

MCX/SEC/2152

November 15, 2022

The Dy. General Manager  
**Corporate Relations & Service Dept.**  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai - 400001

**Scrip code: 534091, Scrip ID: MCX**

**Subject: Transcript of calls with Investor/Analysts**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, please find enclosed herewith the following transcript of the call with investor/analysts:

<b>Sr. No</b>	<b>Investor/Analysts</b>	<b>Date</b>	<b>Time</b>	<b>Annexure</b>
1.	WF Asian Smaller Companies Fund Limited (Ward Ferry Management Limited)	November 07, 2022	03:00 p.m.	<i>Annexure - A</i>

The said transcript is also uploaded on the website of the Company at <https://www.mcxindia.com/investor-relations/ir-meetings>

Further, we hereby confirm that no unpublished price sensitive information was shared/discussed during the said meeting.

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,

**For Multi Commodity Exchange of India Limited**

**Ajay Puri**  
**Company Secretary**

*Encl: As above*



## “Multi Commodity Exchange of India Limited”

Meeting with WF Asian Smaller Companies Fund Limited  
(Ward Ferry Management Limited)

**November 07, 2022**

### **Disclaimer:**

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This document may contain “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward looking statements often address our expected future business and financial performance, often contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “should” or “will”. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These uncertainties may cause our actual results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

**MANAGEMENT: MR. P.S. REDDY – MANAGING DIRECTOR AND CHIEF  
EXECUTIVE OFFICER  
MR. SATYAJEET BOLAR – CHIEF FINANCIAL OFFICER  
MR. D.G. PRAVEEN – CHIEF RISK OFFICER**

**Participant:** If you remember, we met in your offices.

**P.S. Reddy:** Of course.

**Participant:** A few weeks ago.

**P.S. Reddy:** Yes.

**Participant:** Yes. I've also got my colleague Nicholas, you know, who covers MCX, you know, along with me. Nicholas, I mean, you haven't met Nicholas, but he recently joined us. And Mr. Reddy would love to, you know, kind of he's going to be also, you know, covering the business alongside me.

**P.S. Reddy:** Welcome, Mr. Nicholas. We may not have met you, but you must be watching us for a long time maybe wherever you were. No?

**Participant:** He actually watches you every week, you know... So, Yes. Good. Mr. Reddy, thanks a lot for making time. You know, I would, you know, congratulate you on kind of great quarter that went by. Just, you know, discuss the results slightly more in detail to the extent you guys can, you know, discuss stuff. And that's, you know, the call would be a short call.

**P.S. Reddy:** Yes. Please go ahead. Go ahead and fire questions, whatever you have...

**Participant:** Sure. So I think, I just heard you guys had some announcement. I also saw a new chairman appointment on the BSE website.

**P.S. Reddy:** Just today it came. Yes. Just today it came. Dr. Bhanwala has been appointed. He was a former Chairman of NABARD. And he was also Chairman of the Committee of Social Stock Exchange of SEBI. And he has been our member for little over one year on our Board.

**Participant:** On the board? Okay.

**P.S. Reddy:** Yes. He is already there.

**Participant:** And in terms of, was there a chairman earlier also? Or you handling the responsibilities, sir?

**P.S. Reddy:** No. You see Mr. Saurabh Chandra retired on 2nd July, and so there after there is a gap. And then, but the Board meeting, whenever it is held, and one of the members is elected as a Board Chairman, and the meeting is done.

**Participant:** Got it, sir. No, super, sir. I just thought I'll check. Is there any other announcement also happening apart from this?

**P.S. Reddy:** Yes.

**Participant:** Or is this digital announcement?

**P.S. Reddy:** No, we are going to issue a press release, but nothing beyond. I mean, this anyway we have already informed the exchange.

**Participant:** Yes. Exchange is already. I saw that.

**P.S. Reddy:** Yes. That's right.

**Participant:** Got it. So, sir, I think the first question that I had --

**P.S. Reddy:** And we have also issued a circular to the market. We have also issued circular to the market participant that, you know, the mock is starting from today, and in the morning that circular has been issued with regard to our technology platform. And first we are asking them first two days to login and then see their, you know, logins are happening or not, because that will be a major pressure on us if somebody is not happening and they call us, and all that kind of thing. And then reset the passwords and all that stuff. Then next two days they will know that and then thereafter from Wednesday onwards, I think they can do the full testing. Mock testing.

