MCX/SEC/2146 November 11, 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:

Sr. No	Investor/Analysts	Date	Time	Annexure
1.	DSP Investments	November 03, 2022	04:00 p.m.	***Annexure - A***

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Further, we hereby confirm that no unpublished price sensitive information was shared/discussed during the said meeting.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 Digitally signed by AJAY PURI Date: 2022.11.11 19:03:45 +05'30'

Ajay Puri
Company Secretary

Encl: As above

"Multi Commodity Exchange of India Limited"

Meeting with DSP Investments

November 03, 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. SATYAJEET BOLAR – CHIEF FINANCIAL OFFICER, MULTI COMMODITY EXCHANGE**
MR. MANOJ JAIN – CHIEF OPERATING OFFICER, MULTI COMMODITY EXCHANGE
MR. DG. PRAVEEN – CHIEF RISK OFFICER, MULTI COMMODITY EXCHANGE

Moderator: Hi Charanjeet, good afternoon.

Participant: Hi Rovina good afternoon.

Moderator: Good afternoon. So, Charanjeet I hope you are aware that all our meetings are recorded. So, this is going to be recorded. It will be available our website subsequently. I will just take a quick moment to introduce our management here, Mr. Manoj Jain, he is our COO.

Manoj Jain: Hi, Charanjeet.

Charanjeet: Hi Manoj ji. Good afternoon.

Moderator: Mr. Satyajeet Bolar who is our CFO.

Satyajeet Bolar: Hi, good afternoon.

Charanjeet: Good afternoon Sir.

Moderator: And I have Mr. DG Praveen, who is our Chief Risk Officer.

DG Praveen: Good afternoon.

Charanjeet: Hi Praveen.

Moderator: So, you can begin.

Charanjeet: Thanks everyone for taking out time for this call and the main purpose was that while we have been tracking this company for a long time the growth on the future side was one thing which was not coming through and now we have seen some growth coming in the option side, so in terms of the business outlook perspective when we see growth in the options and different commodities how things are looking like on the first aspect you can touch upon that and then I will follow up for the questions.

DG Praveen: So, if you look at futures may be you could see some marginal drop that has happened, but what we could see is a substantial increase in the performance of options contract. So, that way what happened for the exchange point of view in fact it is leading to greater diversification of products like of instead of volume distributed in one or two products now it is like you have a wider set of products and interestingly it is between now two instruments like futures as well as options. So, even if you take the equity market you know that the options is still playing a very great role as compared to the futures contract. So, here also given the trend and other thing it is like we see that this performance robust performance what we could able to witness in the options this is good for the company with the greater diversification and in fact we could see that significant also is happening in terms of the participants. So, participants are also trading both in options as well as futures and there are some set of participants who are trading exclusively in the options so that way it is like we could see greater participation and the greater product diversification so that is what how we look at it this particular growth and prior to at the time of peak margining, peak margin introduction it was like focus was more on the crude oil, but now in fact apart from crude oil the options on natural gas also started doing pretty good and the contract that we have recently launched one more contract option and futures contract in case of gold mini that also started doing pretty good. So, that way it is like we could able to see the Bullion option products as well as the energy option product both are doing pretty good at this point of time.

Charanjeet: Sir, now this is another thing where these contract sizes were changed and I think that had also impacted the business, so if you can touch upon these contract sizes where all we had seen the bigger changes and some of the places where we have seen increase in the size also which made select the arbitrage for them the size increasing becoming a difficult scenario to participate in the market, so if you can touch upon from the Bullion perspective and also on the LNG side and the gas side, how you are seeing that market is already going forward?

