Midas
Equities and Research

National Stock Exchange of India Ltd.

Initiating Coverage

05 Nov 2026

RESEARCH ANALYST

Viswanath AVR
viswanath.avr@sparkcapital.in
Adith R Kanakasabai
adith.k@sparkcapital.in

Spark Initiating Coverage Reports – Rebooted!

Outlining the framework from our desk

In our new, rejuvenated approach to publishing fundamental research ideas, we aim to balance a traditional, time-tested framework with a contemporary and hopefully refreshing segue into stock-picking. Accordingly, our Initiating Coverage reports will be presented in four sections: **(1) Annual Report Deep-dive, (2) Business Assessment Scores, (3) Valuation Framework, and (4) Stock Buzz & Influencing Factors.**

This report is underpinned by three key beliefs: (1) business assessment should be separated from valuation frameworks, enabling equity research to calibrate the mix objectively when making stock calls; (2) the decision tree we publish makes this process simple and objective, highlighting the three major factors that underpin our recommendation; and (3) reactions to "buzz" and other factors that influence price action must be identified and given due regard when timing stock calls, particularly in the current environment, where information flow is incessant.

Forensic Analysis

Drawing on the time-tested, but often neglected, practice of drilling into historical annual reports, we choose to dedicate the starting section to the **Analytical Perspective** we could glean. The much helpful forensic overlay provides a clearer view of the company's **historical operating performance, balance sheet behavior, cash-flow quality, and governance structure.** By anchoring the analysis in reported numbers and disclosures, this section helps assess earnings quality and risk before progressing on any forward-looking calls of conviction

Business Assessment Scores

Done in detail to answer the question of "Can this company's business have what it takes to be a winner in the long-term," we try drawing on Porter's 5P models to discuss vitals like revenue models, pricing risks, market positions, moats, et al. The financial analysis and estimates hinge on our reading of the business performance as well as potential. So that objectivity is not colored to suit gut-based calls, we have put in place a scoring model, capturing all drivers to the assessment across 5 composite vectors, and the scores alone would dictate our call on the business.

Valuation Framework

We have watched with disdain how the markets have made target multiples look like the proverbial rabbits out of a hat! To cut away from our own temptation to merrily justify alongside the masses, we went back to first principles when designing the Valuation Framework. Contoured by market, peer, and historical absolute axes, our scores for Valuation multiples take into account Economic Value Added, Return Profiles, Growth and Leadership positions mapped against relevant multiples. All said the question of "All told about the business, markets and peers, does the pricing look attractive for this stock?" is a question that is the bedrock of stock-picking in equity research!

Stock Buzz & Influencing Factors

The **Buzz Chart** & Liquidity Chart tracks stock-specific news flow, events, and market activity to help identify **periods of elevated attention or sentiment shifts,** complementing fundamental and valuation analysis.

Source: Company, Midas Research.

Report in Gist (1/3)

Last Day Close	1Y TP	Upside	Rating
Rs. 1,808	**Rs. 2,122 (Incl. Dividends)**	**17%**	**BUY**

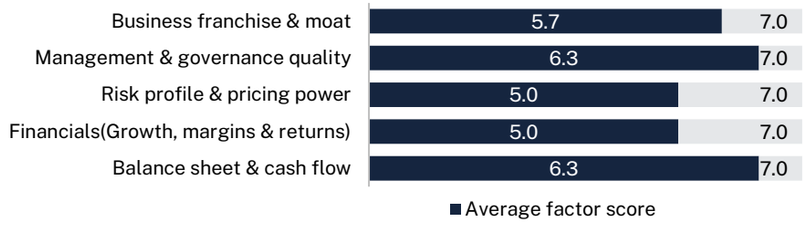
About the company

- National Stock Exchange of India Ltd. (NSE), incorporated in 1992 and permanently recognised by the SEBI in 2008, is India's largest screen-based exchange, with leadership across cash equities and derivatives and an integrated platform spanning trading, clearing, settlement, listing, indices and market data. The Group offers products across equities, derivatives, debt, commodities and mutual funds, supported by NSE International Exchange at GIFT City and complementary businesses in market data, index and exchange-related services.
- The company has built significant market scale, with 132.4 mn unique investors and market shares of ~93% in the cash market and ~100% in equity futures in FY26. It also ranked as the world's largest equity derivatives exchange, with 36.99 bn contracts traded.

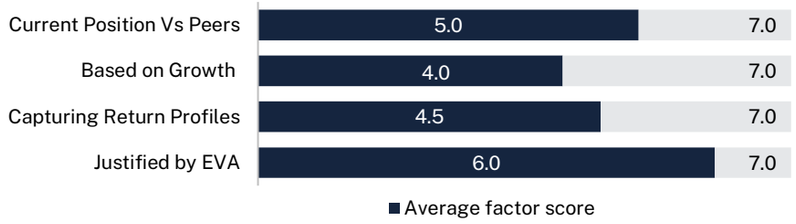
Red Herring Prospectus (RHP) Deep-Dive

The RHP points to a sound core franchise with contained legal risk. RoE fell from 41.8% in FY23 to 32.6% in FY26 as net worth grew 57% versus 15% EBIT growth, while F&O reforms cut FY26 volumes and technology costs lifted other expenses to 14.2% of revenue from ~11%. The FY26 SEBI settlement of Rs. 1,432 cr (~8.6% of revenue) closes the Colocation/Dark Fibre matters, though settlement charges have recurred in each of the last three years. Actual dispute exposure is Rs. 1,803 cr (~5% of net worth), with the MSEI dominance case in the Supreme Court the key monitorable. Auditors flagged SEBI matters as Emphasis of Matter without modifying their opinion.

Business Assessment Scores



Valuation Framework



Financials and Estimates Summary

Particulars (Rs. cr)	Revenue	EBITDA	EBITDA %	PAT	EPS	RoE %	RoCE %	PE	EV/EBITDA
2024	14,780	11,611	78.6	8,406	34.0	37.8	50.3	53.2	34.5
2025	17,141	12,881	75.1	11,606	46.9	42.7	45.4	38.5	31.1
2026	16,601	11,225	67.6	10,180	41.1	32.6	33.9	43.9	35.6
2027E	17,627	13,200	74.9	11,305	45.7	33.8	37.5	39.6	30.3
2028E	19,537	14,674	75.1	12,638	51.1	34.9	38.6	35.4	27.3

05 Nov 2026

Industry	Capital Markets

Key Stock Data

Bloomberg	NSE IN
Shares o/s (cr)	248
Market Cap (Rs. cr)	4,47,356
52-wk High/Low	1,878 / 1,640
20D ADV ('000)	-
Index	-
F&O	N

Latest Shareholding (%)

	Sep 26
Promoters	0.0
Institutions	53.6
Public	46.3
Pledge	0.0

RESEARCH ANALYST

Viswanath AVR
viswanath.avr@sparkcapital.in
Adith R Kanakasabai
adith.k@sparkcapital.in

Source: Company reports, Bloomberg, Midas Research
Note: The company is recently listed so stock performance % is not mentioned.

Report in Gist (2/3)

Stock Buzz & Influence Factors

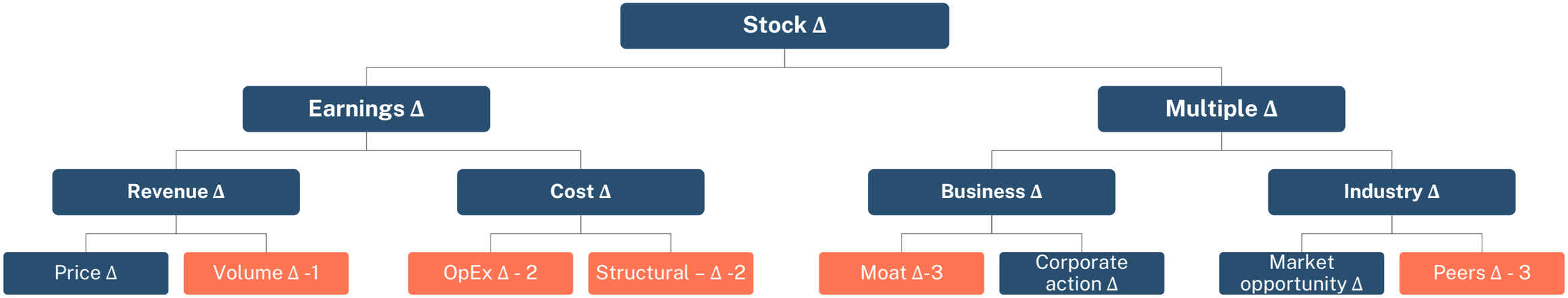
- **Trading volumes remain the key earnings swing factor:** Transaction charges contributed ~79% of revenue from operations in FY26, making ADTV across cash, futures and options the primary driver of earnings. FY26 revenue was impacted by lower volumes, while Q1FY27 transaction revenue rebounded 14.9% YoY on stronger cash-market and options activity, partly offset by lower futures volumes.
- **Market leadership creates operating leverage:** NSE's scale and liquidity remain key structural advantages, with market shares of 92.99% in the cash market, 99.79% in equity futures, and 74.71% in equity options premium in FY26. Its investor base of 132.4 mn as of June 2026 and continued growth in market participation provide a broad base for sustained trading activity.
- **Non-trading businesses can deepen revenue diversification:** Growth in listing services, data-centre racks, connectivity, market data and index licensing provides additional monetisation beyond transaction fees. FY26 listing revenue rose 12.3% and data-centre rack revenue grew 32.9% in a year, while NSE plans to expand data monetisation through richer datasets, feeds and analytics.
- **Derivatives regulation can materially alter the earnings trajectory:** NSE remains highly exposed to options and futures, with FY26 volumes affected by SEBI's Oct-24 derivatives framework and subsequent measures. Further regulatory action or higher trading costs could constrain turnover, while regulatory stability and participation recovery could boost volumes. STT on equity derivatives was hiked from Apr-26.
- **Technology and regulatory costs remain key downside variables:** NSE's business depends on a high-investment technology infrastructure, with Rs. 1,314.6 cr of technology expenses in FY26, alongside continued capex and mandatory system upgrades. Operational disruption, cybersecurity risks, or further regulatory action could increase costs and affect trading activity.



Investment Rationale

- NSE is India's dominant market-infrastructure franchise, with ~93% cash-market, ~99.8% equity-futures and ~75% equity-options premium market share in FY26, supported by 132.4 mn investors. However, **earnings remain transaction-led**, with transaction charges contributing ~79% of operating revenue and equity options accounting for ~77% of transaction charges in FY26. Listing, data-centre racks, connectivity, market data and index licensing provide diversification, with technology services contributing to a more resilient revenue mix. Importantly, weekly contracts account for ~40% of NSE's operating revenue versus ~65% for BSE, reducing its dependence on weekly index options.
- We expect **revenue and PAT to compound at ~8.5% and ~11.4%, respectively, over FY26–28E**. Growth is expected to trail BSE, partly reflecting its rapid derivatives expansion following the launch of weekly Sensex options in May 2023, supported by lower transaction costs, broker incentives and rising retail and algorithmic participation. However, NSE's established liquidity, near-monopoly in cash equities and futures, and dominant clearing franchise provide a stronger competitive moat.
- Operating leverage should support overall EBITDA margin expansion from ~68% in FY26 to ~75% by FY28E, with RoE improving from ~33% to ~35%. With major technology investments largely in place and SEBI settlement charges behind the FY26 base, incremental volumes should support profitability and an 80–85% dividend payout. **While NSE's market leadership, revenue diversification and superior profitability structurally warrant a premium to BSE, we conservatively assign 40x FY28E P/E, in line with BSE**, arriving at a target price of Rs. 2,122, including dividends, implying ~17% upside. Key monitorables include derivatives regulation, STT changes, options dependence, trading-member concentration (~47% of revenue) and technology costs.

Report in Gist — Decision Tree (3/3)



1 Reasoning 1

Volume Δ - Transaction charges is the primary earnings driver

- Transaction charges contributed ~79% of FY26 operating revenue, making trading volumes the primary earnings driver.
- The implementation of CAS in Aug'26 created uncertainty, leading to a ~25% QoQ decline in industry options premium ADTV in Q2FY27. As uncertainty eased, volumes recovered 42% MoM in Oct'26. Proposed CAS rule changes from Dec'26 are expected to support further recovery in H2FY27.
- NSE's options premium market share declined to ~68% in H1FY27 from 75% in FY26; we expect it to stabilise at this level.
- We forecast cash, futures and options premium ADTV to grow at 11%, 6% and 6% CAGRs, respectively, over FY26-28E, driving transaction revenue growth of ~7.2% CAGR to Rs. 15,016 cr in FY28E.

2 Reasoning 2

OpEx/Structural Δ – EBITDA margin recovery

- EBITDA margin contracted from 75.1% in FY25 to 67.6% in FY26 due to a one-off Rs. 1,432 cr SEBI settlement and elevated employee and technology expenses. With the settlement behind it, Core SGF contributions largely complete, and operating leverage moderating fixed employee and technology costs post-capex, we expect margins to recover to ~75% by FY28E.
- NSE's margin stays structurally above BSE's (65% in FY26, 69% in FY28E). Its in-house clearing arm NCL clears 88% of cash and 91% of F&O trades, keeping clearing costs low, while a higher options premium-to-notional ratio (~20–22 bps vs. ~12 bps for BSE) lowers regulatory fee intensity.

3 Reasoning 3

Moat/Peer Δ – Moat supports a re-rating

- NSE holds ~93% of cash, ~100% of equity futures and ~75% of options premium share as of FY26.
- Weekly index options represent ~40% of NSE's revenue versus ~65% for BSE, insulating it from the segment under highest regulatory scrutiny, while technology services contribute ~11–12% against a negligible share for BSE.
- Currently trading at 35x FY28E P/E, NSE is priced at a ~13% discount to BSE (40x). Non-transaction revenue growing at ~13% CAGR through FY28E, ~75% EBITDA margins, and an 80–85% payout — metrics far superior to BSE's — clearly warrant a valuation catch-up to BSE's multiple.

Source: Company, Midas Research

Research Rebooted

Report in Gist

CONTENT

Section 1 – Red Herring Prospectus Deep-dive 07

Section 2 – Business Assessment Scores 11

2.1 Business Franchise and Moat 20

2.2 Management and Governance Quality 25

2.3 Risk Profile and Pricing Power 27

2.4 Financials 28

2.5 Balance Sheet and Cash Flow 33

Section 3 – Valuation Framework 34

3.1 Current Position Versus Global Peers 36

3.2 Based on Growth 37

3.3 Capturing Return Profiles 38

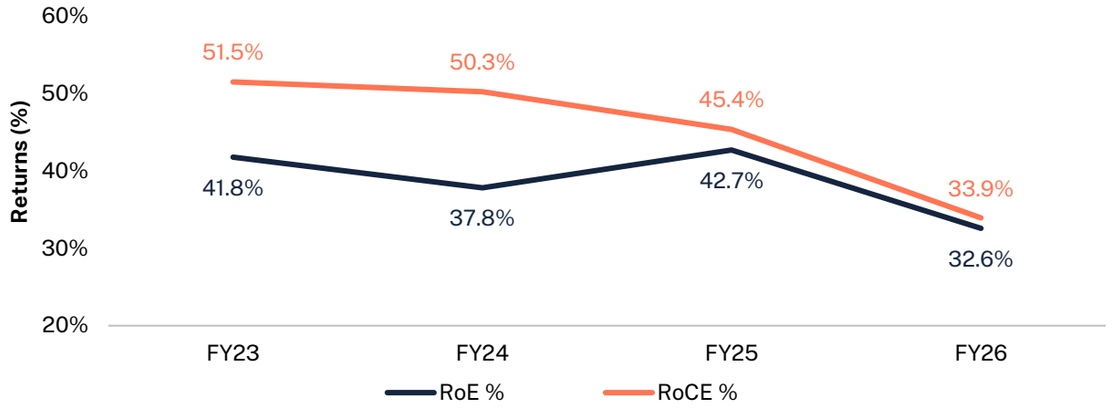
3.4 Reflecting EVA 39

Midas
Equities and Research

1 – Red Herring Prospectus Deep-Dive (1/3)

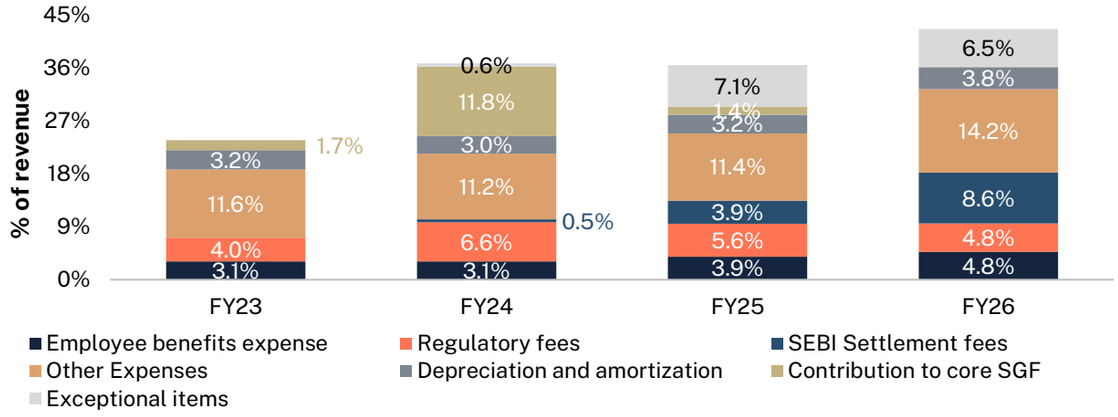
Returns fell on weaker operating profit and a larger equity base; one-offs explain the swings, not the trend

Returns: a downtrend, with FY26 amplified by lower PAT and higher equity base



- **The underlying decline started before FY26:** RoCE, which reflects the core exchange business, has fallen steadily since FY23, while RoE was distorted by one-offs — the Core SGF contribution pulled it down in FY24 and the Protean stake-sale gain lifted it in FY25. Underlying returns were therefore already easing.
- **Capital grew faster than operating profit, diluting returns:** Net worth rose 57% over FY23–26 versus 15% growth in EBIT, meaning more capital supported each rupee of operating profit and driving down RoCE. Over FY24–26, ~Rs 8,200 cr of pre-tax other income and stake-sale gains funded roughly half of the Rs 11,636 cr increase in net worth. These non-operating gains increased equity without adding to EBIT, while Core SGF contributions reduced retained earnings without boosting operating profit, further weighing on RoCE.
- **FY26 amplified the pressure:** F&O reforms reduced trading volumes and revenue, while technology and employee costs rose, with the SEBI settlement adding further pressure. The equity base also expanded as FY24's lower, SGF-impacted dividend supported greater retention of FY25's profit. This drove RoE from 41.8% in FY23 to 32.6% in FY26 and RoCE from 51.5% to 33.9%. However, the Colocation/Dark Fibre provision and cessation of Core SGF contributions provide a cleaner base for returns to recover

Costs: one-offs explain the noise, technology the trend



- **Settlement charges are one-off in nature, but had been a recurring cost in prior years:** Charges rose from Rs. 670 cr in FY25 to Rs. 1,432 cr in FY26 (~8.6% of revenue), largely due to the legacy Colocation/Dark Fibre matters. While FY26's amount relates to a separate historical case and has been paid in July 2026, NSE has booked a settlement charge in each of the last three years, making this a recurring regulatory cost in the past rather than a one-time event.
- **Core SGF explains the FY24 dip, not FY26:** Contributions peaked at Rs. 1,741 cr in FY24 as NSE built the fund to its mandated corpus. The FY24 RoE dip therefore reflected this outflow, whereas voluntary contributions stopped from January 2025, making the charge negligible in FY26 and no longer a meaningful drag on returns.
- **The main recurring cost pressure is technology:** Excluding settlements, other expenses rose to 14.2% of revenue from ~11% in FY25, driven by higher software licences, AMC and IT outsourcing costs, alongside higher CSR and clearing charges. With revenue falling, these costs kept rising, explaining the remaining pressure on FY26 returns.