**Participant:** Sir, this will be a testing phase, right? This is still --

**P.S. Reddy:** Mock testing. This is a part of mock. It's a mock.

**Participant:** Mock testing. Might be done by the market participants.

**P.S. Reddy:** Yes. Mock is by market participants. We have already done UAT. The system is still continuing to be under UAT anyway, because whatever the mock, some observations are there, they will be fixed and then released in UAT. Then it will be migrated again to mock and then see whether participants are facing any problems or not.

**Participant:** Got it, sir. And sir, from a date perspective, you have mentioned that --

**P.S. Reddy:** We would like to go --

**Participant:** What you are....

**P.S. Reddy:** No, before the end of December we would like to launch. When exactly, and we have to figure out one or two holidays or something around that we would like to launch it so that, you know, we will have enough buffer in that sense, you know.

**Participant:** Sir, when we launch, is it supposed to be lock, stock, barrel in the new platform?

**P.S. Reddy:** That's right. That's right.

**P.S. Reddy:** Lock, Stock, Barrel.

**Participant:** Whenever it happens.

**P.S. Reddy:** That's right.

**Participant:** Yes.

**P.S. Reddy:** That's right. We have already notified to the market participant the APIs. We are not changing substantially the APIs. So their back offices and others will not be changing substantially in that sense. So some of the members will be testing that whether the reports they are getting it like are correctly or not or whether there is some, something misprint or some kind of columns are in order, not on order, all that kind of thing.

**Participant:** Got it, sir. Hello, Mr. DG Praveen. Hi.

**Praveen DG:** Hi.

**Participant:** Hi. Okay, sir, on the futures and options, you know, I think this question has been asked a few times in the conference call as well. Futures... options continue to do very well. And futures actually in line has stabilized. Now, from a volume... from a turnover perspective, the ADT-wise kind of more or less stabilized in the last two months. It is not coming down. Is there something to be read from this trend? Or is that totally dependent upon vertical can change tomorrow onwards in your view?

**P.S. Reddy:** My view is that it can change if the margins are brought down. If margins are brought down, then they will find more attractive as well. That is the way I look at it while options....

**Participant:** In the futures.

**P.S. Reddy:** Yes, yes, while because we have a 2% extra margin in gold, about almost all 15% in crude. And once that SGF, it's all linked to the SGF as I told you. If SGF dispensation comes through, probably we will be able to contribute more capital out there. And then the margins can be reduced. Then again, the volumes may go up.

**Participant:** Sir, do you mind, I think, given both of us started covering MCX for last only few quarters, can you help us understand how this margin... when did the margin increase in coal and crude? And what is the base that you think is the right number, was the number before this?

**P.S. Reddy:** See, the crude oil margin, it went up as high as 80% post negative pricing has hit the market in March 2020. Thereafter for almost one year or so, there was no trading in that. I mean, hardly any trading obviously. Then gradually, this peak mark, we have reduced it. Because as the time passes by, the, for the margin calculations, the past period get less weightage and then current period gets more weightage. So as we went by, then the margins started reducing it. So it got reduced to about 20% or so if I'm not mistaken. Then it started picking up volumes, but then for the calculation of SGF, we have to take the, the worst case scenario as well. So the worst case scenario happened to be a negative pricing. So that's how we went to SEBI and then requested them for a different dispensation, SGF contribution. Now, while SEBI is looking at it, they did not allow us to remove this negative pricing as a one off kind of thing. We have informed the, we have got a mail from CME. They are also not taking into consideration this negative pricing. It's a one-off kind of thing. Okay. And whereas they introduced what is called a pre-expiry margins. Now which SEBI said, you also introduce pre-expiry margins. Leave alone giving the dispensation, they said you introduce pre-expiry margins. So last 5 days, 3 days...