DG Praveen: See in terms of size of the contract there is no change it happened in case of Bullion contract because we still have the same set of variants like 1-gram contract, 10-gram contract, 8-gram contract and we also have 100 grams and 1 kg contract that is what the contract variants that we have it in case of gold contract and again in silver three variants mini and we have micro contract and the major main contract is there. So, that way when it comes to the Bullion contracts there are no contract variation that means because in commodities unlike in equity the lot size cannot be changed very often because it also has to be linked to that delivery. So, deliveries can happen in a particular quantity so that is a very reason you will not see that the contract changes will happen quite often in case of commodity contract, but what we have witnessed in case of metals happened to be different because that time the SEBI has come out I think it has happened in 2019 when SEBI has come out with a particular specified guideline saying that your trading unit and the delivery unit of the contract should come it should be the same. So, because of that one we had to change the trading unit of the copper as well as the Nickel. So, earlier we were having a copper of one metric ton contract was there and also we were having a mini contract also was there in case of Copper and in Nickel again there were two variants were there, but because of this particular specific regulatory guidelines we had to restrict that means we have to come out with only one contracts because the other regulations also says that you cannot have multiple variant you need to have only single variant in one commodity other than Bullion contracts. So, we had to restrict ourselves to only one variant in a particular metal contract and we had to discontinue many of the mini contracts which earlier used to be there, which used to supplement or compliment the main contract and also since we had to link it with the delivery base mechanism we had to increase the lot size of Nickel from 250 grams to about 1.5 metric ton and in case of copper it was about from 1 we had to increase it to 2.5 metric tons so that is how there has been increase in the trading unit of both copper and Nickel that is how it happened, but in case of other contracts there is no change absolutely there is no change it is more depending upon the contract value could have changed based on the price movement that has happened in the underlying commodity, but in terms of lot size in quantitative terms they remained constant.

Charanjeet: Sir, as you talk about the future volumes have seen the dip in the FY23 YTD if I see overall YoY there has been a 23% dip on the total futures volumes, so how do you see now this going forward is there a way to get and I think the major dip has come in the base metals futures where the dip has been almost more than 40% and agri have seen a dip, but base metal it impacts significantly, so if you can touch upon from the overall futures perspective how we should look at the second half and going forward in the next financial year how these volumes can average daily kind of one can grow?

DG Praveen: See year-to-year I do not see the dip has been steep, that kind of steep dip that has happened, for example, if you take the FY22-23 year to date that means for the first two quarters the average daily turnover in future happened to be around 24,500 crores compared to YTD of the previous year FY21-22 of 26,800 around that much that means it is roughly about may be you can say that 8%. So, it is not substantial at the same time if you look at the growth that we have we could able to see in the options that is phenomenal. What we have to keep it in mind in commodities is options contracts are all option on future contracts that means you would be requiring a parallel supplementing future contract whenever you wanted to see growth in the option contract. So, whenever you see the growth in the option definitely at one point of time it will definitely compliment the futures contracts because the drop in future is not substantial in fact we could see that it is more or less at the same level it is oscillating around the same level. So, at the same time we could able to take the merit of that increase volatility that we could witness in some of these synergy products.

Charanjeet: I think that is an important point which you highlighted there so if I have to look at combined volume growth for the company definitely from a lower base options are showing a very high growth rate futures have a high base so from there they are showing this kind of a number, so on a combined basis then what is the kind of volume growth we should look at for the company?

DG Praveen: I would not be able to project what is going to happen, but I can give you the picture year-to-date what we have witnessed during the first 6 months like the Quarter 1 and Quarter 2 we could see a combined average daily turnover of 50,000 crore vis-a-vis 30,000 crores the corresponding period they lost here. So, it is a substantial growth that we could see at the combined level futures and options level and going forward we will be happy because for an exchange point of view we will not be mindful of from where we are getting whether it is from the options or futures. As long as we could able to see that more participants are getting into the system and more products could able to deliver us the volume. So, we will be neutral and we will be happy to see that from wherever the volumes are coming from.

Charanjeet: Sir the other aspect which you have seen is that in terms of the energy basket contributing almost from 40% of the futures volumes and given the options also the concentration is very high on the energy, so in terms of this are there any steps how we want to mitigate this dependence on energy because this could impact our overall performance, so how do we see this getting you know more in terms of reducing the risk of this kind of issue in terms of higher concentration sir?

