



#### Mohit Mangal

Research Analyst, Exchanges  
+91-22-4215 9110  
mohit.mangal@centrum.co.in

#### Harsh Hulsogi

Research Associate, Exchanges  
+91-22-4215 9110  
harsh.hulsogi@centrum.co.in

# Table of contents

<b>Industry Overview .....</b>	<b>4</b>
<b>Market Structure &amp; Segments .....</b>	<b>4</b>
Equity Index options – Some adjustments! .....	5
Equity stock options – Comparatively smaller than index options .....	6
Futures (index and stock) growth consistent.....	7
Higher number of contracts traded .....	8
<b>Industry Trends &amp; Growth Drivers.....</b>	<b>9</b>
Strong growth in demat accounts .....	10
Growth in trading volumes .....	11
Rise in IPOs .....	11
Support from domestic institutions .....	12
<b>Key regulation changes.....</b>	<b>13</b>
#1 Rationalisation of weekly derivative contracts.....	14
#2 Fixed expiry days.....	14
#3 Currency derivatives unviable .....	15
<b>Comparison.....</b>	<b>17</b>
 <b>Company Section</b>	
BSE .....	18
NSE.....	47

### Silent Catalysts of India's Growth Story

We maintain a positive outlook on Indian stock exchanges. Post-Covid, trading volumes across cash, index options, and futures grew strongly, driven by rising retail participation, technological advancements, improved financial literacy, and adoption of systematic investment practices. The growth is structural, supported by a fivefold increase in demat accounts, doubling of individual holdings adding nearly Rs21 tn, robust IPO activity of Rs1.7 tn in FY25, and strong DII support offsetting FII outflows. In YTD FY26, volumes moderated due to regulatory measures and market volatility. SEBI's rationalisation of weekly derivative contracts and the currency derivatives rule temporarily dampened volumes but improved market stability. Other measures, such as fixed expiry days, had little impact on NSE or BSE, although the available data is limited. NSE remains dominant, holding over 90% of cash and ~70% of index options, while BSE's options share rose from 4% in FY24 to 25% in YTD FY26. Futures trading continues to be led by NSE, highlighting its sustained leadership despite regulatory and liquidity challenges.

**Post-Covid trading volumes surge; FY26 Growth Moderates amid volatility:** Stock exchanges witnessed phenomenal growth in trading volumes across all segments – including cash, index options, and futures – particularly in the post-Covid period. This surge was driven by multiple factors, such as increased investor participation, technological advancements in trading platforms, greater financial literacy, and the widespread adoption of systematic investment practices. However, in YTD FY26, trading volumes remained relatively tepid due to regulatory interventions and heightened market volatility, which tempered investor activity and risk-taking in the markets.

**Structural growth story:** We believe the stock exchanges growth is a structural story underpinned by several key factors. First, rising retail participation has been significant, with the value of individual holdings more than doubling over the last five years and adding nearly Rs21 tn incrementally. Second, demat account grew nearly fivefold over the last five years – from 41 mn at end FY20 to 192 mn at end FY25 – broadening the base of market participants. Third, trading volumes have witnessed strong growth across segments. Fourth, there has been robust traction in IPOs, with Rs1.7 tn raised through public offerings in FY25 alone. Finally, support from DIIs has remained strong, providing a critical counterbalance to persistent FII outflows in the secondary market.

**Key regulations change dynamics:** SEBI has been proactive in introducing key regulatory changes aimed at safeguarding investor interests and reducing market volatility. Notable measures include the rationalisation of weekly derivative contracts in November 2024, which contributed to a decline in trading volumes and resulted in a mixed growth trajectory thereafter. The standardization of weekly expiry days – Tuesday for NSE and Thursday for BSE – had little impact on the market share of either exchange. However, the introduction of the currency derivative rule, requiring participants to establish and demonstrate a genuine underlying currency exposure before trading in exchange-traded currency derivatives, led to a steep fall in volumes in the currency segment. There are talks of introducing long term expiries (fortnightly/ monthly) which can further dent volumes. Overall, while these measures prioritise investor protection, they had a noticeable short-term impact on trading activity.

**NSE market share high:** NSE has remained the market leader in India's duopoly exchange landscape, consistently outperforming BSE by a significant margin. In the cash segment, NSE has maintained a market share of over 90% in recent years, a trend expected to continue, although BSE is gradually increasing its share. In equity index options, NSE has historically held a dominant share and continues to command around 70% of the market. However, BSE has made significant inroads, increasing its market share from 4% at the end of FY24 to 25% in YTD FY26 (5M), reflecting growing participation and gradual diversification in the derivatives segment. This shift has been influenced by regulatory curbs on weekly expiries and contract sizes, which reduced trading frequency, as well as the exit of major liquidity providers like Jane Street. In the futures market, NSE continues to be the undisputed leader, enjoying a virtual monopoly.

We initiate coverage on BSE with a BUY rating with a TP of Rs2,475. We expect IPO of NSE in H1FY27 with an estimated market cap of Rs5.2tn - 6.7tn.

Initiating Coverage

India I Exchanges

30 September 2025

NIFTY 50: 24,635

BSE Sensex: 80,365

Institutional Research

Company	Rating	CMP* (Rs)	Target price (Rs)
BSE	BUY	2,045	2,475
NSE	Not Rated	NA	NA

Source: Centrum Broking. \*Price as on 30<sup>th</sup> Sept 2025



**Mohit Mangal**

+91-022-4215 9110

mohit.mangal@centrum.co.in



**Harsh Hulsogi**

+91-022-4215 9110

harsh.hulsogi@centrum.co.in

Exchanges

## Industry Overview

India's stock market industry, regulated by SEBI, is anchored by the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). Both exchanges facilitate trading in equities, debt instruments, and derivatives through advanced electronic platforms. The NSE, home to the benchmark Nifty 50 index, is the largest exchange, while the BSE – founded in 1875 – holds the distinction of being Asia's oldest. The ecosystem also includes commodity exchanges such as MCX and NCDEX.

Over the past two decades, the industry has seen a remarkable transformation. The adoption of electronic trading, nationwide digital connectivity, and the rise of discount brokerages have made market access more seamless for retail investors. This has led to record demat account openings, higher retail participation, and growing traction in equity derivatives and exchange-traded funds (ETFs). At the same time, India's IPO market has witnessed robust growth.

Driven by the country's expanding GDP, greater financialisation of household savings, and rising foreign portfolio inflows, India's stock exchange industry is poised for sustained growth. Continuous product innovation, technology enhancements, and strong regulatory oversight further strengthen its long-term prospects.

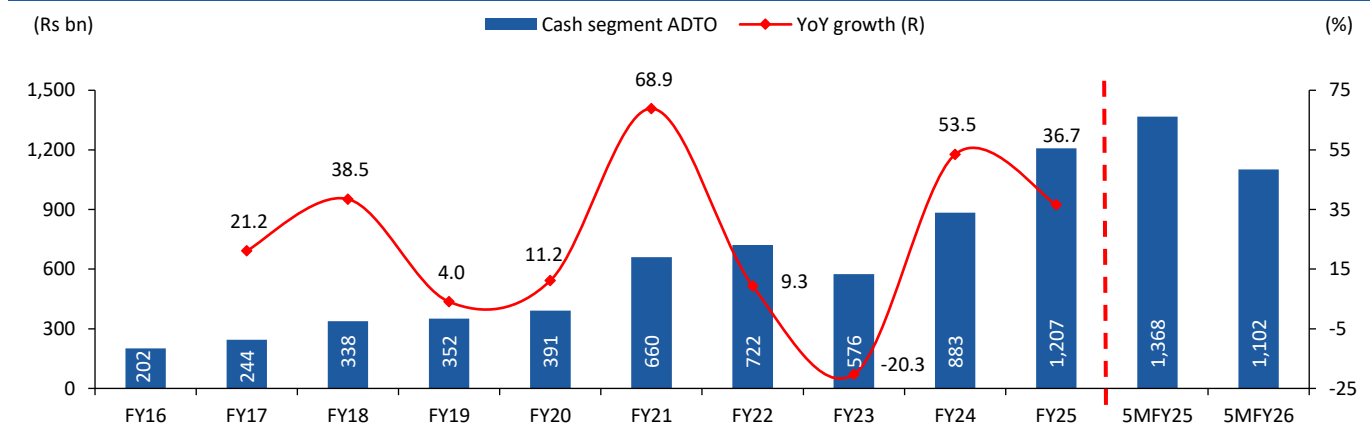
## Market Structure & Segments

### Cash segment – Growth phenomenal post Covid

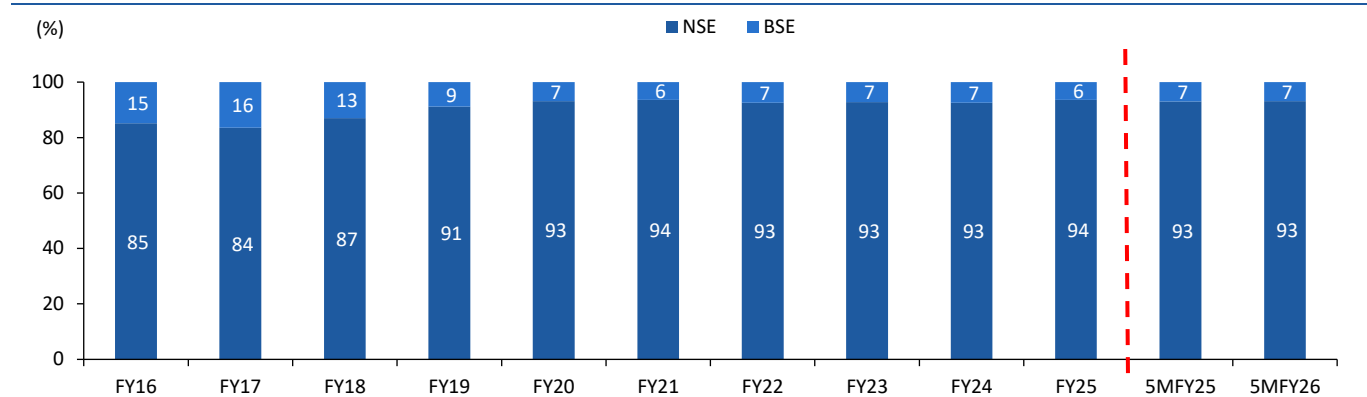
The cash segment volume tracks trading activity in the equity market, typically reported as average daily turnover (ADTO) by exchanges such as NSE and BSE. Post-Covid, cash market turnover has witnessed a structural shift upward. Between FY18-FY20, ADTO remained steady in the range of Rs335-390bn. However, in FY21 it surged 69% from Rs391bn to Rs660bn. Over the past five years, cash market volumes have largely recorded YoY growth, with the only exception being FY23. That year saw subdued activity due to (i) flat-to-weak market conditions and (ii) SEBI's rule mandating a compulsory 20% upfront margin in cash trades, which was earlier broker-funded.

Volumes recovered strongly in FY24, rising more than 50%, and FY25 also sustained robust growth, reflecting renewed investor participation. Within this segment, NSE has consistently maintained over 90% market share, underscoring its dominant position. While BSE is making efforts to regain traction, NSE's leadership in the cash market is expected to persist.

**Exhibit 1: Cash segment ADTO**



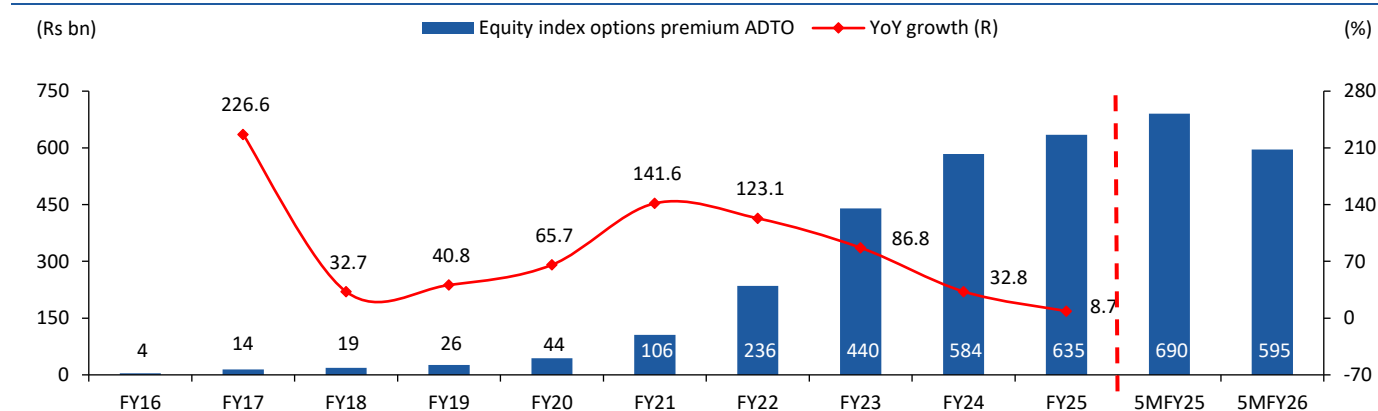
Source: Company Data, Centrum Broking

**Exhibit 2: Cash segment – market share (%)**

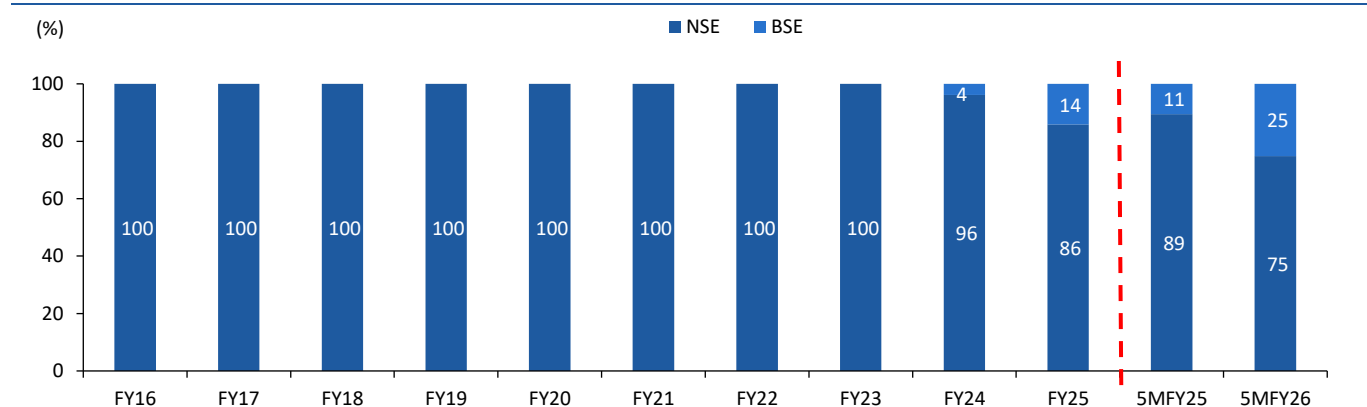
Source: Company Data, Centrum Broking

## Equity Index options – Some adjustments!

Equity index options have emerged as one of the most active segments in the derivatives market, particularly after the introduction of weekly expiries on F&O contracts for various underlying indices and stocks. Between FY18-FY20, ADTO in this segment remained in the range of Rs20-45bn. In FY21, volumes accelerated sharply, rising 142% from Rs44bn to Rs106bn. Since then, equity index options have delivered consistent YoY growth, with volumes expanding each year over the last five years. However, the pace of growth moderated in FY25, when YoY expansion slowed to 9% following the new rule that restricted weekly contracts to a single index. This regulatory change has also weighed on YTD FY26 volumes, reflecting a structural impact on short-term trading activity.

