



MCX/SEC/1913

February 11, 2021

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001.

Ref: Scrip code: 534091 Scrip ID: MCX

Subject: Transcript of the conference call with investor/analysts on Q3 FY2021 results

Dear Sir,

Please find enclosed herewith transcript of the conference call with investors/analysts held on January 22, 2021 at 4.00 p.m. IST, on Q3 FY2021 results.

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,

For Multi Commodity Exchange of India Limited

Ajay Puri
Company Secretary



“Multi Commodity Exchange of India Limited Q3 FY21 Earnings Conference Call”

January 22, 2021



**MANAGEMENT: MR. P.S. REDDY – MD AND CEO, MULTI COMMODITY
EXCHANGE OF INDIA LIMITED
MR. SATYAJEET BOLAR – CFO, MULTI COMMODITY
EXCHANGE OF INDIA LIMITED**

Moderator: Ladies and Gentlemen, Good day and welcome to Multi Commodity Exchange of India Limited Q3 FY21 Earnings Conference Call. As a reminder, all participant 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, please signal an operator by pressing ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. P.S. Reddy – MD and CEO of the company. Thank you and over to you, sir.

P.S. Reddy: Good afternoon everybody for attending the Q3 Conference Call. The numbers this quarter may be more or less flat in my view in terms of ADT about 32,364 ADT in this quarter as against in this quarter for year to date 31,374 crores as against 31,148 crores ADT last year for the entire 9 months that we have been through. Of course, the number of full trading days the last year were 183 whereas this year so far it is 175. So, there is an 8 day loss in terms of number of full trading days and half trading days are this full year is more, but as against the last year of course.

Having said that the way that we went by is in terms of marketing and other new product introduction I think it has yielded good results. In terms of UCCs we have really done well in this 9 months 3,87,480 total unique client codes have traded in this 9 months as against the corresponding period 3.34 lakh so that is one good number that I can leave with you. Similarly, we have an ADT of new products that we have launched that Bulldex and Metaldex almost 270 crores for the current financial year and Metaldex has clocked over 56 crores are together 302 crores index futures ADT this so far we have plotted. As you are all aware we are not charging them, but from 1st April we will be charging the transaction fees. So we are not giving out any kind of concessions on this.

On the third element which I would like to speak is the with respect to the crude oil margin reduction very recently SEBI has permitted us to reduce crude oil margin from 130% to almost 50% we have done it. There is still room for reduction in margins and we will be doing that, we will make the representation to SEBI seek their consent to further reduction because internationally you were informed that almost 10% to 12% or 10% to 15% is a margin as against current margin of 50%. Even if we are able to come down to 20%, 25% it is a much greater relief to market participants especially when the volatility is not so much so that is one representation we will be making it, but even with this reduction from 130% to 50% still the crude oil contracted not seen activity as much as we anticipated or expected probably come in the month of February we will be able to see some kind of activity in this contract also that is one dampener for us at this point in time.

The kind of ADT we had last year is almost 13,000 crores as against that today we have the current financial year we had about 2,600 crores in crude oil as against 12,400 crores in the corresponding period last year for the 9 months of course partly this crude oil role may be some of the investors have moved over to natural gas so the corresponding period last year about 1,500 crores is the natural gas and this current 9 months we had about 4,123 crores natural gas ADT.

So partly compensated, but overall, it is 6,768 crores is the energy segment is giving us the ADT. Come to the other initiatives that we had taken with respect to admitting the Indian bullion refiners into the exchange goodwill list.

We have completed the process of course there are still some more applications is going to be a continuous process, but the first two bullion refiners have been identified, shortlisted and improved by the internal committees of that. We have made application to SEBI or rather inform SEBI and we are to hear their clearance. Once we get it those two bullion refiners will be notified and that bullion will also be deliverable on the exchange platform. The other part of it is the lead is the base metal contract where there also we wanted to allow a domestic refiners to deliver metal on the exchange platform. There also the part of the process is complete because there are two rounds of testers that is actually the consumer of the lead metal have to satisfy themselves that the metal produced by these refiners is good enough for them to use in their production.

So one round of testing is done may be after a month cycle the second round of metal will be dispatched to those produced to those consumers and once the certificates are good to go probably again we will be doing that. Subject to again a new condition that this particular lead grade has to be improved by the BIS because they are not currently the part of the BIS standard. The BIS standard was made about 30 years ago, so we have applied to that they are also doing their best to explain the new lead grade to be introduced by the exchange. So this year some of the initiatives that we have got the other one is the electricity derivatives contract we have already filed with the regulator our contract for electricity and they are examining it. Once it is done probably we will be able to get the approval and we will be able to launch the contract.