FY25 → FY26 EBITDA Margin	75.1% FY25 EBITDA margin	Cost side: -4.7 SEBI settlement (one-off)	Cost side: -2.0 Technology	Cost side: -0.8 Employee	Cost side: -0.8 CSR, clearing & other	Revenue-linked: +0.8 Regulatory fees (fall with turnover)	67.6% FY26 EBITDA margin

Source: Company, Midas Research

1 – Red Herring Prospectus Deep-Dive (2/3)

Legacy issues are largely behind NSE; the MSEI dominance case remains the key monitorable

Pending litigations: what is at stake and how it flows to the numbers (~15% of the headline)

Matter / forum	What it is about	Exposure (Rs. cr)	Possible outcomes	Severity
MCX-SX (MSEI): abuse of dominance Supreme Court · 15-Dec-26	▪ CCI held NSE abused dominance via predatory pricing in currency derivatives (Rs. 55.5 cr penalty). ▪ COMPAT upheld it and widened the market to all NSE segments. MSEI's Rs. 857 cr claim (+18% p.a.) is stayed; MSEI moved to lift the stay in Jul-26.	**Rs. 912.5 cr** *9.0% of FY26 PAT*	▲ **Set aside:** lapses ● **Penalty only:** Rs. 55.5 cr. ▼ **Both upheld:** Rs. 912.5 cr + interest	**High** *Medium likelihood; key catalyst*
NSE Clearing: Core SGF tax CIT(A) · filed Apr-26	▪ Deduction for NCL's Rs. 1,441 cr Settlement Guarantee Fund contribution disallowed for AY24-25; penalty proceedings initiated.	**Rs. 394.6 cr** demand *3.9% of FY26 PAT* *Rs. 315.6 cr stayed*	▲ **Allowed:** nil ▼ **Upheld:** demand + penalty ▼▼ **Extended** to later years	**Medium** *Medium likelihood*
Other tax disputes Various appellate forums	▪ 62 direct- and 19 indirect-tax cases across NSE and subsidiaries. ▪ Mostly income-tax assessments and legacy service tax.	**Rs. 850.1 cr** *8.4% of FY26 PAT* *IT Rs. 665 cr · ST Rs. 157 cr*	Case by case over multi-year appeals; partial outcomes typical	**Low–Medium** *Routine*
Liability for broker failures SC · SAT · Rajasthan HC	▪ Karvy: SAT ordered SEBI, NSE and NSDL to reverse unauthorised pledges in favour of five lenders or pay their value +10% p.a. ▪ SC stay covers SEBI only. Investors also contest the Rs. 0.25 cr IPF payout cap.	**Not quantifiable (joint with NSDL)** *Penalty 2.0 · IPF claims Rs. 17.7 cr*	▲ **SAT reversed:** nil ▼ **SAT upheld:** undisclosed payout ▼ **Cap struck:** higher IPF payouts	**Medium–High** *Low–Med likelihood; hard to size*
Others SC · Arbitration, etc	▪ SEBI appeal against SAT's reversal of a Rs. 6 cr penalty on NSE's non-exchange investments; Rs. 67 cr of CAMS dividends remain in escrow. ▪ Third-party arbitration claim and NSE Clearing dispute with clearing members.	**Rs. 38.5 cr** *0.4% of FY26 PAT* *Arbitration 26.1 · NCL 6.3 · SEBI 6.0*	▲ **Set aside / dismissed:** nil; Rs. 67 cr escrow released ▼ **Upheld:** one-off charge of up to Rs. 38.5 cr	**Low** *Immaterial; no recurring impact*

Note: Exposure (Rs. cr) as % of FY26 PAT (Rs. 10,180 cr). ▲ *Favourable* · ● *Neutral* · ▼ *Adverse for NSE*

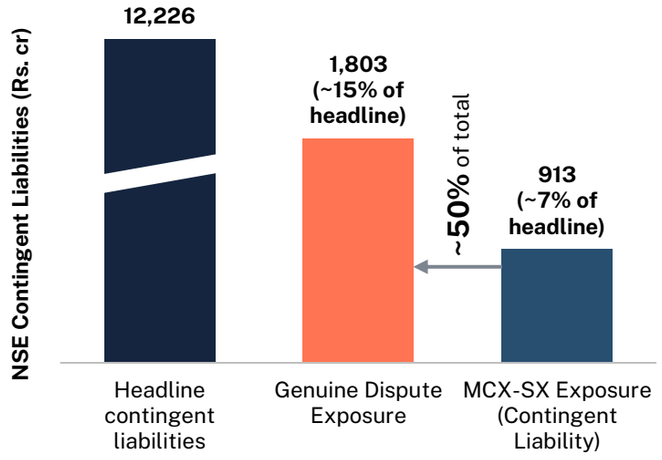
Note: Core SGF demand (Rs. 394.6 cr) is included within the Rs. 850.1 cr tax disputes and is not additive. Rows sum to the Rs. 1,803 cr dispute exposure (912.5 + 850.1 + 2.0 + 38.5)

Contingent liabilities that are not disputes (~85% of the headline)

Item	Nature	Rs. cr	% of NW	Notes
NCL guarantee to BSE Clearing	Inter-CCP collateral under SEBI's interoperability framework.	9,950	28.4%	Operating requirement, not a claim; crystallises only if NCL defaults to the counterparty CCP. Up from Rs. 8,000 cr (Jun-25) as cross-CCP exposure grows.
Guarantee for NSE IFSC Clearing	Backs a USD 50 mn bank-guarantee line	473	1.4%	Group credit support for the GIFT City clearing arm; flat in USD terms.
Total non-dispute contingent liabilities		**10,423**	**29.8%**	**vs Rs. 12,226 cr headline (~35.0% of net worth)**

% of NW = Non-dispute contingent liabilities (Rs. cr) ÷ NSE's latest net worth of Rs. 34,984 cr (Jun-26),

View: Rising liabilities, impact contained



~15%

of the Rs. 12,226 cr reported contingent liabilities, amounting to Rs. 1,803 cr, represents actual dispute exposure.

The headline is rising, but the real risk isn't:

- Reported contingent liabilities rose Rs. 1,250 cr since Mar-26, driven entirely by the interoperability guarantee (+Rs. 1,450 cr), while actual dispute exposure fell by ~Rs. 200 cr.
- At Rs. 1,803 cr as of Jun-26, dispute exposure remains contained at ~5% of net worth, with MCX-SX exposure of ~Rs. 913 cr accounting for only ~3%.

Source: Company, Midas Research

1 – Red Herring Prospectus Deep-Dive (3/3)

Auditor and disclosure quality

- The statutory auditors are Walker Chandiok & Co LLP, and the restated consolidated financial information for Fiscal 2024 to 2026 is based on audited statements prepared under Indian Accounting Standards (Ind AS) and the SEBI ICDR Regulations.
- SEBI matters transparently flagged: Auditors included Emphasis of Matter paragraphs covering Colocation, Dark Fibre and Governance & Conflict of Interest proceedings, without modifying their audit opinion.
- Settlement accounting clearly disclosed: NSE recognised a Rs. 1,391.21 cr provision in FY26, in addition to Rs. 100 cr provided earlier, against revised settlement terms of Rs. 1,491.21 cr. The Rs. 714.74 cr payment made in July 2026 was also disclosed, with the balance covered by a Rs. 776.47 cr deposit with SEBI.
- Historical regulatory proceedings disclosed: Historical proceedings have largely been resolved, including the disposal of the Dark Fibre appeals in September 2026. However, the risk of similar regulatory proceedings arising in the future remains.

Management remuneration & governance assessment

- MD & CEO's remuneration is meaningful but structured. Ashishkumar Chauhan received Rs. 13.76 cr in FY26, with performance-based variable pay capped at one-third of total remuneration and 50% deferred for three years.
- New Executive Directors had a limited impact in FY26, as Viral Mody and Sanjay Shorey were appointed to these positions in Q1FY27. Consequently, neither received remuneration in their capacity as Executive Directors in FY26. Viral Mody received Rs. 2.88 cr in his previous role as CTO.
- CFO Ian Desouza received Rs. 2.54 cr, while Chief Business Development Officer Sriram Krishnan received Rs. 3.76 cr in FY26, reflecting remuneration commensurate with their senior functional responsibilities.
- Related-party transactions are monitored and conducted on an arm's-length basis in accordance with the Companies Act, 2013, and are subject to transfer-pricing audits. However, NSE has faced past compliance issues relating to board composition and the timely reconstitution of internal committees, resulting in penalties.
- The Governing Board is guided by a majority of Public Interest Directors and supported by dedicated Regulatory Oversight, Risk Management and Standing Committees on Technology, with information barriers separating regulatory & commercial functions.

Source: Company, Midas Research

2 - Business Assessment Scores

Business Assessment Scores – Summary

1

Business franchise and moat:

- NSE's liquidity-led moat is self-reinforcing, with ~93–100% share in core segments, aided by the Nifty franchise, 132.4mn investors as of FY26 & integrated trading, clearing & data stack.
- However, BSE's ~25–28% share in index options and ~79% dependence on transaction revenue temper NSE's franchise strength, resulting in a rating of **5.7/7.0.**

2

Management and governance quality:

- Management combines deep exchange, regulatory, technology, and financial-market experience, supported by a strong governance framework and clearly defined functional responsibilities.
- Strong professional management depth supports continuity, with experienced leadership across key functions, resulting in a rating of **6.3/7.0**.

3

Risk profile and pricing power:

- NSE's deep liquidity, regulatory barriers, integrated technology infrastructure and low substitution support strong pricing power.
- However, competition from BSE, MSEI's threat and alternative venues, trading-member concentration and the potential for shifts in trading flows temper its overall pricing power, resulting in a rating of **5.0/7.0.**

4

Financials (Growth, margins & returns):

- Growth is broadening beyond options, with faster growth in cash and non-transaction revenues driving the next phase of expansion amid regulatory constraints on options.
- However, diversification remains limited, with non-transaction revenues still accounting for less than 25% of the mix. Margins remain structurally strong, with recovery expected as one-off settlement costs fade, supporting a rating of **5.0/7.0.**

5

Balance sheet and cash flow:

- NSE operates a debt-free balance sheet, with annual capex moderating to Rs. 630–660 cr (~3% of revenue) and Core SGF contributions largely behind it after achieving the mandated corpus, removing a key historical drag on earnings.
- Despite working-capital volatility from member funds, free cash flow is set to stabilize at Rs.10,080 cr in FY27E and Rs.10,176 cr in FY28E, comfortably supporting an ~80-85% dividend payout ratio, supporting a rating of **6.3/7.0**.

National Stock Exchange of India Ltd – Company Snapshot

Corporate factsheet	
Company background	▪ National Stock Exchange of India Ltd. (NSE) was incorporated in 1992 and received permanent SEBI recognition in 2008. It is India's largest screen-based exchange, with leadership across cash equities & derivatives and an integrated platform spanning trading, clearing, settlement, listing, indices & market data. In FY26, NSE accounted for **~51%** of global equity derivatives market share by contracts traded & **~11%** of global cash equities market share by trades. ▪ The Group offers products across equities, derivatives, debt, commodities and mutual funds, supported by NSE International Exchange at GIFT City and complementary businesses spanning market data, indices & exchange-related services.
Business segments	**NSE has a diversified revenue mix across business segments** ▪ Trading fees (Rs. 13,057 cr, 79% of FY26 revenue) ▪ Market access & Data (Rs. 1,804 cr, 11% of FY26 revenue) ▪ Investment Income (Rs. 842 cr, 5% of FY26 revenue) ▪ Listing services (Rs. 352 cr, 2% of FY26) ▪ Clearing & Settlement (Rs. 251 cr, 1.5% of FY26) ▪ Index Licensing (Rs. 152 cr, 1% of FY26) ▪ Other (Misc. member & processing charges) (Rs. 143 cr, 1% of FY26)
Key facts	▪ NSE held market shares of 92.99% in cash-market turnover, 99.79% in equity-futures turnover, and 74.71% in equity-options premium turnover in FY26. ▪ Passive AUM linked to Nifty indices stood at Rs. 8.75 lakh cr, across 440 Nifty indices.
Key management personnel	▪ Mr. Ashishkumar Chauhan - Managing Director & CEO ▪ Mr. Viral Mody - Executive Director – Vertical 1 ▪ Mr. Sanjay Shorey - Executive Director – Vertical 2 ▪ Mr. Sriram Krishnan - Chief Business Development Officer ▪ Mr. Ian Desouza - Chief Financial Officer
Auditors	▪ Walker Chandiok & Co LLP
Investors ecosystem	▪ **NSE serves a broad ecosystem spanning:** Retail Investors, Domestic Institutional Investors, Foreign Portfolio Investors, High Net-worth Individuals, Non-Resident Individuals, Hindu Undivided Families, Proprietary traders operating own accounts, Partnership Firms, and Trusts & Others.
IPO details	▪ The IPO is a book-built offer of Rs. 22,562 cr, entirely an offer for sale of 12,64,36,650 equity shares by existing shareholders, at a price band of Rs. 1,700–1,785 per share.
Employee count	▪ 2,914 full-time employees as of June 30, 2026

Category (Sep'26)	% Share
Promoters	0.00
FII	25.4
DII	28.3
Public	46.3
Pledge	0.00
Total	**100.0**

Key Metrics	FY24	FY25	FY26
Revenue (Rs. cr)	14,780	17,141	16,601
EBITDA (Rs. cr)	11,611	12,881	11,225
EBITDA Margin	78.6%	75.1%	67.6%
PBT (Rs. cr)	11,084	15,346	13,787
PBT Margin	75.0%	89.5%	83.1%
PAT (Rs. cr)	8,406	11,606	10,180
Net worth (Rs. cr)	23,974	30,353	32,114
Net debt (Rs. cr)	(29,214)	(27,539)	(47,296)
NWC (Rs. cr)	1,532	1,060	1,964
Total assets (Rs. cr)	65,464	69,467	87,937
FCF (Rs. cr)	29,275	2,816	22,096
RoCE %	50%	45%	34%

Source: Company, Midas Research

NSE – Story So Far

Three decades of build-out: from screen-based trading in 1994 to 132 mn registered investors in 2026

1992–1998

1992

- Incorporated in November 1992

1993

- Recognized as a stock exchange by Ministry of Finance in April 1993

1994

- Commenced screen-based trading of securities

1996

- Created and administered a settlement fund
- Launched flagship Nifty 50 index

1999–2005

2000–01

- Commenced derivatives trading with Nifty 50 futures and options

2002–03

- Gradually reduced the settlement cycle from T+5 to T+2

2005

- Number of listed entities crossed 1,000

2006–2015

2007

- Market capitalisation of listed entities hit US$1 tn
- Unique registered investors crossed 5 mn
- Nifty 50 crossed 5,000 points

2009

- Unique registered investors crossed 10mn
- Launched Mutual Fund Service System (MFSS)

2012

- Launched SME-specific platform: EMERGE

2014

- Launched the NSE NMF II platform for mutual fund distributors

2016–2021

2016

- Unique registered investors crossed 20 mn

2017

- Market capitalisation of listed entities touched US$2 tn
- Nifty 50 crossed 10,000 points

2019

- Largest volume of derivatives contracts traded in the world in CY2019

2021

- Unique registered investors crossed 50 mn
- Number of listed entities crossed 2,000
- Nifty 50 crossed 15,000 points

2022–2024

2022

- Implemented the T+1 settlement cycle in a phased manner
- Unique registered investors crossed 69 mn
- Inauguration of NSE IFSC–SGX Connect

2023

- First listing on the NSE Social Stock Exchange
- Nifty 50 crossed 20,000 points
- SMEs on EMERGE hit Rs 1 tn market capitalisation

2024

- Launched T+0 (beta) settlement in the equity segment
- Nifty 50 crossed 25,000 points
- Market capitalisation of listed entities crossed US$5 tn

2025–2026

2025

- Unique registered investors crossed 110 mn; investor accounts (unique client codes) crossed 220 mn
- Launched a website for municipal bonds
- Launched NSE MF Invest
- PaRRVA pilot launched
- EMERGE marked its 650th SME listing, having raised over Rs 180 bn since 2012

2026

- Unique registered investors crossed 130 mn
- Introduction of the Closing Auction Session (CAS) in the equity cash segment

Source: RHP, Company

NSE – India's Capital Markets Infrastructure

NSE is a market infrastructure institution (MII) at the centre of India's capital markets, providing the regulated platform for listing and trading across equities, debt and derivatives.

Its role is foundational: facilitating transparent price discovery, connecting buyers and sellers, and enabling companies to raise capital from public investors. In effect, NSE is the transaction infrastructure layer of India's capital markets, relatively indifferent to market direction but structurally leveraged to financial market activity.

One integrated stack — NSE owns every step

Trading NSE
The NEAT (National Exchange for Automated Trading) platform matches buyers and sellers and discovers prices.

Clearing & Settlement NSE Clearing (NCL)
Guarantees trades and transfers cash and securities between parties.

Indices & Data NSE Indices · NSE Data & Analytics
Builds Nifty indices and distributes trade-generated market data.

Major global exchanges operate only the trading layer, whereas NSE operates and monetises all three

One platform, across every major asset class in India

Cash equities	**Equity derivatives**	**Currency derivatives**	**Commodity derivatives**
Wholesale debt	**SME (EMERGE)**	**Mutual funds (MF Invest)**	**GIFT City (NSEIX)**

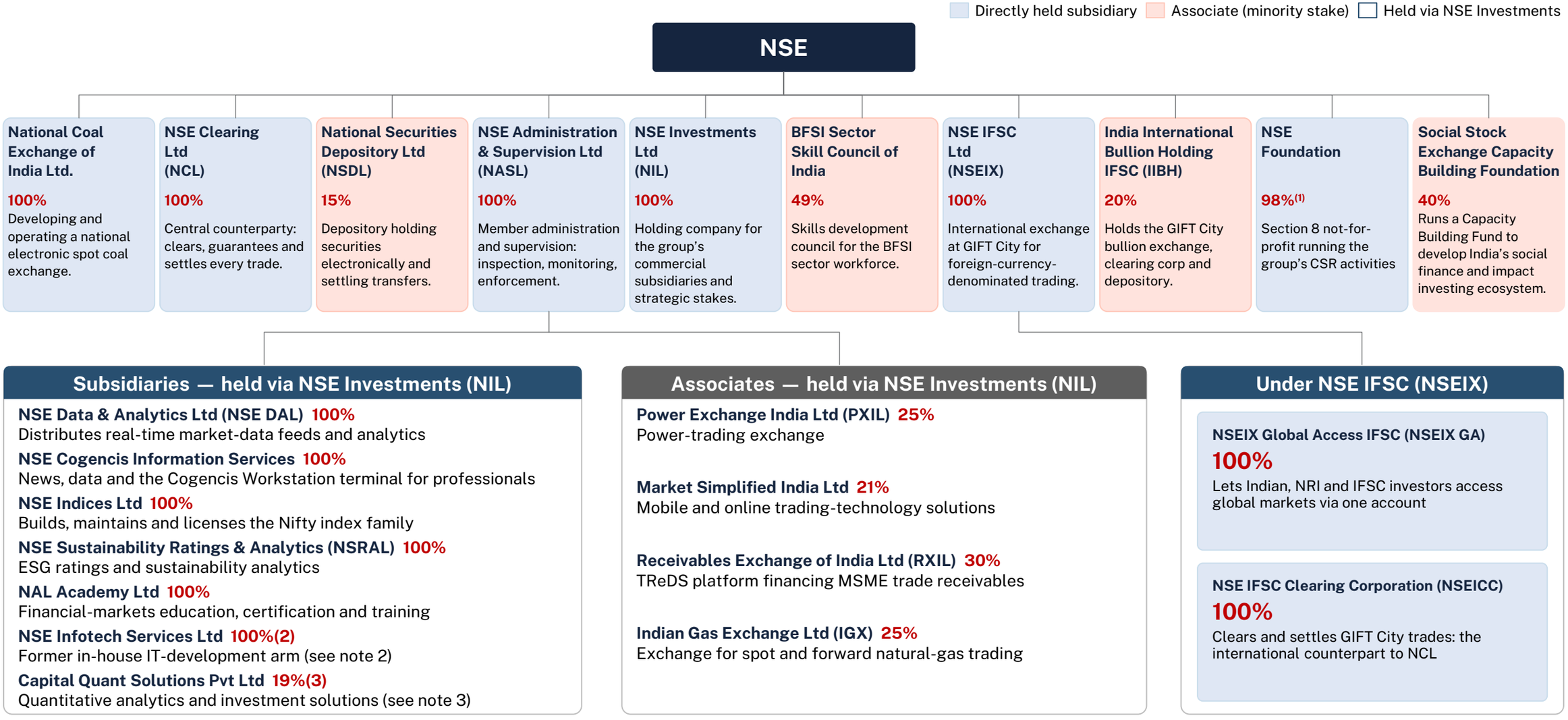
An MII is a public utility rather than a conventional commercial enterprise, and this dual role defines NSE. Alongside operating the market, NSE acts as a first-level regulator, serving as SEBI's frontline supervisor for fair and orderly markets. It conducts real-time surveillance, enforces trading rules, oversees listing and disclosure requirements, and handles investor grievances. NSE thus combines market operations with frontline supervision, with commercial interests tied to market integrity and operations subject to SEBI oversight.

132 mn	**99%+**	**~5 mn/sec**
registered investors*	of Indian postal codes reached	orders processed, microsecond response

Source: RHP, Company
** - as of June 2026.*

Corporate Structure: NSE Spans the Full Trade Lifecycle and Broader Market Ecosystem

NSE's franchise covers the broader market infrastructure ecosystem

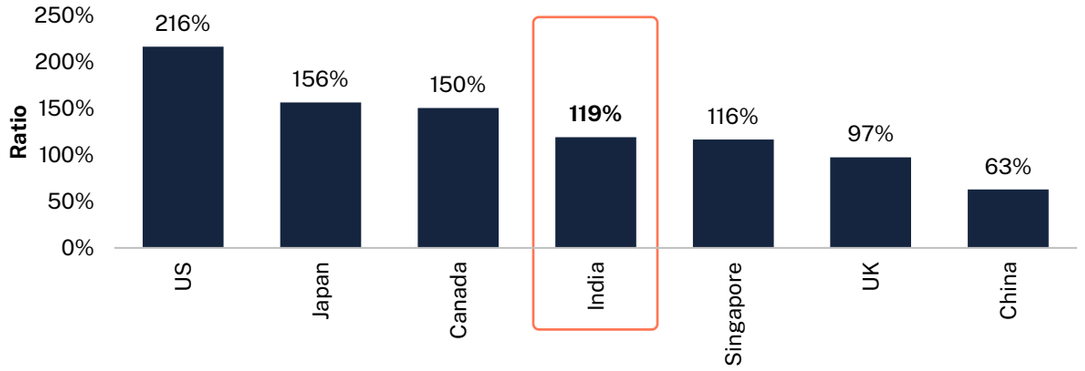


(1) NSE Foundation is owned 76% by NSE, 12% by NCL, 5.99% by NSE Investments, and 2% each by NSE Data & Analytics, NSE Indices and NAL Academy.
(2) NSE Infotech Services is under voluntary liquidation and dissolution; shown for completeness as at 31 March 2026.
(3) Capital Quant Solutions is classified as an associate despite sitting within the NSE Investments cluster.

