

**Headlines:** Interview of Mr. Ashok Chawla, Chairman, NSE: "Restructuring won't stop NSE's listing process"

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## 'Restructuring won't stop NSE's listing process'

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Mumbai, September 15

The decision of securities market regulator SEBI on listing of stock exchange is being viewed as a welcome step with both the NSE and the BSE going ahead with their plans to float IPOs. The NSE, India's largest stock exchange, plans to file its draft red herring prospectus by January 2017. Heading the NSE board as Chairman, seasoned bureaucrat Ashok Chawla is confident of the exchange's prospects. In a one-to-one interaction with *BusinessLine*, he discusses several issues related to the forthcoming meeting with SEBI, the bourse's AGM, and appointment of shareholder directors.

**Are you still interested in appealing to SEBI to consider self-listing?**

Not specifically on self-listing, because that's a regulation, and I don't think we can press for a change in the regulation, because they would have their own point of view. But the NSE wishes

to have a little more comfort so that there is less anxiety in terms of the potential for conflict between the listing exchange and the listed exchange — whichever it be — it is not a one-way street, it is a two-way street. It applies to everybody, any exchange which wants to get listed. The NSE board has decided, that they would request SEBI, the entire board has sought time, we are meeting the SEBI Chairman on Friday afternoon.

**The NSE made a statement that you will file draft papers for an overseas listing by April 2017. Which is the lucky exchange?**

The initial plan was that we will have a domestic listing first and (then) a foreign listing. Then the board decided that at this stage we should focus only on the domestic listing and then see if and when we will do a foreign listing because there are lots of pre-listing activities and lot of people required for the foreign listing. So, we will cross that bridge later. At this point in time

I don't think we are actively looking at a foreign listing.

**The Technical Advisory Committee (TAC) of SEBI has completed its investigation and the NSE has filed its reply to SEBI. In case SEBI sticks to TAC's findings (on NSE apparently providing preferential access of its algorithmic trading platforms to some market participants) and asks NSE to justify further, what would be NSE's response?**

Well, everything is before SEBI and the regulator has asked the NSE board to get it examined by an independent external agency and take appropriate action within three months. So that is all that I can say at this stage.

*Money is not really the problem but the main thing is to have in place systems and procedures which ensure defaults don't happen*

**ASHOK CHAWLA**  
Chairman,

**Is the small number of directorship positions available for shareholders a pain point for a few existing shareholders?**

The regulations require that the number of public interest directors (PID) should be equal to or more than the shareholder directors. The PIDs were fewer in number, and, therefore, shareholder directors could not increase. In the very recent past, PIDs have come in. There are five PIDs, three shareholder directors, one MD and a proposal for two more shareholder directors, which will make it five and five, equal, before the AGM is held on Friday.

These are shareholder directors — one from SBI and one from LIC, which are the bigger shareholders, subject to approval of the AGM and subsequent approval of SEBI. Then the architecture will be five shareholder directors, five PIDs and one MD.

**What is the status of the restructuring of your non-exchange-related businesses and their ring-fencing from exchange-related business?**

The final decision of the board at this point in time is that the listing process should go ahead on its normal

steam, restructuring will be examined, paperwork on that will be done, but the decision on restructuring will be done at a later date. So, the listing process cannot be and will not be held up because of the restructuring. Restructuring may happen in the future, I cannot predict that; it may or may not happen. But, as of now, it is not on the front burner.

**SEBI recently said the money set aside for default waterfall is sufficient as exchanges have already built up a decent corpus for themselves. In case of an extreme event, will you be able to bring in more funds?**  
In the unlikely event of that happening, the reserves of the stock exchange are very substantial, somewhere close to ₹6,000 crore. Money is not really the problem but the main thing is to have in place systems and procedures which ensure defaults don't happen and which, therefore, don't lead to a situation where we have to set aside money.