So these are for now the updates as we go along probably some more updates will come through and I will ask Mr. Bolar to give few numbers if you so wish.

Satyajeet Bolar:

Thank you Mr. Reddy. Good afternoon everyone. I will refer to the consolidated figure for the quarter ended December as you have seen from press release and the upload on the exchange total income was Rs 125 crores as compared to September there is a fall of 9% which is basically as Mr. Reddy said on account of fall in transaction charge .As our average daily turnover has fallen from Rs 38,000 crores in Q2 to Rs 31,000 crores in this quarter. September if you recall was great quarter because of the volumes in bullion unfortunately we are not able to maintain those volumes in bullion, but still as compared as Mr Reddy said 9 month ended as compared to last year were at par. Our profit before tax is Rs 67 crore as compared to Rs 78 crores the previous quarter. There were certain additional expenses that were booked in this quarter mainly because of CSR activities and also some expenses that were incurred by our subsidiary which as you are aware is a member of the European Securities and Markets Authority and the membership fees that we paid was booked in this quarter .. we had tax credit this time because as compared to the last quarter because this is the quarterly tax provisions are made on the companies budgetary estimates and in October there was a revision in our budget and based on that the tax provisions were made and we realize that there would be a MAT utilization in the quarter so because there was a MAT utilization in the quarter we have a negative tax figure unlike the

previous quarter where we actually had it an outflow of Rs 19 crores. So with this I will leave it open to the question and answer and then we will take it forward. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sujit Jain from ASK Investment Managers. Please go ahead.

Sujit Jain: One question is on volumes and options can the players they will cross margin benefits at what stage we will start charging for them, you spoke about electricity derivatives what will be revenue sharing arrangement with IEX and what is the progress of gold spot exchange and one last question is what is the progress in bank brokerage distribution such as ICICI securities?

P. S. Reddy: The first question with related to the option volumes as I said it is supposed to be a retail product, but in terms of 1 kgs gold options we are doing really well if you see the open interest it is almost 5.5 tons we have open interest in the 1 kilogram gold. In the Gold Mini we had introduced LES earlier for about 3.5 months because other exchanges also have started. They are continuing it, but we have withdrawn it because we did not see great merit in continuing LES and still the contract is not gaining any ground and we have not seen any great progress also in other exchanges where LES is still on. So having said this we thought we will focus on the existing markets, existing products that we have it. If necessary, we may be launching a Gold Mini options contract on futures rather than on the underlying commodity.

Sujit Jain: ADT in options?

P. S. Reddy: ADT in options for the Q3 is Rs 783 crores and for current 9 months period is Rs 866 Cr as against last year Rs 888 Cr for the corresponding period.

Sujit Jain: At what level you will start charging?

P. S. Reddy: No as I said earlier also we looked at about 5,000 crores volumes is needed and without which it may not sustain and it does not yield any much except that it is a pain-point for the traders in this product. So only when we are able to sustain a good amount of ADT the exchange will look at charging it. So this is one part of it. I think in the gift city, the thought process is instead of domestic exchanges setting up each one exchange and then fighting among themselves. It is better that we pull our resources and fight with international giants in this space compete instead of using the word fight compete with international exchanges so that is the understanding of all of us including the regulators. . So we will be going along with other exchanges and depositories and may be collectively setting up as and when the things are in place already gift city authorities IFCA has organized a working group, in which we are all part of that and we will be quickly working out the details of ruling out this and then once that is all gets approved irrespective boards also we will approve and then we will move on in that direction so that is another initiative. On the electricity futures what is the revenue sharing with IEX probably this is not open as yet we would not be able to disclose it. It is an exclusive contract at this point in time and let us see when we launch it as and when it is needed and it is disclosed then.