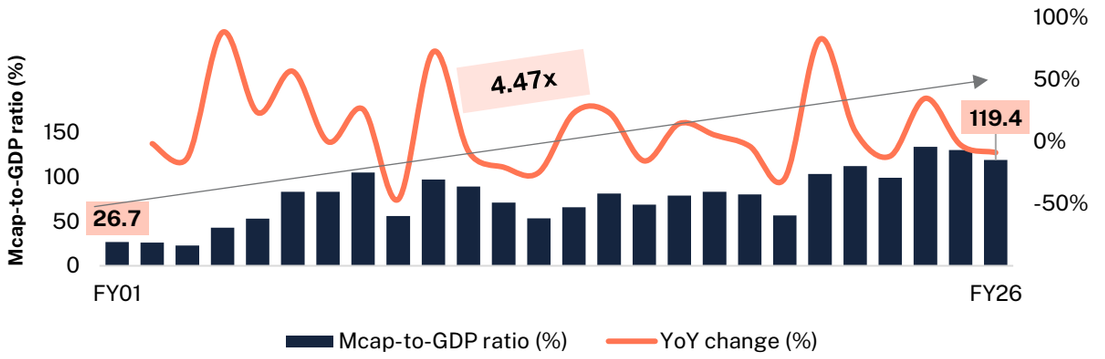
Industry Landscape & Outlook (1/4)

India's market cap is at ~119% of GDP vs 216% in the US as of FY26; creating a long runway for market participation

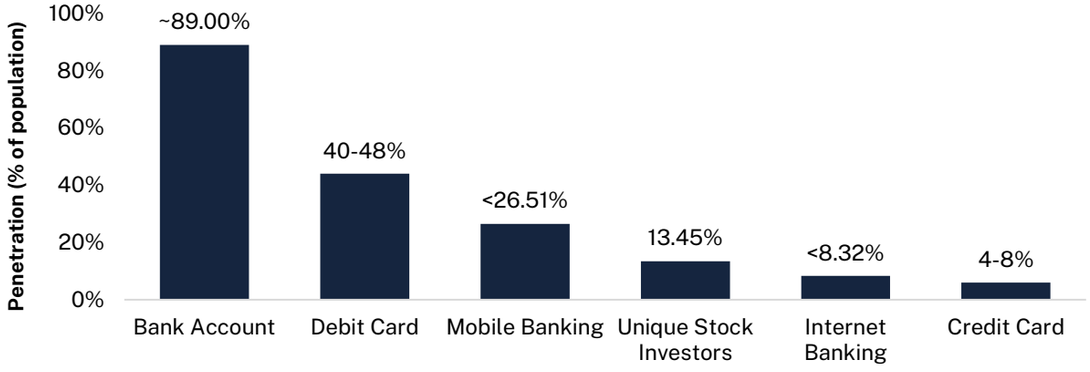
Current Mcap to GDP ratio worldwide (FY26)



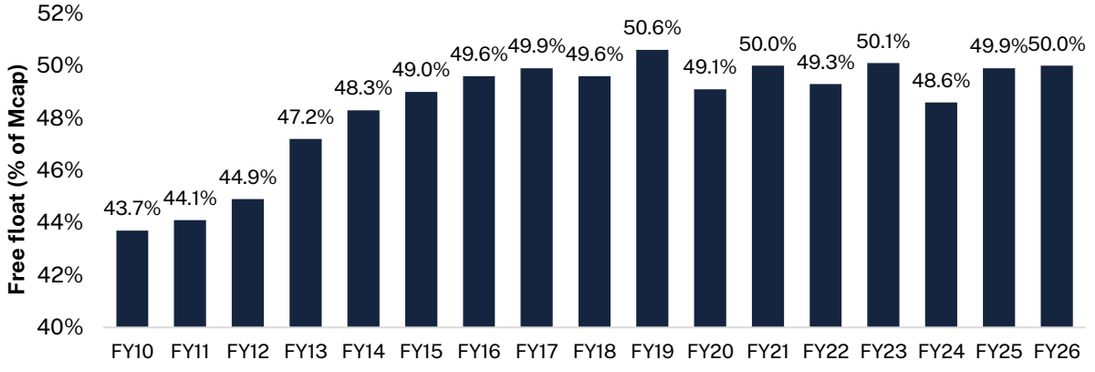
India's Mcap to GDP ratio: Structural expansion in Mcap, punctuated by cyclical pullbacks



India's 34.7% savings-to-GDP ratio in FY26 and Rs. 44 tn household equity wealth created during FY20–FY26 highlight room for further participation.



Expanding market capitalisation, free float and retail participation provide a strong foundation for sustained turnover growth



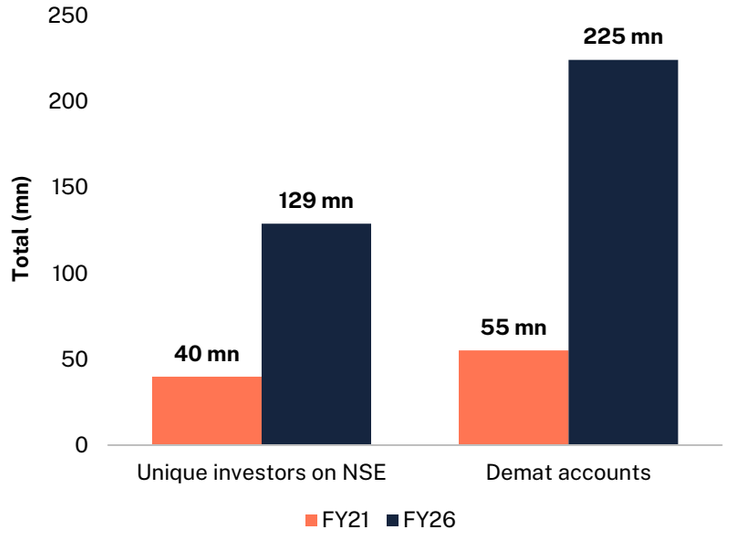
- **India still has significant headroom for financialisation:** unique stock investors at just ~13.5% of the adult population and India's 119% market-cap-to-GDP ratio remain well below developed-market levels, despite rising household equity wealth and savings.
- **Deepening participation should support structural volume growth:** rising market capitalisation, ~50% free-float levels and increasing retail participation provide a stronger base for sustained equity turnover and, in turn, NSE's transaction revenues.

Source: RHP, Company; Mcap – Market Cap
Note: (Data for India corresponds to Fiscal 2026. End-of-period BSE market capitalisation taken as proxy for India market capitalisation, 2. Data for UK corresponds to CY2022)

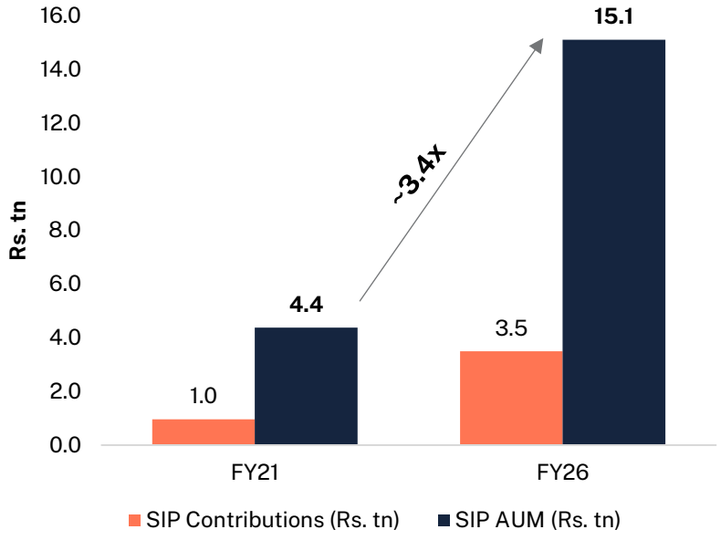
Industry Landscape & Outlook (2/4)

Domestic participation is broadening and becoming a more structural source of market liquidity

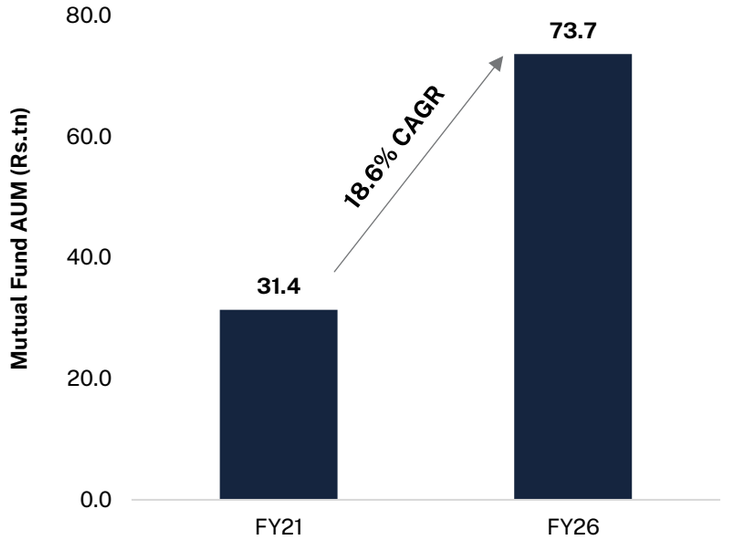
Market participation has grown 3-4x in five years....



with SIP contributions more than tripling and driving higher SIP-linked AUM....



translating into ~2.3x growth in mutual fund AUM.



The 3x effect: rising investors, SIP flows and AUM deepen financialisation

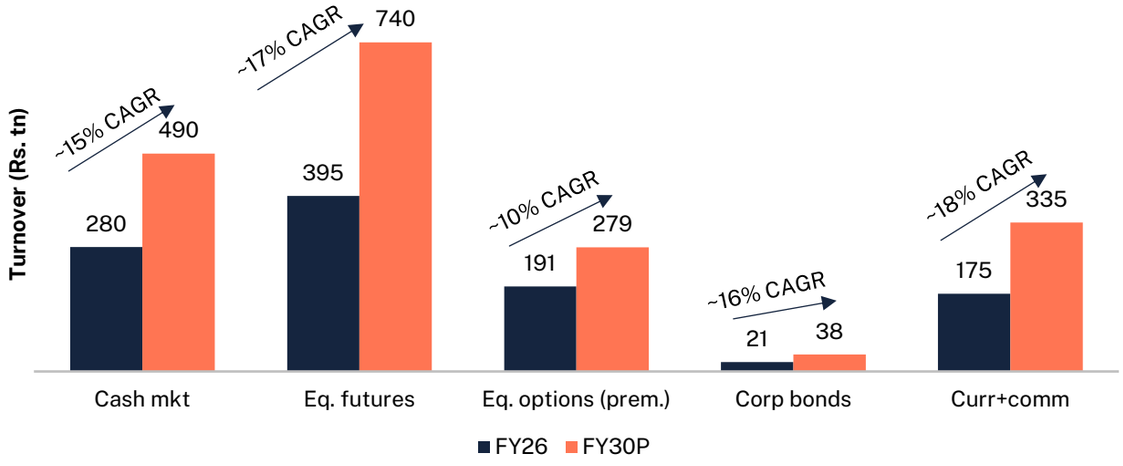
- **NSE's unique investor base grew ~3.2x from FY21 to FY26, while demat accounts surged ~307% to 224.5 mn,** supported by digital onboarding, rising financial awareness and greater Tier-II/III participation. Investors outside the top 10 states increased from ~22.9% of NSE's investor base in FY20 to ~27.1% by June 2026, highlighting continued headroom for equity participation.
- **Financialisation is increasingly moving through systematic channels.** SIP contributions have more than tripled to Rs. 3.5 tn since FY21, taking SIP AUM to Rs. 15.1 tn in FY26 and mutual fund AUM to Rs. 73.7 tn, an 18.6% CAGR over FY21–FY26. Rising SIP flows provide a more stable, recurring pool of domestic capital beyond direct trading.
- **The investor mix is shifting towards domestic ownership.** Individual investors' direct and mutual-fund ownership surpassed FPI ownership for the first time since FY06 in FY25, while DIIs held ~19.6% in FY26, strengthening domestic participation and market liquidity.

Source: RHP (Redseer Report; RBI, AMFI, SEBI, World Bank, NSE Market Pulse)

Industry Landscape & Outlook (3/4)

Equity derivatives (~69% of revenue) are set to grow at ~10% (options) and ~17% (futures) CAGR to FY30P, versus 47.5% over FY16–26

India market turnover – room to deepen



~69%

of FY26 operating revenue from equity derivatives

74.71%

NSE share of equity options, by premium turnover

9–11%

options premium CAGR to FY30P, against 47.5% over the past decade

~13.5%

of Indian adults invest – vast headroom

SEBI's CY24 curbs reset the base, not the trajectory

- Transaction charges account for ~79% of revenue, with equity options contributing ~77% of this, linking revenue to average daily trading volume (ADV). In FY26, ADV fell across cash (-6.6%), equity futures (-14%), and options premium (-8%).
- Regulatory measures drove the decline, including one weekly expiry per exchange, higher minimum contract sizes, upfront premium collection and expiry-day margins. STT rose further in April 2026 to 0.05% on futures and 0.15% on options premium.
- Growth is expected to resume, driven by a wider product suite, more single-stock listings, rising institutional flows, and colocation-based algorithmic trading.

NSE share of each equity pool (FY26, %)



Source: RHP (Redseer Report), SEBI | FY30P = Redseer projection, mid-point of range

Industry Landscape & Outlook (4/4)

Bonds, currency, and commodities to double by FY30P; data, listing, and clearing to compound at 15-25% a year

Addressable market by asset class

Asset class	FY26 (Rs. tn)	FY30P (Rs. tn)	CAGR to FY30P
Cash market	280	473–507	14–16%
Equity futures (notional)	395	715–765	16–18%
Equity options (premium)	191	269–289	9–11%
Currency + commodity futures	175	307–363	15–20%
Corporate bonds	21	35–41	13–18%
Currency + commodity options (premium)	17	35–41	20–25%

13–18%
Corporate bond turnover CAGR to FY30P

15–20%
currency & commodity futures turnover CAGR

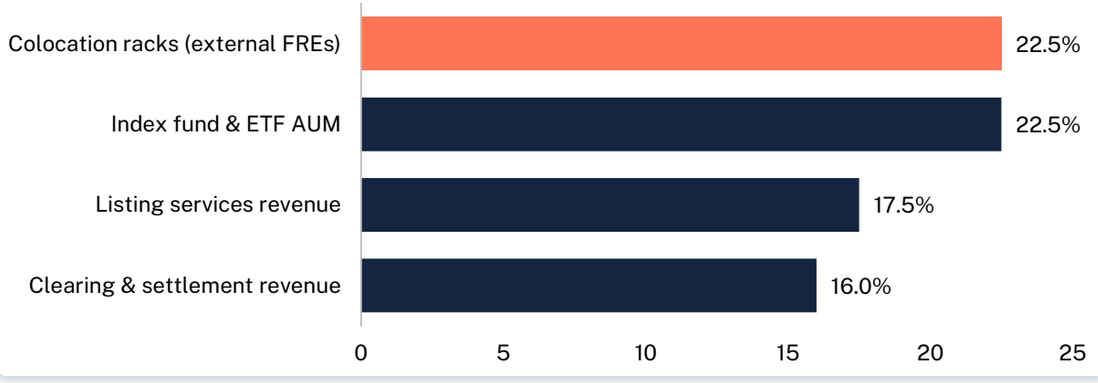
20–25%
currency & commodity options premium CAGR – the fastest pool

Rs. 23–27 tn
index fund & ETF AUM by FY30P, from Rs. 11 tn

Beyond equities, five streams are deepening the mix

- Corporate bonds are gaining traction as issuers diversify beyond bank credit, with insurers, pension funds, and tri-party repo supporting secondary liquidity. Turnover has compounded at 13.78% since FY22 and is projected to reach Rs. 35–41 tn by FY30P.
- Currency derivatives are shifting towards hedgers under the RBI's hedging-only framework, reinforcing their role in risk management over speculation. Commodity derivatives are surging on wider contract coverage and a structural shift towards options, whose cost advantage over futures attracts directional flows.
- Data centres, listing, index licensing and clearing are each projected to grow at 15–25% annually through FY30P, diversifying exchange revenues. External colocation capacity across NSE and BSE stood at ~2,380 FREs as of Mar-26.

Services growth, FY26–FY30P CAGR (mid-point of range)



Source: RHP (Redseer Report), SEBI, AMFI | FY30P = Redseer projection, mid-point of range

2.1 - Business Franchise & Moat (1/5)

How NSE makes money



NSE's liquidity-led moat is self-reinforcing, with ~93–100% share across core segments, backed by the Nifty franchise, 132.4 mn investors as of FY26 and an integrated trading–clearing–data stack. However, BSE's ~25–28% index-options share and NSE's ~79% transaction-revenue dependence temper its strengths.

Like most exchanges, NSE has multiple revenue streams, but transaction charges remain the key driver, accounting for most revenue. The remainder comes from listing, connectivity, data and terminal services, clearing, Nifty index licensing and income on surplus funds.

NSE revenue from operations **Rs. 16,601 cr**

TRANSACTIONAL REVENUE (Trading fees)

Rs. 13,057 cr - 79% of FY26 revenue

Fees charged on every trade; NSE's largest revenue stream. Most come from index and stock options, the rest from cash and futures, so revenue moves with market activity.

- **OPTIONS** — **Rs. 9,998 cr - 76.6%** of trading fees
- **CASH MARKET** — **Rs. 1,555 cr - 11.9%** of trading fees
- **FUTURES** — **Rs. 1,480 cr - 11.3%** of trading fees
- **OTHERS** — **Rs. 25 cr -0.2%** of trading fees. Currency, commodity, debt & MF platform

NON-TRANSACTIONAL REVENUE Rs. 3,544 cr - 21% of FY26 revenue

MARKET ACCESS & DATA
Rs. 1,804 cr - 11%

Fees for connectivity, colocation next to NSE's servers, and real-time data feeds and terminals. Recurring, and grows as more participants connect.

INVESTMENT INCOME
Rs. 842 cr - 5%

Returns on NSE's cash, member deposits and margins. A further Rs. 1,929 cr is booked as other income, taking the total investment income to ~Rs. 2,771 cr.

- **LISTING SERVICES** — **Rs. 352 cr - 2%** of total revenue. Fees to list, stay listed and raise fresh capital.
- **CLEARING & SETTLEMENT** — **Rs. 251 cr - 1.5%** of total revenue. Fees to guarantee and settle trades.
- **INDEX LICENSING** — **Rs. 152 cr - 1%** of total revenue. Fees to use Nifty indices for funds and derivatives.
- **OTHER** — **Rs. 143 cr - 1%** of total revenue. Miscellaneous member and processing charges.

Source: RHP; figures for FY2026 (year ended 31 March 2026)

2.1 - Business Franchise & Moat (2/5)

A dominant derivatives franchise underpins NSE's broader multi-asset ecosystem

TRADING VERTICAL

Transaction charges across six asset classes

Near-monopoly share, high operating leverage

~79%
of FY26 operating revenue

~69%
from equity derivatives

Trading is NSE's core revenue engine, generating transaction charges on trades executed across asset classes, with near-monopoly shares in key segments.
Equity derivatives and the cash market drive revenue; the other four sub-segments add breadth, not scale.

Equity derivatives (F&O)
~69% of FY26 operating revenue

THE DOMINANT DRIVER

Index and stock options are ~60.2% of operating revenue, with equity futures ~8.9%. The key earnings sensitivity after SEBI's FY25 framework changes.

74.71%
share of equity options, by premium turnover

DOMINANT
99.79% of equity futures

Cash market (equities)
Equities, ETFs, REITs, InvITs, gold bonds, G-secs

MARKET LEADER

Beyond transaction revenue, the cash market is the funnel into derivatives participation, listings and market-data demand.

92.99%
of India's cash-equity turnover

CORE
Feeds F&O, listings and data

Currency derivatives
First Indian exchange to launch, August 2008

MULTI-ASSET ANCHOR

Volumes have moderated as RBI and SEBI positioning rules changed, limiting near-term revenue, but the segment keeps the multi-asset offering complete.

99.48%
of exchange-traded currency futures

MATURE
~100% of currency options

Commodity derivatives
Metals, crude oil, natural gas, electricity

LONG-TERM GROWTH

Financialization of India's commodity markets is the driver. Electricity futures launched in July 2025; revenue contribution is still small.

71.4%
of electricity-futures lots to March 2026

OPTIONALITY
Launched July 2025

Wholesale debt & interest-rate futures
Corporate bonds via RFQ and CBRICS-RFQ

FULL-SPECTRUM REACH

Direct transaction revenue is limited, but the platforms complete NSE's position as a full-spectrum market infrastructure provider.

85.65%
of corporate-bond trade value

INFRASTRUCTURE
Rs. 15.55 tn raised in FY26

Access & participation platforms
MF Invest / NMF II, EMERGE / EmergeX, SSE

ECOSYSTEM FUNNEL

Limited standalone revenue, but these platforms widen investor participation, support listings and deepen activity across the ecosystem.

3 platforms
MF, SME and social platforms

FUNNEL
Not a standalone vertical

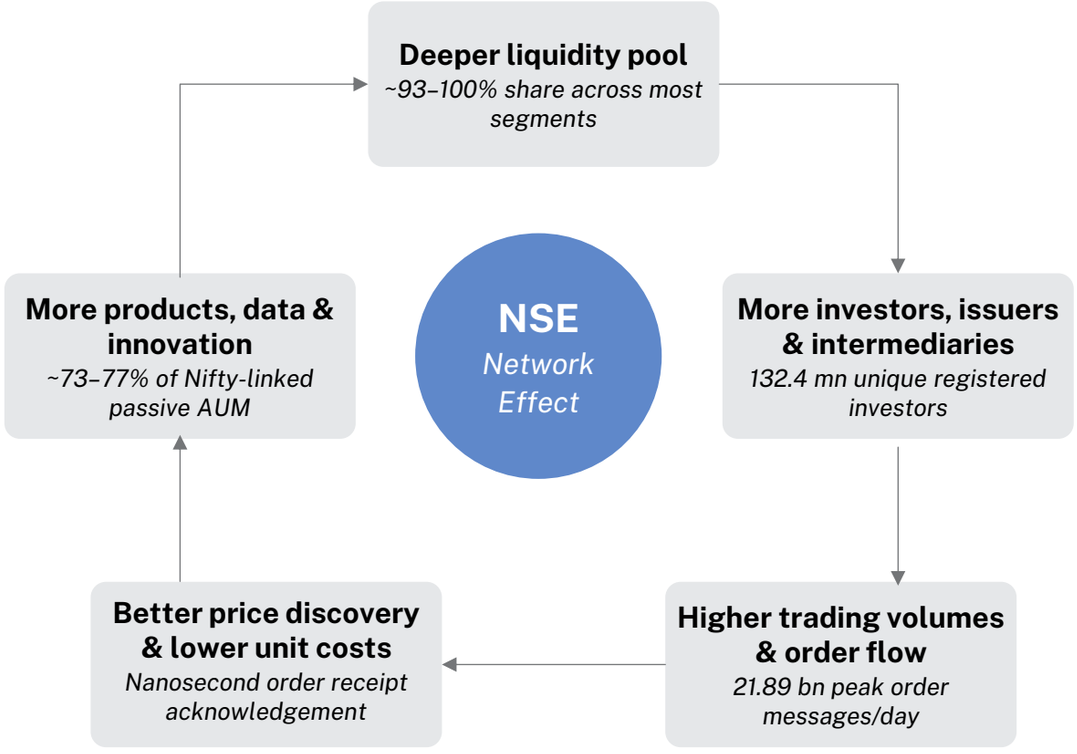
Trading revenue is transaction charges on trades executed across asset classes. Equity derivatives underpin NSE's position as the world's largest derivatives exchange by contracts traded and remain the key earnings sensitivity after the SEBI derivatives-framework changes of FY25; cash-market activity also drives derivatives participation, listings, and market-data demand.

Source: RHP, Company

2.1 - Business Franchise & Moat (3/5)

NSE's technology scale and vertical integration reinforce its liquidity, Nifty franchise & investor base

Network-effect flywheel: How NSE dominance reinforces market position



NSE's vertically-integrated ecosystem

All under one platform

Trading + Clearing (NCL) + Settlement + Nifty indices & data + SSE + PaRRVA

A single integrated stack across asset classes enables participants to trade, clear, settle, index and analyse in one place, strengthening convenience, cost and stickiness advantages.

