

**Date: November 17, 2017**

To,

Listing Department

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1

G Block, Bandra-Kurla Complex, Bandra (E)

Mumbai - 400 051

**Scrip Code: BSE**

**ISIN: INE118H01025**

**Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Transcript of the Conference Call held on November 3, 2017**

Dear Sir/ Madam,

With reference to our letter dated October 30, 2017, intimating you about the conference call with Analyst/Investor held on November 3, 2017, please find attached the transcript of the aforesaid conference call.

This is for your information & record.

For **BSE Limited**



**Prajakta Powle**

**Company Secretary & Compliance Officer**

Encl: a/a



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# BSE LIMITED

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## Q2 FY 18 Earnings Conference Call Transcript



*November 3, 2017*

*BSE LIMITED*

*25th Floor, P.J Tower, Dalal Street, Fort, Mumbai 400 001*

## **Operator**

Ladies and Gentlemen, welcome to the BSE's Q2FY18 Earnings Conference Call. My name is Basu, and I will be the moderator for the today's conference. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, you may signal the operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Yatin Padia, the Chief Investor Relation Officer, BSE Limited. Thank you and over to you Sir!

## **Yatin Padia**

Thank you. Hello, everyone and welcome to BSE's earnings call to discuss results for the quarter ended September 30, 2017. This is Yatin, the Chief Investor Relation Officer. Joining us today on this earnings call is BSE's leadership team consisting of -

- Mr. Ashishkumar Chauhan --- Managing Director & Chief Executive Officer
- Mr. Nayan Mehta – Chief Financial Officer
- Mr. Neeraj Kulshrestha - Chief of Business Operations and;
- Mr. Kersi Tavadia – Chief Information Officer

Do note that the conference is being recorded and a transcript of the same will be available on our website during the duration of the quarter. The Financial Results and Investor Presentation are also available on our website.

We also have with us -

- Mr. V. Balasubramaniam – MD & CEO, India International Exchange (IFSC) Ltd.

I would now request Mr. Ashishkumar Chauhan to give a brief overview of the company's performance followed by a Q&A session. BSE does not provide specific revenue or earnings guidance. Anything said on this call which reflects BSE's outlook for the future or which could be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces.

With that I would like to turn the call over to Mr. Ashishkumar Chauhan.

## **Ashishkumar Chauhan**

Thank you, Yatin. Good Afternoon and Good Evening to all of you wherever you are.

At the outset, I am very happy to share that BSE has posted growth of 30% Y-o-Y to ₹ 66.83 crores in terms of profit from continuing operations on consolidated basis for the

quarter ended September 30, 2017 as against ₹ 51.45 crores for the corresponding quarter in previous year. Further, the profit on consolidated basis attributable to shareholders for the quarter ended September 30, 2017 rose by 4% to ₹ 66.83 crores as against ₹ 63.99 crores for the corresponding quarter in previous year.

In my previous call to the investors, I had mentioned that BSE has been a trend setter in providing efficient and transparent market platform across multi-asset classes with focus on compliance, innovation, integrity and best industry practice. As more and more businesses get set up and evolve to harness the power of technology and communications, BSE being at the core is well set to take advantage of newer possibilities arising from time to time through continuing innovation and new initiatives. So, let me first discuss some new developments at BSE during the September quarter.

BSE and world's largest insurance exchange Ebix, Inc. have signed a memorandum of understanding to set up a joint venture, to develop a pioneering insurance distribution network in India with the goal of revolutionizing end-to-end sales and processing of Insurance in the country. The proposed joint venture partners would be BSE Investments Limited (BIL), 100% subsidiary of BSE and Ebix Fincorp Exchange Pte Ltd, a 100% subsidiary of Ebix.