- Sujit Jain:** And bank brokerages distribution progress there?
- P. S. Reddy:** Yes bank subsidiaries are currently contributing about Rs 250 crores to 300 crores ADT currently it is in this current financial year we have got it. The ADT is for the 9 months, but quarter-on-quarter it is improving. There are 6 of them who are currently active on the exchange platform.
- Sujit Jain:** And one last question was on cross margin benefit any progress on that so that the index volume goes?
- P. S. Reddy:** Yes on the gross margin benefit as I said SEBI asked us to come back after 6 months not withstanding that we made an application after three months and SEBI said please wait for some more time you come back as we have told you after 6 months that is what the response has been and we will wait for may be another month or two and then we will go back to them, but definitely by March we should be able to get it because we launched it in the month of August so we should be able to get that anyway.
- Moderator:** Thank you very much. The next question is from the line of Chirag Patel from Adina Share. Please go ahead.
- Chirag Patel:** Sir I have few questions like in last one year many new traders has entered into market through discount brokerage and even from traditional channel as well, so from next three to five years point of view how do we see the trend to catch up in commodity market segment because if we look at the global other than India scenario than new traders most prefer commodity stood trade and do speculation versus the equity, so how do we see these kind of momentum going forward and what strategies we put in place so we can garner the volume on our exchange from this emerging borrowing community of traders?
- P. S. Reddy:** Well you see it is difficult to identify where the rate is I will not be able to give that figure, but then the new clients new UCC that join in they are almost contributing about 28% they are contributed in Q3. So that is a very good number that is what I am very happy to report. So the more the UCC the more they are trading. In fact mobile trading has contributed almost 28% to the total ADT. So that means I am sure all those who contribute through this mobile trading etcetera this kind of devices is by and large with new generation of investors whether they are speculators or whether they are having any other interest in this product I will not be able to say anything, but yes so we are on track that is the way I can tell you.
- Moderator:** Thank you. The next question is from the line of Megha from Pi Square Investments. Please go ahead.
- Megha:** My question is on the crude oil margins as you said that you are acquired to reduce the margins going forward, so how much impact would that have on our overall profitability and second is

as far as tax rate like what would be the usual tax rate that will be charged going forward the MAT credit and everything is over?

P. S. Reddy: What is the what you call response up for ADT in crude oil to the reduction in margins I will not be able to say at this point in time because at this point in time we have about 900 crores of ADT as against we had 13,000 crores ADT last year. Now how am I to match that probably reduction of the margin may bring back some of the investors who have left. As I already said in the beginning a part of them have already taken the natural gas, another product we have it earlier we had about 1,500 crores natural gas ADT now it is 4,500 crores that we have currently that is what it has become about 4,100 crores and so let us see how we will move forward in this product.

Management: I will take your query with regard to the MAT. We have presently as I mentioned in earlier press meets ,after all those entries that we have passed for December we Rs 16 crores l of MAT credit. So hopefully in the next couple of years we should be able to exhaust it and then we will be able to take advantage of the new tax rates that the government has announced, but our effective tax is around 19% plus.

Moderator: Thank you very much. The next question is from the line of Kunal Sanghavi from Banyan Tree Advisors. Please go ahead.

Kunal Sanghavi: I had just one question so last year you used to talk about the fact that we will be disclosing the volume mix in terms of speculators and you know the real participants any update on the same?

P. S. Reddy: I think it is on the website has been disclosed value chain participants it is there.

Moderator: Thank you very much. The next question is from the line of Utkarsh from Damos capital. Please go ahead.

Utkarsh: Sir can you give what was the margin percentage on crude oil last year in Q3?

P. S. Reddy: Yes there are two things. One is the initial margin other one is the volatility margin. Volatility margins keeps on varying and depending on the intraday volatility, but we had margins as I has even 30%, 40%, 50% also, but again as the volatility goes down they used to get reduced, but this kind of thing has not happened in this particular time because it is a adhoc margin and considering the value when the crude oil value goes down to Rs. 10 or Rs. 1,000, Rs. 100 whatever it is. There is a tendency to greater participation to have it, but then in terms of risks that is thanks to this negative pricing that risk has substantially increased that is why there is a minimum margin of 1.5 lakh that has been fixed irrespective of the contracts size. Now that is the reason why this contract got badly affected until we fix the what you call system for allowing the negative prices to be handled and also the impact on negative pricing on SGF. So SEBI circular was out I am sure some of you must have seen it how they have dealt with this particular

situation and yes coming back to your question for margins it was as low as 10%, 15% and it went to as high as 60% also, but it never got stuck at 60% that is what the point.

Utkarsh: So have you incorporated the negative pricing in your technology?

P. S. Reddy: Of course we have announced last quarter itself September quarter.

Moderator: Thank you very much. The next question is from the line of Pranav Mehta from ValueQuest Investment Advisors. Please go ahead.

Pranav Mehta: Sir any update on RFP for new trading software?

P. S. Reddy: The RFP we have already gone through the process it is in the final stages of closure in terms of agreement vetting and other thing is happening. Once that is done I am sure we will sign it off and announced the market anyway we will do that is in final stages.