NSE's edge is not the matching engine alone, but the scale, resilience and member integration built around it

1 Scale

built for Indian market volumes

~22 bn peak order messages/day	~5mn+ messages/sec capacity	293.85 mn peak trades/day

- NSE's ability to handle extreme peaks in order and trade volumes reduces the risk of capacity constraints during market surges.
- This scale is difficult to replicate without years of investment and operating experience at comparable Indian market volumes.

2 Reliability

is part of the product

7 data centres	4:1 redundancy on critical links	mirrored DR site with <45-min switchover

- For an exchange, reliability is critical because even brief disruptions can affect trading activity and market confidence.
- NSE's redundant architecture and disaster-recovery infrastructure provide a proven reliability layer that a new platform would need years of live-market experience to establish.

3 Technology

is embedded in the member ecosystem

1,868 member colocation racks	200,000+ trading terminals	1,400+ cities & towns

- NSE's technology is deeply integrated into members' trading infrastructure through colocation, connectivity and a nationwide network of trading terminals.
- This makes the relationship sticky, as switching exchanges would require members to rework infrastructure and workflows beyond simply connecting to a different trading engine.



The competitive advantage lies in the exchange ecosystem.
Capacity can be replicated, but matching it with proven reliability, nationwide connectivity, and deep member integration requires significant time and scale.

Source: RHP, Company

2.1 - Business Franchise & Moat (4/5)

Scale advantage translates into a larger profit pool

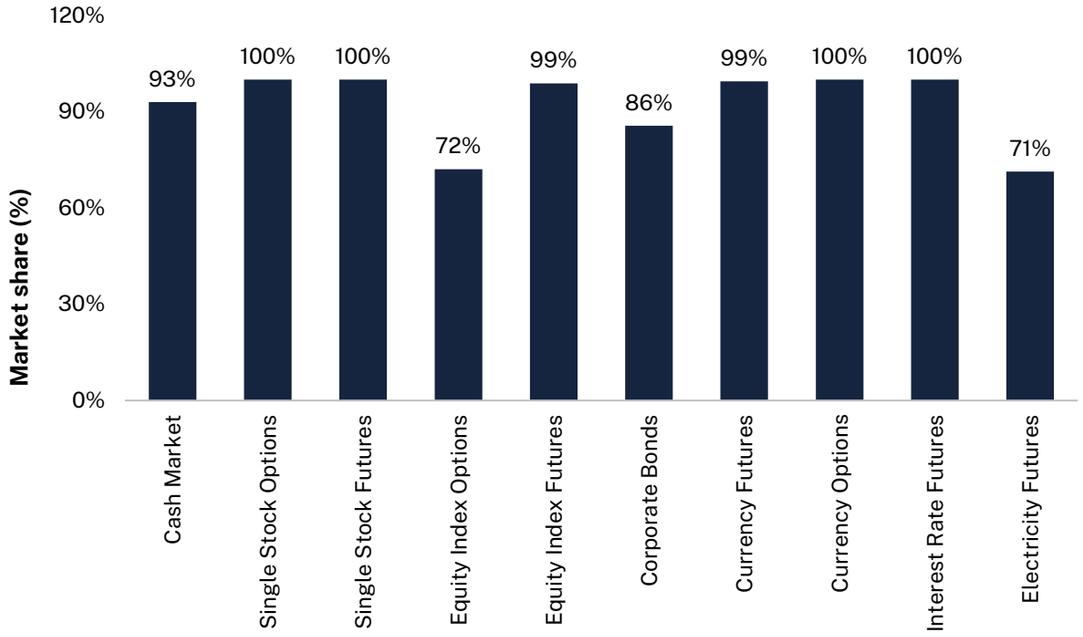
NSE's dominance is entrenched, with competition concentrated in index options

Segment (All figures correspond to three-month period ended 30 June 2026)	Turnover in Rs. bn	
	NSE	BSE
Cash Market	81,569	5,973
Single Stock Options	4,751	0
Single Stock Futures	77,473	0
Equity Index Options	33,860	17,769
Equity Index Futures	14,374	254
Exchange Traded Currency Futures	3,255	0
Exchange Traded Currency Options	0	0
Commodity Futures	64	0
Commodity Options	8,806	0
Interest Rate Futures	98	0
Corporate Bonds	4,347	1,010

Near-total leadership, with competition confined to index options.

- In Q1FY27, NSE accounted for all turnover in Single-stock options & futures, Exchange traded currency futures, commodity futures & options and interest rate futures, ~98% in equity index futures, ~93% in the cash market and ~81% in corporate bonds. This leaves BSE with limited presence outside equity index options.
- **Equity index options are the key exception, and the one segment where BSE has gained share.** NSE's share of equity options premium turnover fell from 96.9% in FY24 to 74.7% in FY26, and to 68.5% in Q1FY27.

NSE's Market Share as of FY26



Breadth of market leadership underpins NSE's scale and profit pool

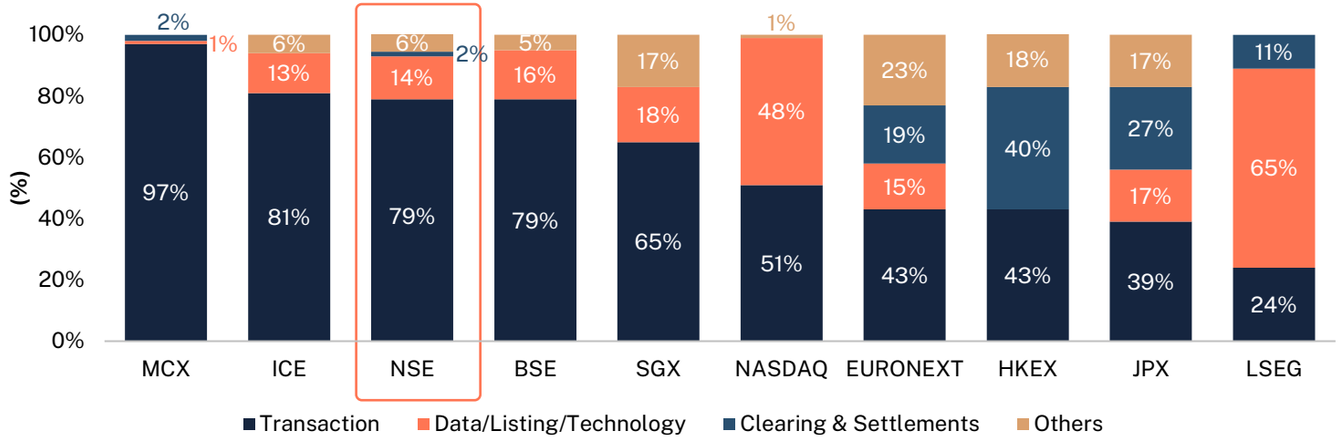
- **Competition is Confined to a Few Segments.** NSE's revenue from operations of Rs. 16,601 cr in FY26 was ~3.2x BSE's Rs. 5,124 cr (including Investment Income). NSE held 86–100% market share in eight of the ten segments shown
- Despite operating on essentially the same transaction-led, low-cost model, NSE generates a structurally higher EBITDA margin profile compared to BSE. The gap primarily reflects operating leverage, with a largely fixed cost base spread across materially higher volumes.

Source: RHP, Company

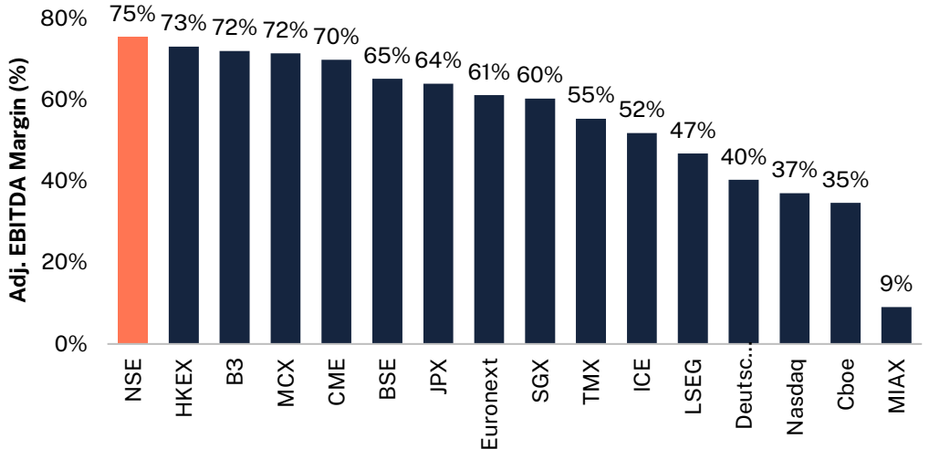
2.1 - Business Franchise & Moat (5/5)

NSE's transaction-led model drives superior margins, but leaves significant room to diversify beyond trading revenues

Global exchanges have diversified into data, technology and clearing, while Indian exchanges remain transaction-led



Margin reflects business mix as much as operating efficiency



Global exchanges: from trading venues to financial infrastructure groups

- Large global exchanges earn around half or more of their revenue outside trading fees. Following demutualisation and listing in the 2000s, they expanded through acquisitions into data, indices, technology and clearing. LSEG added Refinitiv and FTSE Russell, with data contributing 65% of revenue. Nasdaq added Adenza and Verafin, with software and solutions contributing 48%. HKEX, JPX and Euronext derive 19–40% of revenue from clearing and settlement.

India: structurally different, not just earlier in the cycle

- Indian exchanges remain transaction-led, with transactions contributing 97% of MCX revenue and 79% at NSE & BSE. Volumes are concentrated in exchange-traded index options with high individual participation, and across one or two exchanges per segment.
- SEBI regulates exchanges as MIIs. The SECC Regulations constrain their activities and shareholdings, while SEBI oversees member charges. Global peers operate as listed, for-profit groups with greater freedom to diversify through M&A.
- Indian clearing costs are largely recovered through transaction charges rather than reported separately, so part of the gap reflects presentation.

NSE: transaction-led, with faster-growing non-transaction lines

- Transaction charges contributed ~79% of FY26 revenue from operations (Rs. 13,057 cr), with options accounting for 60.2%. Clearing segment revenue was Rs. 1,762 cr (10.6%), versus Rs. 251 cr reported as external clearing.

NSE's margin leadership: scale + transaction-led model

- The margin ranking closely follows revenue mix. Transaction-led, single-market exchanges such as NSE, B3, MCX and CME rank highest, while diversified groups such as LSEG, Deutsche Börse, Nasdaq and Cboe operate at materially lower margins as data, technology and other non-transaction businesses contribute a larger share of revenue.
- NSE's EBITDA margin is at the higher end of the spectrum at ~75%, supported by its scalable electronic platform, high trading volumes, near-zero marginal transaction costs and India's relatively low-cost base.
- Lower margins at peers largely reflect business mix rather than weaker execution, with employee-intensive data and analytics businesses and integration costs weighing on profitability.

Source: Annual reports of respective global exchanges as of 2025, RHP, Company
Note: Adj. EBITDA for NSE excludes one off expenses.

2.2 - Management & Governance Overview (1/2)

Key management personnel – Committed and experienced leadership driving NSE's growth



Management combines deep experience across exchanges, regulation, technology and financial markets, supported by a strong governance framework and clearly defined functional responsibilities.



Mr. Ashishkumar Chauhan
Managing Director & CEO

- Holds a B.Tech. in Mechanical Engineering from IIT Bombay and a PGDM from IIM Calcutta.
- Previously served as MD & CEO of BSE, President & Group CIO/IT at Reliance Industries, Vice President of NSE, and Industrial Finance Officer at IDBI Bank.
- Currently serves on the board of IIM Calcutta, is a member of the University Grants Commission (UGC), and serves as Chancellor of the University of Allahabad.



Mr. Viral Mody
Executive Director – Vertical 1

- Holds a Bachelor's degree in Computer Engineering from the University of Mumbai.
- Previously worked at Tata Consultancy Services and NSEIT as a Senior Manager and Wipro Technologies
- Oversees the integration of advanced systems to support market operations and accelerate digital transformation.



Mr. Sanjay Shorey
Executive Director – Vertical 2

- Holds degrees in Commerce and Law from the University of Delhi, along with an M.Com., MBA & PG Diploma in Personnel Management & Labour Welfare.
- Former senior member of the Indian Corporate Law Service, with experience in corporate affairs, legal prosecution, regulatory compliance, corporate governance and public administration.
- Held senior positions under the Ministry of Corporate Affairs, including Director General of Corporate Affairs, Regional Director (Northern Region) and Director (Legal & Prosecution).



Mr. Sriram Krishnan
Chief Business Development Officer

- Joined NSE in December 2022 and currently oversees products, relationships, business development and business excellence.
- Holds a B.Com. from PSG College of Arts & Science, Coimbatore, and is an Associate Member of ICAI and ICWAI.
- Held senior roles at Deutsche Bank, Stock Holding Corporation of India, Templeton Asset Management, HSBC, and Citibank, with experience across finance, business development, and customer service.



Mr. Ian Desouza
Chief Financial Officer

- Holds a B.Com. and a Master's in Management Studies from the University of Mumbai; is an Associate Member of ICAI and a qualified Cost Accountant.
- Joined NSE in July 2024 and oversees finance, investor relations, group investments, and legal functions.
- Served as CFO of Bank of Baroda, Bajaj Finance and India Mortgage Guarantee Corporation, and held senior roles at Yes Bank, HDFC Bank and HSBC.

Source: Company, Midas Research

2.2 - Management & Governance Overview (2/2)

✅: Positive
☑: Neutral
❌: Negative

Rating	Corporate Factsheet
✅ **Board of Directors- Independence & diversity**	▪ 12-member board: Seven independent Public Interest Directors (Mr. Srinivas Injeti, Prof. G. Sivakumar, Mr. Rajesh Gopinathan, Justice (Retd.) Mrs. Abhilasha Kumari, Dr. Mamata Biswal, Mr. Rajeev Vasudeva, and Mr. P.R. Ramesh), three Executive Directors (Mr. Ashishkumar Chauhan, Mr. Viral Mody, Mr. Sanjay Shorey), and two Non-Independent Directors (Mr. Veneet Nayar, and Mr. Dinesh Pant). ▪ Independent Directors account for ~58% of the Board. Two Directors (17% of the Board) are women, both of whom are Independent Directors with backgrounds in law and academia.
☑ **Board of Directors- changes in directors**	▪ Board largely rebuilt in 2026 - 6 of 12 directors were appointed in 2026 (Prof. G. Sivakumar, Mr. Rajeev Vasudeva, Mr. Dinesh Pant, Mr. P.R. Ramesh, Mr. Viral Mody, and Mr. Sanjay Shorey). ▪ 50% of the cohort was inducted ahead of the Offer in 2026, so the collective oversight track record is short.
✅ **Board of Directors- Independence in board committees**	▪ Audit Committee: 100% independent (all 5 members are PIDs), chaired by Mr. Rajesh Gopinathan. ▪ Nomination and Remuneration Committee: Comprises four members, of whom 75% are Independent and 25% are Non-Independent Directors; chaired by Mr. Rajeev Vasudeva. Stakeholders' Relationship, CSR and Risk Management Committees are also in place.
✅ **Changes in Key Managerial Personnel**	▪ Mr. Ian Desouza was appointed as CFO from July 2024; Mrs. Prajakta Powle joined as Company secretary and compliance officer in May 2024. ▪ Finance and secretarial leadership was strengthened ahead of the Offer through induction of experienced professionals with strong external pedigree.
✅ **Management continuity**	▪ MD & CEO Mr. Ashishkumar Chauhan has been on the Board since July 2022, and Mr. Sriram Krishnan has been the company's Chief Business Development Officer since December 2022. ▪ Continuity high but not open-ended: Managing & Executive Directors' terms are fixed at five years and SEBI-approved.
✅ **Governance structure (Promoter-led vs professionally-managed)**	▪ Fully professionally managed with no promoter, operating under an independent-majority Board and the SECC framework. ▪ Clear separation of regulatory and commercial functions via information barriers, an independent Regulatory Oversight Committee, and a CRO structure.
☑ **Promoter holding**	▪ No promoter; widely held by 231,378 shareholders, with LIC as the largest shareholder at 10.72%. No promoter overhang or share pledging. ▪ However, ~32.5% of the shareholding is held by trading members and their associates (entities regulated by NSE), creating a structural conflict of interest that SECC ownership caps are designed to contain.
☑ **Stock-based compensation**	▪ No ESOPs or equity-linked pay: SECC Regulations prohibit MIIs from granting stock options to KMPs, eliminating option-related dilution but limiting equity-based retention incentives. ▪ KMPs receive a variable pay component of 25–50%, with 50% of variable pay deferred over three years and subject to malus and clawback provisions.
✅ **Related-party transactions**	▪ RPTs involve group associates (NSDL, IIBX, Power Exchange, and Capital Quant) and are immaterial, with each accounting for ~0.00% of total assets/liabilities. ▪ Stated to be on an arm's-length basis under the Companies Act, with transfer-pricing audits conducted.

Source: Company, Midas Research

2.3 - Risk Profile & Pricing Power

Strong pricing power, tempered by competition and customer concentration



NSE's deep liquidity, regulatory barriers, integrated technology infrastructure and low substitution support strong pricing power; however, competition from BSE, MSEI's threat and alternative venues, trading-member concentration and the potential for shifts in trading flows temper its overall pricing power.

Porter's 5 Forces Model

Threat of New Entrants-Moderate

- Regulatory barriers are high, as operating a stock exchange requires SEBI recognition, prescribed net worth, governance, technology and infrastructure capabilities, along with ongoing regulatory oversight and approvals for new products.
- MSEI overhang remains a threat, as its potential expansion in equity and derivatives could intensify competition for NSE and put pressure on market share and trading volumes.
- NSE's scale remains a major entry barrier, with seven data centres housing 2,694 FRE racks, including 1,868 member colocation racks, and supporting 200,000+ trading terminals through in-house technology.

Threat of Substitutes-Low

- Alternative venues exist, but substitution is limited. MTFs, OTC markets and offshore venues offer alternative trading channels, but NSE's scale and liquidity make it difficult for participants to replicate.
- NSE's deep liquidity, transparent price discovery and integrated trading, clearing and settlement make direct substitution more difficult, particularly in core equities and derivatives.
- Some Indian equity-index trading has historically migrated offshore, but NSE's strong domestic liquidity, broad product suite and integrated infrastructure continue to anchor trading activity onshore.

Competitive Rivalry-Moderate

- BSE is NSE's primary domestic competitor, alongside international and alternative derivatives venues and global index providers in non-trading businesses.
- NSE's strong market position provides a significant competitive advantage, with market shares of 92.99% in cash-market turnover, 99.79% in equity-futures turnover, and 74.71% in equity-options premium turnover in FY26.
- However, aggressive pricing, incentive programmes, new product launches, and technological innovation by competitors could put pressure on NSE's market share and transaction volumes.

Bargaining power of Suppliers-Low

- NSE relies on third parties for certain hardware, software, networking equipment, connectivity, and maintenance services, making these inputs critical to operations.
- Technology and connectivity are mission-critical, as disruptions, underperformance or obsolescence could necessitate costly replacements or upgrades.
- However, in-house development of core trading platforms and a large proprietary technology infrastructure reduce dependence on external suppliers for critical systems.

Bargaining power of Buyers-Moderate

- Trading members are an important customer base, with the top 10 contributing 46.78% of NSE's revenue from operations in FY26, creating some customer concentration.
- Trading members and other market participants can shift activity towards competing exchanges, alternative trading venues or clearing corporations, particularly where pricing, technology or service levels are more attractive.
- However, NSE's deep liquidity, extensive network and large investor base increase the value of participation on the platform and limit the ability of individual customers to exert substantial pricing pressure.

Source: Company, Midas Research

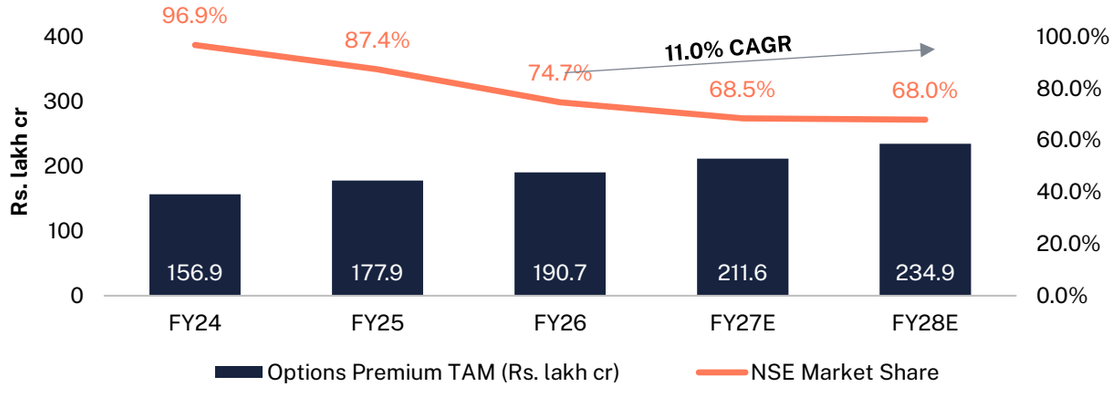
2.4 – Financials (1/5)

Transaction Revenue (1/3): Options remain core, despite share moderation

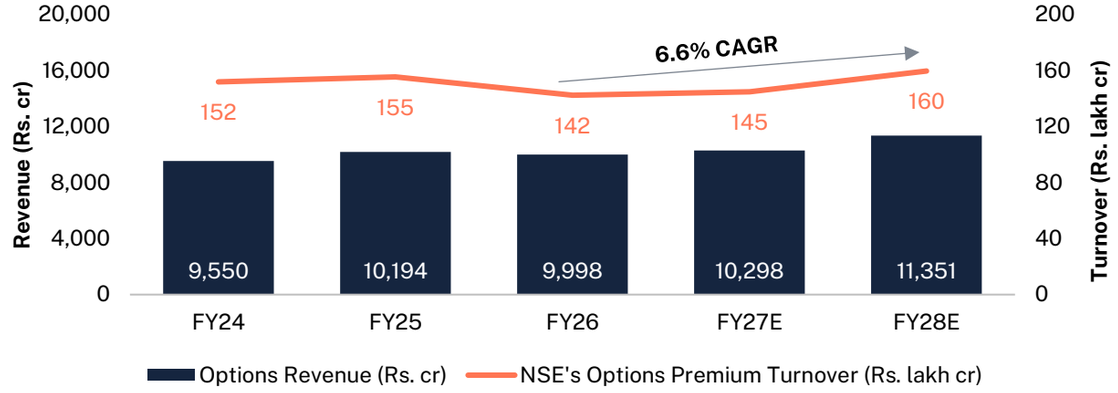


Growth is broadening beyond options, with faster growth in cash and non-transaction revenues driving the next phase of expansion amid regulatory constraints on options. However, diversification remains limited, with non-transaction revenues still accounting for less than 25% of the mix. Margins remain structurally strong, with recovery expected as one-off settlement costs fade.

