

November 17, 2025

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Symbol: BSE

ISIN: INE118H01025

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

Sub: Transcript of the Conference Call held on November 11, 2025

Dear Madam/Sir,

With reference to our letter dated November 4, 2025, intimating about the results conference call with Analysts/Investors held on November 11, 2025, please find attached transcript of the aforesaid conference call.

This intimation will also be available on the website of the Company: www.bseindia.com

This is for your information & record.

Thanking you,

Yours faithfully,

For BSE Limited

Vishal Bhat
Company Secretary & Compliance Officer
ACS- 41136

Encl: a/a



BSE LIMITED
Q2 FY26 Earnings Conference Call



November 11, 2025
BSE LIMITED
25th Floor, P.J. Tower, Dalal Street, Fort, Mumbai 400 001

Moderator:

Ladies and gentlemen, good day and welcome to the BSE Limited Q2 FY'26 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 this conference, 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. Anand Sethuraman, Head of Investor Relations at BSE. Thank you and over to you, sir.

Anand Sethuraman:

Good evening, everyone and thank you, Dominic. Thank you all for participating in the Q2 FY'26 Earnings Call for BSE.

My name is Anand Sethuraman and I will be the host for the call. Today we are joined by the BSE's leadership team consisting of Mr. Sundararaman Ramamurthy – Managing Director and CEO, Mr. Deepak Goel – Chief Financial Officer, Mr. Sunil Ramrakhiani – Chief Business Officer, Mr. Viral Davda – Chief Information Officer, Mr. Ramesh Gurram – CISO, Smt. Radha Kirthivasan – Head of Listing and SME. We are also joined by MD and CEO of our subsidiary companies – Smt. Vaishali Babu – MD and CEO of ICCL and Mr. Ashutosh Singh – MD and CEO of BSE Index Services. Also present here today are members of our Business – Finance and the Investor Relations team.

The results for the quarter ended 30th September 2025 have been announced and the data pack consisting of financials and the investor presentation is available on the BSE website. We will begin today's call with remarks from the BSE's MD and CEO on the financial and business performance. During this time all participant lines will be on mute and there will be an opportunity for you to ask questions after these remarks.

Some of the statements made today may be forward looking in nature and are subject to risks and uncertainties. The Company does not undertake to update these forward-looking statements publicly. With these remarks I would now like to invite the BSE MD and CEO, Mr. Sundararaman Ramamurthy to share his views. Thank you and over to you sir.

S. Ramamurthy:

Thank you, Anand. Good evening, everybody and a warm welcome to all our esteemed stakeholders for joining the call today to discuss Q2 FY2026 Earnings.

India's economic progress continues to gain momentum with our Q2 FY'26 reflecting resilient growth despite global headwinds. The finance ministry's latest review highlights robust demand across both rural and urban sectors even in the face of elevated US tariffs. This resilience is underpinned by structural reforms such as GST rationalization and strong domestic fundamentals. The Reserve Bank of India's decision to maintain the repo rate unchanged further reinforces macroeconomic stability supporting consumption and investment while keeping inflation well anchored.

Foreign institutional investors have been on a selling spree this year while Q1 FY'26 saw a brief respite with FII's turning net buyers. The trend reversed sharply in Q2 when the offloaded stocks worth Rs. 1.29 lakh crores. So far in this calendar year, FII's have sold nearly Rs. 2.5 lakh crores compared to Rs. 3 lakh crores in the entire previous year. However, domestic institutional investors have consistently demonstrated confidence acting as a strong counterbalance by being net buyers every month in 2025 and infusing over Rs. 6.3 lakh crores into the market thereby cushioning volatility and reinforcing stability. Amidst global uncertainties and FII selling pressure, one of the most encouraging trends has been the unwavering confidence of retail investors. SIP inflows through mutual funds reached an all-time high of Rs. 29,529 crores in October 2025, while equity mutual fund inflows for October 2025 stood at Rs. 24,691 crores. This sustained participation underscores the strength of India's capital markets and the trust investors place in our economy.

