

Headline: Interview of Mr. Vikram Limaye - No detailed dialogue yet on extension of trading hours

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'No Detailed Dialogue Yet on Extension of Trading Hours'

Q&A

Cash markets need not remain open for long extended hours, says **Vikram**

Limaye, CEO of National Stock Exchange of India (NSE). In an interview with **Nikunj Dalmia** of ET Now, Limaye bats for keeping the F&O market open for extended hours in a limited way. Edited excerpts:

Are these very exciting times for the IPO market because we are seeing one or two listings on a daily basis?

There was a lull. But the capital raising has picked up which is expected given that the market is doing well. Many companies will use this opportunity to raise funds. Over the last six months, two things that have happened: One is the fact that financial services companies, whether it is insurance company, NBFCs, microfinance or small banks, they have had a disproportionate share in the fund raising. Besides, a large percentage of the capital that has been raised is from selling shareholders. Initially, when a market is doing well, we get to see investors trying to monetise their assets. As the growth picks pace, (GDP growth, capacity utilisation) companies start raising money from a growth perspective. It is part of the cycle. I do hope that the capital raising will be more diversified and there will be more industries and more companies from diverse industries that raise capital. So far the concentration has



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largely been in financial services.

One very big misconception for a lot of old timers is that the Indian market is not safe...

I would say that systems and controls and processes have come a long way over the last 10-15 years. The kind of risks that could have existed in the markets 15 years ago have mitigated significantly over time. That is not to say that you can plan for everything.

There is always something new that could happen. But over time there have been strengthening of controls, risk management, governance standards, surveillance systems and investigation systems. There has been sharing of information with investors on a timely basis so that they get a message everyday on what they bought or sold. There is no way that anybody can play around with client accounts.

From a variety of perspectives, we have tried to plug the gaps that existed

maybe 10-15 years ago because of which there could have been some abuse by certain market participants to the detriment of the common man. Those gaps have certainly been plugged and that is not to say that we have completed the exercise. But certainly today's market is much safer and transparent than where we were 10 years ago.

Has the final decision been taken on extension of trading hours?

No, by no means there has been any final decision or any kind of detailed dialogue surrounding it. My own view is that we have to do what is good for the market. We have to do what is good for investors. One has to try and create a level playing field for domestic investors and foreign investors. To that extent, if it requires, even in a limited way, to provide certain products that would put the domestic investor on equal footing with a foreign investor, it should be done. Otherwise it is not a level playing field. Cash markets do not have to remain open till late. I do not think there is any precedent for cash markets to remain open for 15 hours or 20 hours anywhere else in the world. But F&O markets do remain open and in a limited way. If you are able to provide even an index hedge to domestic investors, at least they are not carrying overnight event risk that foreign investors are able to protect their investments from. So I think that is the limited point.