Options premium market to grow 11% annually, with NSE's share declining to 68%



Options revenue to grow ~6.6% annually at stable yields



NSE's Options Premium Turnover faces regulatory and competitive headwinds

- SEBI measures, including larger contract sizes, one weekly expiry per exchange and upfront premium collection, alongside BSE's weekly Sensex expiries, have weighed on options activity.
- NSE's average daily premium turnover declined 8% YoY in FY26, while its market share fell from 96.9% in FY24 to 74.7% in FY26.

NSE's Equity Options Premium share to stabilise at ~68% from FY28E

- CAS implementation in Aug'26 led to a ~25% QoQ decline in industry options premium ADTV in Q2FY27. Volumes recovered 42% MoM in Oct'26, with proposed CAS changes from Dec'26 expected to support further recovery in H2FY27.
- We estimate NSE's market share to stabilize at ~68% over FY27E-FY28E. Its established liquidity and trading ecosystem should sustain market leadership.

- **NSE's options growth to trail industry expansion:** We expect India's equity options premium turnover to grow at ~11% CAGR through FY28E, compared with a 5.7% CAGR in NSE's premium ADTV, as its market share declines from 74.7% in FY26 to ~68% by FY28E.
- **Premium-to-notional ratio normalisation:** The ratio fell from ~52 bps in FY21 to ~19 bps in FY24 amid the rise of weekly options and expiry-day trading. SEBI's November 2024 expiry rationalisation supported a recovery to ~22 bps in FY26 as trading shifted towards monthly and longer-dated options. We assume the ratio remains at 22 bps.
- **Options revenue to grow at 6.6% CAGR:** We expect NSE's options revenue to increase from Rs. 9,998 cr in FY26 to Rs. 11,351 cr in FY28E, with growth remaining below the industry's projected ~11% CAGR. This segment is expected to contribute ~76% of the transaction revenue by FY28E.

OUTLOOK FY26–28E

OPTIONS PREMIUM TAM GROWS
Rs. 190.7 lakh cr → 234.9 lakh cr ~11% CAGR

NSE'S SHARE EXPECTED TO STABILISE POST DECLINE
74.7% → 68.0%

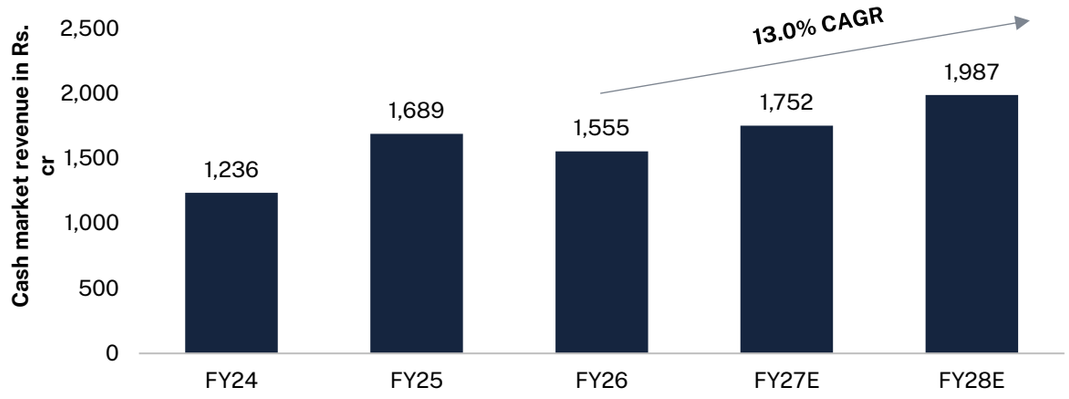
NSE OPTIONS REVENUE RISES
Rs. 9,998 cr → 11,351 cr ~6.6% CAGR

Source: Company, Midas Research

2.4 – Financials (2/5)

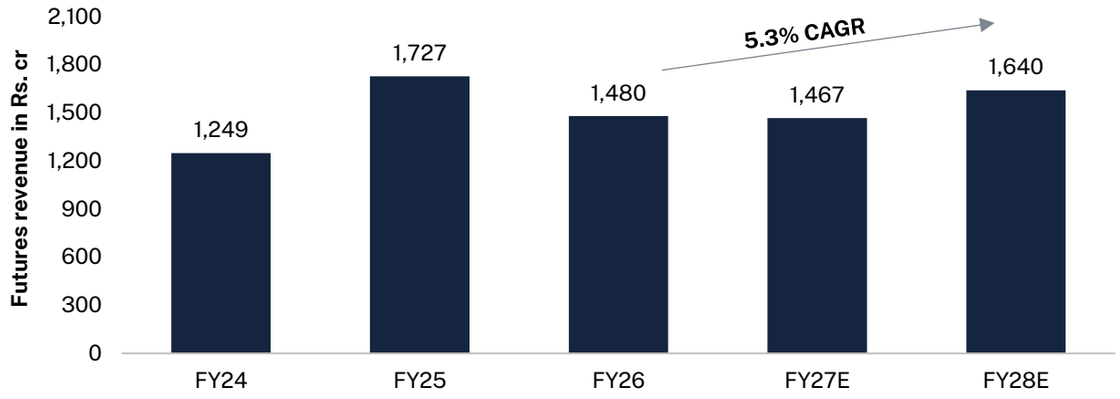
Transactional Revenue (2/3): Cash and Futures revenues to recover on improving trading activity

Cash market revenue recovery on market growth and trading activity



- **Cash market revenue is driven by market size and trading activity:** Transaction charges depend on the value of shares traded on NSE, influenced by average market capitalisation and cash market turnover.
- **Revenue declined in FY26 following strong FY25 growth:** Cash market revenue rose 36.6% to Rs. 1,689 cr in FY25 before declining 7.9% to Rs. 1,555 cr in FY26, as market capitalisation growth slowed from 24% to 3% and trading activity moderated.
- **Recovery in market capitalisation and trading activity to drive growth:** Average market capitalisation is expected to grow at ~10% CAGR from Rs. 411 lakh cr in FY26 to Rs. 498 lakh cr in FY28E, supported by deeper financialisation of household savings and rising investor participation. As trading activity recovers from the FY26 trough, we expect cash market ADTV to grow at 11% CAGR, alongside improved realisations. Consequently, cash market revenue is projected to reach Rs. 1,987 cr by FY28E, implying a 13% CAGR over FY26-28E.

Futures revenue growth remains below cash as trading velocity moderates



- **Futures revenue is driven by market size and trading activity:** Transaction charges depend on the value of equity futures contracts traded on NSE, influenced by market capitalisation and futures turnover.
- **Revenue declined in FY26 amid a shift towards options and regulatory headwinds:** Futures revenue fell 14.3% YoY as activity shifted towards index options, while tighter F&O regulations and a sharp increase in STT weighed on trading volumes.
- **Futures revenue to recover with improving trading activity:** We expect futures ADTV to grow at 6% CAGR over FY26-28E, following a 14% decline in FY26. Consequently, revenue is projected to increase from Rs. 1,480 cr in FY26 to Rs. 1,640 cr in FY28E, implying a 5.3% CAGR.

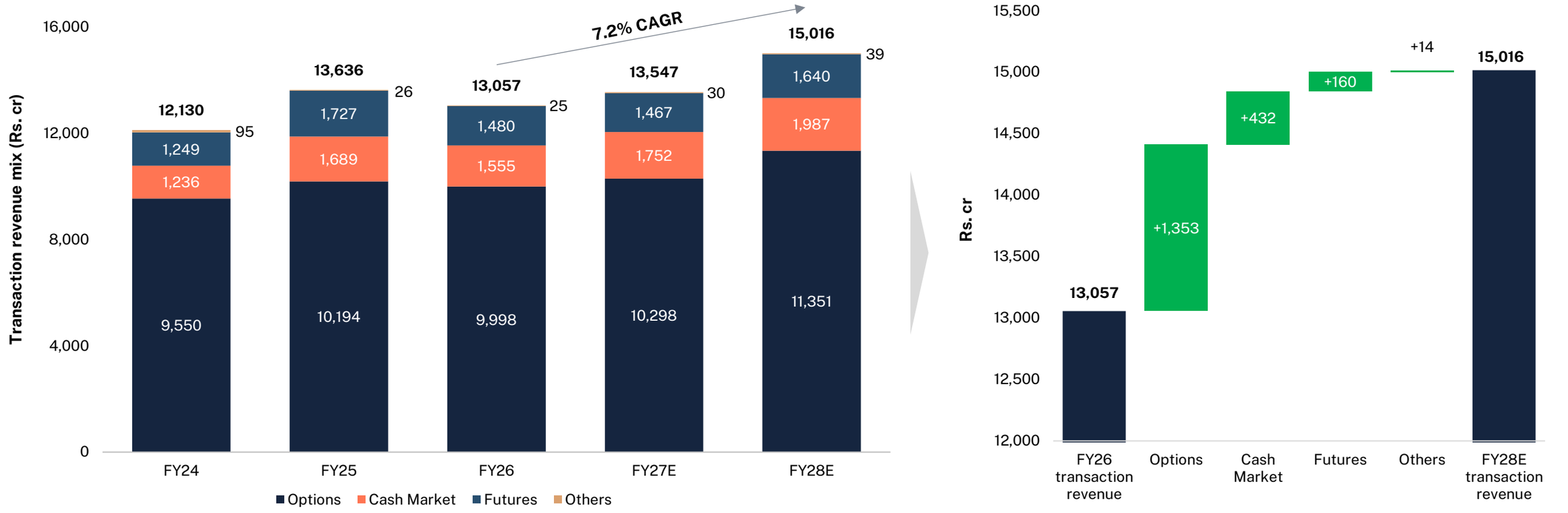
OUTLOOK FY26–28E	CASH MARKET REVENUE	FUTURES REVENUE	CASH + FUTURES SHARE
	Rs. 1,555 cr → 1,987 cr ~13.0% CAGR	**Rs. 1,480 cr → 1,640 cr** ~5.3% CAGR	**~24.2%** of FY28E transaction revenue

Source: Company, Midas Research

2.4 – Financials (3/5)

Transactional Revenue (3/3): Options remain dominant as cash and futures gain share

Transaction revenue remains options-led, but cash and futures steadily broaden the mix through FY28E



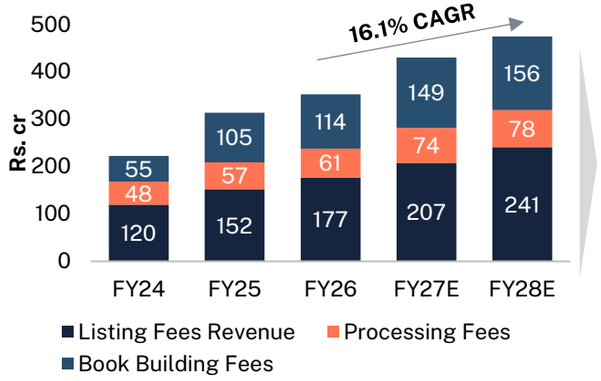
- **Transaction charges remain NSE's core earnings driver through FY28E.** Despite faster growth in non-transaction revenue (~1.8x the CAGR of transaction revenue), transaction revenue is expected to remain ~77% of operating revenue by FY28E, growing ~7.2% CAGR to Rs. 15,016 cr.
- **Revenue mix is gradually diversifying beyond options, with cash gaining share.** Cash market, where NSE held ~93% market share in FY26, is expected to grow at 13% CAGR over FY26-FY28E, ~2x options revenue growth of 6.6%. Although cash is projected to make up only ~13% of transaction revenue in FY28E, the growth remains prospective.

Source: Company, Midas Research

2.4 – Financials (4/5)

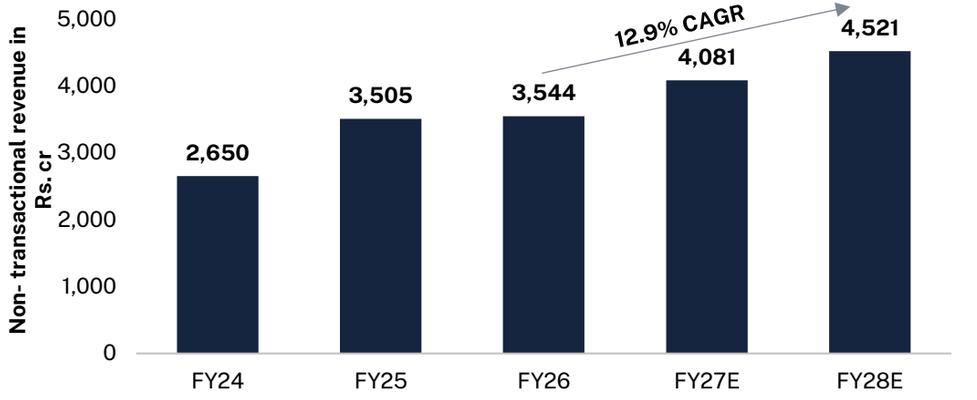
Technology Services to drive incremental non-transaction revenue growth

Listing services: Listing fees (recurring) anchor growth, with new listings driving the upside

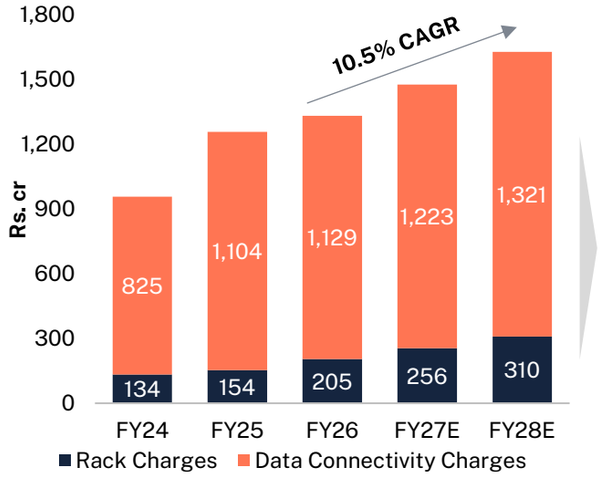


- Listing services revenue comprises recurring annual listing fees and one-time fees from new listings. Annual listing fees stood at Rs. 177 cr in FY26 (~50% of listing services revenue) and are expected to **reach Rs. 241 cr by FY28E**, supported by ~10% annual growth in listed entities from 2,978 to ~3,587.
- Processing and book-building fees are expected to **grow ~12.9% and ~16.7% CAGR over FY26-FY28E**, supported by new listings rising to ~1.4x FY26 levels.
- Together, these one-time revenues contribute ~49% of incremental listing services revenue, driving listing services revenue to **Rs. 475 cr by FY28E (16.1% CAGR).**

Non-transaction revenue to maintain its share and outpace transaction revenue growth



Co-location revenue: Capacity-led growth with significant rack expansion ahead



- **Co-location revenue to grow at 10.5% CAGR:** Revenue is projected to reach Rs. 1,630 cr by FY28E, with connectivity contributing Rs. 1,321 cr (~81%).
- **Connectivity growth linked to membership:** Charges are expected to grow at 8.2% CAGR, assuming ~8% annual growth in trading membership and stable revenue per member.
- **Rack charges to benefit from capacity expansion:** Rack revenue is projected to rise by Rs. 105 cr over FY26-28E to Rs. 310 cr, with broadly stable revenue per rack.
- **Capacity expansion to support growth:** Member colocation rack capacity reached 1,868 FRE in Q1FY27, up from 1,680 in FY26. Against plans to add 1,800+ racks, we assume ~900 additional racks by FY28E, taking member rack capacity to 2,580 FRE.

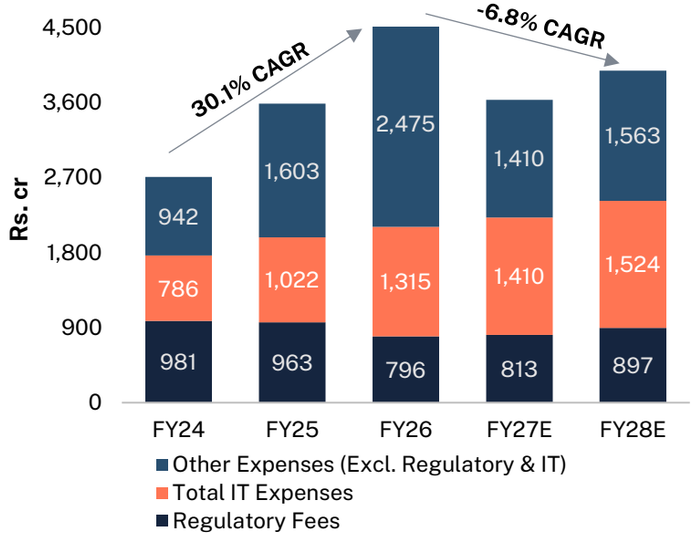
- **Non-transaction revenue remains a diversified income stream:** Comprising listing, co-location, data, clearing and other fees, revenue stood at Rs. 3,544 cr in FY26 (~21% of operating revenue), flat YoY as lower clearing and settlement fees offset growth in listing and co-location.
- **Non-transaction revenue to grow at ~13% CAGR:** Revenue is projected to reach Rs. 4,521 cr by FY28E, led by co-location at Rs. 1,630 cr, followed by investment income at Rs. 959 cr. Data feed and terminal charges, the third-largest contributor, are expected to grow at 19% CAGR**.**
- **Technology services to drive growth:** Rack charges, data feed and terminal services, and connectivity revenue are expected to grow at 12.8% CAGR over FY26-28E. Technology services are expected to contribute ~51% of NSE's non-transaction revenue (FY26-FY28E), remaining a key growth driver.
- **Revenue mix to diversify further:** Non-transaction revenue is expected to grow ~1.8x faster than transaction revenue (7.2% CAGR), increasing its share of operating revenue to ~23% by FY28E from ~21% in FY26.

Source: Company, Midas Research

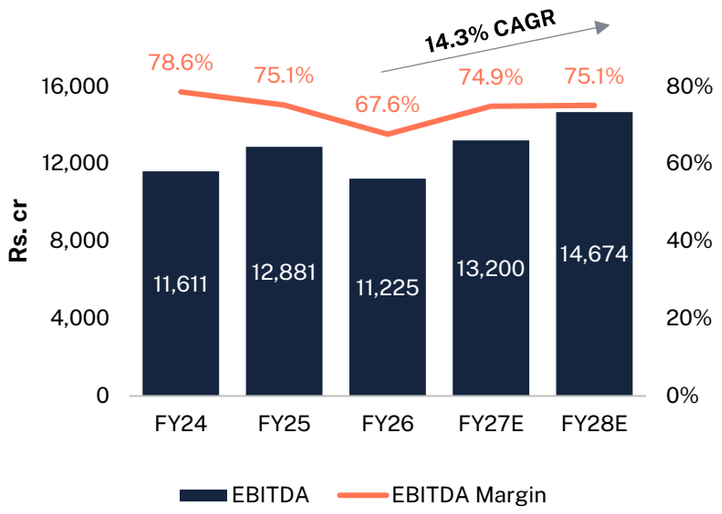
2.4 – Financials (5/5)

FY26 one-offs weighed on margins, with normalization to drive earnings recovery through FY28E

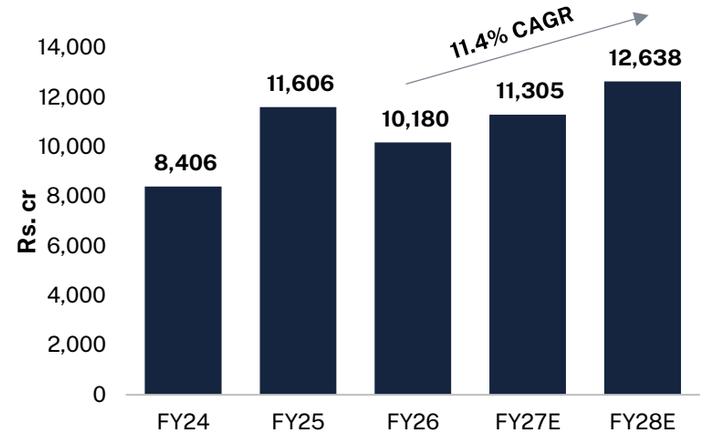
Expenses normalize post FY26 as one-offs fade



EBITDA to grow at a 14.3% CAGR as margins are expected to recover to ~75.1% by FY28E



PAT to compound at 11.4% CAGR, surpassing the FY25 peak in FY28E



- **One-off settlement provision drove the FY26 expense spike:** SEBI settlement fees increased from Rs. 73 cr in FY24 to Rs. 1,432 cr in FY26, including a Rs. 1,391 cr provision towards co-location and dark fibre matters. Excluding settlement fees, regulatory charges and IT costs, other expenses increased from Rs. 869 cr in FY24 to Rs. 1,044 cr in FY26, implying a 9.6% CAGR.
- **Regulatory fees to rise with trading activity:** Regulatory fees declined 17% in FY26, reflecting lower options notional turnover. With notional turnover across cash, futures and options expected to recover, we project regulatory fees to grow at a 6.1% CAGR over FY26-28E.
- **IT costs to remain structurally elevated:** IT expenses increased to 8% of revenue in FY26 from 5% in FY24, reflecting continued investments in technology infrastructure and capabilities. We expect IT expenses to reach Rs. 1,524 cr by FY28E, remaining at ~8% of revenue.

- **Underlying margins to recover as one-offs normalise:** The SEBI settlement provision drove the contraction in reported EBITDA margin to 67.6% in FY26. As the exceptional expense does not recur, we expect EBITDA margin to recover to 75.1% by FY28E, with IT and other operating expenses remaining broadly stable as a proportion of revenue.
- **PAT to benefit from lower one-offs:** Core SGF contributions fell from Rs. 1,741 cr in FY24 to Rs. 234 cr in FY25 and Rs. 0.6 cr in FY26. NSE ended its voluntary 2% transaction-charge contribution in January 2025 after the F&O corpus reached Rs. 10,500 cr; future contributions depend on replenishment needs.
- With no repeat of the FY26 settlement provision or tax-refund interest, PAT is projected to rise from Rs. 10,180 cr in FY26 to Rs. 12,638 cr in FY28E, an 11.4% CAGR.