Despite the ongoing macroeconomic volatility and dynamic geopolitical landscape, our unwavering commitment to fostering innovation, dynamism and resilience has significantly bolstered the competitiveness and allure of our markets. During the first six months, we continued our efforts to review our listing policies to ensure they remain fit for purpose as our markets evolve, expand our product range and widen the scope of our offerings across the spectrum.

With this backdrop, I am happy to inform you that BSE has once again achieved a record quarterly revenue for the 10th consecutive quarter posting its highest-ever topline of Rs. 1,139 crores. This surpasses the previous record of Rs. 1,045 crores set last quarter, up 40% year-on-year, underscoring the strength of our strategy, our commitment to creating investment opportunities for stakeholders in

India and globally, and our focus on delivering differentiated services that drive sustainable growth. The strong revenue growth was driven by transaction-related income, mainly from derivatives, listing-related income, which was supported by record fund raising activity in Q2, and co-location services, which continued to develop rapidly.

Building on our strong foundation, BSE continued to capture momentum, resulting in record results for the quarter and for the first six months of FY2025-2026. At the end of Q2, we maintained our position as one of the leading venues for equity listings with a solid pipeline spanning the technology and other exciting sectors, whilst averaged daily volumes across our cash market, derivatives market, and Mutual Fund Distribution platforms remained very robust. Meanwhile, steps taken by our subsidiary companies further enhanced the vibrancy of our offerings.

Let me now highlight a few of the many milestones in Q2 FY2026:

BSE's SME platform continues to grow steadily, reinforcing its role in empowering India's entrepreneurial landscape. After crossing the landmark of 600 SME listings in July 2025, the momentum has remained strong. As of October 2025, the platform hosts 657 listed companies which have collectively raised over Rs. 13,083 crores since launch. Notably, October 2025 was a record month with 27 companies listed, raising a total of Rs. 1,056 crores. This growth depicts the increasing confidence of the investors on the SMEs raising capital on this platform.

Beyond capital raising, the money raised through the capital market has got channelized into a productive environment in the Indian economy with the highest standards of infrastructure development, global servicing, and employment generation. SME entrepreneurs can use this facility to achieve next level of growth, helping achieve the dream of Viksit Bharat. BSE's index business continues to grow at a rapid pace, fuelled by strong client adoption and product innovation.

As of September 2025, passive products tracking our indices have accumulated Rs. 2.54 lakh crores in asset under management. We are actively expanding our customer base by catering to insurance companies, market-linked debenture issuers, and foreign clients, further strengthening our reach across domestic and global markets. The total number of investor accounts registered with BSE crossed 23 crores in Q2 FY2026, with 10 states registering more than 1 crore investors, a sign of deepening retail participation across regions.

Empowering investors through education and awareness is of paramount importance to BSE. In the Q2 FY2026, BSE IPF undertook around 4,096 investor awareness programs to promote financial literacy and bring about awareness in the securities market for their financial well-being and protect the interests of investors. BSE India has joined hands with market regulator SEBI in its campaign against financial frauds to protect investors. Through hashtag #SEBIvsScam, we aim to empower every investor with the right knowledge and tools to make informed decisions, avoid digital traps, and invest securely. Through our social media channels, BSE also continues to issue multiple investor advisories, emphasizing the importance of avoiding schemes that claim assured or guaranteed returns.

I will now share some of the key financial numbers on a consolidated basis for the quarter-ended September 30, 2025, as compared to the corresponding quarter previous year:

BSE's operational revenues have grown by 44% to Rs. 1,068 crores from Rs. 740 crores. Transaction charges, which include equity cash, equity derivatives, mutual fund and clearing house income has increased by 57% to Rs. 794 crores from Rs. 507 crores. Treasury income from clearing and settlement funds has decreased by 32% to Rs. 42 crores from Rs. 63 crores. Other operating income, which includes enhanced data dissemination fees, co-location, index services, etc. has increased by 82% to Rs. 93 crores from Rs. 51 crores. Income from investments stands at Rs. 65 crores similar to last year. Operating expenses increased by just 7% to Rs. 410 crores from Rs. 381 crores. It may be noted that 51% of the total operating expenses are attributable to regulatory fees and clearing and settlement expenses all of which is directly correlated to increasing transaction volumes. The operating EBITDA including contribution to core SGF has increased to Rs. 680 crores as compared to Rs. 388 crores with margins expanding to 64% from 52%. The net profit attributable to shareholders of the Company stands at Rs. 558 crores up from Rs. 346 crores a growth of 61%.