Pranav Mehta: So just one last time in the call you said that the board will decide whether do we want to like upfront buyout the software or something of that sort, so has the decision been taken at the board level regarding this?

P. S. Reddy: Look we went by the RFP process and as I said that 63 months and everybody was allowed to or eligibility to participate there is no problem. So whatever the bids that we received accordingly the phase are transparent process through we have arrived at pricing and also selection will happen accordingly. The board is yet to take a call once it is done then obviously we will announce, but it is as I said we want to close all loose ends including some of the clauses of the agreement then only we can go ahead. If we award the contract and thereafter we will sit and across the table to settle the agreement issues probably that may never get closed.

Moderator: Thank you very much. The next question is from the line of Mohit Kumar from DAM Capital. Please go ahead.

Mohit Kumar: Sir my question is on the crude volume when do you expect it to come back to the normal and when do you expect the margins to reduce to the normal level and what is the normal level of margins which was there Pre COVID I am sorry if I am repeating?

P. S. Reddy: As I said currently just last December month we had Rs 922 crores ADT in crude oil, but you see the last corresponding December month 13,000 crores or if you will say that corresponding quarter last year 12,400 crores and this quarter we had 2,600 crores. Now the volumes have shrunk drastically and thanks to this negative pricing or a Black Swan event our crude oil margins were as high as 130% now reduced to now just may be a fortnight or a three weeks ago to 50%. Now even 50% also we need to nudge it and bring it down because we will be with 50% it obviously there is no volatility which justifies such kind of margining. So we are working on alternative models how we can reduce further margin at the same time secure the system more importantly securing and effect to risk management rather than hurriedly reducing the margins

and that is being worked out. Whether we will be able to restore the trading back into this the volumes will come back or not I do not know, but we will make every attempt at this point in time to bring back the margins to the level of may be 20%, 25% that is what we are looking at it. As I answered earlier just two minutes ago the margins last year was varying from 15% even 60%, 65% and that is essentially kicked in because of the volatility margins. So higher the volatility greater will be the margin and once the volatility is reduced may be within a 15 day or to one months period the margins also get settle down to the lower days so that is how it happened.

Mohit Kumar: And sir on the option segment I believe we are not charging consumer at this point of time so when do you expect you know to charge on the option segment and how it is doing, how it has done in Q3 compared to last year?

P. S. Reddy: See as I said options is about 800 odd crores which I said ADT and it remained by and large the same figure even the corresponding period last year also. What is more important is since every time analyst ask when will we start charging, but that would not yield any income, but it will be a sore point for the traders and there are other participants in this. I can tell you it is hardly any money that we will get it because it is not on the ADT we will charge when it comes to options we have to charge on the premium. So what you are seeing is the underlying value of the contract also that is also the charge we will not charge Rs. 300 per crore in this case that will be on the option premium. The option premium is usually 4% to 5% of the total ADT. So, on that again it will be much smaller this one. So let us understand that is the wait and probably we will wait for about 5,000 crores of ADT even for us to think of charging something on that.

Mohit Kumar: Lastly on the bullion exchange where are we right now, has there been any progress in last quarter in terms of regulation?

P. S. Reddy: The GIFT city authorities IFSCA have already released the regulation and the thought process is that we should only setup one exchange. All of us come together and setup one exchange which we will be competing with other international bullion exchanges and the government will help us whichever way we have to do it so that we will be able to compete with international exchanges, but if it is multiple exchanges then obviously we will be fighting among ourselves and it is nobody's interest. So we are all working and their working group has been constituted all exchanges and depositories will come together and then after the working finalized results its report then implementation process will start.

Mohit Kumar: Last one there was refiners and testers we are trying to empanel and the target date we had said in the last concall by December for lead and for gold it has approached to November, so where are we can you comment on that?

P. S. Reddy: See we have already the gold refiners process has been completed we have just waiting for SEBI to say go ahead then the moment they say we will be announcing it. In the case of lead we are already completed one round of tester process where the consumers of the lead will be giving

their certificate. So one round is done the second round will be started after one month of gap and then thereafter whatever the refinery produces after one month of gap from that batch again few tons will be picked up and sent to another set of consumer and usually the battery manufacturers. Again they will see the application their application the use of land and then if they also certified those refiners will be empaneled. So here it has been delayed because the SEBI has suggested that we should get this lead specifications empaneled by or rather accredited by BIS also. So we have filed an application with BIS also. BIS is also actively pursuing it and so once the BIS grade is designated than our lead instead of calling it as a exchange grade it will be a BIS lead grade whatever 1, 2, 3 number they give it is like that is the reason why it is with the lead.