**Exhibit 3: Equity index options premium ADTO**

Source: Company Data, Centrum Broking

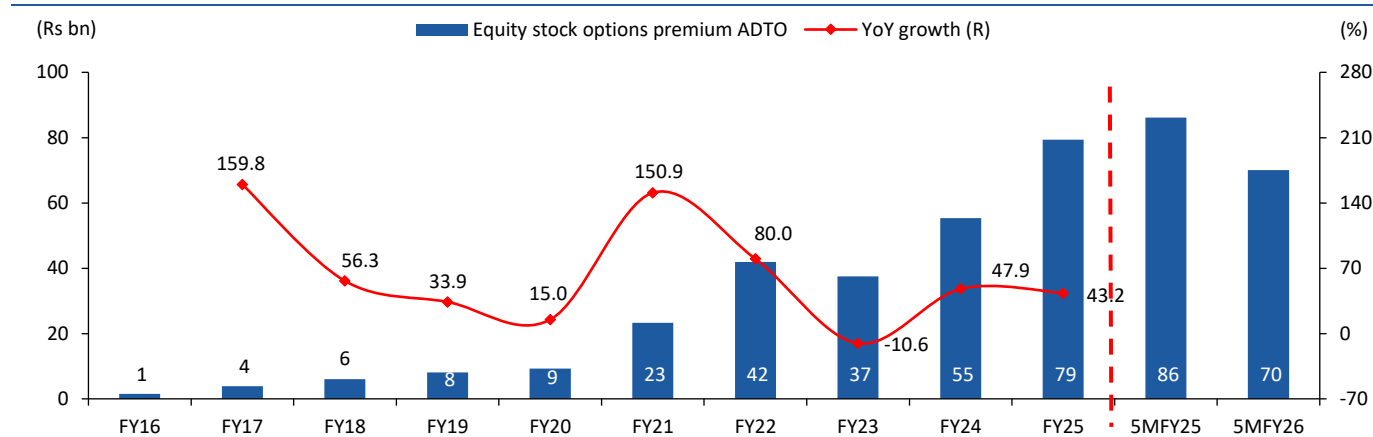
**Exhibit 4: Equity index options premium ADTO – market share (%)**

Source: Company Data, Centrum Broking

## Equity stock options – Comparatively smaller than index options

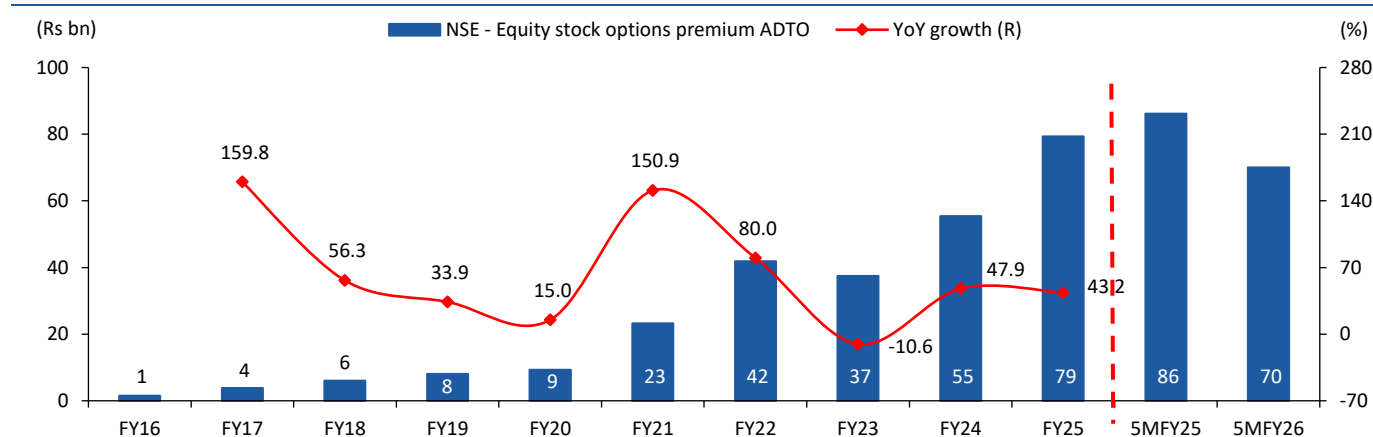
Equity stock options remain a relatively smaller segment compared to index options, and NSE continues to dominate this market. Nonetheless, the growth in this segment has been phenomenal, with ADTO rising from Rs23bn at the end of FY21 to Rs79bn by the end of FY25, reflecting strong investor interest and participation in single-stock derivatives.

**Exhibit 5: Equity index options premium ADTO**



Source: Company Data, Centrum Broking

**Exhibit 6: NSE – Equity index options premium ADTO**

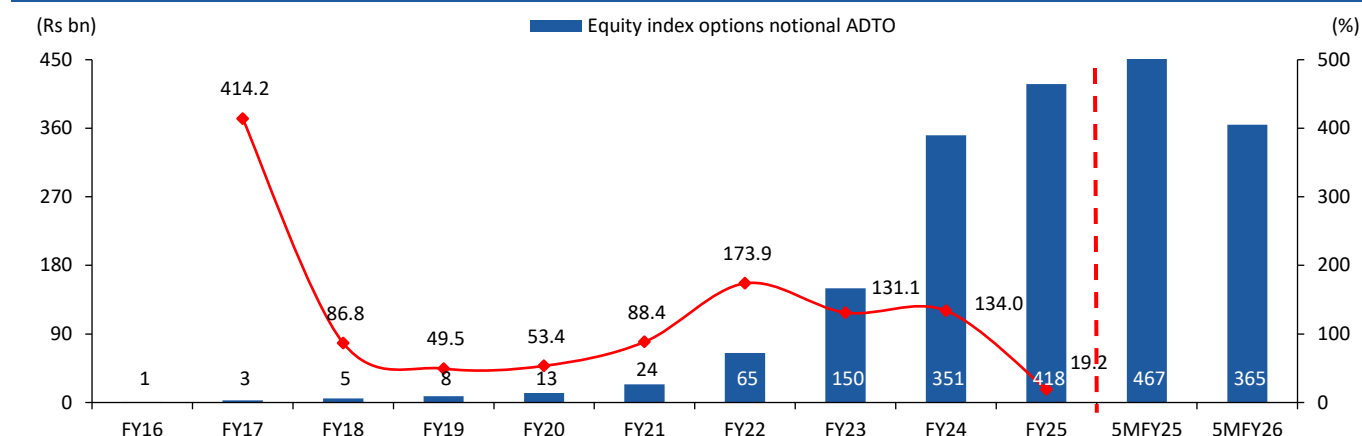


Source: Company Data, Centrum Broking

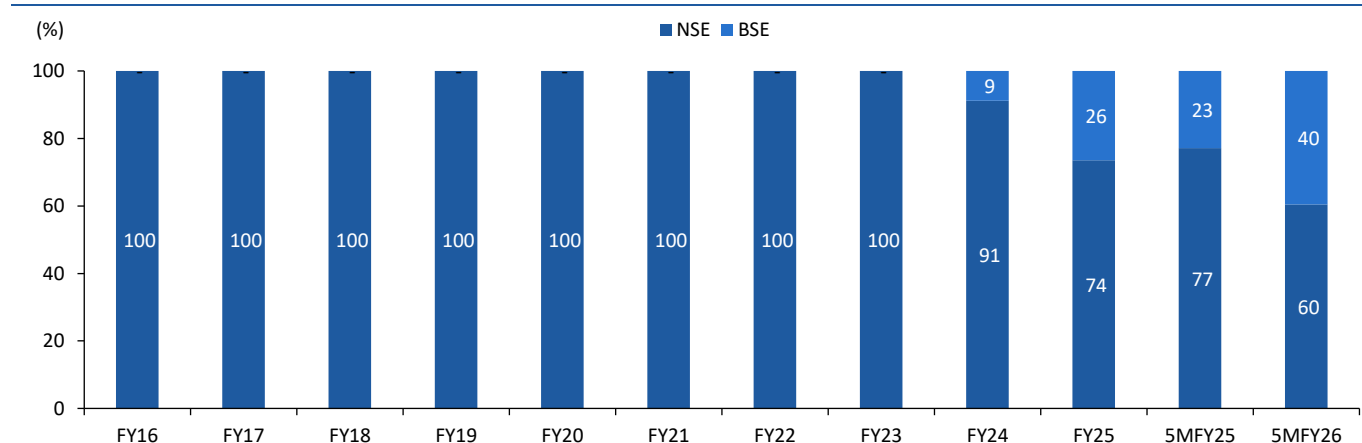
## Notional turnover – Stellar growth continues despite FY26 moderation

Notional turnover refers to the total value of the underlying assets represented by the options traded over a specific period. It is determined by multiplying the strike price of each contract by the lot size (the number of underlying assets in the contract) and then by the total number of contracts traded. This measure is important for regulatory reporting, assessing taxes and fees, and for traders to monitor their market activity and manage risk exposure effectively.

The phenomenal growth in index options is also reflected in the notional turnover, with ADTO increasing from Rs24tn at the end of FY21 to Rs418tn by the end of FY25, although some moderation is observed in YTFY26. NSE had long been the undisputed leader in this segment, but BSE has seen a notable revival, capturing around 26% market share at the end of FY25 and approximately 40% by the end of YTFY26 (5 months).

**Exhibit 7: Equity index options notional ADTO**

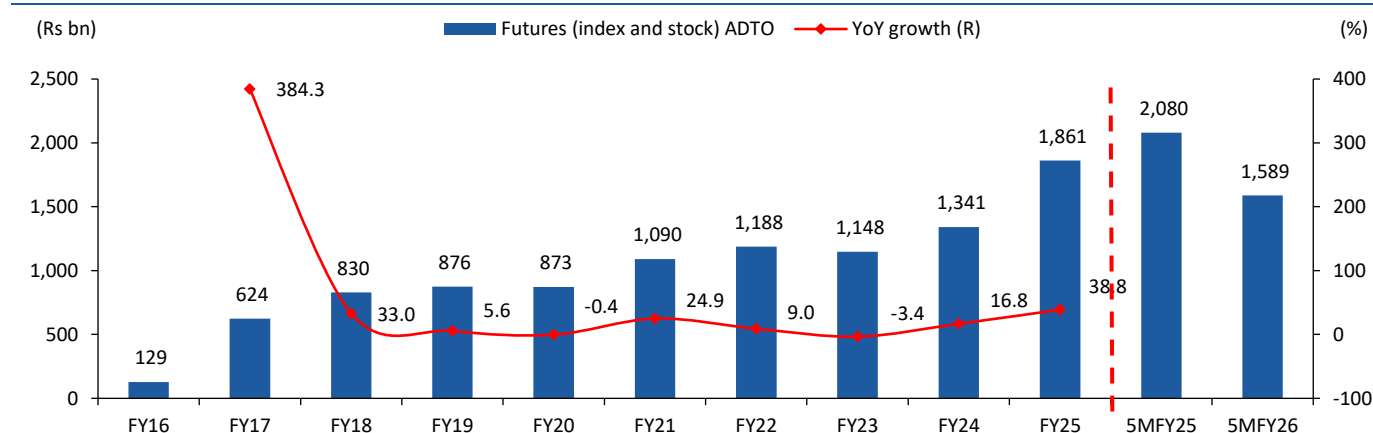
Source: Company Data, Centrum Broking

**Exhibit 8: Equity index options notional ADTO – market share (%)**

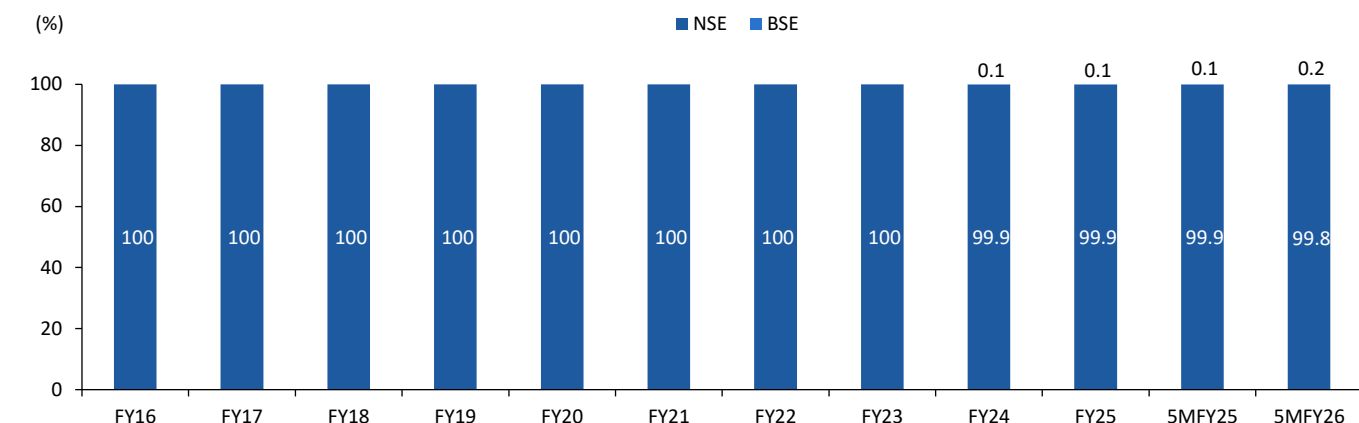
Source: Company Data, Centrum Broking

## Futures (index and stock) growth consistent

In India, futures trading – both stock and index – is dominated by NSE, which holds a virtual monopoly across equity and related segments. While BSE is expected to gradually gain market share, its presence will remain relatively minor in comparison. Commodity derivatives trading primarily takes place on MCX and NCDEX. At the industry level, the segment has demonstrated steady and consistent growth, except for FY23, which was impacted by heightened market volatility.