I would also like to highlight that the SGF contributions made this quarter is because of a BSE introduced policy to contribute 5% of transaction-related revenue to the core SGF on a monthly basis with a cap to ensure financial prudence while maintaining adequate risk coverage. As SGF contributions are a result of market activity which may or may not align with the revenue, BSE has decided to make voluntary core SGF contributions in line with the revenue as long as overall SGF is not exceeding 150% of the minimum requirement.

As of October 2025, BSE's core SGF stood at Rs. 1,159 crores with an additional Rs. 10.6 crores contributed during the quarter which is due to the new policy. I would now like to share updates

pertaining to business. For specific numbers pertaining to turnover, kindly refer to the BSE website and the investor presentation. As highlighted earlier, despite a challenging global economic and geopolitical environment, BSE has maintained its position as one of the world's leading capital-raising platforms.

With positive sentiment returning to the IPO market, we have strengthened capital formation and showcased robust market fundamentals. This has laid a strong foundation for stability and growth while diversifying the investor base and enhancing overall market liquidity. BSE platforms continue to remain the preferred choice by Indian companies to raise capital by enabling issuers to raise Rs. 15.91 lakh crores in FY'26 by means of equity, debt, bonds, commercial papers, mutual funds etc. In Q2 FY'26, BSE welcomed 97 new equity listings across both the main and SME boards, raising a total of Rs. 53,548 crores. The IPO market continued to remain exceptionally vibrant in October 2025 as well, with 45 companies collectively raising Rs. 41,856 crores and is expected to stay strong driven by robust economic growth and sustained investor confidence.

The notable growth in the IPO pipeline since the start of 2025 has demonstrated the continued vibrancy of India's IPO market, reinforcing BSE as a listing venue of choice for issuers seeking to raise funds in both main board and SME markets.

On the listing compliance front, we continue to focus on promoting high standards of governance and disclosure practices among listed issuers while ensuring the competitiveness and resilience of our listing framework.

Moving on to our Trading segment:

It continues to maintain strong momentum and is supported by healthy volumes and increased client participation across key business lines. Cash market trading volumes remained at long-term normalized levels of Rs. 7,968 crores in Q2 FY'26 against Rs. 9,768 crores in the same period last year. We are pleased to share that the common contract note was successfully implemented in India effective 27th June 2025, addressing a long-standing request from BSE and marking a significant market reform. The initiative enables institutional investors to enjoy a seamless trading experience across venues. BSE has engaged stakeholders to adopt smart order routing for multi-venue trading, lowering costs and improving execution. Early signs are positive with so far, share of BSE volumes rising among both DII's and FIIs.

The BSE index derivative segment sustained its growth trajectory in the quarter with average daily premium turnover of over Rs. 15,000 crores. In the coming year, we will continue to move ahead with our efforts to increase market participation, product development and adoption of longer-dated contracts as well as investments in data centres and enhanced connectivity operations. In our last quarterly earnings call, I had highlighted co-location as a key strategic initiative for diversifying revenue streams. During the quarter under review, revenue from co-location rose to Rs. 46 crores compared to Rs. 27 crores in the previous quarter. This increase was primarily driven by the revision in throttled charges i.e. messages per second effective from July 1.

Moving on to our Mutual Fund Distribution business:

BSE StAR MF delivered yet another quarter of record revenues and performance up 18% year-on-year to reach Rs. 69.7 crores. The total number of transactions processed by BSE StAR MF grew by 24% to reach 20.1 crore transactions in Q2 FY'26 from 16.2 crores in the previous year. The platform also processed a new high of 7.13 crore transactions in October 2025. BSE also remained committed to strengthening the SME and Social Stock Exchange platform by fostering an enabling ecosystem for entrepreneurship and social impact fundraising.