The proposed venture to be branded as BSE-Ebix intends to deploy an insurance distribution exchange platform, that will allow distribution outlets, stock brokers, wealth management advisors and financial institutions etc. across the length and breadth of the country to sell life and non-life products. The venture will utilize the distribution reach of both BSE and Ebix that spans more than 200,000 outlets across the entire expanse of the country. The state of the art platform that will leverage Ebix's world leading end-to-end insurance exchange technology, will encompass the entire insurance life cycle from customer relationship management, agency management, multi-quoting, underwriting, policy creation, claims filing & settlement, to back end insurance policy administration.

This venture has a potential of allowing consumers across the length and breadth of the country, easier and faster access to preserving their wealth through buying insurance and expeditious claims settlement. It shall endeavor to provide customers a world class experience by being close to where they are by leveraging our vast hugely compliant distribution network, as also through the adoption of state of the art world leading technology.

In our continuing endeavor to provide better solutions and technologies to our members, Marketplace Tech Infra Services, 100% subsidiary of BSE and Thomson Reuters has signed a Memorandum of Understanding to deploy BEST (BSE Electronic Smart Trader), a robust, state-of-the-art hosted trading solution built on Thomson Reuters Omnesys

NEST platform, for BSE members and customers. Thomson Reuters Omnesys NEST hosted trading platform brings greater scalability, convenience, speed and transparency to the users. This hosted trading platform will be offered through various channels including dealers, investor exe and web. BEST will supplement the existing order routing platform of Marketplace Tech Infra Services, BOW (Bolt+ On Web) to provide a single trading platform for all stock and commodity exchanges in India viz BSE, INDIA INX, NSE, NCDEX, MCX, MSEI & ICEX. The deployment of the said platform is expected to commence later this month.

Asia Index Private Limited, a 50-50 partnership between S&P Dow Jones, the world's largest provider of financial market and BSE has launched S&P BSE Bharat 22 Index. The Index is designed to track the performance of select blue chip government companies listed on the BSE. This index has been licensed to ICICI Prudential AMC for the development of an ETF. The S&P BSE Bharat CPSE Index comprises of 22 select companies from the Central Public Sector Enterprises, Specified Undertaking of the Unit Trust of India, and Public Sector Undertaking Banks that are listed on the BSE Ltd. and disinvested by the Government of India. It covers all 6 BSE sectors which the CPSE, SUUTI and PSBs represent collectively. The Index is designed to be an investable index.

Now, I will cover the business update for the September quarter.

BSE promoted India International Exchange. at GIFT City, Gandhinagar, Gujarat had USD 48 million average daily turnover for the quarter ended September 30, 2017. India International Exchange has 23 active members as on date and over 100 in various stages of membership process. As on date, 123 products have been introduced on the Exchange for trading in Commodity Derivatives, Equity Derivatives and Currency Derivatives. During the quarter ended September 30, 2017, India Inx introduced contracts in 86 single stock futures and options contracts, Gold future Killogram contract and Gold Options contracts. During October, 2017 International Exchange has introduced WTI Crude Oil Futures contract and Brent Crude Oil Future Contract. India INX IFSC introduced Liquidity Enhancement Scheme with the goal of creating lasting, self-sustaining liquidity, enhance turnover and open interest w.e.f. November 01, 2017. The average number of contracts traded daily for the quarter ended September 30, 2017 was 2687.

Our Mutual Fund segment, which is an electronic online order aggregation platform for investment and redemption of units of Mutual Funds through our broking members and authorized representatives, has been showing superlative growth since past few years and continues to be another high growth area for BSE. This segment has seen growth of 146% on a year-on-year basis. The average monthly number of orders processed during the quarter ending September 30, 2017 were 11.8 lakhs as compared to 4.8 lakhs during



the quarter ending September 30, 2016. BSE continues to be market leader in this segment and the marketshare for the quarter ending September 30, 2017 stood at 71.5%.

BSE SME Platform has crossed 200 listed companies on its platform on October 5, 2017. 14 companies were listed on this platform during the quarter ended September 30, 2017 as compared to 13 in corresponding quarter in the previous year. BSE's market share in SME segment stood at 71% as at September 30, 2017.

