

**Headline:** NSE Net Jumps 137% as Sebi Eases SGF Contribution Norms

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# NSE Net Jumps 137% as Sebi Eases SGF Contribution Norms

Sharp rise in NSE's profit to be a big boost for its IPO, say analysts

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**Mumbai:** Relaxation of regulatory norms with regard to contribution to the Settlement Guarantee Fund (SGF) by stock exchanges has buoyed the National Stock Exchange (NSE), India's largest market platform as well as the Bombay Stock Exchange.

The National Stock Exchange, which is going to launch its initial public offer (IPO), saw net profit jump a whopping 137% for 2016-17 from ₹436 crore a year ago.

NSE's earnings per share (on face value of ₹1) rose to ₹20.87 for FY 16-17 to from ₹8.80 for FY 15-16.



For the past few years, capital market regulator Securities and Exchange Board of India (Sebi) had asked exchanges to contribute 25% of their net profit towards the SGF, a norm relaxed in 2016.

Exchanges no more have to contribute part of their net profit towards

SGF but only replenish the fund in case of a shortfall, which are rare.

Analysts said a sharp bounce in NSE's profit due to the exemption from regulatory requirement is likely to significantly boost its IPO. The NSE is valued at around ₹40,000 to ₹45,000 crore.

NSE will also distribute a dividend of about ₹1,000 crore, or ₹20.20 per share, for the financial year 2016-17, which amounts to a dividend payout ratio of around 97% on a standalone basis. NSE's total income grew 14% year-on-year to ₹2,318 crore in 2016-17 from ₹2,030 crore the year ago. About 73% of NSE's profits came from core business operations, which is fee on trading of various asset classes.

NSE's rival, the BSE, too reported an over three-fold jump in its consolidated net profit at ₹72.66 crore for the fourth quarter ended March 31, 2017. In comparison, BSE clocked net profit of ₹20.24 crore in the January-March quarter of the previous fiscal.