DG Praveen: Generally, if you take any exchange even globally also there are certain amount of concentration that happens across one or two products you take even the equity products you have most of the volumes are concentrated in bank nifty and other one or two index products. Index options happened to contribute a significant portion of the overall derivative on the turnover on the NSE also. So, that way it is like concentration is not an issue and interestingly on our exchange you have a diversified basket like you have Bullion, metals, energy and agri that way it is like compared to even a global exchanges where global exchanges are generally specialized in one segment or other like for example if you take the London Metal Exchange they are specialized mainly in metals, CME again the focus may be on the NYMEX is on crude oil and COMEX is on Bullion contract. So, there are certain amount of concentration is there, but in our exchange the products are very diversified that means you have different segments like I said Bullion, energy, metals and other things that means they all have different cycles that means commodity life cycles. So, because of that one if one is not performing well the other things like whenever you feel that inflation is very high then definitely the one people really wanted to go for hedging using the Bullion contracts and whenever economy is going at a bullish that economy is on a bull run that metals are going to drive and energy is going to drive that means different economic cycles will impact the commodity cycles of commodities. As a result of that one you having diversified product basket you always can have the volume in one or other like for example if you take last-to-last year were doing very fantastically well in Bullion prior to that one sometimes we were doing metals. So, the diversified basket is always putting us in a giving us a very good opportunity wherein we can able to capitalize the volatility or the lifecycle trends whatever is happening in any of these commodity segment. So, that way we are happy in having a very diversified product basket and we are not really concerned about volumes coming from one or two in this particular year or something because as volatility goes or go over to the other commodity definitely we can expect that volume are going to be upbeat in those particular commodities.

Charanjeet: From the yield perspective how we should see that number because definitely if I look at last two years ADT has got impacted, it has been degrowing in the future side, so from yield do we see it you know going down further or stabilizing at the current level of or how do you see the trajectory, per thousand turnover?

DG Praveen: You are talking as a realization rate.

Charanjeet: Yes sir.

Satyajeet Bolar: Realization rate we remained at even this year we happened to be 2.07 compared to even the last quarter also we happened to be at the same level 2.07 per lakh of rupees transaction. So, it remains constant and option in fact whatever we have projected what we thought happened to be around one-third of futures realization, but in fact the realization that we could able to witness in options are far higher as compared to what we expected.

Charanjeet: So, what was our expectations in option, how do you see now that going forward you are saying that has surprise us positively so going forward do you see that the realization will remain at the similar level or improve further how we should look at that trajectory?

DG Praveen: There are various factors that can have an impact on the net realization what we get it like for example I will give the factors that can influence these things that where the contract, which contract is getting traded like whether at the money contract is getting traded or in the money or a dip out of that money contract or whether it is a new option contracts or if it is of a suppose we come out with a new commodity options, volumes are going to be driven by that commodity option that can also have a different impact on the realization. So, it is very difficult to say which factor will have an impact on this one, but what we could see the trend that we can say that most of the people are trading around ATM contract at the money contract and also the ITM contract the people are ready to pay the good premiums that is a way the market is currently have shown. So, it is fine so whatever is happening and whatever is the realization rate and interestingly if you look at the currency derivative market it is a different realization rate and again equity derivative market you will get a different realization rate as the market progress and the market trend changes. It is very difficult to say what kind of realization you will get it.

Charanjeet: But sir in terms of these we always thought that as the volatility increases it should help us in the volume and the MCX should be the best play to benefit from this huge volatility in energy or from the oil perspective, but we did not see that happening so much because there were lot of regulatory issues also which came in between I think all those issues is going on. So, if I have to look at from an investor perspective then how do you see, how do you help us understand from the growth perspective and does the volatility in the underlying commodity is actually only the largest factor which is going to be impact the volumes or are there any other factors which can help us get the volumes and from the regulatory regime also perspective do you think any major changes because like the peak margin will come in that impacted you know overall business. So, those are the struggles which we go through while it is a fantastic platform, lot of solid business points in terms of cash flow generation and everything, but I think this is a concern which we are still not able to sort out in terms of how we can get a more sustainable growth from this platform.