During the quarter ended September 30, 2017, BSE's platform for Electronic Book Mechanism "BSE BOND" for issuance of debt securities on private placement basis has completed 103 issues of bonds raising ₹ 44,454 crores using BSE Debt platform. Total number of issues completed in this platform since July 1, 2016 is 661 and the total amount raised through this platform has exceeded ₹ 3,10,000 crores

With respect to listing of securities, the number of companies listed with their equity capital on BSE as on October 31, 2017 which are available for trade is 3,991. BSE has the highest number of companies listed on any exchange around the globe.

In the Equity Cash segment, the average daily turnover grew by 14% from ₹ 3,517 crores in the quarter ending September 30, 2016 to ₹ 3,997 crores in the quarter ending September 30, 2017.

The average daily turnover in our Currency Derivatives segment grew by 37% from ₹ 11,893 crore in quarter ending September 30, 2016 to ₹ 16,296 crore in quarter ending September 30, 2017. BSE's market share in Currency Derivatives segment for the quarter ending September 30, 2017 was 44% compare to 38% for the quarter ended September 30, 2016.

Coming to the quarterly financials, the consolidated total revenue for Q2FY18 grew by 10% over Q2FY17 to ₹ 169 crore and our consolidated net profit from continuing operation grew by 30% to ₹ 67 crore. Our revenue from operations has risen by 22% to ₹ 111 crore in Q2FY18 from ₹ 91 crore in Q2FY17. Our EBITDA has increased to ₹ 84 crore in Q2FY18 from to ₹ 74 crore in Q2FY17. The EBITDA margin has also grown from 48% in Q2FY17 to 50% in Q2 FY18. Our Net Margin from continuing operations has grown from 33% in Q2FY17 to 39% in Q2 FY18.

The growth in revenue and profits during Q2 FY18 has been strongly aided by growth in operational revenues. The revenue from operations have consistently increased over last few years. Our income from securities services has increased by 19% to ₹ 51 crores in Q2FY18. This increase was mainly contributed by growth of 30% in Transaction Charges income to ₹ 35.11 crores in Q2FY18. Our income from Services to Corporates has

increased by 27% to ₹ 53 crores in Q2FY18 due to change in annual listing fee slabs and increased capital market activity in the last few months.

The total cash balance (including investments) net of liabilities excluding investment in subsidiaries and committed regulatory capital requirement is ₹ 1,345 crore on Standalone basis as on September 30, 2017.

With this introduction let me welcome you once again and invite all of you for question and answer.

Thank you.

Hello?

**Operator**

Yes, sir.

**Ashishkumar Chauhan**

Can we go ahead?

**Operator**

Yeah, shall we open the lines for Q&A?

**Ashishkumar Chauhan**

Yes, please.

**Question-and-Answer Session**

Thank you. At this time, participants if you wish to ask the question, please press '\*1' on your telephone keypad and wait for your name to be announced. First question comes from Mehul Mehta from Share Khan. Your line is unmuted. Please ask your question.

**Mehul Mehta**

Good evening, gentlemen.

**Ashishkumar Chauhan**

Good evening.

**Nayan Mehta**

Good evening, Good evening.

**Mehul Mehta**

Sir, in terms of investment income, what we are looking at investments plus other income, it's at about Rs.58 crores during the quarter. And average run rate should we consider like this or like there can be further increase or like how are you looking at based on yields and all that like?

**Nayan Mehta**

In terms of investment income and other income, this will be more or less constant presuming that the yields continue at the current rate, we don't expect any major changes from this point.

**Mehul Mehta**

And in this like from this quarter we would be generating even income on the CDSL stake sales profits, whichever we have generated, right?

**Nayan Mehta**

That is factored in the income, which you are seeing in the current quarter.

**Mehul Mehta**

So that has already been booked in quarter 2 like – we have already got that.

**Nayan Mehta**

Yeah, yes.