Moving on to our subsidiary business now:

BSE Clearing House, India Clearing Corporation Limited, ICCL, delivered strong growth in the first half of FY2026 between April 2025 to September 2025, with monthly equity settled turnover tripling to Rs. 2.91 lakh crores and equity derivatives premium turnover nearly doubling to Rs. 4.31 lakh crores while number of equity derivatives contracts settled surged six-fold to 126 crores. This was enabled by major tech upgrades including re-engineering of our real-time risk management system and scaling trades per second per member per client from 3,000 to 27,000. BSE Index Services, a wholly-owned subsidiary of BSE, offers a comprehensive portfolio of 180-plus indices spanning broad-based thematic, factor and strategic equity categories serving over 300 marquee clients both domestically and globally.

As of September 2025, passive products tracking our indices have surpassed Rs. 2.5 lakh crores in AUM with 72 passive schemes benchmarked to our indices. Since the acquisition of 50% stake from SPDJI, the company has launched 32 new indices in just 16 months, significantly accelerating innovation. Additionally, the Company has obtained RBI approval for two debt indices, expanding our product suite beyond equities.

The BSE Group directly or by our subsidiaries also has its presence in other related businesses including India INX, Hindustan Power Exchange, HPX, BSE E-Agricultural Markets, BEAM, Spot Platform for Trading in Commodities. BSE is committed to these new areas and is constantly working with partners for the growth of these businesses. While the road ahead may not be without challenges, our resilience and commitment to innovation give us confidence in capturing significant opportunities and driving the next chapter of growth.

We are encouraged by the strong IPO pipeline, steady retail participation and growing adoption of our trading and clearing services. These trends position us well for the year ahead. Our strategy remains customer-centric, focused on expanding markets and products while maintaining the highest standards of governance, operational simplicity and resilience.

Thank you for your continued trust and support. With these updates, I now hand over the call back to Anand.

Anand Sethuraman:

Thank you so much sir for all these updates. We can now open the floor for Q&A.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Mohit Mangal from Centrum.

Mohit Mangal:

Thanks for the opportunity and congratulations on a good set of numbers. Just one question, we have seen the market share increase in the option derivative segment. What also we have seen is that the competition reducing lot sizes and they've also introduced same-day expiries in the GIFT city? So, are we going to follow the suit?

S. Ramamurthy:

Thank you, Mohit, for your kind words and congratulating us and for this question. BSE has always been following the principle of looking at the voice of customers and then going ahead and implementing changes. The questions which you have raised about whether we will be making any changes to the

product suit as far as Indian weekly derivatives are concerned, we will be consulting the market and based on whatever the market feedback is, then subject to the large size rules stipulated by SEBI, we will be doing from time to time whatever changes are required. As far as 0-DTE in GIFT City is concerned, for us, we are working towards creating deeper liquidity in the existing weekly Sensex futures contract at GIFT City. So, at the right point of time, with the right support from market participants, we will consider bringing in more features and more products.

Mohit Mangal:

All right. This is helpful. Thanks and wish you all the best

Moderator:

Thank you. Our next question comes from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra:

Thank you for the opportunity and congratulations on a very strong set of numbers. My first question is, obviously, on the market share gain that we have seen and oppose the change in expiry. So, what is driving this? Because we have seen market share gains in almost all days from expiry (E) to expiry minus 4 (E-4). So, any number that you can give us in terms of what is driving this and what exactly can be the number. And also, we have seen the rise in the premium to notional was there till September, post that the rise in the notional has been higher. So, that has impacted our margins as well. So, your views on that and where we are in the journey of increasing the institutional participation or changing the mix in terms of the index options where we wanted to see a rise in terms of the monthly volumes. Thank you.

