

Headline: Interview of MD & CEO, NSE on CNBC TV-18
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In an interview with CNBC-TV18, Chitra Ramkrishna, MD and CEO of NSE said that the dual listing plan is all about 'Brand India' and overseas listing will give visibility on the global platform

Below is the verbatim transcript of Chitra Ramkrishna's interview with Nisha Poddar and Kritika Saxena on CNBC-TV18.

Kritika: As my colleague was pointing out there are clutch of PE players, could you give us a sense of which are the investors that would look at partly or completely divesting stake through the initial public offering (IPO) and how much would you look at diluting or what is the fresh equity that you would look at raising if at all.

MD and CEO, NSE: This is really about secondary listing, now which of the investors and how much these are all the questions that I think we will be working towards in the next few weeks and months.

Nisha: Are we talking here about self listing because we do not have a precedent here. Since you have given a definite timeline for the first time of January 2017, do we assume that you have offline had a discussion with regulators and you do have a sense that you will get all the necessary approval for self listing, because you yourself an exchange with regulatory powers.

MD and CEO, NSE: When we put out a target, a desire. My board has very clearly put out our expectation, our aspiration that we want to file a draft red herring prospectus (DRHP) for the domestic listing by January 2017 and parallel for an overseas listing by April 2017.

Now as you can imagine this really requires a lot of preparatory work, internal preparation will start right away and in this process the steps that we have to cross, the timelines including the regulatory clarities and how we need to move ahead, these are all the things that will be factored in the preparatory work going after the DRHP filing.

In fact, listing sub-committee of the board has been set up precisely empowered in order to be able to take the necessary decisions to speed up this process. As you are aware, we did have a listing committee earlier and advisory committee.

The whole point of empowering and creating a sub-committee is really to ensure that we are able to move faster ahead in this process.

Nisha: That's sounding quite positive for the first time. I wanted to understand when it comes to domestic listing it will be a self listing for sure.

MD and CEO, NSE: When we say that we are engaged with the regulator, a lot of the regulatory requirements and clarity will evolve. We are talking of June now and we are talking of January, it gives us another 6-7 months to get a lot of this preparatory work done and we are actively engaged with policy and regulatory to set this process in motion smoothly. It is a big presumptive at this point to say.

Nisha: Will you be able to share information and list on the other exchange on BSE at all or will it have to be NSE and when it comes to overseas listing, which is the location that you are looking at and why the requirement for dual listing both domestic and overseas.

MD and CEO, NSE: As an exchange in India as one of the market leaders here, you are very well aware that India really stacks up as one of the leading exchanges in the world. So frankly it is about Brand India, it is about how we stack up in the global exchange industry and it will be a very proud brand building for us and for the country to be stacked up in any international destination, so the overseas listing give us that kind of visibility which is why that has to be pursued in parallel to with the domestic listing.

Nisha: When you go for overseas listing, just one more question on that particular bit, is that going to be a full fledged listing of the company or will it be like the American Depository Receipts (ADRs) because you would be already starting your process in India at that point.

MD and CEO, NSE: At this point both the options are really available with us. There are regulations which allows both, so we have to look at both.

Nisha: Now come to valuations, the shares of the company has been traded by because it is so widely held by so many banks as well as financial institutions and private equity players, the last transaction puts the valuation of the company at about Rs 17,500 odd crore. SBI has been in the market looking for Rs 18,000 odd crore. Will the price discovery be done by the last big transaction on NSE and what is the mode that you are going to really take, because there is a lack of peer comparison also here.

MD and CEO, NSE: The whole point of a secondary listing is really to bring that kind of price transparency to the valuation and it will well serve that purpose for the company to realise its full value and as far as peer comparison is concerned frankly there is abundant global exchange peer comparison that's available, so I think we are in very good context there.

Nisha: What about the regulatory functions and powers you have as an exchange, post listing how do you see yourself. There was also a restructuring in the work so that you ring fenced that powers, so that post listing you don't face any issues. Where do you stand on that particular front and is that going to be also part of the process, while you process this IPO?

MD and CEO, NSE: Upfront we must recognise that the current SEC regulations already significant delve into how exchanges need to ring fenced their business and regulatory functions and current regulation talk at length about Chinese walls between the two and how to address conflict of interest and all of that and as exchange we have all geared ourselves to be fully compliant with that framework. In that sense very much I think the regulatory framework allow us to take the necessary precautions and set ups.

Link: http://www.moneycontrol.com/news/business/overseas-listing-to-give-visibilitythe-global-platform-nse_6935941.html