**Praveen DG:** Last, it is last five days.

**P.S. Reddy:** Last 5 days.

**Praveen DG:** It is similar to the tender periods.

**P.S. Reddy:** We keep adding 5, 5, 5% kind of thing, and it was up to 25% in addition to what we have currently. So that's how --

**Participant:** So 20% plus 25%.

**P.S. Reddy:** That's right. Yes. No, I think 30% no?

**Praveen DG:** That's right. It is currently 30, around 30%.



**P.S. Reddy:** Currently, it is 30% plus 25%. 55% it becomes on the last day. So it's as good as last five days, it becomes unviable in terms of trading. Okay. So, obviously, that's why the market participants are having reservations on this participation, and especially when the SEBI introduced the peak margin circular, then obviously the clients have to necessarily put in upfront margin when they want to trade it. Intraday leverage is gone. So all the more reason why they are hesitant. And in the case of gold, we had introduced it deliberately, because if we don't introduce, there, the SGF calculations substantially depends on open interests. Okay. Open interest is needed for more volume to be traded, you know, open interest essentially means there are no, what you call, a fly by night kind of operators. There are people who have interest in the stock and they want to take a position in it, view in this. Okay. So, if the open interest increases, then the SGF cover is required. SGF is obviously the overnight risk is what something which we are looking forward to. Okay.

**Participant:** Sure.

**P.S. Reddy:** Now this is, so, in fact, we have also sought another dispensation. Can we have during the daytime one type of margin and then VaR, and only on the open interest we will have a higher margin kind of thing. No, nothing doing. That's the way it was answer we got. So, so coming back to this open interest thing, it's not only in open interest in crude, but in the gold and silver also it is increasing. Okay. So whenever there is an open interest, obviously, it's good for us. No doubt about it. It's good for the market, good for the market participants, and they will be able to, this, that that increases the depth in the market, and but then we need to contribute more to SGF. And we, if once we contribute, we can't take it out. That is the problem at this point in time.

**Participant:** There is no settlement, let's say. So in SGF there is no settlement if let's say open interest goes down.

**P.S. Reddy:** Then, the requirement comes down, but whatever you have last contributed, it remains there only. You can't take it out.

- Participant:** You can't take it out. Okay.
- P.S. Reddy:** Okay.
- Participant:** Okay. Got it.
- P.S. Reddy:** Now, for example, our SGF coverage gone up to 430 crores or something like that. Although our SGF coverage is 100, 530 plus crores, 35 or 60, 40 crores, the rest is contributed, beyond 430 crores is contributed by penalties and other interest... penalties, not interest income. Penalties. And SEBI says that penalties should not be used also for this calculation. So our contribution as it stands today were about 430, 30 crores, 25, 30, how much? 400?
- Satyajeet Bolar:** Always total is 565 and MRC is 410.
- P.S. Reddy:** MRC nahi, I am not asking about MRC.
- Satyajeet Bolar:** 108.
- P.S. Reddy:** Not ours. Again, CCL including, including CCL...
- Satyajeet Bolar:** 420.
- P.S. Reddy:** 420, it is coming to 420, 25, and the MCX's contribution 25% and then MCCL contributes 75%. That is the rule. Okay. Obviously, CCL is a wholly-owned subsidiary. So it's as good as our own contribution going there.
- Participant:** Yes.
- P.S. Reddy:** Now whenever the, whenever this minimum corpus requirement, if it goes up, then 25% we have to contribute, 75% CCL has to contribute. So that is why, and we can't withdraw, once you contribute, let it remain there only. That is the rule.
- Participant:** Got it. Okay. So it's basically one way cash...

- P.S. Reddy:** Yes.
- Participant:** ...kind of, you know, if I may call it sink. It goes, and it doesn't come back.
- P.S. Reddy:** Yes. Doesn't come back.
- Participant:** And that margin extra is applied to the trading members, fining.
- P.S. Reddy:** If in the event of their default, and in the event of margins are not available, in the event some of this collateral which we have collected, clients, everything is not available, then this is going to be used.
- Participant:** Yes. So in essence, gold and silver, you mentioned there is 2% extra margins is coming from this as well.
- P.S. Reddy:** Only in gold. We have put only in gold.
- Participant:** In gold. Okay.
- P.S. Reddy:** Yes.
- Participant:** And what is the margin before this in gold?
- P.S. Reddy:** I think if I'm not mistaken, the initial margin is supposed to be, 7%, 6% has to be, and 1.25% is the...
- Praveen DG:** ELM.
- P.S. Reddy:** ELM. That is extreme loss margin it's called. So 7.25 is the margin. Now we put 2 more percent, so 9.25 is the margin.
- Participant:** It's actually a lot if you compare the base 2% over 9%.
- P.S. Reddy:** Yes.
- Participant:** It's, sorry, 7.25%, it's a lot of extra.