S. Ramamurthy:

Thank you so much, Amitji, for this question. There are three questions packed into one question. So, in case I miss answering any one of them, you may have to remind me. If I recap the question, the first part is on the market share increase and related to that is the institutional participation in options. And the second question was with regard to what is the notional rise vs the premium, that question was there. So, let me answer all the three of them. As far as the market share part of it, as you would recall, BSE

stand has always been in a lighter vein, we always say that our market share is 100% because our product is unique. Notwithstanding that, we have never been tracking the market share part of it with regard to the derivative. Our intention and our work continues to be in deepening and broadening of markets. We have been taking multiple steps in including more number of participants, more number of members, and more FPIs. Our journey there continues. Whatever were the goals that we placed in front of us for the timelines, we are in line with our expectations and we are progressing. We are planning to add more institutional participants there. As you rightly pointed out in your third question, efforts are on for us to bring in more institutional participants who can help in building even more the growth trend that we are seeing with regard to the other than current week options, monthly options, etc., and also increase the liquidity in respect of index futures. At this point of time, it's an ongoing effort for us and we are very confident while it is slow, it is steady, and therefore it is moving in a positive mode. With regard to the margins of premium versus notional, as you would appreciate, the receipt of premium by us, the revenue for us comes from the premium, whereas the regulatory charges are based on Notional turnover. The premium that is received is a function of multiple things, including volatility. The volatility behaviour is based on both internal and external events. As you would appreciate, the internal events in the first quarter made the volatility to show higher tones, while the events of the second quarter made the volatility subdued, making the premium realization per contract different from what it was for the first quarter and thus compressing the margins. These events, being uncontrollable and unpredictable, no future trend in this regard could be predicted by us.

Amit Chandra:

Okay, sir. Thank you.

Moderator:

Thank you. Our next question comes from the line of Bhavya Sanghvi from Alchemy Capital. Please go ahead.

Bhavya Sanghvi:

Congratulations on a great performance. Sir, my question is on the change in voluntary contribution to the core SGF. So you said that 5% of the transaction revenue would be transferred to core SGF. One question was that, what is the target? Is it 150% of minimum requirement? Have I heard it right? Correct me if I am wrong. Thank you.

S. Ramamurthy:

Sanghvi ji, thank you so much for your congratulatory message. Yes, indeed, you heard it right. Leave alone the percentage, I will just explain the principles so that the percentages will become more sensible. As you know, it is very difficult to predict the behaviour of core SGF requirement as the parameters involved in the computation of SGF is more complex and it is not a simple direct relationship with any single factor. This, in the past as we have seen, has been leading to a lot of sudden spurts in the requirement of core SGF and therefore having sudden impact on the quarterly earnings. In order to smoothen it and as a matter of financial prudence, what we thought was some minimum amount on a quarterly basis out of our revenue should be contributed to the SGF. So, that is where the 5% comes in. And when we start contributing, if over a period of time we have over-contributed and the trend in SGF's requirement has not kept in line with the simulated model what we have followed to predict a probable requirement, then we will be contributing SGF without any actual need. So, to put a cap, the 150% requirement has been put in place. If more than 150% of the requirement, if we have touched the 150% requirement, we wanted to halt this voluntary contribution till such time when the amount contributed by us is actually consumed by the requirement and further fresh requirements remaining. Basically, in simple English, it is to ensure that no single quarter suddenly has jerks in the earning because of new emergence of additional requirement of core SGF to be contributed by BSE.

Bhavya Sanghvi:

Understood, sir. Sir, just one follow-up on this since you have disclosed some data on clearing corporation of BSE. So, just wanted to update where we have reached on the decoupling of the charges, Clearing charges? Thank you. That is all from me

S. Ramamurthy:

I am not sure whether I am understanding the question of decoupling of charges what you mean. If you mean that we should unbundle the charges, unbundling of charges at this point of time is under the regulatory ambit because the original charges that are being paid come under the regulatory ambit of the agreement between clearing corporation under the oversight of the regulators. So, unless and until that regulatory clarity emerges by way of the normally used co-creative consultative process, unilaterally, we will not be able to unbundle. So, once that happens, unbundling will happen.