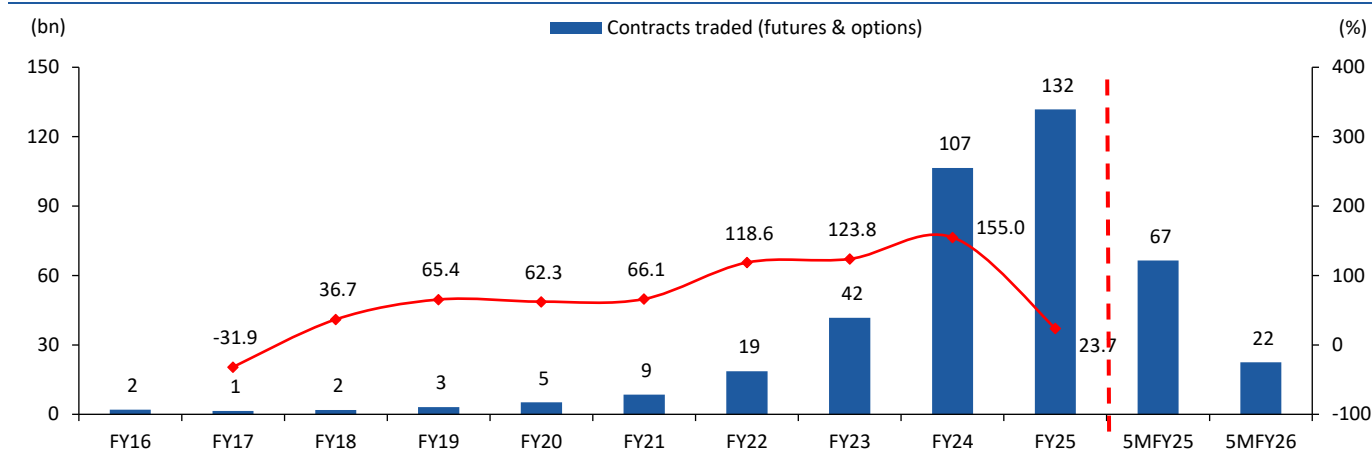
**Exhibit 9: Futures (index and stock) ADTO**

Source: Company Data, Centrum Broking

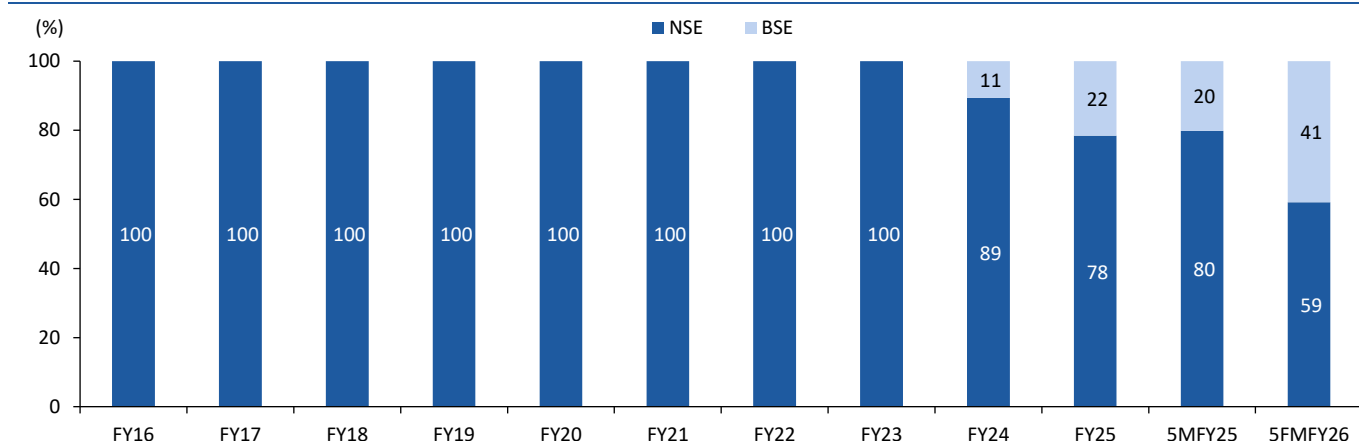
**Exhibit 10: Futures (index and stock) ADTO – market share (%)**

Source: Company Data, Centrum Broking

## Higher number of contracts traded

**Exhibit 11: Overall contracts traded (futures & options) in the system registered strong growth FY24 onwards**

Source: Company Data, Centrum Broking

**Exhibit 12: Contracts traded – BSE gains market share**

Source: Company Data, Centrum Broking



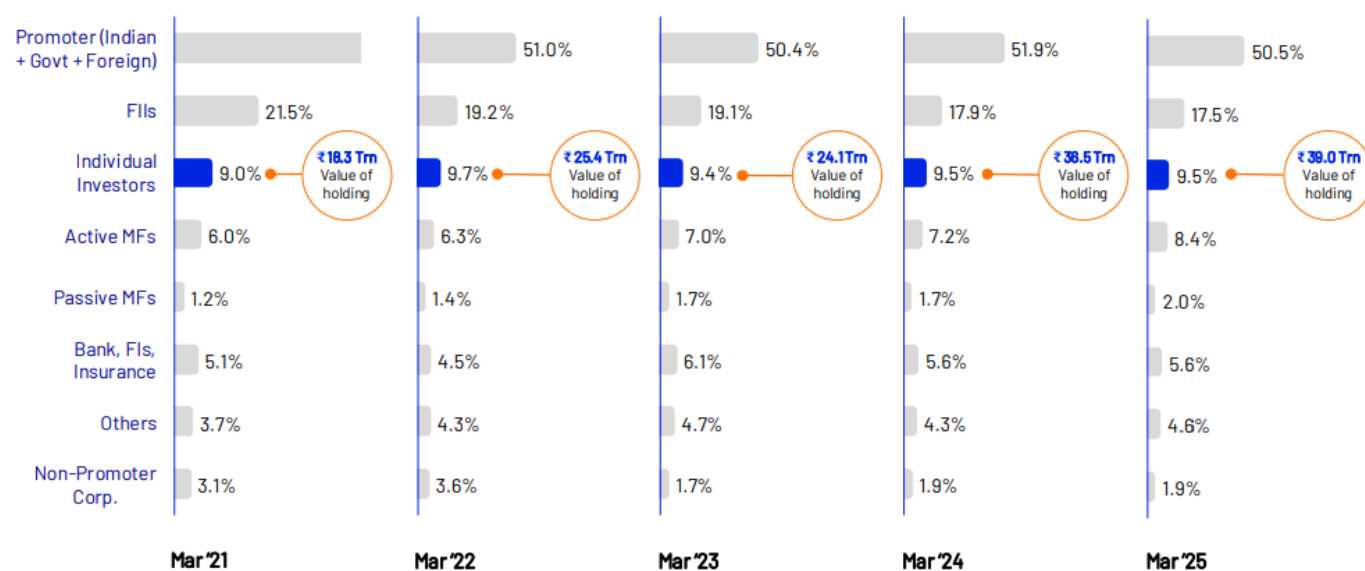
## Industry Trends & Growth Drivers

### Rising retail participation

Rising retail participation is one of the key pillars of the stock market ecosystem. This is evident from the increase in individual investors' direct holdings in NSE-listed companies—from 9% to 9.5% over the last five years. In absolute terms, the value of these holdings has more than doubled, adding nearly Rs21tn incrementally. Retail Investors through direct & indirect investments (through MFs) hold nearly 19.9% of the market (Rs81tn). The major drivers of this growth include:

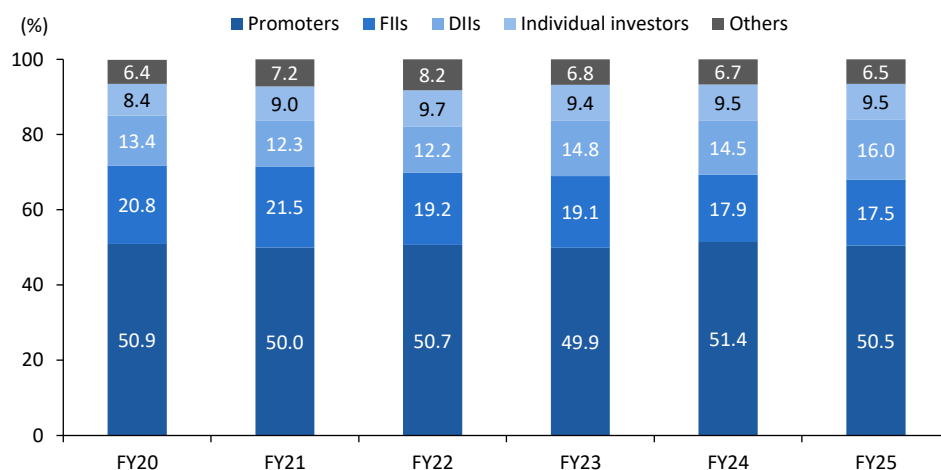
- Rising disposable income and higher household savings channelled into equities.
- Improved financial literacy and awareness of wealth-creation through markets.
- Greater technological ease via mobile trading apps and digital on-boarding.
- Pandemic-led shift in investor behaviour towards equities as an asset class.
- The growing culture of systematic investment plans (SIPs) in mutual funds.

**Exhibit 13: Ownership pattern in NSE-listed universe**

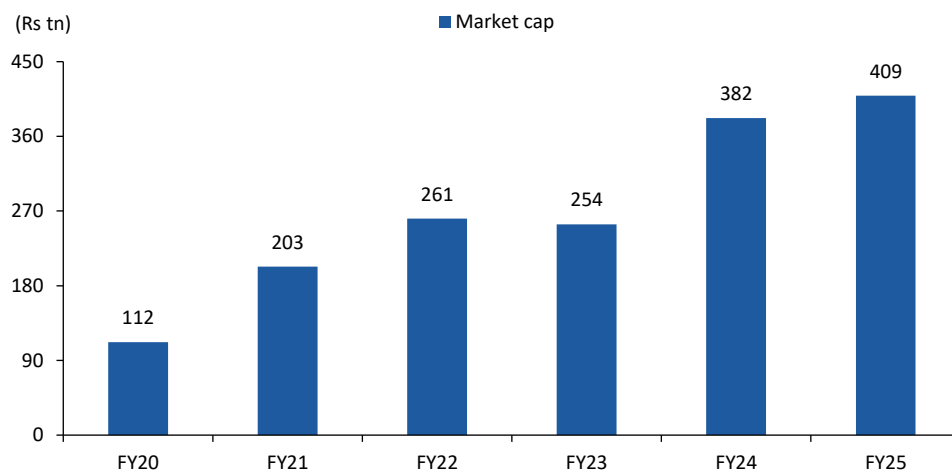


Source: Angel One Q1FY26 investor presentation, Centrum Broking

**Exhibit 14: Ownership trend in NSE-listed universe**



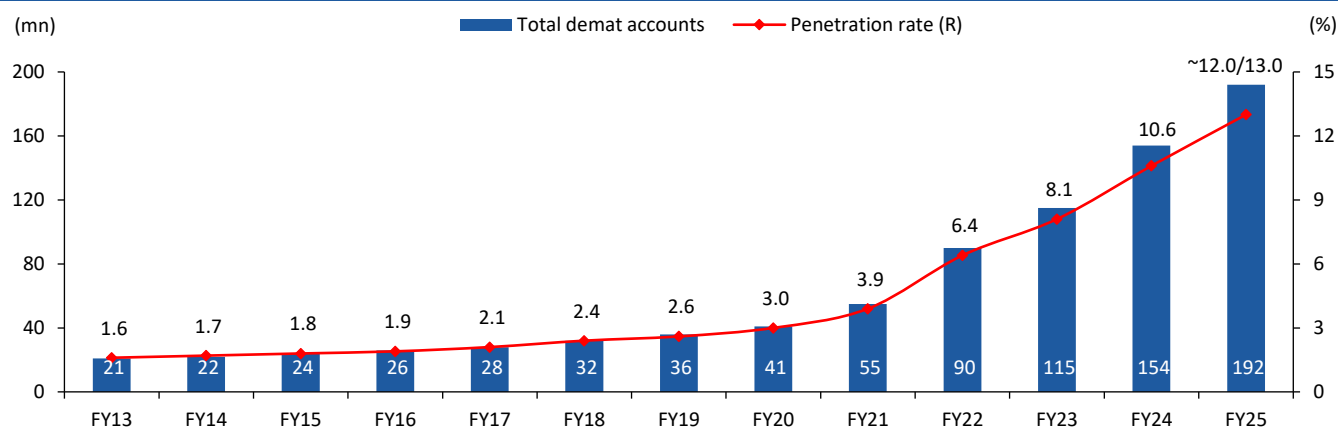
Source: Spaisa Q1FY26 investor presentation, Centrum Broking