**P.S. Reddy:** Yes. That is what the, that is what the members are complaining about. And you won't see gold so much volatility, you know.

**Participant:** Okay. Yes. So what's happening now in terms of reduction of these margins? Do you think there is any indication from the regulator on these margins to be reduced over time?

**P.S. Reddy:** No, as I say, these are not imposed by the regulator. We have imposed it because our SGF cover we have....

**Participant:** For the gold.

**P.S. Reddy:** And gold as well as...

**Participant:** Yes.

**P.S. Reddy:** ...as well as on crude.

**Participant:** Okay.

**P.S. Reddy:** Crude, crude oil, the base 30%, initial margin is 30%. Actually, if you leave it to the calculations the initial margin, it may come to 12% or 15%, something around that. Okay. So that additional margin we have imposed it because so much margin is counted for the SGF cover. SGF cover is beyond what is not available as a margin.

**Participant:** Got it, sir. This is very helpful. Sir, in terms of new products, how are you looking at new products? I think last time we discussed, you know, things were in the pipeline, but, you know, at different points in the regulator's desk...

**P.S. Reddy:** Yes.

**Participant:** ...across different commodities. So any new development that you think will happen?

**P.S. Reddy:** No, but we were to launch the gold monthly futures contract.

**Participant:** Yes.

**P.S. Reddy:** But we held back because that system development is on and, and once the migration is over, whatever is pending in the pipeline, we will be into launching them. Of course, two more contracts are yet to be licenses to be, permission of SEBI is yet to be obtained, but pending that, whatever licenses that we have or approvals we have, that we will launch post go-live. That's how it is.

**Participant:** And just one is gold monthly futures contract. What else can we launch?

**Praveen DG:** In fact, we are getting a very strong demand for even for other monthly contracts, like silver. Silver again, we have only bimonthly contracts. Whether it is Silver micro or mini, both are bimonthly. So there also, there is a demand. And besides that, even for index products, we are looking for some shorter duration contracts.

**Participant:** Sir, is index a meaningful part of the business right now?

**P.S. Reddy:** Not as yet. We have to make it.

**Participant:** And, and who buys index futures typically? Is it, is it local Indian brokerages, individual quant investors? Or is it global investors?

**P.S. Reddy:** See, the difference between the index products versus the underlying products is underlying products are all, other than the energy products, they are all delivery contracts. Okay.

**Participant:** Okay.

**P.S. Reddy:** People who want to avoid delivery but then cash settled is what this is. Otherwise, the different, there is no different, there is no other difference, and it truly reflects only the same return. That's how it is.

- Praveen DG:** Yes.
- Participant:** Okay. Got it.
- Praveen DG:** There is specific demand from those people who wanted to spread their portfolio and they wanted to trade instead of putting all the money in one commodity, and like institution, some of the institution, whenever they all feel confident about a sector moving in one directional movement, then they are preferring the indexes, and that being also being cash settled product. That is one, one advantage.
- Participant:** Index. Okay. When you say cash settled product, Mr. Praveen, how is that an advantage?
- Praveen DG:** It is because all like, just now MD said, it is like underlying commodities are all delivery-based contracts.
- Participant:** Okay.
- Participant:** And this is just pure cash settlement.
- Praveen DG:** Yes. It is a pure cash settlement.
- P.S. Reddy:** They can play till the last day, but in the case of other products, they have to get out of it. They can remain till the last day. That's how it is. It's a cash settled contract.
- Participant:** And sir, have we seen growth in this segment? I know the base is small. Is it growing or is it more flattish right now?
- P.S. Reddy:** Come again, please.
- Praveen DG:** Growth, growth in...
- Participant:** This segment of index product, is it more flattish or is it growing fast?

**P.S. Reddy:** I tell you, so the energy index did pickup at one time, but then subsequently it went on, it has been petered out, this one, whereas the, the metals, they were doing well, very well I would say. All of a sudden, nickel debacle took place. And nickel weight was about 25% in the total, total indices, metal indices. So nickel stopped trading on the exchange. So the underlying is not there obviously, there is no price available. So, obviously, the participants have deserted that also. So we are reconstituting that indices. I think come January, we have already done, issued a notice. And I think come January 16 if I'm not mistaken, as per the SEBI program for index revisions -- rebalancing it's called.