**Mehul Mehta**

Okay, okay. Thank you, sir.

**Operator**

Thank you, Mehul. Participants if you wish to ask the question, please press '\*1' on your telephone keypad and wait for your name to be announced. Next question comes from Nilanjan from Jefferies. Your line is unmuted. Please ask your question.

**Nilanjan**

Hi, gentlemen, just one question, between now till let's say fiscal year ending 2019, could you detail out the total expenses that we'll have to incur across other than, let's say, the usual expenditure, but on technology as well as other regulatory costs?



**Ashishkumar Chauhan**

It's a steady state framework. So currently we don't expect too many Capex going forward and Opex also is pretty much now, what I call, stable barring whatever inflationary or minor changes that may be there.

**Nilanjan**

Okay. And what about capitalizing the international exchange? How's –

**Ashishkumar Chauhan**

It's already – basically, it is actually capital – I mean, we have infused capital in that company, so that is already there. So we will continue to infuse capital till the time regulated capital is required. I think up to next three years, we need to give totally Rs. 400 crores, in case we don't get any partners plus the running expenses of the company as and when requires.

**Nilanjan**

Right. And are you still reasonably confident to start monetizing in start of next year?

**Ashishkumar Chauhan**

We do think so. Yes.

**Nilanjan**

Okay. Those are my questions. Thank you.

**Operator**

Thank you. Next question comes from Sagar Lele from Motilal Oswal. Your line is unmuted.

**Sagar Lele**

Hi, thanks for the opportunity. Just one question on the technology expenses, they seem to have come off quite a bit in this quarter. Any particularly reasons for that?

**Ashishkumar Chauhan**

Basically, the Security Operations Center, that is the Information Security Operations Center, has been implemented in this quarter. And that's why, there has been basically a little bit increase but otherwise last year, we were implementing the Hyderabad portion of it, DR Site. So that's why basically.

**Sagar Lele**

Sir, what I've mentioned, it's been going up consistently for the last six quarters, but from last quarter's Rs. 29 crores it's come down to over Rs. 25 crores this time. So I wanted to understand, where they have started from?

**Ashishkumar Chauhan**

I mean, there might be, whatever, minor quarter-to-quarter changes, but otherwise aggregate it might remain same or increase slightly on an annual basis.

**Sagar Lele**

All right. Sure. Thanks.

**Operator**

Thank you, Sagar. Next question comes from Ayush Khetan from Prospero. Your line is unmuted. Please ask your question.

**Ayush Khetan**

Yeah. Good evening, sir, and congratulation on good sets of number. First question, I have couple of questions, first is how much loss did INX incurred in this quarter? And what is the status on mutual fund charges that we are going to charge on transactions?

**Ashishkumar Chauhan**

Mutual fund, I can tell you immediately that we want to charge but the mutual fund don't want to give. We are still hopeful that they will give. Hopefully, we'll start charging soon, but I don't know how soon because last time we tried and we failed. So we will continue charging, whenever good news comes, we will inform you guys. And in terms of INX, I'll tell Nayan to give you exact number.

**Nayan Mehta**

INX suffered a loss of Rs 4.5 crores in this quarter.

**Ashishkumar Chauhan**

And ICC, also –

**Nayan Mehta**

And the Clearing Corporation, which is also there in Gandhinagar in GIFT City, that suffered a loss of Rs. 74 lakhs.

**Ayush Khetan**

Rs. 74 lakh. Okay. Okay, thank you, sir.

**Nayan Mehta**

Thank you.

**Operator**

Thank you, Ayush. Participants if you wish to ask the question, please press '\*1' on your telephone keypad and wait for your name to be announced. Next question comes from Nitin Agarwal from J M Financial. Your line is unmuted. Please ask your question.

**Nitin Agarwal**

Yes, sir. Thanks for taking my question. I just wanted to ask that as per MRC, what is the current core SGF requirement of the total amount, and how much we have provided for it?