**Exhibit 15: Market capitalisation of NSE listed companies grow ~4x over FY20-FY25**

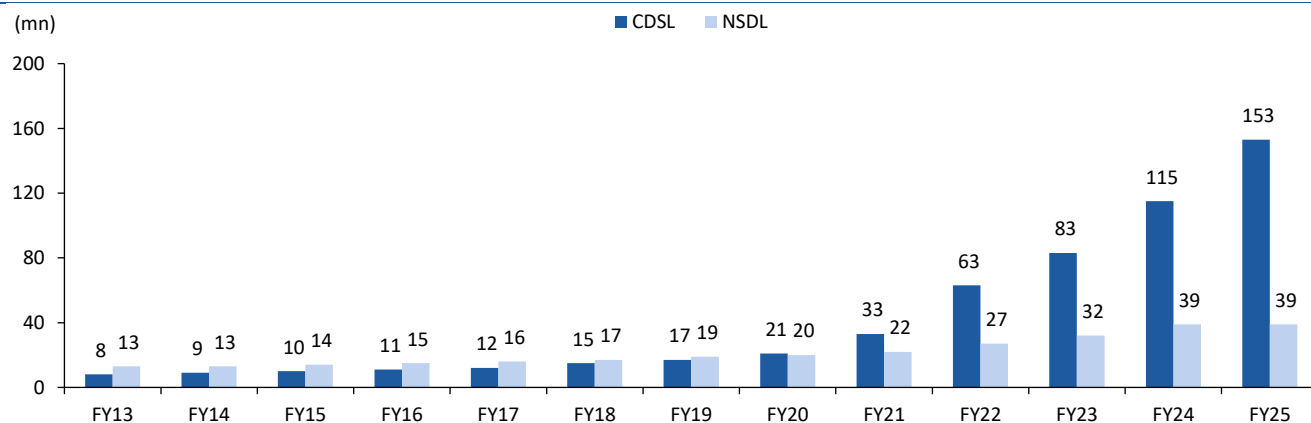
Source: Spaisa Q1FY26 investor presentation, Centrum Broking

### Strong growth in demat accounts

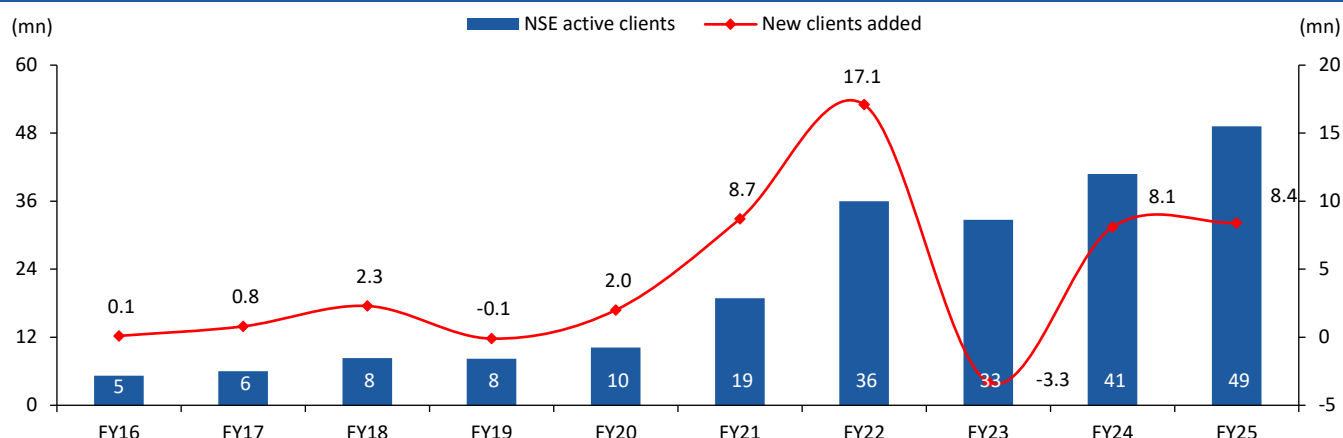
Demat account penetration has expanded rapidly, growing nearly 5x over the last five years—from 41mn at the end of FY20 to 192mn at the end of FY25. The number has already surpassed 200mn in FY26YTD, and the momentum is expected to continue. Importantly, around 60% of these accounts represent unique customers, underscoring the broadening retail participation base. This surge has been driven by strong economic fundamentals, rising investor confidence in India's capital markets, and the continued strengthening of the overall market infrastructure and ecosystem.

**Exhibit 16: Total demat accounts increase at a strong pace**

Source: Zerodha, Centrum Broking

**Exhibit 17: Demat accounts – Both, CDSL & NSDL add clients**

Source: Zerodha, Centrum Broking

**Exhibit 18: NSE active clients stands at ~50mn mark**

Source: Motilal Oswal FY25 Annual Report, Centrum Broking

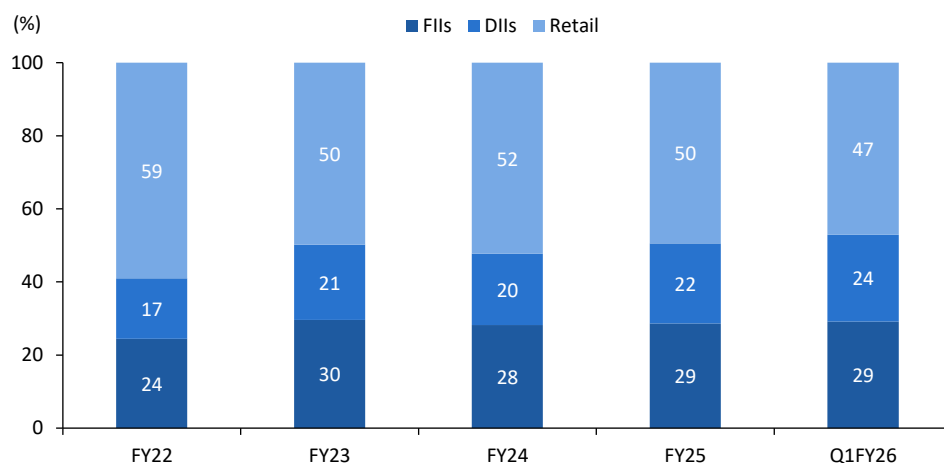
## Growth in trading volumes

Trading volumes have witnessed a significant surge post-Covid, with most segments registering even higher growth rates than before. This surge has been underpinned by heightened trading interest, broader retail participation, and an expanding investor base. We believe that the sustained momentum in investor onboarding, coupled with rising activity across derivative instruments, bodes well for the sector's long-term growth trajectory.

**Exhibit 19: High growth in trading volumes**

CAGR (%)	FY16-20	FY20-25
Cash segment ADTO	18.0	25.3
Equity index options premium ADTO	78.3	70.8
Equity index options notional ADTO	116.7	101.5
Equity stock options ADTO	58.1	53.6
Futures (index and stock)	61.3	16.4

Source: Company Data, Centrum Broking

**Exhibit 20: Rising institutional share in cash turnover**

Source: DAM Capital Q1FY26 investor presentation, Centrum Broking

## Rise in IPOs

The primary market has witnessed record activity over the last few years, with FY25 standing out as an exceptional year. A total of 318 companies—comprising 79 mainboard and 239 SME listings—raised Rs1.7tn through IPOs, surpassing the combined fundraising of the previous two years (FY23 and FY24). Of this, Rs1.6tn was mobilized via mainboard offerings, with the balance from SMEs. Notably, the average issue size more than doubled

YoY to Rs20.8bn in FY25, compared to Rs8.2bn in FY24, reflecting both larger deals and strong investor appetite. Foreign Institutional Investors (FIIs) were also highly active, subscribing to a substantial Rs1.2tn of the issuances, underscoring global confidence in India's capital markets.

#### Exhibit 21: FY25 – a strong year for IPOs

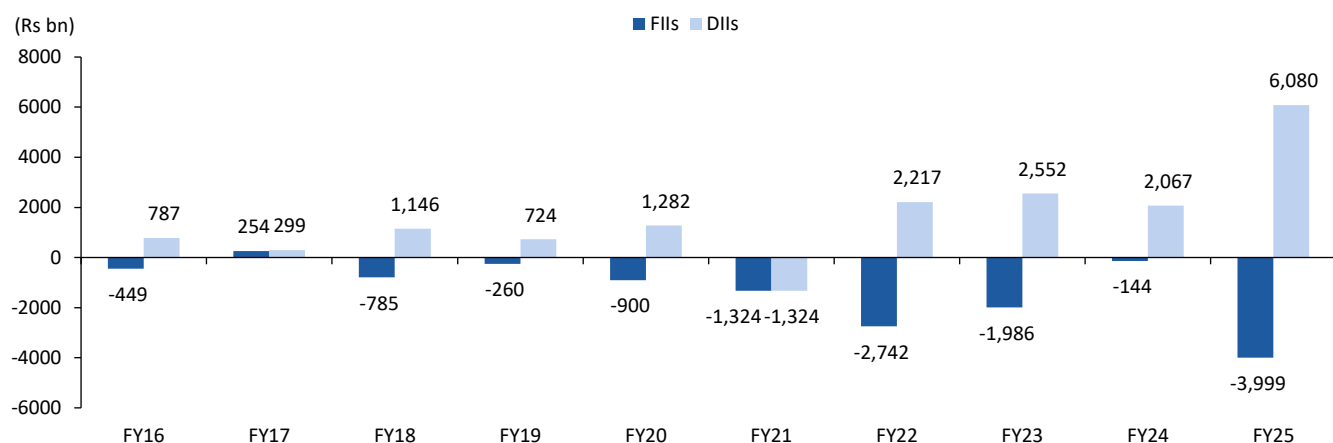
Year	Total no. of IPOs	NO. of mainline IPOs	Amt. raised by mainlines (Rs bn)	No. of SME IPOs	Amt. raised by SMEs (Rs bn)	Total amt. raised (Rs bn)
FY23	164	39	525	125	23	549
FY24	273	78	676	195	61	736
FY25	318	79	1,625	239	100	1,725

Source: Motilal Oswal, Centrum Broking

### Support from domestic institutions

During FY25, Indian capital markets experienced persistent FII outflows in the secondary market. These outflows were largely offset in the first nine months (till Dec'24) by robust FII inflows into the primary market, mainly via IPOs. However, a sharp bout of secondary market selling in Q4 FY25, combined with fewer IPOs, resulted in net annual FII flows turning negative. Domestic Institutional Investors (DIIs), however, provided strong counterbalance through sustained inflows, preventing a sharper market correction that would have otherwise occurred.