Bhavya Sanghvi:

Understood, sir. Thank you.

Moderator:

Thank you. Our next question is from the line of Madhukar Ladha from Nuvama Wealth. Please go ahead

Madhukar Ladha:

Congratulations on a great set of numbers. Just wanting to get a better understanding of the SGF contribution that we are going to do. So, this 5% of transaction charges, this is going to be BSE's contribution, right, sir? ICCL's contribution can be in addition to that. So, in our consolidated numbers, the actual sort of contribution to SGF can be larger than 5% of transaction charges. Is my understanding correct on this? Second, you mentioned 150% of, again, sort of the minimum requirement right now. So, I wanted to understand what is the current minimum requirement and how far are we from that 150% also to get a sense of, you know, where could we, I know that this is a moving goalpost. So, maybe a disclosure every quarter on this would also be helpful.

S. Ramamurthy:

Ladha ji, first of all, thanks for congratulating us and thanks for your participation and question. Yes, you are right. What we are talking about 5% of transaction revenue is from the BSE side. Will ICCL be contributing on its own to the core SGF? Yes. ICCL's revenue is not transaction revenue. So, we should not take ICCL contribution, add it to BSE's contribution and put the denominator as transaction revenue and say the contribution is more than 5% of transaction revenue. ICCL, from its revenue, as should be required, will be contributing for the core SGF. You are understanding that BSE, on its own, from its 5% of transaction revenue, contributing the core SGF is an absolute correct number. 150% is not any regulatory stipulation. As I said, this is for us to halt and look how much more we should go ahead and when we should stop. If on a regular basis, every quarter we start contributing, this is based on a simulated model that we thought this is what is required. If the core SGF requirement is not growing in line with what we projected, because the computation of core SGF and dependence of it is on multiple parameters, which are not unilaterally correlated, so the expectation and actual may be different. If it is different and if we are building it, at what point of time we should halt and not further contribute till the utilization actually happens. That is the 150% number.

Madhukar Ladha:

Yes, I understood that. But I wanted to just know that what is the gap that we need to bridge as of now? And I just have a follow-up question on this.

S. Ramamurthy:

Ladha ji, let me answer the first question. Otherwise, I will forget. There is no gap to bridge. We are contributing on our own. There is no shortage now. We are contributing. We will continue to contribute till we reach 150%.

Madhukar Ladha:

So I meant what is the gap to 150% as of now?

Anand Sethuraman:

Madhukar, we don't disclose these numbers publicly. Like I said, it is an internal calculation, which we do on a monthly basis. So, if X is, say, the minimum corpus, we see up to 150% of that X, and accordingly we decide to contribute or not. These numbers are not publicly discussed on our website or on the website of our clearing corporation. So, this is purely from an internal perspective, which we will not be able to disclose it publicly.

Madhukar Ladha:

Understood. Thanks, Anand.

Anand Sethuraman:

Madhukar, we can take any other question offline. There are several other questions, people in the queue now..

Madhukar Ladha:

Just one thing, if I may squeeze in. If you can clarify on what is ICCL's policy also on SGF, if there is a policy as such?

S. Ramamurthy:

See, we will discuss ICCL's policy separately in a call offline, because this call being BSE, since there are many other people waiting to ask for BSE-related questions, we should do it. And you have asked already four questions. Since it was only one question quota, we will take it offline and we will explain to you. Let us now give opportunity for the people who are waiting to ask on BSE performance, and then we will come to you. Is that okay?.

Madhukar Ladha:

Yes, sir. Thank you, sir..

Moderator:

Thank you. Our next question is from the line of Abhishek Kumar Leekha from Neste Wealth LLP. Please go ahead

Abhishek Kumar Leekha

Thank you for the opportunity. And congratulations to the team for a great set of numbers. I would like to get an understanding on the BSE EbiX model, the kind of star platform that we have capitalized upon. The same we have not been able to capitalize upon the BSE EbiX Insurance Platform. I would like to have understanding on that. How we can capitalize or probably how we can take our stakes up, which can ensure that we have substantial skin in the game?.