**Ashishkumar Chauhan**

Currently as far as my information goes, I think we have up, I mean, we have enough cushion for at least next two, three quarters. I think Rs. 55 crore is extra we have provided for – which has already been transferred. So currently we don't see unless, the volume increases many fold substantially, we don't see too much over next two, three quarters to be provided for that part.

**Nitin Agarwal**

Okay. Thank you.

**Operator**

Thank you, Nitin. Next question comes from Kunal Shah from Edelweiss Company. Your line is unmuted. Please go ahead.

**Kunal Shah**

Yeah, sir. Congratulations, good set of numbers. Sir, in terms of overall trading volume, how much is actually coming in from the exclusive securities maybe wherein we are relatively charging higher. So what is the proportion in the overall equity trading volume?

**Ashishkumar Chauhan**

Are you taking about trading –

**Kunal Shah**

Sorry, sir. Sorry, revenues

**Ashishkumar Chauhan**

Revenues?

**Nayan Mehta**

No, in terms of revenue it's about 40% to 45% right now.

**Ashishkumar Chauhan**

Yeah, it's around 40% to 45%.

**Kunal Shah**

40% to 45% of the transaction charges?

**Nayan Mehta**

Yes,

**Ashishkumar Chauhan**

correct.

**Kunal Shah**

Okay, okay. Yeah, thanks a lot.

**Operator**

Thank you, Kunal. Participants if you wish to ask the question, please press '\*1' on your telephone keypad and wait for your name to be announced. Next question comes from Mehul Mehta from Share Khan. Your line is unmuted. Please ask your question.

**Mehul Mehta**

Thanks for the opportunity again. In terms of market share in equity cash segment, I believe we have come down from 17% to 13% over YoY, so any – how are you seeing this, like what is the major reason behind?

**Ashishkumar Chauhan**

Basically, our volumes have increased, NSE volumes have increased even more. Volumes have increased in both places, due to two reasons. One is the markets are bullish. Whenever markets go bullish, the volumes go up. And that second is that algorithm

trading on NSE between equity and derivatives – any time a new algorithm comes in, which is derivatives are not there on BSE. So the NSE kind of percentage part increases a little bit and that's where you see our percentage volumes have decreased but our absolute volumes have increased.

**Mehul Mehta**

But any corrective measures or like this should – I mean like how are you seeing this on that, it will be by, I mean, continue like this?

**Ashishkumar Chauhan**

So basically, we have been trying to get the derivatives volumes on BSE. And, hopefully, some people will decide to trade on derivatives in BSE because derivatives and equities are joined at hip. So we continue to try, in the mean time, we have become successful in currencies where we are almost competing with them on the equal volume basis. We are also sort of doing well on interest rate derivatives, on bond distribution, on mutual fund distribution, now we are getting into insurance distribution, offer for sale, offer to buy, they are kind of very important for us in the sense. We have very large market shares.

So there are some markets, they are very good, some markets we are actually very good. And so I mean I would rather look at glass half full rather than half empty. But we continue to also try to fill the half empty glass also to the brim as much as we can.

**Mehul Mehta**

All right, thank you.

**Operator**

Thank you, Mehul. Next question comes from Ayush Khetan from Prospero. Your line is unmuted. Please ask your question.

**Ayush Khetan**

Yeah, sir.Sir, couple of questions, follow-up questions, regarding INX, when will the INX achieve breakeven, operating breakeven and when can we expect that? And the second one is in INX, when company is expected to do liquidity enhancement scheme to further trigger turnover and volume?

**Ashishkumar Chauhan**

So liquidity enhancement scheme has started as of November 1 and so it's only one or two days, still it's early days for us and in terms of the break even, I will request Bala to tell you what are the numbers he is looking at.