Moderator: Thank you very much. The next question is from the line of Anuj Kumar from B&K Securities. Please go ahead.

Anuj Kumar: My question is on the other income with the financial whether it is a sustainable Rs. 1 coming quarters?

P. S. Reddy: Could you repeat your question please?

Anuj Kumar: My question is on the spike in other income sequentially and whether this other income is a sustainable one in the coming quarters?

P. S. Reddy: As we mentioned in earlier discussion other income mainly consists of a treasury income. So as you are aware we have a reasonably good portfolio and based on our portfolio the way the bond markets have moved in June as well as September and December we have been able to book good gains but going forward it all depend on the bond market how the bond market works.

Moderator: Thank you very much. The next question is from the line of Aksh Vora from Branch Financial. Please go ahead.

Aksh Vora: Sir, just wanted to know what would be the revenue sharing in the GIFT city if we tend to put up a one exchange combined with BSE or NSE, so how the things would progress?

P. S. Reddy: Well at this point in time our desire is that we all will be equal shareholders in the company.

Aksh Vora: Currently what is the turnover and bullion by say BSE or what is the turnover generated or ADT generated in GIFT city?

P. S. Reddy: There is no bullion exchange in spot exchange you are talking about.

Aksh Vora: Yes.

P. S. Reddy: There is no exchange as of now.

- Aksh Vora:** I think BSE had in subsidiary and its operating from the gift city.
- P. S. Reddy:** That is INX is the derivative exchange India Exchange or something like that we call it that is not the bullion exchange it will be different and it will be a spot exchange international bullion exchange IBE it is called under the regulations.
- Aksh Vora:** We also tend up put up derivative products in GIFT city?
- P. S. Reddy:** There is no plan as of now.
- Aksh Vora:** Slightly going forward do we think the mix between what it used to be earlier like the mix in between bullion, silver like the base metal, energy and crude oil and would be back to normal or it will be still more of volatility going ahead?
- P. S. Reddy:** As you know this market each product is driven by its volatility and that nobody changes that is the underlining or the bedrock of this functioning of this exchange. So which particular combination generally this will work I will not be able to say depending upon the volatility it will be, but broadly speaking the product mix will continue to dominate the way it is currently for the next few years, but we expect the Bulldex and Metaldex to lead as we go along probably once we get the cross-margin benefit.
- Moderator:** Thank you. The next question is from the line of Kunal Agarwal an Individual Investor. Please go ahead.
- Kunal Agarwal:** I have two quick questions one is what kind of volume would you expect refiners in the bullion segment once they actually join and the second is will the exchange in GIFT city in anyway cannibalize the bullion volumes that we currently have on our exchange, will the exchange in GIFT city impact our current bullion volume at all?
- P. S. Reddy:** Well first question with regard to the bullion refiner's empanelment whether it will bring in more volumes. It is not a direct relationship between the two, but what will happen is the metals that they are currently producing is directly getting traded in the spot market. Once they are also permitted to deliver on the exchange platform some of the customers may come and then take delivery from the exchange platform. So the more and more integration happens with the physical market more and more MCX has the platform for trading in bullion. This is one major part of the goal that we wanted to achieve. So greater integration will take place with the industry and this is very important to understand. Coming back to the whether IBE International Bullion Exchange will eat away any of the volumes on the exchange platform. My answer is no because that were just spot exchange this is the derivative exchange. The contract is at two months tenure. What IBE can do and may do and there are the working group is working out what kind of business model that we should be pursuing it and what kind of concessions or what kind of regulatory facilitation that we should seek is being worked out. Essentially the imports that are currently coming into the country if they come through this exchange that to that extent the

volumes on the International Bullion Exchange will increase probably that will also bring in more and more liquidity and some of the players in the international market who are maybe trading in other exchanges, they come to be the GIFT city International Bullion Exchange for their requirements. Now one important thing you must bear in mind is India consumes almost 25% of gold that is being produced. If that is the case at least we must have so much say in the price determination and that should happen in our GIFT city that is the way our thinking is.

Kunal Agarwal:

And sir we recently read that this is public information because it was disclosed even Titan gold trading business which has recently been empaneled into MCX and Titan has disclosed this, if you could just help us understand what would be the exact nature of business that it would be undertaking on MCX?