DG Praveen: See apart from volatility you all know that it is independent and we do not have any influence over the volatility, but there are other factors really can play a greater roll for example we continuously put our efforts on integration with the digital market maybe like the recent development happened to be like we empaneled some of the refiners who can able to now you can able to come and deliver that brand of metal in case of Bullion and lead contract. So, this is one major so by doing that we want ourselves to get integrated at a greater level that is one part that we are looking at it. Besides that, there could be many other regulatory enablement that can really can contribute to the growth of this market like take the GST issue which has been for a long period which is being impacting us because when you have multiple delivery centers GST could pose certain challenges so that if at all any regulatory enablement happens there then I think definitely that can act very positively to this market that is on the GST part. Besides GST you can also see that we have made our request to the SEBI for keeping the SGF like as and when needed we can able to infuse the capital into the SGF and able to take it out of the SGF while if SEBI agrees to that particular thing definitely I think we can able to cut down on the margins especially in case of the crude oil and other energy products that should really should help the company as well as the market in its growth that is one part and recent development, foreign portfolio investors is another recent development that is really big policy enablement from the regulatory side and we are expecting that soon I think these people also will start participating in Indian commodity derivatives market this should diversify and also will make our further month contracts also more liquid. So, like that there are certain policy enablement are there and from our side we are working on products wherein we wanted to always look forward to come out with new products like electricity and other products and also look for the participation. Our always aim is to add more and more participants maybe the physical market participant or from the financial market side to get themselves added to this particular market. So, by looking at the product, participant and the other aspect the regulatory aspects definitely we could see that the growth can come from all these areas for this market.

Charanjeet: Thanks a lot for that elaborate answer and these points only excite us about MCX quite a lot, but my issue has been you know my earlier interactions also I have been hearing about this GST issue getting resolved about you know FPI is coming on, but these have been a very dragging issue some of them, so is there timeline which we can understand in terms of okay does the timeline maybe or any kind of comfort in terms of when this GST issue can get resolved and when you are seeing FPIs, but FPIs are not finding enough liquidity on the platform to go ahead and participate in the market. So, that is one thing which we have been you know also hearing and on this margin part. So, I think that is another exciting point which you have highlighted, but when we can see some of these things getting implemented?

DG Praveen: Coming to the foreign participation recently SEBI has allowed the foreign portfolio investors it is a very recent development. We also will be issuing relevant circulars and that will pave the way for the foreign participants to come and trade in this market. So, earlier maybe we had come out with only eligible foreign entities where they were supposed to show exposure to the Indian markets, in the Indian commodity market. So, now those all restrictions have gone off now SEBI has come out with a clear direction and they have come out with guidelines. Now, all the cash settle contracts the foreign participants can able to trade so that way it is like a very clear and we expect that soon it we can expect some foreign participation to come and trade in this market and they will be interested in various aspects. They also look for arbitrage opportunities and when the market is also opened up for the other commodities other than the cash settling products then I think we can also look them for participating in contracts where they look for cash and carry arbitrage kind of strategy also that way we will see that we definitely can see some tractions soon to come from foreign participant side. Coming to the margin related aspect SGF and other thing we are still awaiting for that RMRC to happen at the SEBI and as and when the matter is taken up. We do not know because it is always very difficult to say that when it will happen or what kind of action will be taken up by the SEBI, but we are positive all the exchanges have recommended for this kind of dynamic SGF rather than one sided that means only one-way kind of approach. So, I think we are positive and we expect that soon that should come up that is what is our expectation is I think that all should contribute to this market.

Charanjeet: Sir the other aspect is you know like this negative supplies of peak margin who will came in any other regulatory side, any decisions which you think could have a negative bidding on our business if you can touch upon maybe in the talks could get implemented maybe in next one year or two years' timeframe?