**V Bala**

So as Ashish just mentioned in the results also, I think on a quarter-to-quarter basis, between the exchange and the clearing operating put together, we are spending about Rs. 5 crores. So effectively in an annual basis, we're spending about Rs. 20 crores on the normal operations. In addition to this, we are also looking at the liquidity enhancement scheme, where probably this year we have budgeted for spending about closed to about Rs. 8 crore. So that will be taking the total cost of about Rs. 28 crore to Rs. 30 crore that is roughly the kind of range. This program has been announced for the next six months and we will have to see how the competition also develops.

And also, we are waiting for one important product approval, which is on the rupee-dollar, which is where the maximum demand comes for the International Center. So effectively, once we see some liquidity stabilizing, then we will be in a position to actually look at monetizing. But from a - breakeven kind of perspective, this is a infrastructure roll out, which we are putting out, so when we actually originally created a business plan, we said that depending upon how the regulatory approvals come, we could basically breakeven earlier, but effectively for us, we have been looking at the five year kind of plan, by which we'll be able to recover all our cost in the infrastructure.

**Ayush Khetan**

Sir, on the liquid enhancement scheme, how long it will take to take any action? How long will you continue to fund the Liquidity Enhancement Scheme because as you know that BSE has also previously had done this Liquidity Enhancement Scheme. So being this said extra expense, how many quarters will BSE continue to fund it?

**V Bala**

See, at this point of time, as I told you it isn't announced for the next six months. And every plan will also obviously require a regulatory approval and also will require the Board's approval. So it'll be difficult for me to actually speak as to what the regulator and the Board will be authorizing us to do, but obviously from an intention perspective, as long as the competition also continues doing it, we'll also have to do that.

**Ayush Khetan**

Okay. And lastly, sir, what will be the dividend policy for this year?



**Ashishkumar Chauhan**

See, we have a dividend policy, which is well known – we would have almost 90%, 95% of our operational earnings and that’s what is going to be currently also – unless the Board changes the quality, but broadly Board is pretty much on – that.

**Ayush Khetan**

So, we can expect this year about 90% to 95%.

**Ashishkumar Chauhan**

Yes

**Ayush Khetan**

Okay

**Ashishkumar Chauhan**

Of the operational profit, yes

**Ayush Khetan**

Okay

**Operator**

Thank you, Ayush. Next question comes from Gaurav Nigam from Catamaran. Your line is unmuted, please ask your question.

**Gaurav Nigam**

Thank you sir for giving the opportunity. I have one question on the recent BSE Ebix MoU, like what kind of products are we targeting and is there a specific focus on any customer segment like corporate or retail? And since we are talking what setting up offline distribution network, is there a specific region or growth that we are targeting on this MoU and business?

**Ashishkumar Chauhan**

Basically, it’s almost like an exchange although it will be in a broker firm. But basically, it will connect to all the insurance companies, general, life and whatever other types. And on the other side, it will connect to all the types of point of sales as they’re called in the technical parlance, but our brokers and our insurance agents or others, our mutual fund agents and others who want to become, participate in the insurance also. So some of them may target corporate, some of them may target large – one-off items, some of them may target license so on and so forth, so we are tend to be in every aspect of the market and

the Ebix actually provides a retail as well as wholesale kind of – even reinsurance kind of markets. So pretty much the technology is able to provide all set of activity and depends on the participants, who are participating on that platform to target – targeting. We are targeting basically the entire market.

**Gaurav Nigam**

Okay. And sir, is there – so this would work as a software providing company or it would be a broker model where when we're getting some commission out of every transaction that we are doing? How are you thinking about that monetization part?

**Ashishkumar Chauhan**

It is a software providing broking company.

**Gaurav Nigam**

Okay, so we will get both?

**Ashishkumar Chauhan**

Yes

**Gaurav Nigam**

Okay

**Ashishkumar Chauhan**

It's called basically, our framework is what we call physical and digital both, because insurance is a complex product and there are many lacuna on the aggregator model today, which are well known. And so this allows physical direct connect where we don't have the cost of last five – individual, which the banks today actually have and we have a very large network of, sort of brokers and their branches and their franchises across the country, which will be used for this purpose at no additional marginal individual cost to the joint venture.