**Praveen DG:** It's a rebalance that happens on yearly basis. All our indexes, they rebalance on annual basis, and that annual rebalancing happens in the month of January. While we announced that in the month of October, but actual rebalancing happens in the month of January. So, already, the new weights have been announced to the market wherein in the metal index, the nickel is not having any place in that one right now, in the new weight, as per the new constitution. So post that one, again, we, in fact, going for certain changes in terms of the tenure and also parallel we are looking at options as well as futures. So all those things we are planning to bring in.

**Participant:** Got it. That's very helpful. Sir, when you look at these gold monthly futures contracts, silver monthly futures contracts, and these, I mean, these two primarily new products, whenever they are launched, of course, they will probably have some cannibalization of the existing, you know, let's say silver bimonthly contracts that we have. But do you think, in your estimate today, is this a large market for these two contracts that we are going to introduce or how do you look at the potential of these two specific contracts?

**P.S. Reddy:** Okay. See, I'll tell you, here, they are not alternatives at times. You know, the way that cannibalization takes place, either this or that is something, it does happen. It all depends on the suitability of the product. Today, there are variety of interest of the trading members. Some wants monthly. Some want

bimonthly. Though some want monthly, this is not available, they are trading in bimonthly. But there is some who wants monthly, they have chosen to stay away from participating. Okay. So whereas those who have chosen to trade in bimonthly just because it's not available, probably they move over to the monthly. So cannibalization is, in that sense, yes, but there will be an overall basket of these products, gold, or overall basket of products of silver, should increase the volume on the exchange. That is the way I look at it. Okay.

**Praveen DG:** See, generally, greater the duration, the premium automatically will be higher.

**P.S. Reddy:** For options.

**Praveen DG:** For options. So generally, they prefer to even if you look at general trend keeping all other factors constant, whenever the expiry is further, maybe the 2 months prior to the expiry, then volumes are going to be lesser. And in the month of expiry, you see greater traction in the options. So, when you come out with the monthly options, so then you can see that lot of demand can because the premium automatically, the time value of the option automatically will come down. That will reduce the premium amounts, and that will make the products more attractive. And you having two contracts, it also gives opportunities, for kind of arbitrage opportunity between different calendar months.

**Participant:** Got it. Very helpful. This is super helpful to understand. Sir, when you look at, back to the question on futures versus options, from a revenue, you know, kind of per lakh perspective, do you think futures revenue per lakh, you know, the commission that we charge will come down over time? Or do you think it will remain stable to the extent you guys can talk about it both on futures and options side? It'll be helpful to know. I know options look more complicated, but whatever you can help us, it's going to be very helpful.

**P.S. Reddy:** See... I mean, how does the value premium get decided? Obviously, the premium gets decided depends on the strike price, whether it is at the money,



in the money, or near to the money, or close to the money or something like that. Okay. Now if it is far away contract, the premium will be very, very little. Okay. Now it all depends on the view of the market participants whether there is going to be a volatility in the coming days, and then they will enter into such, what you call, far away options contract, I mean, strike prices.

**Participant:** Yes.

**P.S. Reddy:** Now, as the volumes increase for us, at this point in time, volumes are increasing. At this point in time, we are finding more people trading maybe closer to the money, near money, or at the money, or maybe few maybe in the money. But it is helping us at this point in time in getting the same revenue. But today, you have a volume of say 35,000 crores in options. Now the next batch of 35,000 crores of rupees, will it be near the, near the money or far away from the money? Now if you average it out, it may be lower for all you know. Okay.

**Participant:** Yes. Yes.

**P.S. Reddy:** So we cannot call it that it has been... the return is lower, because you are expecting volumes also to grow, but everything cannot be at the, at the money. That's the way I would like to address this. So we should access some kind of a lower realization if volumes increase to us, you know.

**Participant:** Yes.

**P.S. Reddy:** How does it matter?

**Participant:** No, of course I think anyways we have fixed cost structure...

**P.S. Reddy:** Yes. Absolutely.

**Participant:** ...even if it means, you know, higher volumes will actually help us in as operations for us. Sir, when you look at from the futures side, is that reasonably stable, you know, on the futures pricing?