Source: Company, Midas Research

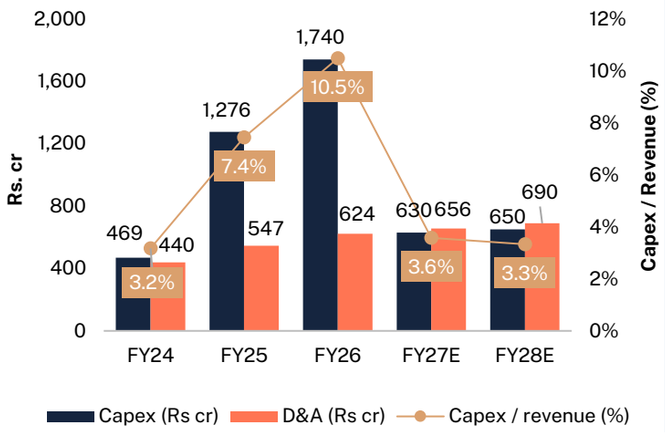
2.5 - Balance Sheet & Cash Flow Analysis

Revenue is vanity, profit is sanity, but cash is reality



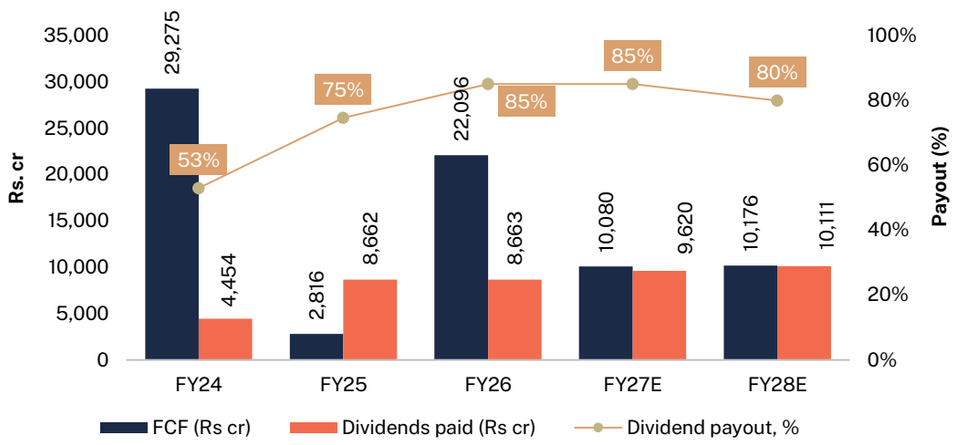
NSE operates a debt-free balance sheet, with annual capex moderating to Rs.630–660 cr (~3% of revenue) and Core SGF contributions largely behind it after achieving the mandated corpus, removing a key historical drag on earnings. Despite working-capital volatility from member funds, free cash flow is set to stabilize at Rs.10,080 cr in FY27E and Rs.10,176 cr in FY28E, comfortably supporting an ~80-85% dividend payout ratio.

Capex to normalise, with technology-led spend sustained

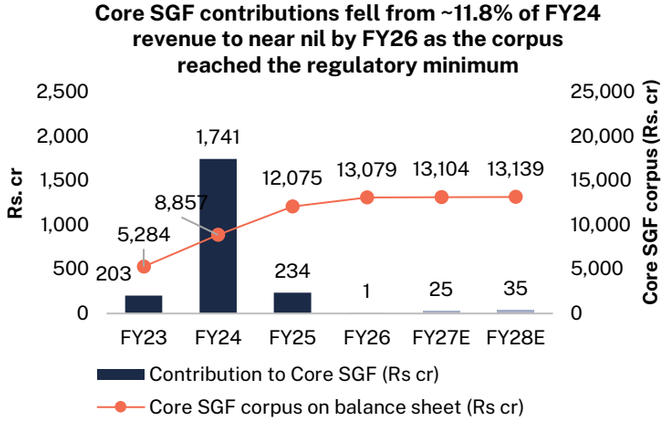


- **FY26 capex included a one-off land payment.** Cash capex rose to Rs. 1,740 cr in FY26, including ~Rs. 926 cr paid to MMRDA towards leasehold land, following ~Rs. 758 cr paid in FY25. Ex-land capex increased from Rs. 518 cr in FY25 to ~Rs. 814 cr in FY26.
- **Capex is primarily technology-led.** PPE and software additions stood at Rs. 474–603 cr over FY24–26, at 3.2–3.5% of revenue, supporting trading, clearing, settlement and data-centre infrastructure. Technology operating expenses rose from 5.3% to 7.9% of revenue during the same period.
- **Annual capex is expected at Rs. 630–660 cr levels**. This is broadly in line with historical asset additions and ~3.3% of revenue by FY28E. Unexecuted capex commitments of Rs. 630 cr provide visibility on near-term capital deployment.

High payout policy supports sustained shareholder distributions



Core SGF funding is largely complete, easing recurring earnings drag



- **The bulk of funding was completed in FY24.** NSE contributed Rs. 1,741 cr to Core SGF in FY24, including a one-off incremental contribution of Rs. 1,500 cr, taking the corpus to Rs. 8,857 cr from Rs. 5,284 cr in FY23.
- Contributions fell sharply once the regulatory corpus was reached. The Rs. 10,500 cr minimum corpus was reached in December 2024, bringing the voluntary 2% contribution to an end from January 2025. **Contributions fell from Rs. 1,741 cr in FY24 to Rs. 234 cr in FY25, an ~87% decline.**
- Future earnings drag should remain limited. We assume **modest contributions of Rs. 25 cr in FY27E and Rs. 35 cr in FY28E**, taking the Core SGF corpus to Rs. 13,139 cr by FY28E - only Rs. 60 cr above FY26, with **contributions remaining minimal at ~0.2% of FY28E revenue.**

- **Reported FCF is volatile, driven by member funds rather than underlying business performance.** FCF rose from Rs. 1,331 cr in FY23 to Rs. 29,275 cr in FY24, fell to Rs. 2,816 cr in FY25 and recovered to Rs. 22,096 cr in FY26, despite PAT remaining within Rs. 7,501–11,606 cr.
- **Year-end member balances largely explain the swings.** Margin requirements vary with members' outstanding positions, market volatility and associated risk margins, while settlement balances depend on the timing of pay-in and pay-out obligations. Other financial liabilities, which largely include these balances, increased by Rs. 17,299 cr in FY24, supporting FCF, declined by Rs. 5,496 cr in FY25 and rose by Rs. 14,484 cr in FY26. FY26 also benefited from an Rs. 899 cr increase in provisions, including the SEBI settlement provision paid in Jul-26.
- **FCF is expected to stabilise through FY28E.** With member balances normalising, stable capex and no assumed repeat of the FY26 NSDL stake sale, **FCF is estimated at Rs. 10,080 cr in FY27E and Rs. 10,176 cr in FY28E.**
- **We expect annual dividends of Rs. 9,620 cr – Rs. 10,111 cr in FY27E–28E**, implying an **80–85% payout** assumption.

Source: Company, Midas Research
Note: Dividends are paid in the subsequent financial year; however, for presentation purposes, we have considered them in the same financial year.

3 - Valuation Framework

Midas
Equities and Research

Valuation Framework - Summary

3.1 Current Position Versus Peers:

- At 35x FY28E P/E, NSE trades at a ~13% discount to BSE and MCX (40x); its FY26–28E revenue/EBITDA/PAT CAGRs of 8.6%/14.9%/11.4% compare with the peer average of 26%/24%/23%.
- Against global exchanges (Nasdaq, LSEG, SGX and JPX), it trades at a ~67% premium to their ~21x average, with a 74% EBITDA margin and 35% RoE vs. 61% and 23%. Hence, we assign a rating of **5.0/7.0**.

3.2 Based on Growth:

- NSE's FY26–28E PAT and EBITDA CAGRs of ~11% and ~15% trail BSE and MCX (~21–23% PAT and ~24–26% EBITDA), reflecting normalisation of equity options volumes. Recovery in cash-market activity, growth in non-transaction revenues and operating leverage from the absence of one-offs provide scope for earnings expansion through FY28E.
- At 27.3x FY28E EV/EBITDA, NSE trades below BSE (28.1x) and MCX (31.9x). Accordingly, we assign a rating of **4.0/7.0.**

3.3 Capturing Return Profiles:

- NSE's RoE rises from ~33% in FY26 to ~35% by FY28E, albeit below BSE (36%) and MCX (45%), while its asset-light, high-margin business model supports strong capital efficiency.
- FY26 RoCE (~34%) and CFO/PAT (~2.3x) reflect strong cash generation and limited capital intensity. NSE trades at the lowest multiples at ~44x TTM P/E, ~35x FY28E P/E, ~31x EV/EBITDA and ~19x P/CEPS. Accordingly, we assign a rating of **4.5/7.0.**

3.4 Reflecting EVA:

- EVA spread fell from 20.2% (FY24) to 14.3% (FY26) as F&O curbs cut volumes and a one-off SEBI settlement pulled EBITDA margin to 67.6%.
- With these costs behind it, and volumes recovering of revenue, we see margins at ~75% and the spread at ~22.8% by FY28E, yet NSE trades at 31.4x TTM EV/EBITDA vs 36.9x (BSE) and 34.1x (MCX). Accordingly, we assign a rating of **6.0/7.0.**

3.1 – Current Position Versus Peers

Peer comparison



At 35x FY28E P/E, NSE trades at a ~13% discount to BSE and MCX (40x); its FY26–28E revenue/EBITDA/PAT CAGRs of 8.6%/14.9%/11.4% compare with the peer average of 26%/24%/23%. Against global exchanges (Nasdaq, LSEG, SGX and JPX), it trades at a ~67% premium to their ~21x average, with a 74% EBITDA margin and 35% RoE vs. 61% and 23%.

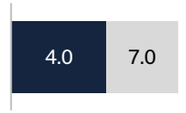
- **NSE trades at 35x FY28E P/E, a ~13% discount to domestic peers BSE and MCX (40x), reflecting slower growth off a much larger base.** Revenue (ex-investment income)/EBITDA/PAT are expected to grow at **8.6%/14.9%/11.4% CAGRs through FY28E**, versus the peer average of **25.6%/24.5%/23.4%**.
- **NSE is several times the size of its listed domestic peers.** FY26 revenue (ex-investment income) of Rs. 15,760 cr is **~2.3x** and PAT of Rs. 10,180 cr is **~2.7x** that of BSE and MCX combined, while its market cap of Rs. 4,47,356 cr is ~2x theirs.
- **NSE's margins expand while peers' compress.** EBITDA margin is expected to rise from **66% in FY26 to 74% in FY28E**, ~3 ppt above the peer average of 71%, which falls from 72% as MCX's margin drops from 78% to 72%. RoE of 35% is in line with BSE (36%) but below MCX (45%).
- **Against global peers, NSE trades at a ~67% premium (35x vs. ~21x) on a more cyclical, transaction-led model.** Transaction charges were ~79% of FY26 operating revenue (equity options ~77% of these), whereas Solutions made up ~77% of Nasdaq's 2025 net revenue and ~73% of LSEG's income is recurring. Revenue CAGR of 9% trails the 10% peer average.
- **The global premium rests on superior returns and room to diversify.** NSE's **74% EBITDA margin and 35% RoE** are ~13 ppt and ~12 ppt above the global averages. Scaling index licensing, data and colocation revenue would reduce earnings volatility and support the multiple.

Company	CMP Rs.	Mkt cap Rs.cr	Revenue Ex- Investment Income (Rs.cr)			EBITDA Ex- Investment Income (Rs.cr)			PAT(Rs.cr)			EBITDA Margin		RoE		P/E
			FY26	FY28E	CAGR	FY26	FY28E	CAGR	FY26	FY28E	CAGR	FY26	FY28E	FY26	FY28E	FY28E
NSE	**1,808**	**4,47,356**	**15,760**	**18,577**	**9%**	**10,383**	**13,715**	**15%**	**10,180**	**12,638**	**11%**	**66%**	**74%**	**33%**	**35%**	**35**
BSE	3,602	1,46,900	4,834	7,107	21%	3,155	4,899	25%	2,497	3,695	22%	65%	69%	45%	36%	40
MCX	3,315	84,530	2,098	3,540	30%	1,646	2,544	24%	1,331	2,087	25%	78%	72%	56%	45%	40
Average	-	-	-	-	**26%**	-	-	**24%**	-	-	**23%**	**72%**	**71%**	**51%**	**41%**	**40**

Company	Revenue (2Y CAGR)	EBITDA (2Y CAGR)	PAT (2Y CAGR)	EBITDA Margin (2Y forward)	RoE (2Y forward)	P/E (2Y forward)
NSE	**9%**	**15%**	**11%**	**74%**	**35%**	**35**
Nasdaq	11%	11%	21%	60%	20%	23
London Stock Exchange Group	6%	9%	35%	52%	14%	17
Singapore Exchange	7%	4%	4%	65%	32%	25
Japan Exchange Group	17%	16%	17%	66%	26%	20
Average	**10%**	**10%**	**19%**	**61%**	**23%**	**21**

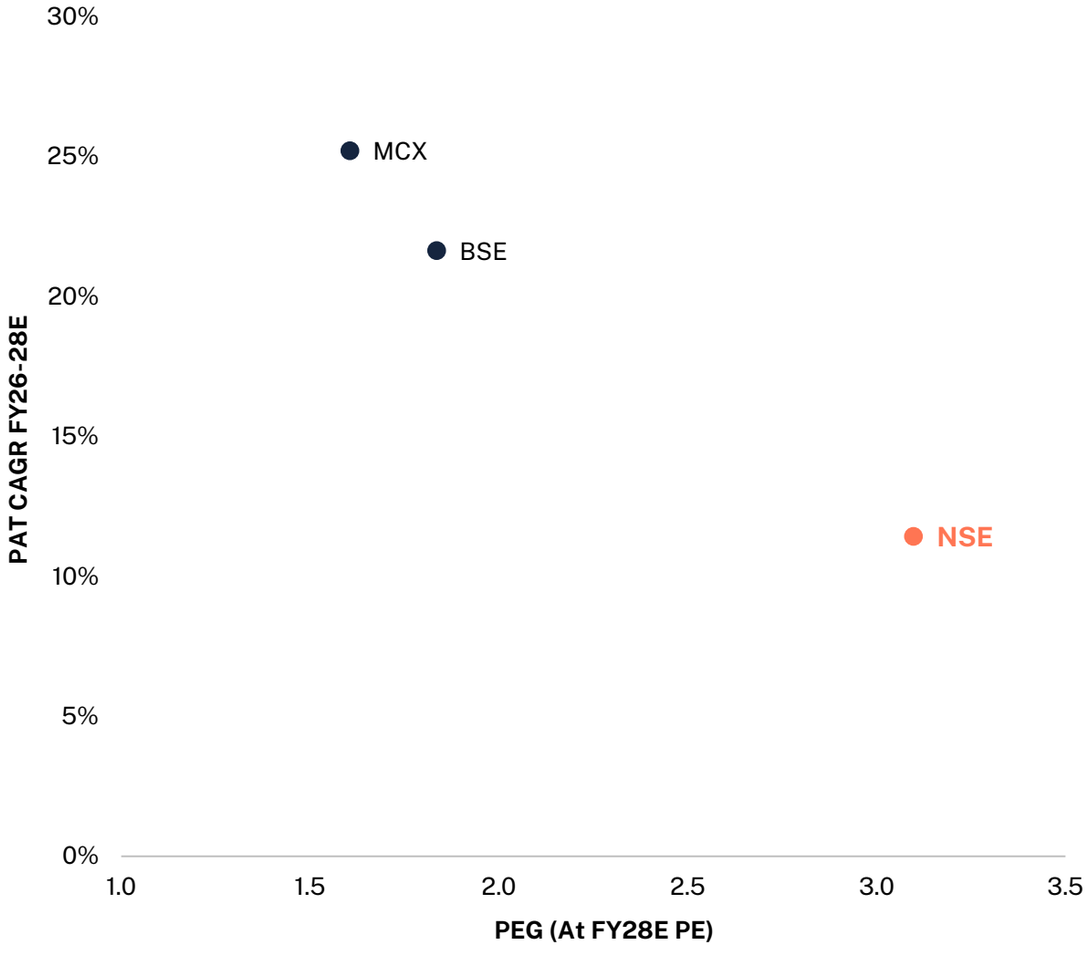
Note: 2-year forward estimates refer to the current reporting year plus 2 reporting periods, based on each exchange's respective FY/CY convention. NSE revenue and EBITDA exclude investment income to ensure a like-for-like comparison with Bloomberg consensus estimates for BSE and MCX.
Source: Company, Midas Research, Bloomberg; NSE RHP (FY26 revenue mix), Nasdaq FY25 results, LSEG FY25 results and investor presentation (May 2026)

3.2 – Based on Growth

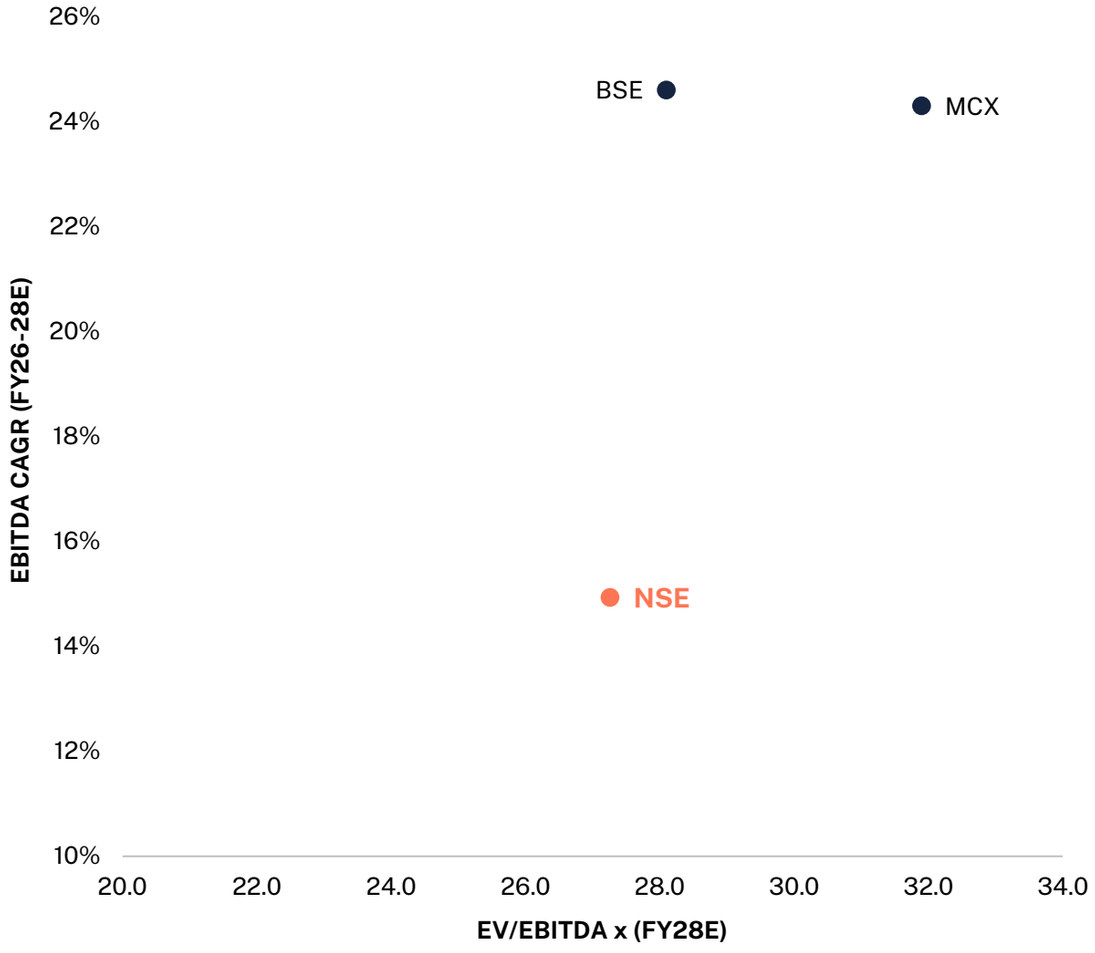


NSE's FY26–28E PAT and EBITDA CAGRs of ~11% and ~15% trail BSE and MCX (~21–23% PAT and ~24–26% EBITDA), reflecting normalization of equity options volumes. Recovery in cash-market activity, growth in non-transaction revenues and operating leverage from the absence of one-offs provide scope for earnings expansion through FY28E. At 27.3x FY28E EV/EBITDA, NSE trades below BSE (28.1x) and MCX (31.9x).

Lowest PAT growth in the peer set, with the highest PEG (3.1x)



Slowest EBITDA growth, but the lowest EV/EBITDA (27.3x) in the peer set



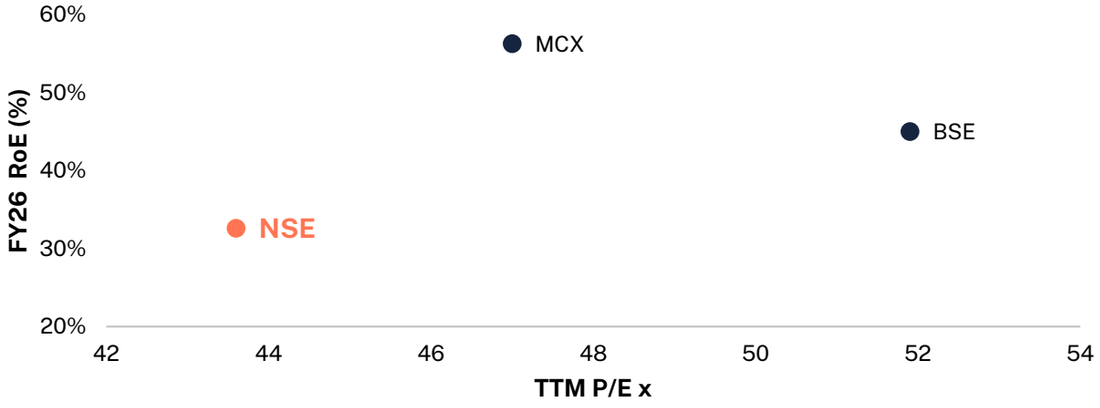
Source: Company, Midas Research, Bloomberg
Note: NSE revenue and EBITDA exclude investment income to ensure a like-for-like comparison with Bloomberg consensus estimates for BSE and MCX.