DG Praveen: On the negative side you are saying?

Charanjeet: Yes sir, on the negative side?

DG Praveen: Even before prior to the peak margin reporting we never thought that kind of thing would come up. So, it was a surprise, but anyway we all have to are applied by that one, but in fact I can say that it has end up in contributing to the growth of our options contract. So, in other way it has really helped us this particular regulatory thing. So, as of now we could not able to foresee anything what kind of negative thing that can really come unless if something has come up as a surprise to us and what the positive development already you know this some of the areas regulatory side and from the government side we are looking for certain policy enablement on the positive side.

Charanjeet: Sir and any other products and commodity derivatives which you would be the targeting which have the potential they can become big any specific products?

DG Praveen: While we are looking for electricity derivatives that is one thing that is one commodities that really we are very serious about and apart from that one we are also looking for aluminum alloy and variant of steel contract. So, generally exchanges will not come out with too many products in one go. They come out roll the products in a progressive manner so that they can able to market it well and at the same time they can able to make the product stable one a sustainable one that is what is more important for exchange. So, while in the last two years we have come out with many variants and also we had to change the contracts like from a cash-settle contract we had to change it into a compulsory delivery contract and we had to discontinue the mini contracts and we also have gone for a single variant contract, but I think we are positive that another discussion that is happening is also introduction of mini contracts again. We are very keen I think some discussion is happening at regulator level also. I think if regulator allows we can able to come out with some mini contracts and the metal contracts.

Charanjeet: But this, electricity derivatives, there was this issue with CRC which was going on although now issues have been resolved, so then there is a timeline by any thought process when we should be able to launch?

DG Praveen: That they have come to a resolution, but more importantly SEBI CERC has come out with a cap on the pricing of electricity. So, that is one thing that is what they are looking because when there is a pricing how the derivatives can get traded in that kind of environment. So, that gaping is still if I am not wrong maybe till January or next quarter it is there I think then I think the regulators may sit together and they can consider how they can able to roll out this kind of electricity derivatives.

Charanjeet: Like you are saying that capping could be a very temporary thing and it could get removed later on so then I think from next year we can expect some of this launch to happen in electricity derivatives.

DG Praveen: We are prepared ourselves we are just waiting from the regulatory side.

Charanjeet: Any thoughts like how big this electricity market could be where we look at on the current ways of turnover, how we should see this incremental business because this exchanges market has been evolving from maybe IEX perspective what we have seen and government push also to have a short term market and have more of the exchanges participating, so from electricity derivatives market any thoughts how we should look at maybe two to three years perspective as the launch happens what could be the incremental volumes which you can see or maybe what you would have seen in the international markets, how that can be comparable?

DG Praveen: Well, I would not be able to give any numbers to it growth and other thing, but what you can do maybe you can look at generally the derivatives market happened to be a multiple of the spot market. So, there are developed market where it is trading at different multiples maybe in the European market and other thing. In Indian market also you have to see that what is the size of the near month that short term market because even the short-term market whatever is currently in India is a very small percentage to the whole market share physical market size. So, there is a big potential there also is there. So, the overall pi itself can go increase it can increase in a big way. So, there are various parameters which can have an impact on which can decide what could be the size of this particular market is.

Charanjeet: In this you will see more of who could be the participants in this market it could be the discoms or how we should look at that?

DG Praveen: All the entire value chain like you said that discoms and even the generators all distributors and all those people definitely can be participating in this market and besides them the other financial market players they can also be party to this.

Charanjeet: And sir the other aspect is on BSE is also introduced this gold spot exchange are there any thoughts when we want to start that kind of a product?

DG Praveen: So, currently our focus like I think in the investor call also we have said our focus is mainly on CDP now and also there are like GST challenges are there in case of spot gold because how that GST will be recovered how the seller we can able to get this GST back and all those challenges are there. So, once that clarity that means that clarity comes out, in case of EGRs we see that little progress that can happen in EGR market other than that our focus is now on CDP. I think at the same time we are monitoring the situation.