#### Exhibit 22: DII inflows grow especially in FY25



Source: Motilal Oswal, Centrum Broking

## Key regulation changes

**Exhibit 23: Summary of regulation change**

Date / Period	Regulation Change	Summary	Implementation date
May '23	Investor Protection & Services Funds	SEBI issued comprehensive guidelines for the Investor Protection Fund and Investor Services Fund at exchanges and depositories. The objective was to improve transparency, ensure proper governance of funds and strengthen safeguards available to retail investors.	Jun 29, 2023
Aug '23	Faster IPO Listing	Timeline for share listing in public issues reduced from T+6 to T+3 days, significantly improving efficiency and investor access in the primary markets.	Aug 9, 2023
Jan '24	Short Selling Framework	The institutional investors were required to disclose short sales upfront, while retail investors were mandated to report trades by the end of the trading day. Further, brokers were mandated to submit scrip-wise short sale data on a daily basis and exchanges were asked to publish consolidated information weekly. These changes were aimed at improving market transparency, regulatory oversight and curbing the potential for manipulative trading practices.	Jan'24
May'24	Calculation of Regulatory Fee on annual turnover based on notional turnover instead of premium turnover	BSE was asked to pay its regulatory fee to SEBI based on the annual turnover calculated from the notional value of options contracts, instead of the premium turnover that had been followed earlier. Since notional turnover is significantly larger in scale, this change was expected to materially increase its liability and alter its cost structure.	Apr 26, 2024
May '24	Dynamic Price Bands in Equity Derivatives	Tighter price-band mechanisms for equity derivatives were introduced, designed to automatically adjust in response to volatility. These controls were aimed at containing abrupt price moves and ensuring more orderly trading during periods of market stress.	May 24, 2024
Jul '24	Market Infrastructure Institutions (MIIs) charges structure	MIIs (exchanges, clearing corporations, depositories) were directed to adopt a "True to Label" principle, ensuring charges levied on clients exactly match charges received by MIIs. Slab-wise pricing was discontinued and replaced with a uniform per-unit charge structure for all members. The aim was to improve transparency, fairness, and investor protection by preventing clients from overpaying due to slab benefits.	Oct 01, 2024
Aug '24	Eligibility Criteria for Stock Derivatives	SEBI tightened the eligibility criteria for inclusion of stocks in the derivatives segment by raising the thresholds for inclusion.	Aug 30, 2024
Oct '24	Rationalisation of Weekly Index Derivatives	Exchanges were directed to allow only one weekly expiry per benchmark index. This measure was intended to curb excessive speculative activity.	Nov 20, 2024
Oct '24	Increased Contract Size	The minimum contract size for index derivatives was raised to Rs1.5mn, compared with the earlier range of Rs0.5-1mn. By increasing the notional value of each contract, SEBI aimed to align exposure levels with the financial capacity of market participants.	Nov 21, 2024
Oct '24	Increase in tail risk coverage on the day of options expiry	A 2% Extreme Loss Margin (ELM) was introduced on all open short option positions held on expiry day. This additional margin requirement was aimed at covering tail risks arising from sudden spikes in volatility.	Nov 20, 2024
Oct '24	Upfront Premium Collection	Brokers to collect option premium upfront, reducing excessive intraday leverage by buyers.	Feb 1, 2025
Oct '24	No Calendar Spreads on Expiry	The margin concession for calendar spreads was removed where both contracts expired on the same day. This step was aimed at curbing expiry-day speculation and preventing traders from using spreads to gain excessive leverage.	Feb 10, 2025
Oct '24	Intraday Position Monitoring	Exchanges were asked to track intraday position limits in equity index derivatives multiple times during the day. This step was intended to detect abnormal build-ups early, prevent excessive concentration of positions and strengthen risk management in volatile markets.	Apr 1, 2025
May '25	Fixed Expiry Days	Weekly index options were restricted to expire only on Tuesdays or Thursdays, with monthly contracts to expire in the last week on either of those days. NSE opted for Tuesday as its designated weekly expiry day.	Sept 1, 2025
May '25	MWPL Linked to Cash Volume & Free Float	The overall position limit in derivatives was set as the lower of 15% of a stock's free-float market cap or 65x its average daily cash market volume. This framework was introduced to ensure that derivatives activity stayed aligned with the underlying liquidity.	Oct 1, 2025
May '25	Higher Position Limits for Index Derivatives	Limits for index derivatives were enhanced, with index options permitted up to Rs100bn gross and index futures above Rs5bn, with stricter monitoring in place.	July 1 to Dec 6, 2025
May '25	Intraday Market Wide Position Limit (MWPL) monitoring	Clearing corporations were required to track Market Wide Position Limit (MWPL) utilisation at least four times a day, with any breaches triggering Additional Surveillance Measure (ASM) or other surveillance checks.	Nov 3, 2025
Aug '25	Pre-open Session for F&O	A pre-open session has been introduced for current-month futures, and for next-month contracts during rollover week, to mirror the cash market and improve price discovery.	Dec 6, 2025
Sep'25	Higher intraday limits for index options	SEBI has reintroduced higher intraday limits for index options trading effective October 1, 2025, with tighter oversight. Trading entities can take net intraday positions up to Rs50bn and gross positions up to Rs100bn, subject to random checks by exchanges at least four times a day. The intraday monitoring norms will come into force on Oct 1, 2025, while the penalty provisions related to expiry-day breaches will apply from Dec 6, 2025.	Oct 1, 2025

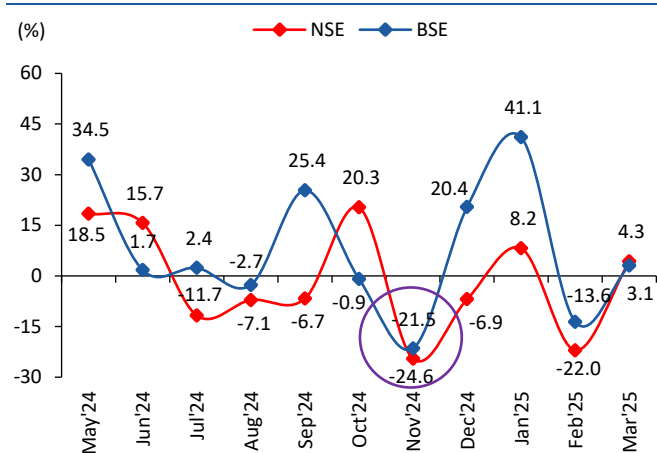
Source: SEBI, Centrum Broking

We highlight three key changes:

## #1 Rationalisation of weekly derivative contracts

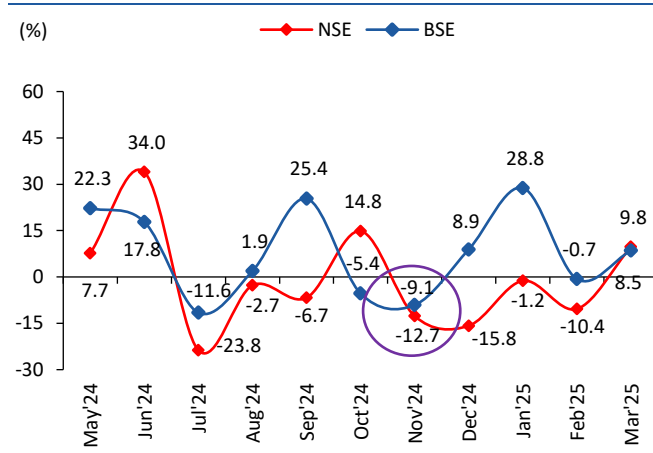
SEBI recently announced the rationalisation of weekly expiries for index options, mandating that exchanges list only one weekly expiry per benchmark index. Previously, multiple weekly expiries were available, which, while offering flexibility, often led to excessive speculative trading and fragmented liquidity across contracts. This excessive activity contributed to higher volatility, particularly on expiry days, making risk management and hedging more challenging for both retail and institutional participants. By limiting the number of weekly contracts, SEBI aims to concentrate trading volumes into a single expiry, thereby enhancing liquidity, improving price discovery, and reducing abrupt price swings. The measure also simplifies operational processes for exchanges, brokers, and clearing members, ensuring more efficient settlement and margin management. Overall, this step is designed to create a more stable and orderly derivatives market, balancing the need for short-term trading opportunities with market integrity and investor protection.

Exhibit 24: Index options premium turnover



Source: Company Data, Centrum Broking

Exhibit 25: Index options premium ADTO



Source: Company Data, Centrum Broking

## #2 Fixed expiry days

SEBI has standardized the weekly expiry schedule for index options, designating Tuesdays and Thursdays as the fixed days for weekly expiries, while monthly contracts are scheduled to settle during the final week of the month on either of these days. Previously, the presence of multiple overlapping expiries across different exchanges often led to market fragmentation, increased volatility, and operational complexity for traders, brokers, and clearing members. By streamlining the expiry schedule, SEBI aims to simplify the trading calendar, reduce speculative spikes on expiry days, and ensure a more orderly market. In line with this directive, NSE designated Tuesday as its weekly expiry day, and BSE adopted Thursday, providing clarity to market participants and allowing them to plan trading and hedging strategies more effectively. This rationalisation helps concentrate liquidity, improve price discovery, and facilitate smoother settlement and margin management, thereby promoting overall market stability and efficiency.

**Exhibit 26: BSE retains market share in Equity Index Options despite expiry day shift**

BSE - Equity index options (Rs bn)	Jul'25	Aug'25	1st four weeks of Sep'25
Premium turnover	2,874	3,266	3,277
Premium ADTO	125	172	164
BSE market share (%)	25.0%	29.3%	29.0%
Industry premium ADTO (index options)	499	587	565

Source: Company Data, Centrum Broking

**Exhibit 27: NSE market share remained stable**

NSE - Equity index options (Rs bn)	Jul'25	Aug'25	1st four weeks of Sep'25
Premium turnover	8,609	7,893	8,021
Premium turnover ADTO	374	415	401
NSE market share (%)	75.0%	70.7%	71.0%
Industry premium turnover ADTO (index options)	499	587	565

Source: Company Data, Centrum Broking

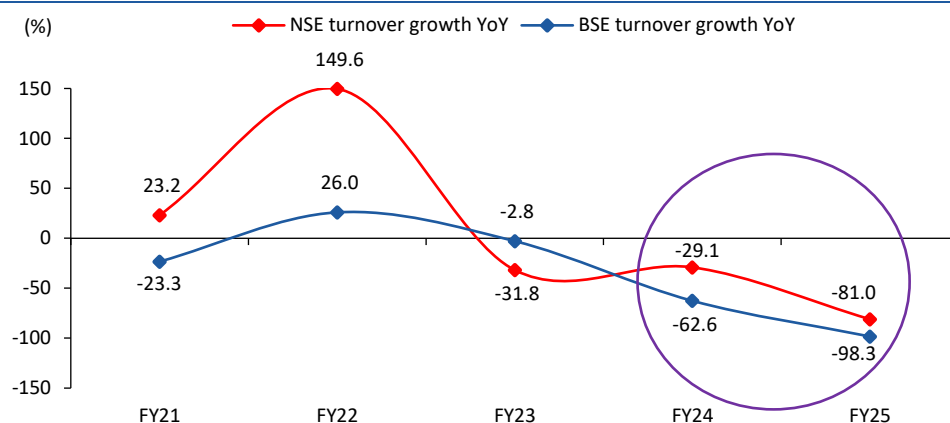
**#3 Currency derivatives unviable**

The currency derivatives segment underwent a structural transformation following the RBI's directive in April 2024. Under the revised framework, both proprietary traders and retail investors were required to establish and demonstrate a genuine underlying currency exposure before participating in exchange-traded currency derivatives. This represents a marked departure from the earlier regime, where traders could freely take speculative positions on currency futures and options without any linkage to real exposures (e.g. imports, exports, etc.). The primary intent behind this move is twofold: first, to enhance transparency and accountability by ensuring that derivative contracts are used predominantly for hedging genuine exposures rather than unchecked speculation; and second, to limit speculative trading activity that had led to heightened volatility and excessive liquidity in certain contracts. By restricting access, RBI aims to align the segment more closely with its intended role as a risk management platform for corporates, banks, and investors exposed to currency fluctuations.

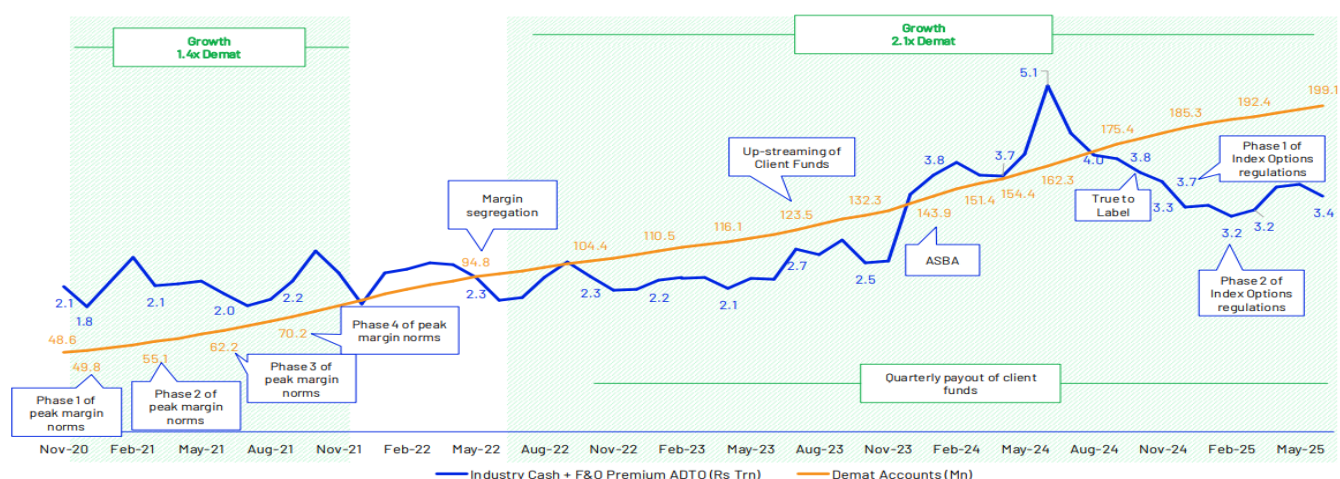
**Exhibit 28: Currency derivatives**

	FY20	FY21	FY22	FY23	FY24	FY25	YTD FY26
<b>Turnover (Rs bn)</b>							
NSE	48,469	59,715	1,49,043	1,01,632	72,092	13,672	3,454
BSE	66,833	51,238	64,545	62,719	23,458	397	0
<b>Total</b>	<b>1,15,302</b>	<b>1,10,952</b>	<b>2,13,588</b>	<b>1,64,351</b>	<b>95,550</b>	<b>14,069</b>	<b>3,454</b>
<b>Turnover - Market share (%)</b>							
NSE	42.0	53.8	69.8	61.8	75.4	97.2	100.0
BSE	58.0	46.2	30.2	38.2	24.6	2.8	0.0
<b>ADTO (Rs bn)</b>							
NSE	200	244	618	415	300	57	29
BSE	275	209	267	256	97	15	0
<b>Total</b>	<b>475</b>	<b>453</b>	<b>885</b>	<b>671</b>	<b>398</b>	<b>72</b>	<b>29</b>
<b>ADTO - Market share (%)</b>							
NSE	42.1	53.8	69.9	61.8	75.5	78.9	100.0
BSE	57.9	46.2	30.1	38.2	24.5	21.1	0.0