S. Ramamurthy:

Leekha ji, thanks for asking, thanks for participation and thanks for your congratulatory message. Yes, indeed you are right. The StAR MF platform has seen a better success compared to the EbiX. EbiX has not taken off and I think if we look at the entire country, the mutual fund performance levels are very different as compared to the insurance scheme's performance levels. There are a host of factors. Some of them are controllable, some of them are not controllable, some of them are macro in nature. The point that you made that there has to be an effort or there has to be a rethinking in respect of what would be the role for us as effectively as it could be, should be made. And we will be making such thought process because it is the right time given the success of mutual fund, that's not what we see as replicated in respect of EbiX. Of course, the rules are different, the regulators are different, the needs

are different. Nevertheless, we will be getting into a deep thought process to see what is that that can come out of EbiX and what should be the future course of action for us.

Abhishek Kumar Leekha:

Yes, thank you. Because what I feel is like there is a great set of opportunity. It only needs a rethink and a reassess. And so we look forward to your steps in the future. Thank you so much.

S. Ramamurthy:

Thank you, sir.

Moderator:

Thank you. Our next question is from the line of Devesh Agarwal from IIFL Capital. Please go ahead.

Gurpreet Sahi:

Understood, sir. Thank you.

Devesh Agarwal:

Thank you for the opportunity, sir. And congratulations on a great set of numbers. My first question is a clarification question. Could you again highlight how much is the co-location revenues that you have booked in Q2? And in which line item have you booked this.

S. Ramamurthy:

See, all the racks that we have already generated, we have allocated. How much the members are using, what percentage utilization, we wouldn't know. It will be the question of what we create and what is taken. We are expecting another 70 to 90 racks to come within the close of this financial year and which also will be allocated by us. Once it is done, we will have around 500 racks, which is a mix of both 6 KVA and 15 KVA racks. Since 15 KVA racks are 2.5 times the capacity of the 6 KVA racks, from a 6 KVA equivalent, roughly you can say it will be equivalent to some 650 to 700 racks. But the actual number of racks will be around 500.

Devesh Agarwal:

Right, sir. And sir, one last one, your share in the clearing and settlement has kind of increased. So, could you share what was the external revenues that we have booked from clearing and settlement? And is this SGF contribution that we have started from this quarter onwards, is in lieu of this increasing share in the clearing and settlement?

S. Ramamurthy:

So, let me take you a bit back. If you recall, when I joined BSE, the clearing capacity for BSE's clearing corporation was just 50 trades per second per broker. Technologically, the clearing corporation was sound enough to take multiple members, particularly big members. We have been consistently working on it. By the start of this financial year April, it was around 3,000 trades per second per broker was the capacity that we had reached. From there, we went ahead with the system upgradation. We took it up to around 27,000 trades per second per broker per client, which if you benchmark, is much ahead of what one of the largest trading members in this country could be generating as trades per second for one person. So, clearly this has led to some of the major brokers considering ICCL as their clearing corporation and that shift has taken us to the higher market share. The clearing charges income of ICCL is around Rs. 32 crores this quarter and on an ongoing basis, we have to wait and watch because all these implementations and all these new members are happening one behind the other. The full impact of it will be realized in the coming quarters.

Devesh Agarwal:

And the SGF part, sir, is it connected to this because with the higher clearing share, does the SGF requirement also goes up for us?

S. Ramamurthy:

No, as I told you, SGF competition is a sort of a complex model. It is just not based on just the volumes cleared and the volumes traded. It is a complex set of things based on stress test requirements as stipulated by SEBI. So, there is no specific increase in SGF because of which we have started contributing. I would like to reiterate as a sort of financial prudence in order to ensure that there is no sudden surprises at the end of any quarter. We are planning it properly so that on a regular basis, voluntarily, BSE computes some amount and puts it into SGF so that any sudden spike in SGF requirement arising out of multiple factors would not adversely and suddenly and surprisingly impact the profit numbers.