- P.S. Reddy:** No, futures pricing is more or less stable. I would not like to disturb that at this stage. When you are introducing new products, we do not want to attract the members, you know, get into...
- Praveen DG:** Realization, realization rate which remain more or less same.
- P.S. Reddy:** Yes. That's okay. it is realization rate is 2.07 or 2.06. It keeps varying it.
- Participant:** Yes.
- P.S. Reddy:** So it remained the same by and large. So we are not planning to change any tariffs or anything like that.
- Participant:** Got it. Because...
- P.S. Reddy:** Somebody will be impacted. Somebody will be benefited.
- Participant:** Yes.
- P.S. Reddy:** And we can't go on answering that.
- Participant:** Yes, no, of course. But I think last time you had mentioned on the conference call that, you know, the 66% is, I think the concentration of I think top 10, you know, trading members from our ADT perspective. We are also not planning to change the pricing structure for a volume discount that we offer to them or is it going to be at least, if this concentration changes, do you think that our average pricing will come down over time?
- P.S. Reddy:** No, see already it is there at 1... see, if you are on a higher slab, you will pay about Rs. 175 per lakh if I'm not mistaken. Okay. So most of them may be already paying Rs. 175. Now if it is Rs. 175 per lakh, then this is what the rate is currently, 207, whatever we are getting.
- Participant:** Oh, this is the highest. They are already in highest slab.

**P.S. Reddy:** They are on the higher slab. It's like income tax slab, up to 300. Above 350 crores, they pay a lower rate and then over and above is that.

**Participant:** Got it. This is helpful, sir. Lastly, on the energy derivatives, any update on that, sir?

**P.S. Reddy:** Energy derivatives, I think, still to get the regulators' approval, and we are only at this point in time appealing to their intellect to clear it fast, and with whomever we can engage with, we have been engaging. The purpose of it, how the volatility will be reduced if derivatives contracts are there... There are so many research articles, we have furnished to them...

**Participant:** Yes.

**P.S. Reddy:** Okay. So they're worried about volatility being increased. It's other way. Volatility will be reduced. That is what we are saying it, and we've, probably, they may not be required to put a cap, what they did of Rs. 12 per kilowatt-hour...

**Participant:** Correct.

**P.S. Reddy:** You know, so that's what we are telling them. Let us see, you know.

**Participant:** Okay. And no specific data guidelines at least from the energy side.

**P.S. Reddy:** No, no. See, what is in our hand, we will control. But what is in, not in our hand, what you will do?

**Participant:** Yes. Got it, sir. Sir, one more you had mentioned on the conference call about FII participation, you know, Foreign Institutional Investors. Can you explain where do these people can participate as FIIs and like, why would they participate, let's say, in MCX versus let's say going to CME and LME when these guys are not planning to take delivery of contracts? Just wondering how does this work?

**P.S. Reddy:** Sure. See, one, there we have cash settled contract and non-cash settled contracts. Now, so coming back to the cash settle contract, yes, those products are already there in CME, LME. Now why they do come to you? Okay. But there were always arbitrage opportunities between the markets, and today, the member brokers or some of them are having two books, around, maybe one for international arbiters and another for, maybe they may not be our members also, we do not know how that structure works. With the permission of FIIs being allowed legally into the country, they can have one single book, and then hedge their losses and profits same as whatever is happening in both these markets or maybe several markets. Accordingly, they can, you know, they can trade in the country. That is number one. Number two, if the GST issues are also resolved, now they will have what you call, arbitrage opportunities, which may not be available in any other market or may be available, but then to be, I mean, it's not an alternative kind of thing, you know. So arbitrage opportunities between near month and far month maybe there here in this country. Now, many FIIs who are already there in equities, if they have any surplus cash on their books, they can always deploy in this arbitrage opportunities and then earn some extra bucks.

**Participant:** Sir, these are typically equity investors like us, or these are different kind of institutions which typically prefer to do both equities and let's say commodities?

**P.S. Reddy:** Well, there are lot of interest is coming. That's what our member brokers are saying, and there would, they could, be equity players also, you know, they may have set aside a portion of it for a portfolio of commodities. Now for all these years that is not available. So they have not set aside anything. Now that, you know, if the client says that okay, you trade in Indian commodity markets, fine for us.