Source: Company Data, Centrum Broking

**Exhibit 29: Currency derivatives turnover growth decline post new regulations**

Source: Company Data, Centrum Broking

**Exhibit 30: Margin rule changes had limited impact on demat account additions or trading volumes**

Source: Angel One Q1FY26 investor presentation, Centrum Broking



## Comparison

### Exhibit 31: Key metrics

	BSE						NSE					
	FY21	FY22	FY23	FY24	FY25	YTD FY26	FY21	FY22	FY23	FY24	FY25	YTD FY26
<b>Cash segment (Rs bn)</b>												
Average daily turnover (ADTO)	42	54	41	66	78	76	618	668	534	817	1,130	1,027
Overall turnover	10,451	13,382	10,289	16,290	19,339	7,776	1,53,979	1,65,662	1,33,051	2,01,034	2,81,278	1,05,833
Market share (%)	6.4	7.5	7.2	7.5	6.4	6.8	93.6	92.5	92.8	92.5	93.6	93.2
<b>Equity index options (Rs bn)</b>												
Average daily turnover	-	-	-	22	90	150	106	236	440	562	545	445
Premium turnover	-	-	-	4,880	22,344	15,342	26,294	58,423	1,09,556	1,38,196	1,35,745	45,683
Market share (%)	-	-	-	3.4	14.1	25.1	100	100	100	96.6	85.9	74.9
Notional turnover	-	-	-	76,46,371	2,75,52,290	1,48,55,914	59,00,991	1,60,94,972	3,73,45,257	7,86,76,913	7,65,85,550	2,27,11,785
Market share (%)	-	-	-	8.9	26.5	39.5	100	100	100	91.1	73.5	60.5
<b>Futures (Rs bn)</b>												
Average daily turnover	-	-	-	0.9	1.9	3.3	1,090	1,188	1,148	1,340	1,859	1,586
Turnover	-	-	-	191	484	344	2,71,460	2,94,683	2,85,930	3,29,641	4,62,895	1,62,772
Market share (%)	-	-	-	0.1	0.1	0.2	100	100	100	99.9	99.9	99.8

Source: Company Data, Centrum Broking

### Exhibit 32: Financials

Particulars (Rs mn)	BSE					NSE				
	FY21	FY22	FY23	FY24	FY25	FY21	FY22	FY23	FY24	FY25
Revenue from operations	5,014	7,432	8,155	13,710	29,573	56,248	83,131	1,18,562	1,47,800	1,71,407
Total income	6,547	8,635	9,539	15,959	32,363	62,023	88,738	1,27,654	1,64,336	1,91,768
Total operating expenses	4,625	5,300	6,181	8,804	13,676	14,841	17,079	22,248	31,694	42,597
SGF	-	-	-	917	900	621	-	2,035	17,410	2,341
EBITDA	1,921	3,335	3,359	7,155	18,687	47,182	71,659	1,05,406	1,32,643	1,49,171
PBT	1,526	3,273	2,973	9,922	17,483	44,650	70,312	1,00,416	1,11,843	1,54,748
PAT	1,417	2,449	2,057	7,687	13,171	35,734	53,329	75,019	84,065	1,16,058

Source: Company Data, Centrum Broking

### At an inflexion point

**BSE (Bombay Stock Exchange) is poised to thrive despite regulatory changes, and we maintain a positive outlook. Its index options premium turnover market share rose from 3.4% in FY24 to 25.1% at end YTD FY26 (5M), while notional turnover market share grew to ~40%, supported by rising UCCs and member participation. Cash segment share improved from 6.4% to 6.8% at end YTD FY26, with SOR and CCN initiatives likely to further drive growth. The shift of weekly expiry from Tuesday to Thursday did not dent market share, and the Thursday expiry may support long-term growth by preserving differentiated flow and aligning with institutional patterns. Potential regulatory changes to fortnightly or monthly expiries could affect short-term profits, though the market is expected to stabilise. The Nov '24 SEBI regulation caused a brief dip, followed by a mixed recovery. BSE benefits from diverse revenue streams, with revenue growing at 56% CAGR FY21-25 to Rs29.6bn, expected to moderate to 22% CAGR FY25-28E, and EBITDA margin expanding to 67%. Net profit is projected to grow at 27% CAGR FY25-28E to Rs27bn, with ROAE sustaining 30%+. We initiate coverage with a BUY rating and TP Rs2,475, valuing the company at 41x Sep'27 EPS, ~+1 standard deviation from its long-term mean.**

**Market share revival:** BSE's index options premium turnover market share increased from 3.4% in FY24 to 14.1% in FY25, reaching 25.1% at end YTD FY26, while its notional turnover share rose to ~40% at end YTD FY26 from 26.5% in FY25, supported by growing UCCs and stronger member participation. In the cash segment, market share improved from 6.4% in FY25 to 6.8% in YTD FY26, and tools such as Smart Order Routing (SOR) and Common Contract Note (CCN) may further drive growth. The futures segment remains small but has potential to expand given its lower base.

**Shift in index options weekly expiry:** Initial concerns that BSE's index options market share would decline after moving the expiry from Tuesday to Thursday – losing its first-mover advantage – proved unfounded, as the exchange retained its market share in the first four weeks of September 2025. Over the long term, the Thursday expiry could help BSE sustain or grow market share by preserving differentiated flow, aligning with institutional trading patterns, and deepening market participation.

**Regulatory threat:** There is growing discussion around moving expiries to a fortnightly or monthly cycle. While the consultation is yet to begin, such a change could impact the net profit in the short term, though we expect stabilisation over time. In November 2024, SEBI introduced a regulation limiting each exchange to one weekly expiry contract, reducing BSE's three products to one and NSE's five to one. Although a decline was observed in Dec'24, the market subsequently registered mixed growth.

**Diverse revenue streams:** We acknowledge that a significant portion of BSE's revenue is linked to market movements, but the company benefits from diverse revenue streams, including trading and transaction fees, clearing and settlement charges, listing fees, co-location charges, mutual fund transactions (StAR MF), indices licensing, and data services, among others.

**Financial outlook strong:** BSE delivered strong growth, with revenue from operations rising at a 56% CAGR over FY21-25 to Rs 29.5bn. We forecast a sustainable 22% CAGR over FY25-28E, with transaction income continuing to dominate, rising from 69% of revenue in FY25 to 78% by FY28E. Its diverse revenue streams, including corporate services and co-location charges, will remain important contributors. EBITDA margin is expected to expand from 58% in FY25 to 67% by FY28E, supported by slower operating expense growth, flat clearing and settlement costs, and single-digit growth in other expenses. Net profit is expected to clock 27% CAGR over FY25-FY28E to Rs27bn. The company is projected to maintain 30%+ ROAEs in the medium term, with a dividend payout ratio of 30%.

#### Initiating Coverage

India I Exchanges

30 September, 2025

**BUY**

Price: Rs2,045

Target Price: Rs2,475

Forecast return: 21%

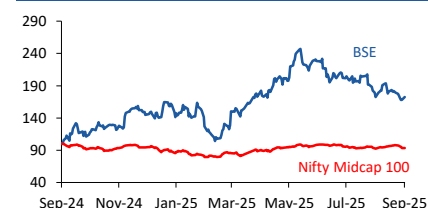
Institutional Research

#### Market Data

Bloomberg:	BSE IN
52 week H/L:	Rs3030/1193
Market cap:	Rs829bn
Shares Outstanding:	412mn
Free float:	81.4%
Avg. daily vol. 3mth:	4,834,755

Source: Bloomberg

#### BSE relative to Nifty Midcap 100



Source: Bloomberg

#### Shareholding pattern

	Jun-25	Mar-25	Dec-24	Sep-24
DII's	11.3	12.3	12.1	11.7
FII's	18.1	16.8	16.0	13.0
Public	50.0	48.8	50.0	52.4
Others	20.6	22.1	21.9	22.9

Source: NSE



**Mohit Mangal**

+91-022-4215 9110

mohit.mangal@centrum.co.in



**Harsh Hulsogi**

+91-022-4215 9110

harsh.hulsogi@centrum.co.in

Exchanges

**Valuation:** We initiate coverage on BSE with a BUY rating and a target price of Rs2,475. The company is valued at a P/E of 41x on Sep'27 EPS, approximately +1 standard deviation from its long-term mean, while the stock currently trades at 34x on Sep'27 EPS. BSE's key moats include steady market share, high entry barriers, diverse product offerings, and robust infrastructure. Key risks include regulatory changes and cybersecurity threats.

#### Financial and valuation summary

YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	13,710	29,573	38,485	45,445	53,573
Total income	15,959	32,363	41,412	48,694	57,354
EBITDA	7,155	18,687	26,668	31,986	38,679
EBITDA margin (%)	44.8	57.7	64.4	65.7	67.4
PBT	9,922	17,483	25,102	30,103	36,400
Net profit	7,687	13,171	18,777	22,517	27,227
EPS (Rs)	18.8	32.1	45.6	54.7	66.1
EPS growth (%)		70.4	42.2	19.9	20.9
PE (x)			44.9	37.4	30.9
ROAE (%)	24.5	32.8	35.7	33.4	32.1

Source: Company, Centrum Broking

## Thesis Snapshot

### Centrum vs consensus

YE Mar (Rs bn)	Centrum FY27E	Consensus FY27E	Variance (%)	Centrum FY28E	Consensus FY28E	Variance (%)
Revenue from Op.	45,445	46,592	-2.5	53,573	53,982	-0.8
EBITDA	31,986	30,224	5.8	38,679	36,126	7.1
PAT	22,517	23,953	-6.0	27,227	28,647	-5.0

Source: Bloomberg, Centrum Broking

### Key assumptions

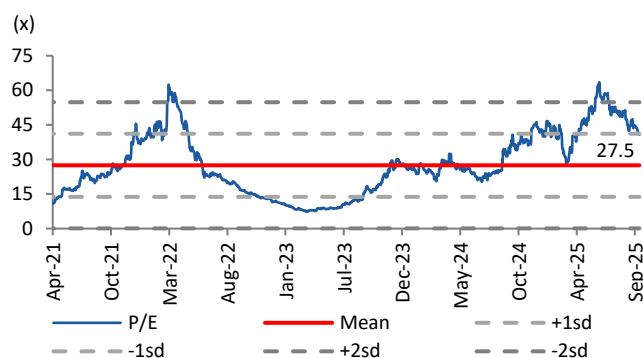
YE Mar (Rs mn)	FY26E	FY27E	FY28E
Revenue from Operations	38,485	45,445	53,573
Total operating expenses	14,744	16,708	18,676
EBITDA	26,668	31,986	38,679
PBT	25,102	30,103	36,400
PAT	18,777	22,517	27,227

Source: Centrum Broking

### Valuation

We initiate coverage on BSE with a BUY rating and a target price of Rs2,475. The company is valued at a P/E of 41x on Sep'27 EPS, approximately +1 standard deviation from its long-term mean, while the stock currently trades at 34x on Sep'27 EPS. BSE's key moats include steady market share, high entry barriers, diverse product offerings, and robust infrastructure. Key risks include regulatory changes and cybersecurity threats.

### P/E (1yr fwd.) trading around +1sd



Source: Bloomberg

### Peer Comparison

Companies	CMP (Rs)	MCap (Rs bn)	FY25 Revenue (Rs mn)	FY21-25 Revenue CAGR (%)	FY25 EBITDA (Rs mn)	FY21-25 EBITDA CAGR (%)	FY25 EBITDA Margin (%)	FY25 PAT (Rs mn)	FY21-25 PAT CAGR (%)	FY25 ROE (%)
BSE	2,045	833	29,573	55.8	18,687	76.6	57.7	13,171	74.6	32.8
NSE	NA	NA	1,71,407	32.1	1,49,171	33.3	77.8	1,16,058	34.2	42.7
MCX	7,806	398	9,676	30.5	6,653	38.6	68.8	4,148	25.6	23.9

Source: Bloomberg, Company Data, Centrum Broking

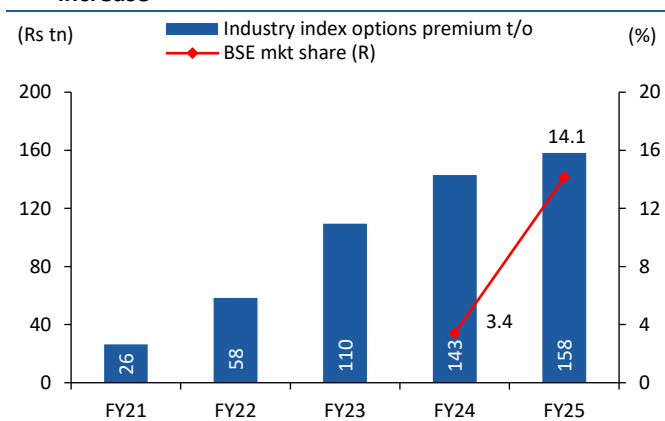
## Investment rationale

### F&O market share increase

BSE has managed to successfully expand its market share following the implementation of the November 2024 regulation (weekly expiry), indicating that the impact on its business was relatively contained. The index options premium turnover market share grew from 3.4% in FY24 to 14.1% in FY25 and further to 25.1% at end YTD FY26. The exchange's market share in notional turnover, which averaged around 24% during Apr'24-Nov'24, rose sharply to ~30% in Dec'24 and has continued on an upward trajectory since then. By Aug'25, BSE's share had reached approximately 43% (40% in YTD FY26), supported by a rise in member participation and a steady increase in the number of Unique Client Codes (UCCs) on its platform. Apart from this, the minimum lot size has increased for all the products that can lead to higher revenue depending on the volume and client interest.

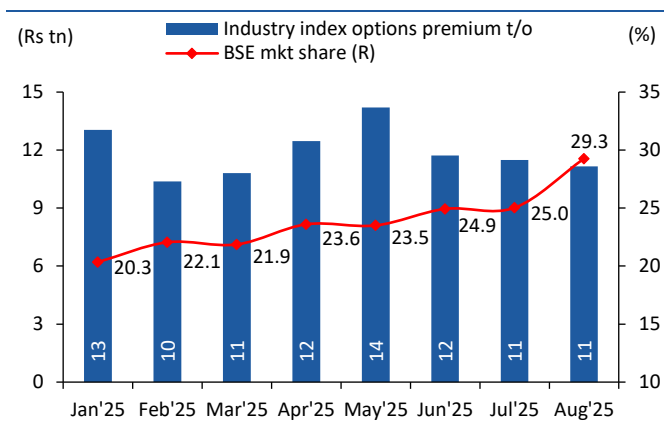
We believe over the long term, the Thursday expiry could help BSE retain or even grow market share by preserving differentiated flow, aligning with institutional trading patterns, and focusing on deepening the market with more participants.