Devesh Agarwal:

Right, sir. Thank you so much and all the very best.

Moderator:

Thank you. Our next question comes from the line of Antony Joseph, an individual investor. Please go ahead.

Antony Joseph:

Sir, thanks for an excellent set of numbers again. My question is related to the capital expenditure that you have actually incurred in the last six months of about slightly over Rs. 300 crores. Would you be able to kind of give a breakdown of that?

S. Ramamurthy:

Sir, I am not sure how these Rs. 300 crores numbers you are referring to. Any suggestion where you are getting it from, sir?

Antony Joseph:

It is from your cash flow statement. If you look into your cash flow statement, it is clear that there is about Rs. 305 crores. If I am not wrong, I am not in front of my system right now but I have seen this number.

S. Ramamurthy:

No problem. Let me look into it and reply. Just give me half a millisecond. I am having the cash flow in front of me. I am not able to see any specific Rs. 300 crore numbers, sir.

Antony Joseph:

The first line on your investing activities.

S. Ramamurthy:

Okay, got it. You are talking about capital work in progress.

Antony Joseph:

All put together, yes. The effective investments that you have made.

S. Ramamurthy:

Got it. What we mean by this capital work in progress is as you would recall, the growth in BSE in the last three years has been significantly larger. To cope up with it, there was a significant requirement of investment in multiple areas, in physical infrastructure, in trading infrastructure and technology infrastructure. All this infrastructure put together is what we are showing here. It has multiple facets of investments, including what we are spending on building, co-location, technology, servers, DR, etc.

Antony Joseph:

But the Rs. 300 crore number is just from the last six months, right? It is significant for a particular period.

S. Ramamurthy:

Absolutely right.

Antony Joseph:

It is the kind of expenditure that we have ever seen before. It is great. You are doing excellent in terms of your revenue, in terms of your profits. But considering this kind of number in terms of capital expenditure is significant for a six-month period, it would be great if you can give a breakup of what this is. If it is investment into a property, that is great. I am not questioning why you are doing it. I just want to understand where this is going?

S. Ramamurthy:

I totally appreciate your point. Rs. 313 crores is not a small number. It is a big number. It is a mix of multiple things, including the physical and technology infrastructure. What we can do is right now in front of me, I don't have the breakup. Offline, certainly we can take your call. You know the numbers to call or the mail to write. Please do write to us. We will give you all details because your point that Rs.

313 crores is not a small number is fully taken and we will be able to provide you a breakup of whatever we are doing.

Antony Joseph:

Thank you, sir. Great going.

S. Ramamurthy:

Thank you so much.

Moderator:

Thank you. Our next question comes from the line of Arpit Shah from Stanley Asset Managers. Please go ahead.

Arpit Shah:

I just wanted to understand the SGF contribution this quarter was about Rs. 11 crores. How should we think about this 5% number? When it will start? If I see your transaction revenue is about Rs. 794 crores and 5% of that would be a significantly higher number. How should we think about the 5% number? How should we calculate that number?

S. Ramamurthy:

I am not sure whether you were there from the beginning of the call. If you are straight applying the 5% to the total revenue, this will not match with the Rs. 10 crore number because we started it from September only. That is why the number comes to 10%. The rationale of 5% and 150% since I have already explained, I am not reiterating. Your mathematics is correct. If you apply on the topline, say 5%, it is not resulting in Rs. 10 crores. Why? We started it only from September.

Arpit Shah:

Got it. So going ahead from every quarter till 150% is achieved?

S. Ramamurthy:

Correct, sir. Absolutely, correct. Right understanding.

Arpit Shah:

Got it. Perfect. Thank you so much.

S. Ramamurthy:

Thank you.

Moderator:

Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to Mr. Anand Sethuraman for closing comments. Over to you, sir.

Anand Sethuraman:

Thank you so much. I can see there are still a significant number of questions. I would request all of them to reach out to us at bse.ir@bseindia.com. Thank you all for participating today. Thank you.

Moderator:

Thank you. On behalf of BSE Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.