from Wharton, and then working on Wall Street for eight years). And before taking charge of NSE, he was the MD and CEO of IDFC and a member of the Supreme Court appointed committee of administrators for the Board of Control for Cricket in India (BCCI). Limaye spoke exclusively to Fortune India about his to-do list, the role of technology in exchanges, and how he intends to change the culture within NSE. Edited excerpts:

### **You're the first CEO outside of the founding team to run NSE. What's at the top of your to-do-list?**

It's a long list, which is good. I will be focussing on important issues such as resolving the collocation issue and taking the NSE public. Simultaneously I will focus on strengthening stakeholder relations. Unfortunately, relationships have suffered in the past few years be it government, clients, regulators, member-brokers, shareholders, and employees. Another matter will be to strengthen controls and processes, and of course business and market development which will be an ongoing process.

Though equities is relatively well-developed, there can be more innovation on the products front. For instance, when it comes to equity, the primary market needs to be more robust—there is no reason why tech startups should be looking

at the NASDAQ for listing, they should be looking here. The bond market is an area that needs urgent attention as it funds the country's growth. Interest rate futures and credit derivatives can also develop but depends on the underlying debt market. Non-exchange revenue streams [which constitute about 10% of revenue] like the index business, data, information technology, and education can double or treble from here on out.

**What are your plans for gold products?**

Although exchanges are not allowed to trade in commodities, based on what is happening within the Securities and Exchange Board of India (Sebi), chances are that within the next 12 months or even sooner, we'll be allowed to do so. It's just a matter of time.

**What about trading in bitcoins and cryptocurrency, will that be an area of interest?**

I know it can't be ignored but I don't see comfort with it at a regulatory level. That being said, since blockchain and other such products could be disruptive, we remain alert and will keep a track of it.

**How do you plan on improving stakeholders relationships?**

Cultural changes don't happen overnight, so it will take time. Some of the adjectives that I have heard when people describe NSE have been inaccessible, arrogant, opaque, high-handed, and I could add a couple more in the same spirit. This cannot be the perception of NSE going forward by its stakeholders.

**After working with Arthur Andersen and IDFC what are some of the learnings that you could bring to NSE?**

The important thing is to be trustworthy. To succeed one has to combine strategic thinking and attention to detail on execution and have strong people management skills because financial services is a talent-intensive industry. And to demonstrate stewardship one needs to have long-term orientation, put the organisation first, position people for success, and therefore, look at one's role as an institution builder.

**Technology is the backbone of exchanges today where every millisecond makes a difference. Will you outsource or keep it in-house?**

A lot of the technology we have has been developed in-house and it's right up there in terms of reliability and other parameters. But as you said technology is the backbone, it requires constant upgradation and a strategic approach. It doesn't necessarily have to be all in-house or totally outsourced. It could be both, and it will be a mix of what is in the best interests of the platform.

**India is a two trillion dollar economy, yet we don't have regional finance centre like say Hong Kong. What more can the exchanges do to encourage that?**

Market development is an important part of NSE's mandate but it has to happen in the best interest of our markets and the country. I think there's enough to do in the domestic markets at the moment. Becoming a regional financial centre requires various policy changes including currency, taxation, policy, and central bank regulations. NSE will provide objective advice to the government on market development even though what we say may directly impact our own business. It was the same for me at IDFC when it came to infrastructure. Whether we become a regional centre is a longer term play but for now the focus will be on domestic markets and developing our international exchange at the Gujarat International Finance Tec-City.