**Participant:** Got it, sir. Super helpful. How much is the GST, sir, right now, on this segment?

**P.S. Reddy:** No, it's not a question of GST percentage. The problem is one of registration and then keep filing reports on the GST registration. If somebody buys and then sells it, he will get the credit back. But then to get the credit back, he has to register there. All those hassles are there. Why should a financial player who does not lift the commodity, he may not see the commodity also, and he believes that it is there in the warehouse, why should he take any GST registration? This has been our ask quite for some time.

**Participant:** This is not yet resolved, GST part.

**P.S. Reddy:** Not yet resolved. Yes. In fact, even for domestic players also it is coming in the way, leave alone FIIs. If it is resolved, even if FIIs are not there, domestic players will play a much bigger role in these products.

**Participant:** Got it. Sir, I have two more questions, you know, on the business side. On our historical 63 Moons contract, just I want to clarify actually, was it based on percentage of revenue or was it a minimum guarantee plus percentage of revenue till the time it is applicable or it was applicable?

**P.S. Reddy:** Minimum guarantee plus fee pay, based on turnover. So that contract has ended in September. So whatever for one quarter we have paid the substantial sum, that is only a fixed one. There is nothing to do with the volumes.

**Participant:** Got it. Okay. And we are confident that we would not be required to use their services beyond this quarter, the current quarter.

**P.S. Reddy:** Now we launched the mock. I mean, that is what we wanted.

**Participant:** Yes.

**P.S. Reddy:** It's a kind of do or die kind of situation for the management. That is the way we have told all our team members also. So they're all working day in and day out to make sure that it is successful and go-live.

**Participant:** Got it, sir. Very helpful. And sir, lastly, on treasury, you know, both the treasury that we have, you know, net worth treasury as well as, the margin money, I remember a number of 1,100 crores and 600 crores pay of net worth cash and margin cash respectively, has that number gone down in end of this quarter?

**Satyajeet Bolar:** Yes. I'll take the question. So, the margin which is with the clearing corporation as on 30th September, we had 1,000 crores, 1,090 crores. And net worth as of today, it is around 900 crores.

**Participant:** Mr. Satyajeet, is it true it was 1,100 crores earlier net worth?

**Satyajeet Bolar:** Yes.

**Participant:** Okay. And so why has it consolidated?

**Satyajeet Bolar:** So just if you recollect, we have paid dividends in October.

**Participant:** Oh, okay. How much? Sorry, I didn't check it.

**Satyajeet Bolar:** And we paid around 89 crores as dividend.

**Participant:** Sorry. How much?

**Satyajeet Bolar:** 17.4% aggregating to around 89 crores.

**Participant:** Okay. So that's the thing. Okay. And sir, what are we getting yield on this money that we have?

**Satyajeet Bolar:** We have moved, as you know, we mentioned in the call, we have moved a substantial amount of our mutual fund investments to state development loans, okay. So, and we have, more importantly, we have booked it under the amortized method, so, it basically came to maturity. So we won't be booking any notional gains or losses. And this has started from June till... even up to yesterday also, we are looking out for good deals and the rates in India are

pretty attractive at the moment. But you know... when we sign deals and we are looking at state development loans.

**Participant:** Got it. Sir, especially from a, from the....

**Satyajeet Bolar:** So basically, it is in the approval. Yes. It would be in the approval.

**Participant:** How much, let's say, in terms of interest income if I may just make it simply for our understanding, what's the interest income percentage that we are able to create from this money that we have across these entities?

**P.S. Reddy:** I don't know whether we can really disclose that part of it upfront, okay.

**Participant:** Okay.

**P.S. Reddy:** Because it has started from June onwards. Please appreciate. Thank you.

**Participant:** Okay. Got it, sir. And this is super helpful, sir. I think I don't have any other follow-up questions. Nicholas, do you have anything to ask Mr. Reddy?

**Nicholas:** No, nothing further. Yes. That's all the questions I had.

**Participant:** Perfect. So this is super helpful. Thank you, Mr. Reddy. Thank you even Mr. Satyajeet. And thank you, Mr. Praveen. Really appreciate you guys taking out time. You guys are doing great, and you know, look forward to, you know, meeting you guys whenever we are in Bombay next.