P. S. Reddy:

They are working as a client through some broker and so thought it is good to have their own subsidiary and through that subsidiary if they undertake the transaction from the exchange platform there were consumption may be going forward, they may we do not know to extent that service is to other clients also. So at this point in time may be they have taken only a membership of the exchange and I think if I am not mistaken we have activated it also that is the way it is. So earlier they were hedging through the member brokers of other member brokers now they can do it themselves that is the way it is it does not change. It will shift from one member to the Titan all subsidiaries.

Moderator:

Thank you very much. The next question is from the line of Sujit Jain from ASK Investment Managers. Please go ahead.

Sujit Jain:

Sir you spoke about 300 crores of bank brokerages typically their market share is in cash per loans in equity exchanges were very high, so here on MCX and commodity how much time and business development you think it would take for them to be meaningful players?

P. S. Reddy:

As I said there was 6 of them currently operating on the exchange platform and each one have their own technology requirements as well as the other operational requirements. They have been in equity markets for more than may be three decades, but that is not the case with the commodity markets and in fact they were permitted very recently. So three decades of experience versus one or two years is it should be fall in mind. Similarly, the commodity market products are not suited for anybody and everybody as the landscape available for the equity retail investors is totally different from the one that is available for commodities. So keeping that in view probably the growth will be slow, but it will be a very determined growth in the sense they have access through lot of corporate client base who must be having exposure to commodities. Now if those that exposure to commodities if they are able to hedge on the exchange platform to that extent they can mitigate the risk. This where I have been telling in the last two, three conferences or investor calls that this is something which they are taking it. It takes time for them to convince the client to hedge on the exchange platform, but once it is done I think that is if the client knows the advantage of doing hedging on the exchange platform. Yes if you expect

a growth like the one which is happening on equities it may not happen, but it definitely they are going to be a major player in the next may be two, three years' time.

Sujit Jain: What business development role we can play to accelerate this process?

P. S. Reddy: As I said it is a one-to-one engagement for most of the corporate client. So in terms of business development, we do engage with this corporate and bring them to see that who are their bankers and then do a match making wherever we have got such kind of relationship. Similarly, these firms if you are able to convince them to expedite their IT developments which we are doing it of course and then spread their IT development they will be able to launch the product faster. If they are ready then thereafter we can convince some of the clients especially some of the hedgers who are not averse to going through some of the brokers I would say brokers in the sense non institutional brokers. So they prefer to go to institutions like bank probably we will be able to establish that relationship so much we can do.

Sujit Jain: Just one last question is to understand the role of these new refiners that you are enlisting on the exchange where their occupied deliveries can happen. In the ecosystem how important this is earlier whose certification was being used as a refiner and does that save some cost for the customer or for the exchange and then therefore volumes can go up?

P. S. Reddy: You see everything cannot be converted into volume on the exchange or a customer. As I have already explained we need to promote the domestic industry to use this exchange platform that is the larger goal and objective. How do we do that unless their metal is acceptable in the case on the exchange platform. In the existing ecosystem we say only LBMA refiners gold is approved. In India we have 30 odd refiners in India only two or three are empanelled by LBMA rest are all from international markets. So, LBMA is not that LBMA guaranteeing as anything. So we thought we should be promoting our domestic industry, we should be helping the domestic refiners have a platform recognition looking at their processes, looking at their compliance requirements that they have adopted and looking at the certifications and quality audit that they are going through we are planning to empanel them. What will happen the customers of those refiners will also look at the exchange platform and they will not be losing money because MCX price may command a premium or the delivery on the exchange may command a premium over other metal brands which are not empaneled on the exchange platform at least those refiners will be benefited to that extent.

Moderator: Thank you very much. The next question is from the line of Sandeep Jain from Birla Sun Life Insurance. Please go ahead.

Sandeep Jain: Just one question as a company do we have any defined within policy or if not are we trying to make any defined dividend paying policy?

P. S. Reddy: We have it on our website the dividend policy document.

- Sandeep Jain:** As a percentage I will check that, but if you can?
- P. S. Reddy:** It is about 75% of the maximum payout at this point in time currently we have.
- Moderator:** Thank you very much. Ladies and gentlemen that was the last question for today. I will now hand the conference over to Mr. Reddy for closing remarks.
- P. S. Reddy:** Thanks to one and all for being present for one hour otherwise also I have been taking questions and otherwise on a one-to-one calls. Thank you so much. Thank you for being present. Thank you, Mr. Nirav, for organizing this.
- Moderator:** Thank you. On behalf of Multi Commodity Exchange of India Limited that concludes this conference. Thank you for joining us you may now disconnect your lines.