**Gaurav Nigam**

Correct. Okay, thank you.

**Operator**

Thank you, Gaurav. Participants if you wish to ask the question, please press '\*1' on your telephone keypad and wait for your name to be announced. Next question comes from Rahil Jasani from ICICI Security. Your line is unmuted. Please ask your question.

**Rahil Jasani**

Yes. Thanks for the opportunity. I just wanted to ask you that in currency options, while we were getting higher turnovers in the last quarter, in this quarter the turnover has reduced, any particular reason? A competitor has seen a growth in the turnover. So just wondering what is leading the decline in turnover?

**Ashishkumar Chauhan**

So it's basically many times some people become active on some platform. And there are – basically RBI was intervening heavily on to that market and less to our market. So that seems to be the flat reason in a way sence that– they become slightly higher than our – but it was more to do with RBI intervention that is what our feeling is.

**Rahil Jasani**

Okay, okay. And my next question is on India INX. So last quarter we had around 20 active members, and this quarter we have around 23 active members, so just a few member addition. Where do you see a good member addition going forward and how long will it take? And I may have missed it, but when do you expect the USD/INR contract to roll out in the future?

**V Bala**

In terms of the membership, I think the Liquidity Enhancement Scheme, which we announced is probably going to help more members to probably sign up. And also, incidentally about two weeks back, SEBI has also liberalized the membership framework in IFSC. So they come up with circular wherein they allowed any entity whether Indian or foreign to actually come and seek membership, which means that, it need not be having prior experience of broking and so on and so forth. So that will obviously again enable more people to actually come in.

In terms of the rupee-dollar contract, as an exchange, that was probably our first choice of product. So we will be ready to introduce it at any point of time, but again it's for the regulator to take a call and we'll not be able to make statements on that.

**Rahil Jasani**

Okay. Thank you.

**Operator**

Thank you, Rahil. Next question comes from Ayush Khetan from Prospero. Your line is unmuted. Please ask your question.

**Ayush Khetan**

Yes. Again regarding INX, in your presentation the total turnover in INX has made a pick up in July 2017 and as well as the volumes. And after that it's getting a downward trend. So any special reason because of that and apart from that we are introducing Liquidity Enhancement Scheme, so what is the management strategy and thinking about that?

**V Bala**

See, basically what had happened is – we started the operation in January and we had very limited number of products, after that actually there was also a change of guard at SEBI. And April to June quarter actually saw the maximum regulatory actions which were positive in terms of introducing more products and also doing that. So at that time there was a little bit of uptick from the market in terms of feeling that all lot of things positive will probably come very quickly.

And then post that there has been again less regulatory action, which has taken place, which is actually taken some sheen also, people are still waiting, and I think the previous question which talked about when the rupee-dollar product is going to come is going to be also important. And further now the LES framework has also been now permitted by SEBI, which basically enables exchange to now spend on market making programs and so on and so forth, which is again to actually invest in the market and build liquidity, which is what the Exchange is trying to do. So in some sense, from November since we started the liquidity enhancement scheme, again we will see a different trajectory in terms of the volumes and growth.

**Ayush Khetan**

Okay. So we can expect that this will improve in upcoming months and quarters?

**Ashishkumar Chauhan**

Yes, definitely.

**Ayush Khetan**

Okay, okay no problem sir. Thank you.

**Operator**

Thank you, Ayush. Participants if you wish to ask the question, please press '\*1' on your telephone keypad and wait for your name to be announced. As there are no further questions from the participants, now I would like to hand floor back to Mr. Yatin Padia for final remarks. Thank you, and over to sir.

**Yatin Padia**

Thank you for joining us for the earnings call. Thank you.

**Operator**

That does conclude our conference for today. Thank you for participating on the Reliance Conference Bridge. You may all disconnect now. Thank you.

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