Charanjeet: Got it. Sir the other aspect is this entire transition you know to this new TCS trading platform if you can just give an update in terms of this delay in the transitions what are the kind of issues and by when do we see this entire transition getting completed and are we also process of implementing any kind of penalties on the company which is providing us these services?

Manoj Jain: So, as you know TCS is developing our new commodity development for commodity derivatives platform. So, as per the earlier published information we were planning to go live by September. So, definitely it has been delayed and that is what we have informed all our investors also and hopefully I mean everyone is committed TCS as well as our management to really go live with it at the earliest. So, we are parallel more parallel runs I think yesterday itself or today there is a circular which has mentioned about the mock trading also. So, that is the plan and the penalty is those are commercial areas which the agreements would definitely take care of it, but yes beyond that I cannot tell you that how much penalty or what action being taken because first priority is obviously to go live with the project.

Charanjeet: Sir, in terms of that timeline so by December end this transition should get completed?

Manoj Jain: So, it is a joint effort obviously TCS and we both are looking at if the system becomes stable it is as per the expected features which members would be testing and if everything goes fine yes there is no doubt about our intention to go live by that time.

Charanjeet: So, sir in terms of our contract with 63 Moons is there a clause in terms of if this new the transition takes time we can extend the services from their side and how much we will have to pay that tends to happen?

Manoj Jain: So, obviously again there are no such numbers being commercial arrangements. So, payments and costing and all would not be available like that, but that is an alternate option I mean the whole premise that we have extended the agreement post September so that is an alternate option which got exercise at that point in time and again we cannot really predict the outcome end of this quarter or subsequent quarter. So, those are options which management board all our stakeholders interest could be kept to really look at the next way forward, but just to repeat best option is CDP and we are hopeful of pursuing that option.

Charanjeet: And sir this cost which we are incurring on developing with TCS what is the overall cost and over what timeframe this will get depreciated, how we should factor that in our numbers?

Satyajeet Bolar: The cost it includes two, three factors one would be platform that would be developed by TCS other one is ecosystem this server and the networking switches and the other operating software so the entire amount would be capitalized and it would be amortized over the life of each of the assets. So, in the range of maybe 6 to 8 years. So, at the arrangement with TCS is that after we go live first year would be under warranty and after one year the AMC will start kicking in. So, the AMCs in single digit as we have mentioned in earlier investor call AMC are at reasonable amount and amortization would take place over the life of the intangible as well as the servers.

Charanjeet: So, sorry if you can just tell me the total cost?

Satyajeet Bolar: I would not be able to mention the cost I think this has been discussed in various investor calls also. So, you will have to excuse me on that.

Charanjeet: And sir in terms of the cash on the books what is the level of cashiers right now and in terms of the after we are excluding all the regulatory department what is the kind of cash?

Satyajeet Bolar: Present cash is around 900 crore and as for our dividend policy so we pay out 75% of what we earn ever year and in the last call we had mentioned that where some cash would be still retained cash because there would be collocations. If SEBI allows us to go in for collocations or any other developments in the ecosystem we would need cash and if I have to set up a subsidiary company and minimum networth requirements have to be taken care of. So, we would need cash.

Charanjeet: Okay this subsidiary company this is specifically for which purpose what you are trying to say?

Satyajeet Bolar: I am just saying yes we have hypothetically in future they have to up subsidiary companies and we will have to take care of networth requirement. So, we need some cash that is what I meant.

Charanjeet: Okay got it sir and sir just overall in terms of one way our technology migration is complete, so our target for cash will not be that high, but cash gets accumulated it could be a special dividend kind of thing which we would think about?

