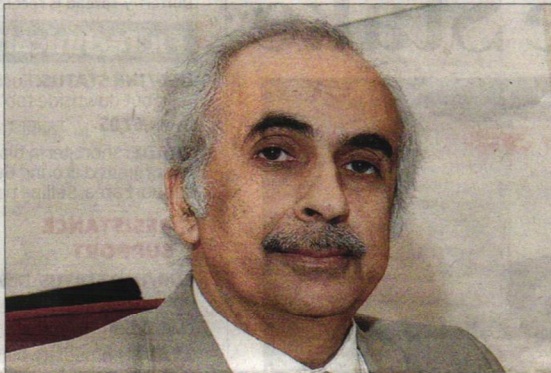


ET EXCLUSIVE Q&A

Ashok Chawla
Chairman, National Stock Exchange

Chitra Ramkrishna
MD, National Stock Exchange

Committed to Listing, There Isn't Any Doubt on That: NSE



The National Stock Exchange (NSE) has been at the receiving end of a set of investors who have criticised the bourse's management for the delay in its listing. NSE's recently-appointed chairman Ashok Chawla, a former senior bureaucrat, and managing director Chitra Ramkrishna spoke to Nishanth Vasudevan and Dia Rekhi on this issue in an interview. Edited excerpts:

NSE has drawn a lot of flak from investors for the delay in listing. What is the status on listing now?

Ashok Chawla: The listing is a work in progress. The NSE management and the board are committed to listing; I don't think there is any doubt on that. But the process is naturally something which will evolve and move with the passage of time.

How are you dealing with investor disputes regarding listing?

Chawla: I am not sure whether there are really disputes or whether there are issues which investors have which mainly pertain to the fact that they want listing, and they want speedy listing. Beyond that, I don't think there is any great dispute between the shareholders and the stock exchange.

By when will you take a decision on the listing?

Chawla: This is generally a process which takes time for any company

SEBI & SELF-LISTING



Sebi has certain regulations which naturally prevail at this point in time. So we will see how best to try and find a way

ASHOK CHAWLA

and for a company which is regulated by the regulator - in this case Sebi - the time taken will be a little more. So it's very difficult to put a timeline on it; but certainly not less than a couple of months, may be a little more.

You had suggested self-listing process but Sebi does not seem to be in favour...

Chawla: Well, Sebi has certain regulations which naturally prevail at this point in time. So we will see how best to try and find a way along with Sebi to get to an architecture which meets the concerns of the regulator, which meets the concerns of the exchange which wants to get listed.

We understand you are considering listing NSE overseas...

Chawla: Theoretically, there can be many options, but I think it is not really important to go into options at this stage. There could be listing overseas, there could be cross-list-

ing, there could be listing on your own exchange, there could be listing with the regulatory powers, not with the exchange on which it is listed but with the regulator. I think it would be inappropriate to talk about the various options or conceptual ideas at this stage.

Is it safe to say that you still haven't given up on the idea of self-listing?

Chawla: Well, till matters get settled, there is no finality.

NEW FRAMEWORK



We are all trying to evolve a framework, so there are some conflicts, which everyone is trying to address

CHITRA RAMKRISHNA

Some of your investors have used some strong language like blatant disregard for shareholder interests and corporate governance...

Chawla: I don't think that should be an area of dispute between us and the shareholders. The exchange stands committed to carry this process forward.

Chitra Ramkrishna: The whole

discussion around listing is post 2013 because the SECC framework and all of that facilitation has happened. So I appreciate that people have been invested and it is absolutely on top of our mind to see how we can help them monetise and get an exit. But the speed at which we are working is also a subject to that the last three-four years is when this has become a reality for everyone to move forward.

I just want to add one thing. You must not use the word 'self-listing' because it is not self-listing that we are really talking about. We're really talking about how you need a good exchange listing compliance and listing control framework. What does that mean? It is not a pre-determined conclusion that we are trying to go with. We are all trying to evolve a framework so there are some conflicts which are obvious, which everyone is trying to address. We have to term this as a framework for exchange listing compliance.

What is the status of NSE restructuring?

Ramkrishna: Restructuring is one of the options being considered by the board. I wouldn't say that the final decision one way or the other has been taken. That's a thought process that is moving in tandem and in parallel with the distinct process.

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Everyone Wants a Strong Onshore Market

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Ramkrishna: At the moment, it is something which is actively under consideration but no final decision on which way to go has yet been taken.

There is a proposal to bring in speed breakers for algorithm trading. Would you like to comment on that?

Ramkrishna: If you see the international experience, everyone is trying to cope with the changes in technology, cope with the changes in the business architecture, new players who are coming in. We are not unique in India. Germany has a discussion paper, Australia has a discussion paper, IOSCO has been discussing. It is only fair that regulators will keep bringing this up as an agenda for discussion to see what more they need to strengthen the markets. I want to reiterate that India has always been very anticipative in regulatory framework, especially in this area.

But you will be impacted the most if this happens...

Ramkrishna: But it will always be a consultative process. So it is a call between what is important, whether it will secure the concerns that we have, or are there different ways of doing it, because there is no one single way by which all markets have implemented. Many markets have not done very much; one or two markets have experimented with a few things. So one has to see what is the evidence that is available, having done all that have they gained something out of it? That is what will play out in terms of the final decisions.

What will be the impact of GIFT on domestic markets? Will domestic volumes shift to finance centre?

Ramkrishna: See, when they started the GIFT City and when RBI is asked about offshore markets, what I understand of the regulatory pitch here is that we want to bring offshore markets onshore. It has to be able to compete equitably and equally with the Singapores and the Dubais of the world. I don't think the idea is to try and move onshore businesses offshore. That can never be the regulatory goal because everyone wants a strong onshore market. So you have a strong domestic market already, a lot of your domestic market is your domestic institutions, retail, prop houses here. That business isn't going away anywhere but the foreign business can be an additive which is what you want to see come into the Gift.