**Exhibit 33: Mkt. share in index options premium t/o increase**



Source: Company Data, Centrum Broking. Note: BSE launched index options on 15<sup>th</sup> May, 2023.

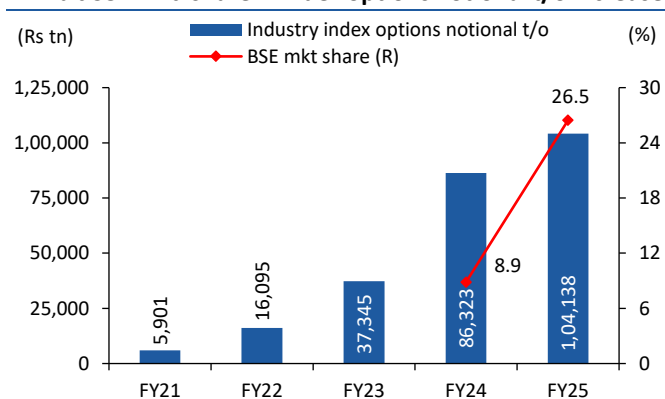
**Exhibit 34: ...as also seen in the last few months**



Source: Company Data, Centrum Broking

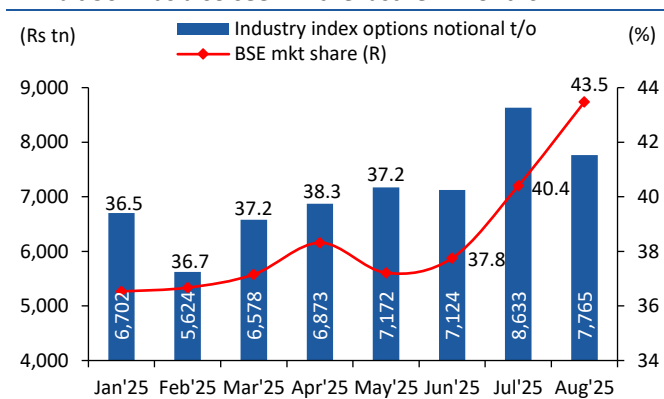
BSE's increase in notional turnover market share was driven by a simplified product offering, competitive transaction costs, strong partnerships with brokers, and other strategic initiatives. This growth was largely supported when their expiry day was Tuesday. With the expiry shifting to Thursday starting September, there might be some fluctuations in the market share in the short-to-medium term, but the long-term potential for sustained growth remains strong.

**Exhibit 35: Mkt. share in index options notional t/o increase**



Source: Company Data, Centrum Broking. Note: BSE launched index options on 15<sup>th</sup> May, 2023.

**Exhibit 36: ...as also seen in the last few months**



Source: Company Data, Centrum Broking

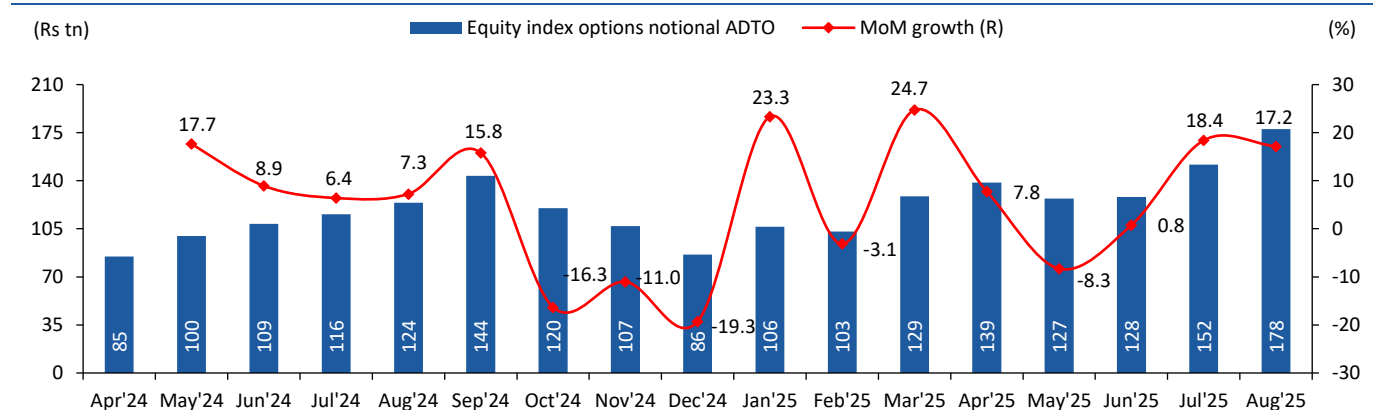
### Weekly expiries – A new reality

In November 2024, SEBI introduced a regulation restricting each exchange to only one weekly expiry contract. Prior to this, BSE had three weekly expiries – Sensex, Bankex, and Sensex 50 – while NSE offered five, namely Nifty 50, Bank Nifty, Nifty Financial Services, Nifty Midcap Select, and Nifty Next 50. Following the new guidelines, BSE retained the Sensex derivative as its weekly expiry product, while Bankex and Sensex 50 were shifted to a monthly cycle. Similarly, NSE chose to continue with Nifty as its weekly contract, with the remaining indices moving to monthly expiries.

### What has this led to?

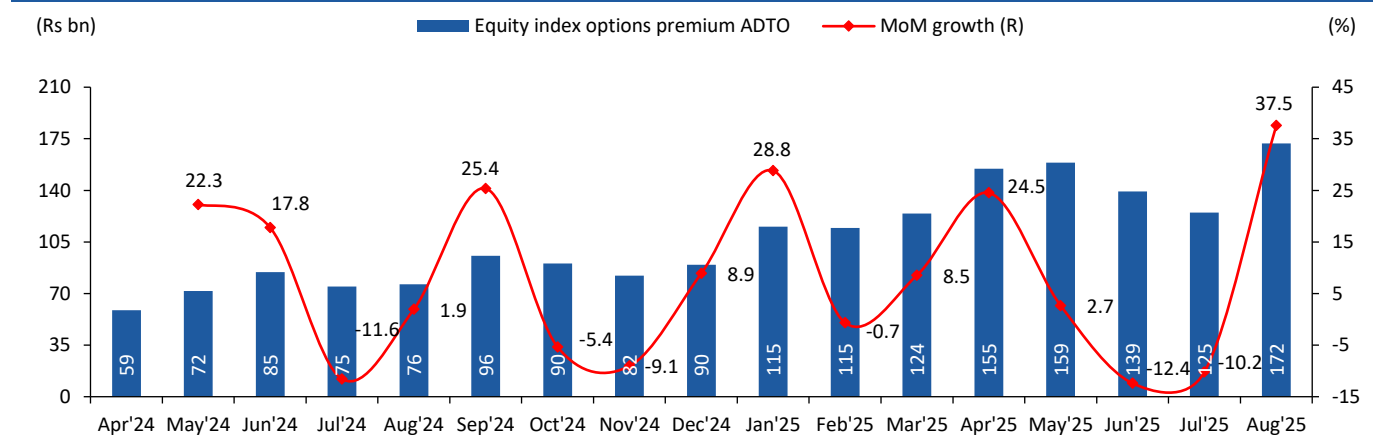
This legislation led to decline in volumes with BSE affected less than NSE, both, in the month of November and December. After that the growth trajectory was mixed.

**Exhibit 37: Equity index options notional ADTO**



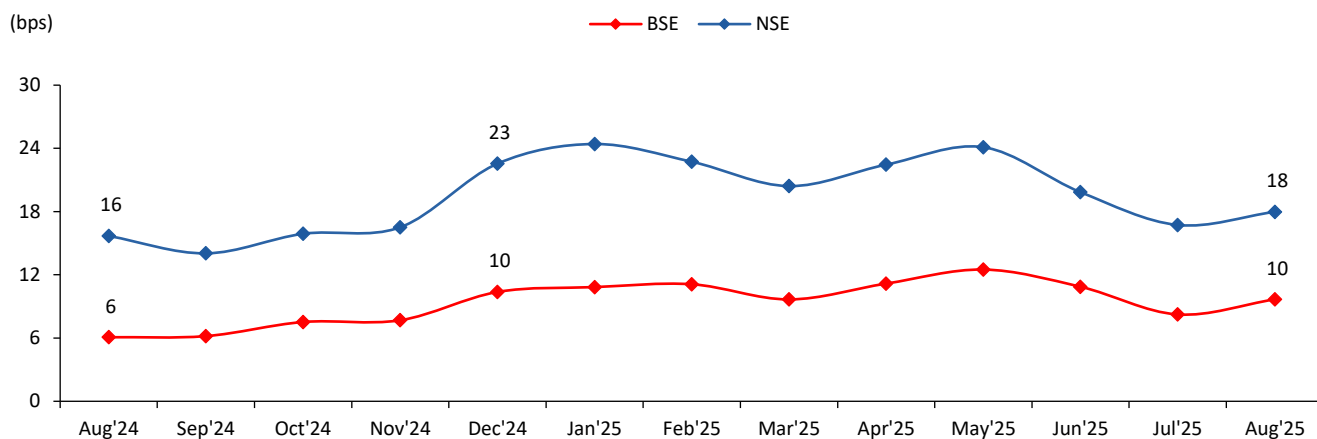
Source: Company Data, Centrum Broking

**Exhibit 38: Equity index options premium ADTO**

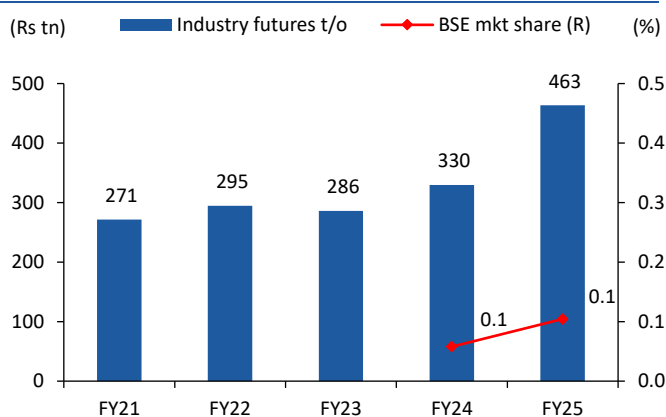
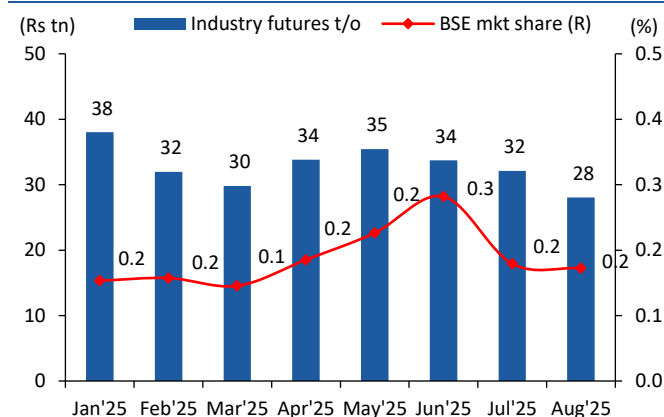


Source: Company Data, Centrum Broking

BSE's premium turnover has grown at a faster pace than its notional turnover, with the ratio of premium to notional turnover rising from 6bps at the end of Aug'24 to 10bps in Dec'24, and maintaining this level through Aug'25, reflecting increased trading activity and improved liquidity in options contracts.

**Exhibit 39: Premium to notional t/o steady for BSE**

Source: Company Data, Centrum Broking

**Exhibit 40: BSE has inconsequential market share in index and stock futures turnover**Source: Company Data, Centrum Broking. Note: BSE launched index futures on 26<sup>th</sup> Apr, 2023. Equity futures were launched on 01<sup>st</sup> Jul, 2024.**Exhibit 41: Index & stock futures turnover (monthly)**

Source: Company Data, Centrum Broking

**Exhibit 42: Change in expiry day**

Index	Period	Old expiry	New expiry	Previous lot size	New lot size*
BSE Sensex	Weekly	Friday	Thursday	10	20
	Others	Last Friday of the expiry month	Last Thursday of the expiry month	10	20
BSE Bankex	Weekly	Monday	Disallowed		
	Others	Last Monday of the expiry month	Last Thursday of the expiry month	15	30
BSE Sensex 50	Weekly	Thursday	Disallowed		
	Others	Last Thursday of the expiry month	Last Thursday of the expiry month	25	60

Source: Company Data, Centrum Broking. Note: \* Change in lot size effective from 20 Nov, 2024.

**Transaction charges competitive**

BSE revised its transaction charges for index options to Rs3,250 per ten million of premium turnover with effect from 01<sup>st</sup> October 2024. This is competitive as NSE charges Rs3,500.

**Expiry day impact**

We examine the impact of expiry day on BSE volumes. Between Jan'25 and Aug'25, the average index options notional turnover on expiry days was nearly 9x higher than on non-expiry days. Similarly, equity index options premium turnover was about 3x higher on expiry days.