Satyajeet Bolar: At the moment we have not thought about it because see the other thing also we have to factor is we are saying that if this SGF kicks in and it is a two-way traffic to the clearing corporation and it can come back. So, I mean you would also need cash to transfer is not it when the members are not contributing margins so then the exchange will have to contribute, exchanges as well as the clearing you have to contribute towards the SGF where the SGF would also increase. So, you need cash for that I mean they would be various needs of cash of course special dividend or interim dividend is something that will cross a bridge when we come to it.

Charanjeet: Got it sir and sir lastly there was also a lot of push in terms of financial institutions increasing their participation even mutual fund for that matter which we were talking about launching new products which are maybe 10% commodity component and all that, you know, if you can touch upon that aspect you know bringing in these financial institutions in the market that has also not picked up in the way which we are earlier expecting, what has been the issues there?

DG Praveen: They have to like in case of silver ETF for example I will give you some examples they said that the delivery unit should be exactly like 30 Kg, but when you make a delivery on the exchange it can be in the range of 25 kg to 35 kg delivery. So, certain challenges are there which we brought it to the notice of the regulator and also it is like our regulator also wanted to go in a very gradual manner rather than allowing the markets to go it in a full force. So, that way it is like now they have allowed other foreign participants institutional participation. So, we are expecting all to happen in a very progressive manner and interestingly I think even the AMFI we are in touch with AMFI and are they are also coming out with a separate body for commodities market which exclusively look into the commodities market site. So, that will be created and I think they will be able to aggressively push the requisite regulatory enablement that can really can help the institutions to participate more actively so that should happen.

Charanjeet: Sir if I look at overall just to sum it up from the option perspective definitely I think MCX management is very positive from the growth perspective and some of these challenge which have been waiting for quite a long time there could be some resolution in the near term and we are also very positive from the FPI perspective in terms of when they can come in and increase the participation in the overall volume and there could not be any major negative regulatory surprises that is definitely behind us, is that correct understanding Sir?

DG Praveen: Yeah like I said regulatory as of now today as we stand we do not see any major regulatory negative thing, but you do not know what if something comes as a surprise other than that already we said like we are positive about the performance of the options and also this is because for writing options you require the futures. So, we feel both markets should complement each other and should I think the growth in option also should laterally should contribute to the growth of the futures also.

Charanjeet: Got it Sir. That's all from my side. Devesh, do you have any questions?

Devesh: Yes. Sir, just couple of clarifications on our technology part. So you did mention that there are three participants there is a platform development which is taken care by TCS, there is an ecosystem which will be developed which includes server and all and then there is a post-migration part which will be largely maintenance, so of this is the ecosystem cost, will be directly funding from… are we directly spending that or that is also through TCS?

Satyajeet Bolar: That is directly. It is our cost. We have procured it.

Devesh: Okay, so the cost that we have seen over the last one and half year - 125 crores, from the cash flow statements and the balance sheet, is it largely to do with that, the servers that you…?

Satyajeet Bolar: That's right.

Devesh: So, the payment to TCS is still pending, more or less?

Satyajeet Bolar: What we have to pay to TCS we have paid, and there would be milestones which we will pay when we cross this milestone.

Devesh: And sir, this server cost will be… broadly would this be like as big component as the payment to TCS or this is the smaller component of the overall technology expense?

Satyajeet Bolar: If you look at the ecosystem, the ecosystem also plays an important role along with the platform.

Devesh: More or less there should be a substantial cost both the item. And this maintenance Sir, when you say single digit, you mean as a percentage of what we pay to TCS?

Satyajeet Bolar: Absolute terms.

Devesh: In rupees crore?

Satyajeet Bolar: Crores.

Devesh: Perfect sir that is what I wanted to clarify. Thank you so much for your time. Charanjeet I think that will be all from my side?

Charanjeet: So, I am also done sir. Thanks a lot for patiently answering our questions and it was very insightful to understand how the company is taking forward all these aspects. Thanks a lot again for everybody's time.

Devesh: Thank you Praveen ji for your time, thank you Satyajeet sir, thank you Manoj sir.

Satyajeet Bolar: Bye-bye.