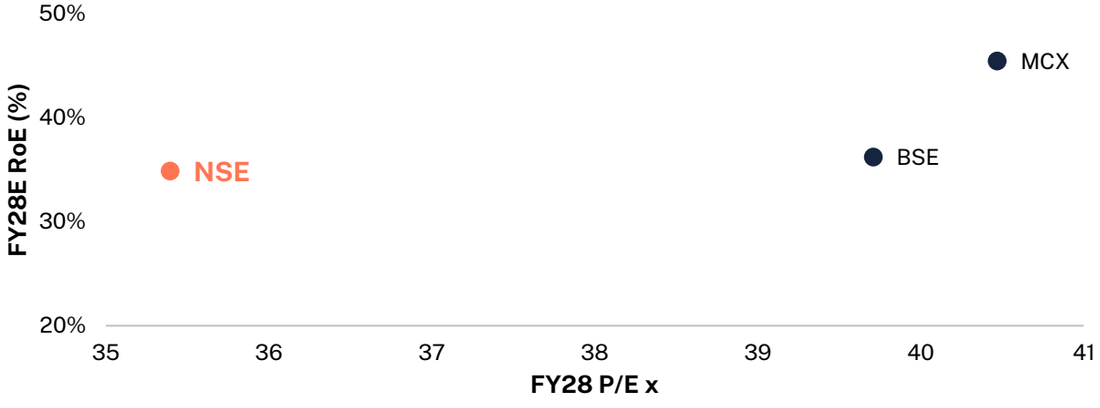
3.3 – Capturing Return Profiles



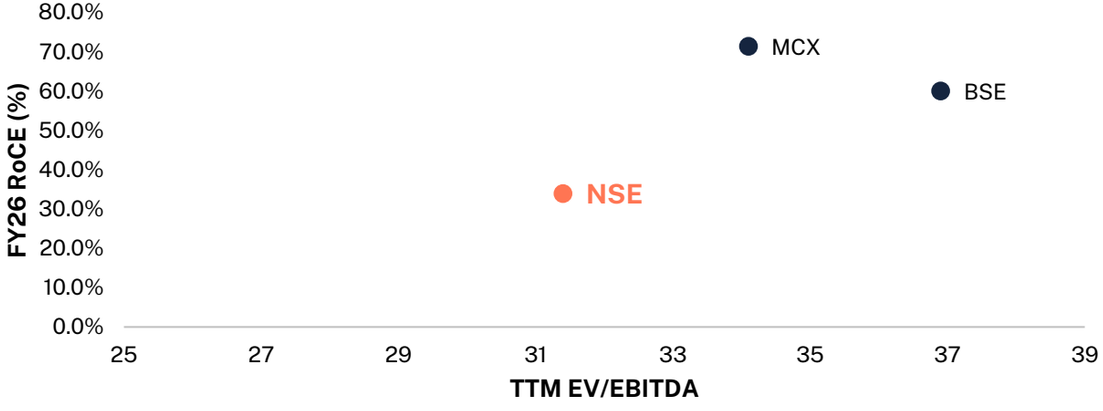
NSE's RoE rises from ~33% in FY26 to ~35% by FY28E, albeit below BSE (36%) and MCX (45%), while its asset-light, high-margin business model supports strong capital efficiency. FY26 RoCE (~34%) and CFO/PAT (~2.3x) reflect strong cash generation and limited capital intensity. NSE trades at the lowest multiples at ~44x TTM P/E, ~35x FY28E P/E, ~31x EV/EBITDA and ~19x P/CEPS.

RoE is expected to rise from ~33% in FY26 to ~35% by FY28E, the lowest in the peer set, while NSE trades at the lowest P/E (44x TTM; 35x FY28E)

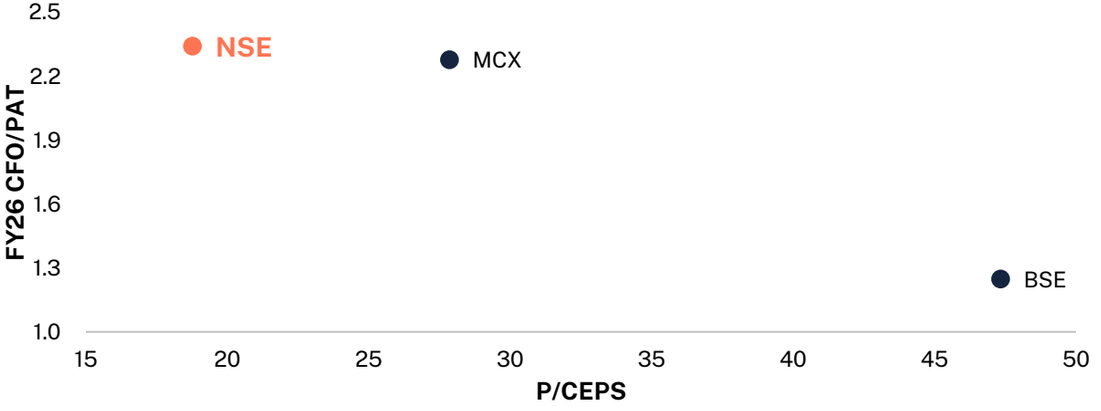




Lower FY26 RoCE (~34%) than peers, but EV/EBITDA provides a cushion (~31x)



Best cash conversion (~2.3x CFO/PAT) in peer set, at the lowest P/CEPS (~19x)



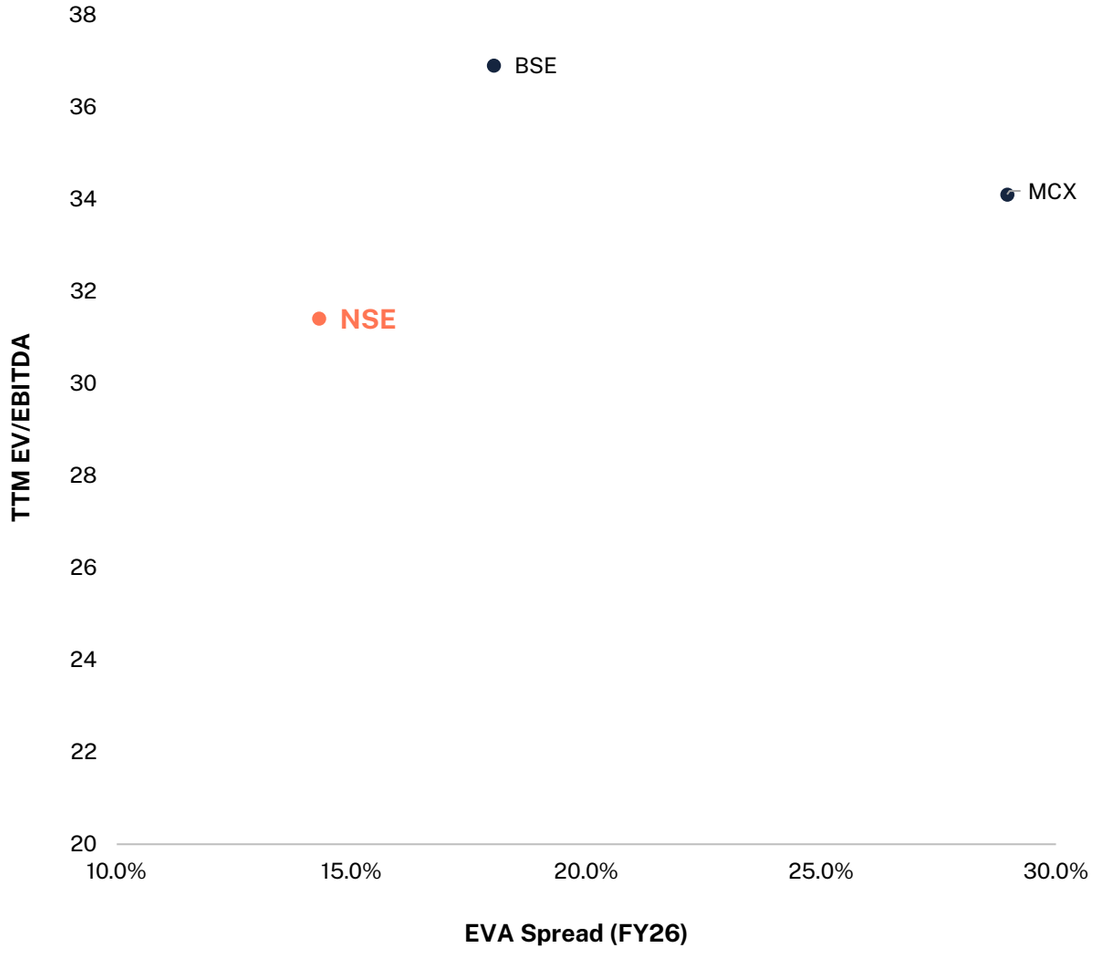
Source: Company, Midas Research, Bloomberg
Note: NSE revenue and EBITDA exclude investment income to ensure a like-for-like comparison with Bloomberg consensus estimates for BSE and MCX.

3.4 – Reflecting EVA

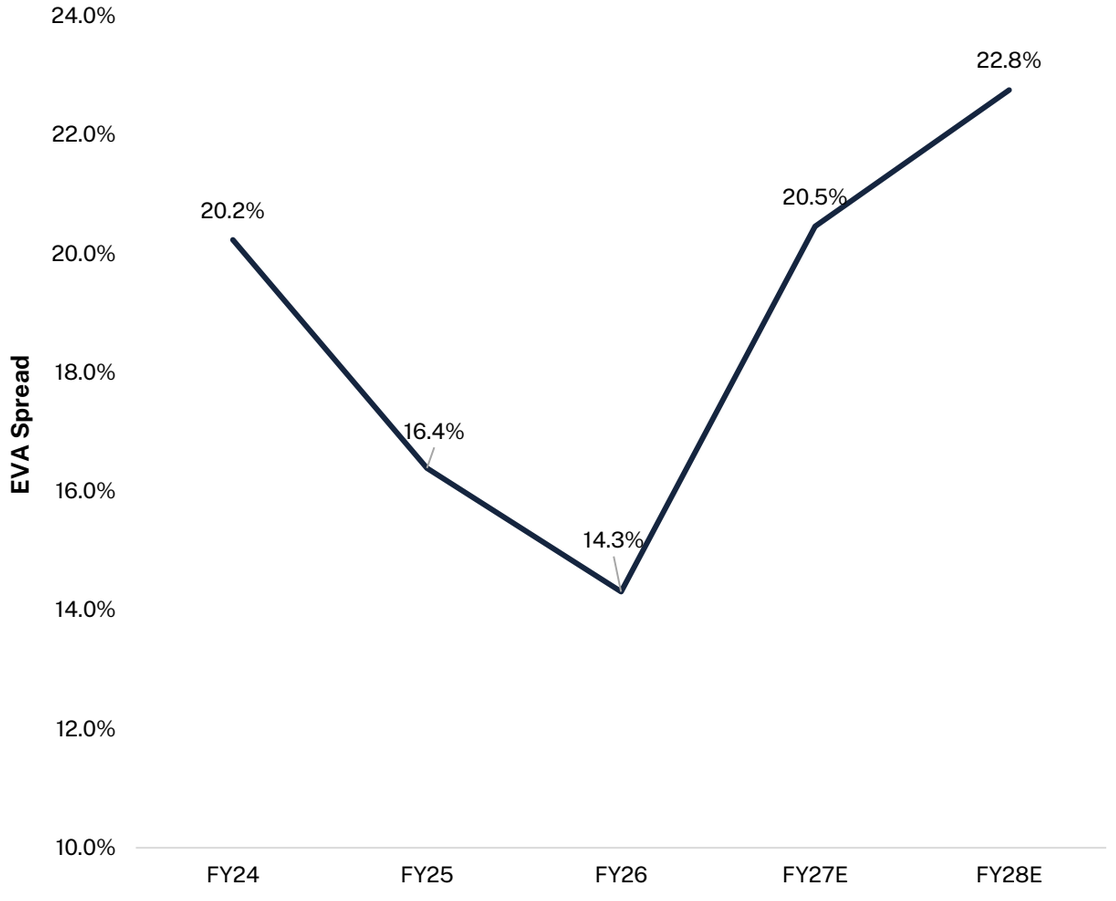


EVA spread fell from 20.2% (FY24) to 14.3% (FY26) as F&O curbs cut volumes and a one-off SEBI settlement pulled EBITDA margin to 67.6%. With these costs behind it, and volumes recovering of revenue, we see margins at ~75% and the spread at ~22.8% by FY28E, yet NSE trades at 31.4x TTM EV/EBITDA vs 36.9x (BSE) and 34.1x (MCX).

NSE trades at the lowest multiple (31.4x) despite a 14.3% EVA spread



EVA spread dipped to 14.3% in FY26; likely to rebound to 22.8% by FY28E



Source: Company, Midas Research, Bloomberg
Note: NSE's EVA is calculated using Adjusted ROIC, with cash balances adjusted to exclude member margin money and other settlement-related obligations.

Valuation Rationale

Conclusion

Priced at a Discount to BSE Despite Monopoly Scale
STRONGEST VALUATION ARGUMENT

- **Valuation discount despite market leadership:** At Rs. 1,808, NSE trades at 35x FY28E EPS versus 40x for BSE, despite its dominant position across cash equities and derivatives.
- **Growth differential reflects divergent derivatives trajectories:** We expect NSE's revenue and PAT to grow at ~8.5% and ~11.4% CAGR, respectively, over FY26-28E. BSE has benefited from rapid adoption of weekly Sensex options, supported by competitive pricing, broker incentives and rising retail and algorithmic participation. In contrast, NSE's larger, more mature derivatives franchise faces a more moderated growth trajectory.
- **Strong profitability and cash generation support re-rating:** Operating leverage should drive overall EBITDA margin expansion from ~68% in FY26 to ~75% in FY28E, with RoE improving from ~33% to ~35%.

Why NSE Deserves to Trade at Par to BSE Despite Slower Growth
SUPPORTING ARGUMENT

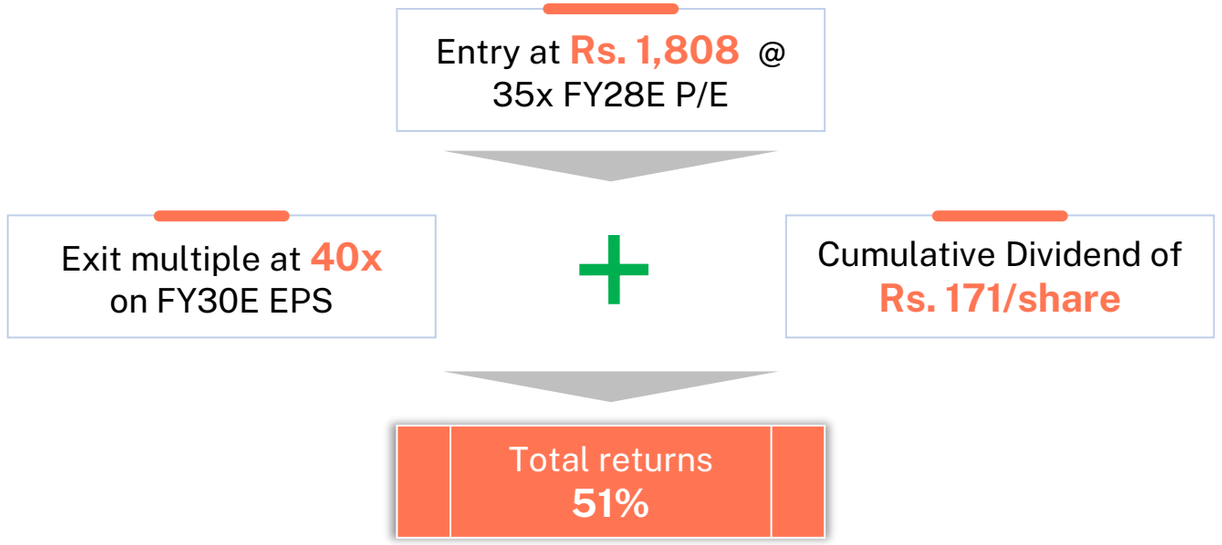
- **Market leadership and greater revenue diversification:** NSE commands ~93% market share in cash equities, ~100% in equity futures and ~75% in equity options. Notably, weekly index options account for only ~40% of NSE's operating revenue, compared with ~65% for BSE, providing a relatively diversified earnings base and reducing exposure to regulatory changes in weekly options. Further, non-transaction revenue is expected to grow at ~13% CAGR over FY26-28E, ahead of transaction revenue growth of 7.2%, taking its contribution to ~23% of operating revenue. Technology services alone are expected to contribute ~11-12% of NSE's revenue, compared with negligible contribution from BSE.
- **Structurally higher margins through operating efficiencies**: NSE's scale across trading and clearing supports a structurally lower cost base. NCL's market share of 88% in cash and 91% in F&O clearing keeps clearing costs competitive, while NSE's higher options premium-to-notional ratio (~22 bps versus ~12 bps for BSE) translates into lower regulatory fee intensity. We expect NSE's EBITDA margin (Ex- Investment Income) to recover to 73.8% by FY28E as exceptional expenses normalise, compared with ~69% for BSE.
- **Strong cash generation supports shareholder returns:** Limited non-technology capex requirements and strong operating cash flows enable NSE to sustain technology investments while returning surplus cash to shareholders. We expect an 80-85% dividend payout over the medium term. This is supported by a strong balance sheet and lower recurring Core SGF contribution requirements, subject to any future replenishment.

Valuation Verdict:

We value NSE at **40x FY28E P/E** to arrive at a Target Price of **Rs. 2,122 (Incl. Dividends)**. While NSE's market dominance and superior profitability structurally warrant a valuation premium over domestic peer BSE, we conservatively peg our target multiple in line with BSE at 40x, providing a strong margin of safety backed by two core differentiators: **Superior Revenue Diversification & Lower Regulatory Risk:** Unlike BSE, which relies on weekly index options for ~65% of revenue, NSE generates ~40% from weekly contracts alongside a near-monopoly market share in cash equities, in equity options, and a sticky clearing moat. Furthermore, high-margin Technology services insulate earnings from F&O regulatory headwinds. **Industry-Leading Operating Leverage:** With technology investments moderating and SEBI settlement out of the way, incremental volumes flow directly to the bottom line, expanding overall EBITDA margins by **750 bps** to **75.1%** over FY26-FY28E and sustaining a best-in-class 80-85% dividend payout ratio.

Future Lens

- **Dominant market position.** NSE is the world's largest equity derivatives exchange, with 36.99 bn contracts traded in FY26. It holds 92.99% of the cash market, 99.79% of equity futures, ~100% of single-stock F&O and ~72% of index options premium as of FY26. Its integrated trading, clearing, settlement, indices and data franchise is monetised primarily through transaction charges, which contributed ~79% of FY26 operating revenue.
- **Structural financialisation opportunity.** India's market cap-to-GDP ratio is ~119%, below the US at 216% and Japan at 156%. Only ~13.5% of adults invest, while equities and mutual funds accounted for 26.9% of household financial flows in FY25, up from 5.4% in FY21. NSE offers a direct play on the expansion of India's capital markets.
- **Growth can broaden beyond equity options.** We expect the equity-options premium pool to grow at ~11% through FY30E, with faster growth in currency and commodity options, corporate bonds, and data, listing, index and clearing services. Within NSE, index licensing, data and terminal services, and colocation offer diversification.
- **Beyond FY28E, earnings growth normalises as operating leverage matures.** We expect PAT margin to rise from 61.3% in FY26 to 64.7% in FY28E and 65.6% by FY30E. Over FY26–30E, revenue is expected to grow at ~10% CAGR to Rs. 24,164 cr and PAT at ~12% to Rs. 15,842 cr. While growth is below peers, a more mature earnings profile should improve predictability and underpin our valuation.



Sensitivity of 3-yr TP (Ex-Dividends)

Valuation multiple	EPS 52	EPS 58	EPS 64	EPS 70	EPS 77
36	1,865	2,075	2,305	2,535	2,790
38	1,970	2,190	2,430	2,675	2,945
40	2,075	2,305	2,560	2,815	3,100
42	2,180	2,420	2,690	2,955	3,255
44	2,280	2,535	2,815	3,100	3,410

Key Risks

Regulatory dependence (SEBI)

NSE's operating franchise is contingent on regulatory authorisation. It operates under SEBI's oversight, including approval of its operations, fees, products & market structure. Any suspension or non-renewal of authorisation would materially disrupt operations.

Trading-member concentration

The top 10 trading members generated 46.8% of FY26 operating revenue. Loss, distress or migration of a few could materially dent trading revenue.

Technology & cyber risk

Trading is fully electronic; system failures, latency or cyberattacks can disrupt markets at scale, risking regulatory sanctions, penalties and reputational harm.

Litigation & contingent liabilities

NSE remains exposed to regulatory and legal proceedings, including the MSEI competition case. Adverse outcomes could result in penalties, financial liabilities or restrictions on business practices.

Source: RHP, Company

Financial Summary (1/2)

All figures in Rs. cr

Particulars	FY24	FY25	FY26	FY27E	FY28E
Profit & Loss					
Revenue	**14,780**	**17,141**	**16,601**	**17,627**	**19,537**
Gross profit	14,780	17,141	16,601	17,627	19,537
EBITDA	**11,611**	**12,881**	**11,225**	**13,200**	**14,674**
Depreciation	(440)	(547)	(624)	(656)	(690)
EBIT	11,171	12,334	10,601	12,545	13,984
Other Income	1,572	2,036	2,112	2,305	2,693
Interest expense	-	-	-	-	-
Exceptional items (Includes Contribution to Core SGF)	**(1,660)**	**975**	**1,074**	**83**	**17**
PBT	11,084	15,346	13,787	14,933	16,694
Reported PAT from continuing operations	**8,406**	**11,606**	**10,180**	**11,305**	**12,638**
Adj PAT	10,066	10,631	9,106	11,223	12,621
EPS from continuing operations (Rs.)	**34.0**	**46.9**	**41.1**	**45.7**	**51.1**
Balance Sheet					
Net Worth	**23,974**	**30,353**	**32,114**	**34,756**	**37,774**
Total debt	-	-	-	-	-
Minority Interest	(1)	-	-	-	-
Other liabilities and provisions	32,633	27,038	42,745	44,074	45,142
Core Settlement Guarantee Fund	8,857	12,075	13,079	13,104	13,139
Total Networth and liabilities	**65,464**	**69,467**	**87,937**	**91,934**	**96,055**
Gross Fixed assets	3,491	4,387	4,870	5,514	6,194
Net fixed assets	1,235	1,699	1,657	1,645	1,635
Capital work-in-progress	32	4	173	160	130
Goodwill	207	207	207	207	207
Investments	25,285	30,982	29,342	29,448	29,566
Cash and bank balances	29,214	27,539	47,296	50,872	53,973
Loans & advances and other assets	7,626	7,523	6,794	7,188	7,868
Net working capital	1,532	1,060	1,964	1,932	2,141
Total assets	**65,464**	**69,467**	**87,937**	**91,934**	**96,055**
Capital Employed	23,974	30,353	32,114	34,756	37,774
Invested Capital (CE - cash - CWIP)	(5,272)	2,810	(15,356)	(16,276)	(16,328)
Net debt	(29,214)	(27,539)	(47,296)	(50,872)	(53,973)
Cash Flows					
Cash flows from Operations (Pre-tax)	**33,687**	**7,744**	**27,069**	**14,444**	**14,999**
Cash flows from Operations (post-tax)	29,744	4,091	23,836	10,710	10,826
Capex	**(469)**	**(1,276)**	**(1,740)**	**(630)**	**(650)**
Free cashflows	**29,275**	**2,816**	**22,096**	**10,080**	**10,176**
Free cashflows (post interest costs)	29,263	2,744	22,055	10,040	10,136
Cash flows from Investing	(8,463)	(5,431)	(46)	1,675	2,043
Cash flows from Financing	(3,994)	(4,600)	(8,809)	(8,810)	(9,768)
Total cash & liquid investments	**29,214**	**27,539**	**47,296**	**50,872**	**53,973**

Revenue

Revenue is estimated to grow ~8.5% CAGR over FY26–FY28E (Rs. 16,601 cr to Rs. 19,537 cr), recovering from a 3.1% FY26 decline due to SEBI's F&O curbs. Growth is led by cash market (~13% CAGR), non-transaction income (~13% CAGR; 23% of revenue in FY28E) and an options recovery in FY28E as NSE's premium share stabilizes at ~68%. FY27E remains muted at +6.2% as we assume further options market-share loss.

EBITDA

EBITDA is projected to grow at ~14% CAGR over FY26–FY28E (Rs 11,225 cr to Rs 14,674 cr), with margins recovering from 67.6% in FY26 to ~75% by FY28E. FY26 margin was hit by a one-off Rs 1,432 cr SEBI settlement charge (~8.6% of revenue) and by largely fixed tech and staff costs rising as revenue fell. The recovery in operating leverage mostly comes from the settlement dropping out of the base.

Exceptional items (Includes Contribution to Core SGF)

The swing from –Rs 1,660 cr in FY24 to +Rs 1,074 cr in FY26 reflects the fading Core SGF charge, which fell from Rs 1,741 cr in FY24 to almost nil in FY26. With the corpus now stable at ~Rs 13,100 cr, the line is projected to normalise to Rs. 17 cr in FY28E.

PAT & EPS

Reported PAT is expected to grow ~11% CAGR over FY26–FY28E, from Rs. 10,180 cr to Rs. 12,639 cr. FY26 PAT fell 12.3% as lower revenue and the SEBI settlement weighed on EBITDA, partly offset by the NSDL stake-sale gain. As the IPO is a pure OFS with no dilution, EPS is projected to rise from Rs. 41.1 to Rs. 51.1.

Net Worth

Net worth is estimated to grow at ~8.5% CAGR over FY26–FY28E (Rs 32,114 cr to Rs 37,774 cr), well below PAT growth, because NSE pays out 80–85% of earnings. FY26 net worth rose just 5.8% despite Rs 10,180 cr of PAT, after Rs 8,662 cr of dividends. With no debt and net fixed assets of only ~Rs 1,650 cr, the business would need little retained capital.

OCF & FCF

Pre-tax OCF is expected to normalise to Rs. 14,444–14,999 cr in FY27E–FY28E, after FY24–26 volatility driven mainly by year-end member balances. FY27E also includes the cash payout of the FY26 SEBI settlement provision. FCF of Rs. 10,080–10,176 cr (FY27E-FY28E) therefore better reflects underlying cash generation than FY26's Rs. 22,096 cr.

Capex

Capex is expected to normalise to Rs. 630–650 cr (~3.3–3.6% of revenue) in FY27E–FY28E. FY26 capex of Rs. 1,740 cr included ~Rs. 926 cr for MMRDA leasehold land, taking ex-land capex to ~Rs. 814 cr, largely technology-led.

Source: Company
Note: Share count increased from 49.5 cr to 247.5 cr in FY25 following the 4:1 bonus issue; comparative EPS has been restated accordingly.

Financial Summary (2/2)

All figures in Rs. cr

Particulars	FY24	FY25	FY26	FY27E	FY28E
Growth ratios (%)					
Revenue	24.7%	16.0%	-3.1%	6.2%	10.8%
EBITDA	20.6%	10.9%	-12.9%	17.6%	11.2%
Reported PAT from continuing operations	12.1%	38.1%	-12.3%	11.1%	11.8%
Margin ratios					
Gross	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA	78.6%	75.1%	67.6%	74.9%	75.1%
Reported PAT from continuing operations	56.9%	67.7%	61.3%	64.1%	64.7%
Performance ratios					
Pre-tax OCF/EBITDA	290.1%	60.1%	241.2%	109.4%	102.2%
OCF/IC (%)	-564.2%	145.6%	-155.2%	-65.8%	-66.3%
RoE (%)	**37.8%**	**42.7%**	**32.6%**	**33.8%**	**34.9%**
RoCE (%)	**50.3%**	**45.4%**	**33.9%**	**37.5%**	**38.6%**
Fixed asset turnover (x)	**4.5**	**4.4**	**3.6**	**3.4**	**3.3**
Total asset turnover (x)	0.3	0.3	0.2	0.2	0.2
Financial stability ratios					
Net Debt to Equity (x)	(1.2)	(0.9)	(1.5)	(1.5)	(1.4)
Net Debt to EBITDA (x)	(2.5)	(2.1)	(4.2)	(3.9)	(3.7)
Interest cover (x)	-	-	-	-	-
Working capital days	38	23	43	40	40
Valuation metrics					
Fully Diluted Shares (cr)	247.5	247.5	247.5	247.5	247.5
Market cap (Rs. cr)			447,356		
P/E (x)	53.2	38.5	43.9	39.6	35.4
P/OCF(x)	15.0	109.3	18.8	41.8	41.3
EV (Rs.cr) (ex-CWIP)			400,060		
EV/ EBITDA (x)	34.5	31.1	35.6	30.3	27.3
EV/ OCF(x)	13.4	97.8	16.8	37.4	37.0
FCF Yield	**6.5%**	**0.6%**	**4.9%**	**2.3%**	**2.3%**
Price to BV (x)	18.7	14.7	13.9	12.9	11.8
Dividend pay-out (%)	**53%**	**75%**	**85%**	**85%**	**80%**
Dividend yield (%)	**1.0%**	**1.9%**	**1.9%**	**2.2%**	**2.3%**
Cash as a % of CE	121.9%	90.7%	147.3%	146.4%	142.9%

Returns

RoE and RoCE are expected to recover from 32.6% and 33.9% in FY26 to 34.9% and 38.6% by FY28E as margins normalise and PAT/EBIT recover faster than the ~8.5% growth in equity. FY26 further amplified the decline as F&O reforms, lower revenue, higher costs and the SEBI settlement weighed on profits. However, returns remain below FY25 levels, as NSE's cash-heavy, debt-free balance sheet holds treasury assets at lower yields.

Asset Turnover

Investment is running ahead of volumes. Fixed asset turnover slipped from 4.4x in FY25 to 3.6x in FY26 and is expected to fall to 3.3x by FY28E. Gross block grows faster than revenue because of continued tech spend (trading, clearing and data-centre infrastructure) and the FY25–26 leasehold land payments.

Valuation

Earnings growth does the de-rating : P/E is estimated to compress from 43.9x in FY26 to 35.4x in FY28E and EV/EBITDA from 35.6x to 27.3x.

Cash Generation

FCF yield is expected to normalise to 2.3% in FY27E–FY28E, down from 4.9% in FY26. Volatility in FY24–26 (6.5%, 0.6%, 4.9%) was driven by year-end member balances rather than earnings. With member balances stabilising and capex at Rs. 630–650 cr, FY27E–28E provides a more reliable view of underlying cash generation.

Dividends

Payout has risen from 53% in FY24 to 85% in FY26 and is expected at 85%/80% in FY27E–28E, implying a 2.3% yield. The debt-free, asset-light model supports this.

Source: Company
Note: Share count increased from 49.5 cr to 247.5 cr in FY25 following the 4:1 bonus issue; comparative EPS has been restated accordingly.

Glossary

AUM	Assets Under Management
CBRICS	Corporate Bond Reporting and Integrated Clearing System
ADTV	Average Daily Traded Volume
ETF	Exchange Traded Fund
FRE	Full Rack Equivalent (colocation capacity unit)
HFT	High-Frequency Trading
InvITs	Infrastructure Investment Trusts
NMF II	NSE's online platform for mutual fund distributors
OTC	Over-the-Counter
PaRRVA	Past Risk and Return Verification Agency
REITs	Real Estate Investment Trusts
RFQ	Request for Quote
STT	Securities Transaction Tax
FPO	Follow-on Public Offer
TAP	Trading Access Point
TReDS	Trade Receivables Discounting System
CAS	Closing Auction Session
GIFT	Gujarat International Finance Tec-City
SECC	SEBI (Stock Exchanges and Clearing Corporations) Regulations, 2018
ICDR	SEBI (Issue of Capital and Disclosure Requirements) Regulations
IPF	Investor Protection Fund
CCI	Competition Commission of India
SAT	Securities Appellate Tribunal
MCX	Multi Commodity Exchange of India Ltd
MSEI	Metropolitan Stock Exchange of India Ltd (formerly MCX-SX)
LSEG	London Stock Exchange Group
HKEX	Hong Kong Exchanges and Clearing Ltd
SGX	Singapore Exchange Ltd
JPX	Japan Exchange Group
ICE	Intercontinental Exchange
CME	CME Group (Chicago Mercantile Exchange)
MIAX	Miami International Holdings

SGF	Settlement Guarantee Fund
BV	Book Value
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CEPS	Cash Earnings Per Share
CMP	Current Market Price
CWIP	Capital Work-in-Progress
D&A	Depreciation and Amortisation
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EPS	Earnings Per Share
EV	Enterprise Value
EVA	Economic Value Added
FCF	Free Cash Flow
GDP	Gross Domestic Product
NW	Net Worth
NWC	Net Working Capital
OCF / CFO	Operating Cash Flow / Cash Flow from Operations
OpEx	Operating Expenditure
PAT	Profit After Tax
PBT	Profit Before Tax
P/E	Price to Earnings
PEG	Price/Earnings to Growth
P/OCF	Price to Operating Cash Flow
RoCE	Return on Capital Employed
RoE	Return on Equity
YoY	Year on Year

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	**SELL**	Stock expected to fall >10% over a 1-year horizon

The terms defined above are applicable to fundamental research reports published by the Research Analyst. For technical research reports, the expected (target) price is given in the report along with the time period within which it can be achieved. For Momentum Ideas the expected timeline to achieve the price target would be upto 3 months from the date of publication of the research report.

Spark PWM Private Limited **("Spark PWM")** holding SEBI Research Analyst Registration No.: INH200008954 and its affiliates are engaged in the business of investment banking, structured finance, asset management and private wealth management. Spark PWM is also registered with SEBI as a Stock Broker, Portfolio Manager, Depository Participant, Investment Adviser and is also a Mutual Fund Distributor registered with the Association of Mutual Funds in India (AMFI) and is also registered with Association of Portfolio Managers in India as a distributor of portfolio management products. Spark PWM is also Investment Manager to a Category I Alternative Investment Fund.

Spark PWM's affiliates include (1) Spark Capital Advisors (India) Private Limited which is registered with SEBI as Category I Merchant Banker, (2) Spark Asia Impact Private Limited (formerly known as Spark Alternative Asset Advisors India Private Limited) which is an investment manager to a Category II Alternative Investment Fund (3) Spark Asia Impact Managers Private Limited (formerly known as Spark Fund Managers Private Limited) which is registered with SEBI as a Portfolio Manager and (4) Spark Fund Advisors LLP which is an investment manager to a Category II and a Category III Alternative Investment Fund, (5) Spark Financial Holdings Private Limited and (6) Spark Global PWM Private Limited, a Category 4 DIFC registered company engaged in providing financial services.

The information and opinion expressed in this research report do not constitute an offer or an invitation to make an offer, to buy or sell any securities. The securities quoted in this document are for illustration only and are not recommendatory. This research report is provided by Spark PWM on a strictly confidential basis for the exclusive use of the recipient and has been obtained from published information and other sources, which Spark PWM or its affiliates consider to be reliable. None of the research analysts of Spark PWM accepts any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this research report.

This research report does not claim to contain all information that an investor / potential investor may require for the purpose of making an investment. The past performance of a security, product or portfolio does not in any manner indicate the surety of performance in future. Registration granted by SEBI, membership of a SEBI recognized supervisory body (if any) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

This research report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Spark PWM also puts together Technical Analysis, and each recipient of this report must note that the views of the Technical Analyst is always based on short term market variables and will be materially different from the views of the other sector/fundamental analyst in Spark PWM, whose research reports are based on fundamental analysis of the subject company. Each recipient of this research report should make such assessment as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this research report (including the merits and risks involved) and should consult their own advisors. This research report is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. The price and value of the investments referred to in this research report and the income from them may go up or down, and investors may realize losses on their investments. Spark PWM does not provide tax advise to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment. The material is based on information that we consider reliable and may be obtained from third-parties or derived / deducted on the basis of such information. Spark PWM does not represent that such information is accurate or complete.

This research report is not directed or intended for distribution or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Spark PWM and/or its affiliates to obtain any registration or licensing requirement within such jurisdiction. The research analyst preparing this research report is not registered as a broker-dealer in the United States and, therefore, is not subject to US Rules regarding the preparation of research reports. The Research Analysts contributing to this report are residents outside the United States and are not associates, employees, registered or qualified as research analysts with FINRA or a US-regulated broker dealer. Recipients of this material should keep themselves informed about any such restrictions. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. This material should not be construed as an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction where such an offer or solicitation would be illegal. Recipients shall be solely liable for any liability incurred by them in this regard and will indemnify Spark PWM and/or its affiliates for any liability it may incur in this respect.

Securities markets may be subject to significantly higher risks, and in particular, the political and economic environment, company practices and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to significantly lower information quantity and quality. Investment in securities market are subject to market risks. Read all the related documents carefully before investing. By accepting this document, you agree to be bound by all the provisions as may be applicable pursuant to it. Nothing contained herein should be relied upon as a promise, representation or an indication of future performance. Certain statements made herein may not be based on historical information or facts and may appear to be "Forward Looking Statements", including those relating to general business plans, future financial condition and growth prospects. The actual results may differ materially from any "Forward-Looking statements" due to a number of factors, including socio, political, competitive environment, force majeure etc. Spark PWM makes no representation or warranty, express or implied, as to the accuracy, completeness or fairness of the information and opinions contained in this research report.

While we would endeavour to update the information herein on a reasonable basis, Spark PWM is under no obligation to update the information. Also, there may be regulatory, compliance or other reasons that prevent Spark PWM from doing so. Neither Spark PWM nor its affiliates or their respective directors, employees, agents or representatives shall be responsible or liable in any manner, directly or indirectly, for views or opinions expressed in this report or the contents or any errors or discrepancies herein or for any decisions or actions taken in reliance on the report or the inability to use or access our service in this report or for any loss or damages whether direct or indirect, incidental, special or consequential including without limitation loss of revenue or profits that may arise from or in connection with the use of or reliance on this report. Opinions expressed herein are our current opinion as of the date of appearing on this material only.

Spark PWM and/or its affiliates and/or employees may have interests/positions, financial or otherwise, in the securities mentioned in this report. To enhance transparency, Spark PWM has incorporated disclosure of interest statement in this research report. This should, however, not be treated as an endorsement of views expressed in this report.

Spark Capital Advisors (India) Private Limited (holding company of Spark PWM) has gone through a process of reorganisation and demerged its institutional equities business (stock broking license and research analyst license) to Spark Institutional Equities Private Limited (Resultant Company) through a Composite Scheme of Demerger ("Scheme"). Further the shares of SIE has been bought by Avendus Capital Private Limited with effect from December 20, 2022.

Disclaimer (2/2)

Disclosure of Interest & Material Conflict of Interest Statement

DISCLOSURE OF INTEREST

Name of the Research Analyst (s): Viswanath AVR/Adith R Kanakasabai

The research analyst(s) hereby certifies that opinion expressed in this research report accurately reflects his or her personal opinion about the subject securities and no part of his or her compensation was or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr No.	Particulars	Yes/No
1.	Research Analyst or his/her relative's has financial interest in the subject company(ies)	No
2.	Research Analyst or his/her relative has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the research report	No
3.	Research Analyst or his/her relative has any other material conflict of interest at the time of publication of the research report	No
4.	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5.	Research Analyst has been engaged in market making activity for the subject company(ies)	No

- Spark PWM may have financial interest in the subject company(ies).
- Spark PWM may have actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the research report.
- Spark PWM may have any other material conflict of interest at the time of publication of the research report.
- Spark PWM may have received any compensation from the subject company in the past twelve months.
- Spark PWM may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months.
- Spark PWM may have received any compensation or other benefits from the subject company or third party in connection with the research report.
- Spark PWM may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- Spark PWM may have been engaged in market making activity for the subject company(ies).

Since Spark PWM and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of Spark PWM may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of Spark PWM may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

Spark PWM and/or its affiliates and/or employees, or their relative(s) may have a financial interest in the subject company. Spark PWM and/or its affiliates may have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report. Spark PWM and/or its associates and/or its employees have been engaged in market making activity for the subject company.

In the last twelve month period ending on the last day of the month immediately preceding the date of publication of the research report, Spark PWM and/or its affiliates and/or employees Research Analyst(s) may have;

- managed/co-managed public offering of securities for the subject company;
- received compensation for investment banking/merchant banking/brokerage services/other products/ services of the group from the subject company of this research report;
- received any compensation or other benefit from the subject company or third party in connection with the research report;
- provided services to the subject company as a client under the various services provided by Spark PWM or its affiliates.

However, the above shall have no bearing on the specific recommendation made by the research analyst(s), as the recommendation made by the research analyst(s) are independent of the view of the affiliates of Spark PWM. No part of the research analyst's compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views as expressed in this report.

Research reports are not exchange traded products, and hence disputes relating to research activities of Spark PWM do not have access to exchange investor redressal or arbitration mechanism. Spark PWM also hereby declares that its activities were neither suspended nor Spark PWM has defaulted with any Stock Exchange authority with whom Spark PWM is registered in the last five years. We have not been debarred from doing business by any Stock Exchange/SEBI or any other competent authorities, nor has our certificate of registration been cancelled by SEBI at any point of time.

Certification by Each of the Authors of the Report

The research analyst certifies that the views expressed in this research report are a representation of the Analyst's personal opinions on the stock or sector as covered and reported. The Analyst is principally responsible for the preparation of this research report and does not have any material conflict of interest at the time of publication of this report.

A graph of the daily closing price of securities available is at https://economictimes.indiatimes.com/markets/stocks/stock-quotes (Choose a company from the list on the browser and select the "5 years" option from the drop-down available in the price chart).

Spark PWM Private Limited. (Registered Office: No. 1, 3rd Floor, First Crescent Park Road, Gandhi Nagar, Adyar, Chennai 600 020; CIN: U66190TN2012PTC086696; Telephone No.: +91 44 69250000; Website: www.sparkcapital.in; Correspondence Address: Solitaire Corporate Park, Unit 1252 , Building No. 12, Andheri Kurla Road, Chakala, Andheri (East), Mumbai 400093; Telephone No: +91 22 62916700; SEBI Registration: (Stock Broker: INZ000285135; Portfolio Manager: INP200007274; Research Analyst: INH200008954; BSE RA Enlistment No- 5503; Investment Adviser: INA000021067; BSE IA Enlistment No. 2390; Depository Participant: IN-DP-757-2023); AMFI – Registered Mutual Fund Distributor: ARN 86685. APMI – Registered PMS Distributor (APRN00662). Compliance and Grievance Officer details: Mr. Anupam Mohaney: +91 22 62916700. RA Grievance Redressal Matrix & Research T & C

Spark PWM Private Limited does not use any Artificial Intelligence tools to provide research services.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Our Offices



Chennai

No. 1, 3rd Floor,
First Crescent Park Road,
Gandhi Nagar,
Adyar,
Chennai – 600 020



Mumbai

Unit – 301, 302, Windsor House,
2, Kolivery Village,
MMRDA Area, Kalina,
Santacruz East,
Mumbai – 400 098

11th floor, C Wing, ONE BKC,
Unit Nos. 1116,
Bandra Kurla Complex,
Bandra East,
Mumbai – 400 051



Delhi

No. 23, 1st Floor,
Community Centre,
Basant Lok,
Vasant Vihar,
New Delhi – 110 057



Bengaluru

No. 2, 3rd Floor,
Prestige
Emerald,
Lavelle Road,
Bengaluru – 560 001



Hyderabad

No. 25 & 42, 3rd Floor,
Lumbini Avenue,
Near Preston Prime Mall
Main Road, Gachibowli,
Hyderabad – 500 032



Pune

No. 7/352 1st Floor,
Elbee House,
Boat Club Road,
Sangamvadi,
Pune – 411 001



Ahmedabad

No. 409, 4th Floor,
Venus Amadeus,
Near Jodhpur Cross Road,
Satellite,
Ahmedabad – 380 015



Kolkata

No. 9A-1 & 9B-1,
9th Floor,
No. 95A,
Park Street,
Kolkata – 700 016



Kochi

No.1285 F1, Ground floor,
The Quadrant, MP Pylee Road,
Jawahar Nagar Avenue,
Kadavanthra P O,
Ernakulam – 682 020



Thiruvananthapuram

2nd Floor,
Mankulangara Tower,
Kuravankonam,
Pattom P.O.,
Trivandrum – 695 004



Lucknow

Unit No.6, 3rd Floor
Marigold Building,
Sapru Marg Shahnajaf Road,
Hazratfang,
Lucknow – 226 001



Kanpur

Unit No 205, 2nd Floor,
Imperial Square,
16/105,
MG Road,
Kanpur – 208 001



Spark Global PWM Private Limited
Unit number- GV-00-04-03-BC-24, Gate Village Building
04, Dubai International Financial Centre (DIFC), Dubai, UAE