**Exhibit 43: Increase in average daily notional turnover for BSE on expiry days**

<b>Notional turnover (Jan'25 – Aug'25)</b>		
<b>Average daily turnover (Rs bn)</b>	<b>BSE</b>	<b>NSE</b>
BSE expiry days (Tuesday)	4,51,586	1,25,971
Other days (excl. Tuesday)	49,284	2,31,892
<b>Increase</b>	<b>9.2x</b>	<b>0.5x</b>

Source: Company Data, Centrum Broking. Note: BSE's index options weekly expiry was on Tuesday from 01 Jan '25 to 31 Aug '25. This was changed to Thursday from 01 Sep '25 onwards.

**Exhibit 44: Increase in average daily premium turnover for BSE on expiry days**

<b>Premium turnover (Jan'25 – Aug'25)</b>		
<b>Average daily turnover (Rs bn)</b>	<b>BSE</b>	<b>NSE</b>
BSE expiry days (Tuesday)	293	369
Other days (excl. Tuesday)	97	458
<b>Increase (x)</b>	<b>3.0x</b>	<b>0.8x</b>

Source: Company Data, Centrum Broking. Note: BSE's index options weekly expiry was on Tuesday from 01 Jan '25 to 31 Aug '25. This was changed to Thursday from 01 Sep '25 onwards.

**BSE Holds Ground Post Expiry Shift in September**

There were initial concerns that BSE's market share in index options would decline following the shift of its expiry day from Tuesday to Thursday – eliminating its earlier first-mover advantage. However, the exchange managed to retain its market share in the first four weeks of September 2025.

Notably, this resilience in trading volumes was unexpected, especially in light of recent regulatory measures aimed at discouraging excessive retail participation in F&O trading – measures that appeared to have limited impact during the observed period.

In the first four weeks of September, the overall index options premium ADTO stood at Rs565bn. Of this, BSE's index options premium ADTO was Rs164bn and its market share remained stable at around 29%. We await data in the coming months to ascertain the overall impact.

**Exhibit 45: BSE retains market share in Equity Index Options despite expiry day shift**

<b>BSE - Equity index options (Rs bn)</b>	<b>Jul'25</b>	<b>Aug'25</b>	<b>1st four weeks of Sep'25</b>
Premium turnover	2,874	3,266	3,277
Premium ADTO	125	172	164
BSE market share (%)	25.0%	29.3%	29.0%
Industry premium ADTO (index options)	499	587	565

Source: Company Data, Centrum Broking

**Exhibit 46: BSE market share stable in notional turnover**

<b>BSE - Equity index options (Rs bn)</b>	<b>Jul'25</b>	<b>Aug'25</b>	<b>1st four weeks of Sep'25</b>
Notional turnover	34,88,103	33,75,835	35,37,311
Notional ADTO	1,51,657	1,77,676	1,77,866
BSE market share (%)	40.4%	43.5%	42.5%
Industry notional ADTO (index options)	3,75,357	4,08,705	4,18,707

Source: Company Data, Centrum Broking



## BSE benefits due to weekly expiry change in index options

### Exhibit 47: BSE witness growth in index options premium and notional ADTO

(Rs bn)	1 Apr '24 to 19 Nov '24	20 Nov '24 to 16 Sep '25	Growth/ decline (%)
Index options premium ADTO	78	133	71%
Index options notional ADTO	1,12,290	1,28,992	15%

Source: Company Data, Centrum Broking

### Exhibit 48: NSE witness decline in index options premium and notional ADTO

(Rs bn)	1 Apr '24 to 19 Nov '24	20 Nov '24 to 16 Sep '25	Growth/ decline (%)
Index options premium ADTO	600	443	-26%
Index options notional ADTO	3,66,515	2,15,233	-41%

Source: Company Data, Centrum Broking

## Recent noise – Fortnightly/ Monthly expiry?

Recent market [reports](#) indicate that weekly options expiries may be shifted to a fortnightly or monthly cycle. This proposed change is intended to curb the sharp surge in index options trading activity. Even the SEBI chairman opined that long term [contracts](#) should be healthy for retail investors. According to the report, if trading volumes in index options remain high despite the current regulatory measures, SEBI may consider implementing further structural reforms. Over the past year, the derivatives market in India – particularly index options – has seen a significant increase in trading volumes. This trend has sparked concerns about excessive speculative activity, heightened market volatility, and the potential risks posed to retail investors with limited knowledge or experience.

### Scenario 1: Shifts to fortnightly expiry

If the weekly expiry shifts to fortnightly, we understand the impact on financials by keeping FY25 as a base:

- **Revenue:** Equity derivatives – Premium ADTO is assumed to decline 25% to Rs67.5bn as compared to Rs90bn in FY25.
- **Expenses:**
  - **Regulatory fees:** Notional Value is assumed to decrease 25% to Rs20,227tn as compared to Rs26,970tn in FY25.
  - **Clearing and settlement fees:** Contracts traded are assumed to decline to 21.3bn as compared to 28.5bn in FY25.

### Exhibit 49: Impact on revenue from operations and net profit if there is a shift to fortnightly expiries

(Rs mn)	FY25
<b>Base case</b>	
Revenue from operations	29,573
Net profit	13,171
<b>Scenario 1 – Bear case</b>	
Revenue from operations	26,035
Decline in revenue from operations	-3,538
Decline in revenue from operations (%)	-12.0%
Net profit	11,934
Decline in net profit	-1,237
Decline in net profit (%)	-9.4%

Source: Company Data, Centrum Broking

**Scenario 2: Shifts to monthly expiry**

If the weekly shifts to monthly, below is the sensitivity:

- **Revenue:** Equity derivatives – Premium ADTO is assumed to decline 40% to Rs54bn as compared to Rs90bn in FY25.
- **Expenses:**
  - **Regulatory fees:** Notional Value is assumed to decrease 40% to Rs16,182tn as compared to Rs26,970tn in FY25.
  - **Clearing and settlement fees:** Contracts traded are assumed to decline 40% to 17.1bn as compared to 28.5bn in FY25.

**Exhibit 50: Impact on revenue from operations and net profit if there is a shift to monthly expiries**

(Rs mn)	FY25
<b>Base case</b>	
Revenue from operations	29,573
Net profit	13,171
<b>Scenario 2 - Bear case</b>	
Revenue from operations	23,912
Decline in revenue from operations	-5,662
Decline in revenue from operations (%)	-19.1%
Net profit	11,191
Decline in net profit	-1,980
Decline in net profit (%)	-15.0%

Source: Company Data, Centrum Broking

**Exhibit 51: Summary of assumptions – change to fortnightly/ monthly expiries**

	Decline in premium ADTO	Decline in Revenue from operations	Decline in net profit
<b>Shift to fortnightly expiry</b>	25.0%	12.0%	9.4%
<b>Shift to monthly expiry</b>	40.0%	19.1%	15.0%

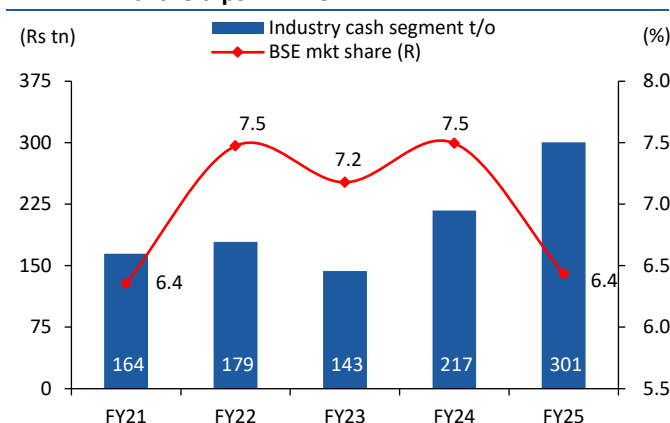
Source: Company Data, Centrum Broking

**Cash segment – Market share expected to increase**

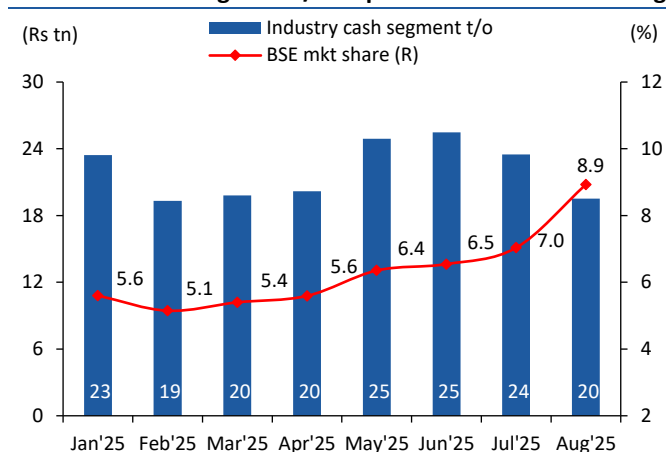
The cash segment has long been dominated by NSE, leaving BSE with a single-digit share. Recently, however, BSE has gained traction – its share improved from 5.6% in Jan'25 to 6.5% in July and further to 8.9% in August. We expect BSE to sustain its market share with a potential to expand further.

**Key Drivers of Market Share Expansion:**

- **Smart Order Routing (SOR) & Common Contract Note (CCN):**
  - SOR enables automated routing of client orders across trading venues to secure the best possible execution based on price, liquidity, speed, and cost. This provides traders with access to deeper liquidity and more efficient outcomes.
  - CCN, which became mandatory from June 27, 2025, replaces multiple contract notes with a single consolidated document reflecting the Volume Weighted Average Price (VWAP) across venues. This enhances transparency, simplifies reconciliation, strengthens compliance, and reduces investor disputes.
- **Neutrality of mobile apps:** With SOR and CCN in place, brokers and trading apps will operate on an exchange-neutral basis, routing orders purely on liquidity and execution quality rather than preference for a particular exchange. This framework levels the playing field, allowing BSE's liquidity pool to be accessed on par with NSE's. The shift is expected to drive higher volumes on BSE and, in turn, support revenue growth.

**Exhibit 52: Cash segment t/o – Absolute growth but market share dips in FY25**

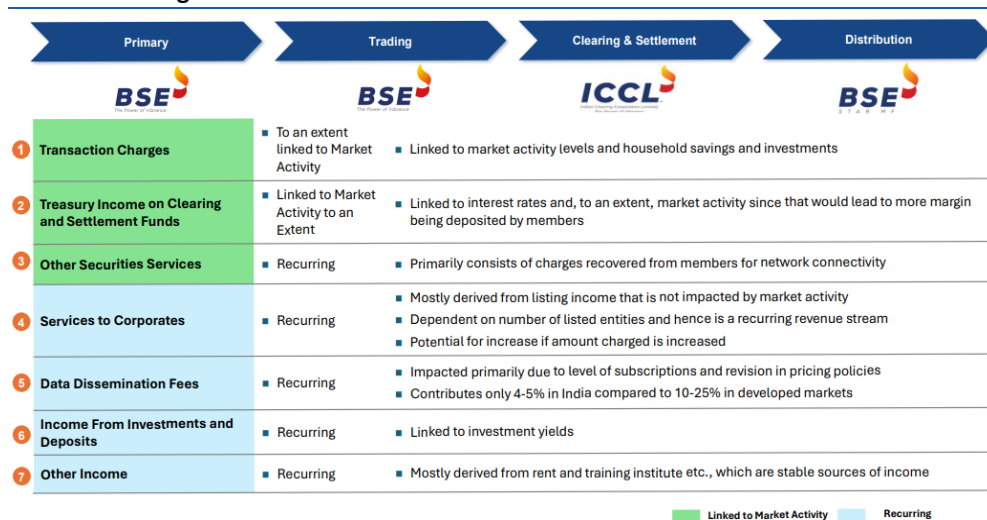
Source: Company Data, Centrum Broking

**Exhibit 53: Cash segment t/o – Spike in market share in Aug**

Source: Company Data, Centrum Broking

## Diverse sources of revenue

BSE benefits from a well-diversified set of income streams, with each business at a different stage of growth. While some lines are directly linked to market activity and trading volumes, others generate steady, recurring revenues that are not dependent on market cycles. BSE's revenue streams include trading and transaction fees, clearing and settlement charges, listing fees, co-location charges, mutual fund transactions (StAR MF), indices licensing and data services, etc.

**Exhibit 54: Integrated business model**

Source: Company Data, Centrum Broking

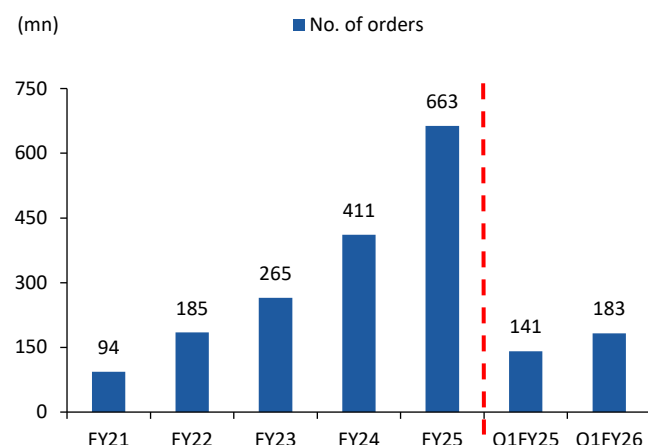
## Strong growth from StAR MF Platform

BSE Star MF (Stock Exchange Platform for Allotment and Redemption of Mutual Fund units) is a browser-based, fully automated online transaction processing system for mutual funds. The platform is mostly used by mutual fund intermediaries (distributors and advisors) to process transactions for their clients. Distributors are relieved from administrative tasks such as mandate registration, order placement, and execution follow-ups. The system itself generates the orders, while funds are debited directly from the client's account. BSE dominates this segment market share of 85%+ at end FY25.

Revenue per order surged from Rs2.7 at end FY22 to Rs3.5 at end FY25, reflecting operating leverage and better monetisation. The platform has also witnessed steady growth in participation, with registered investors expanding from 133mn in FY23 to 237mn in FY25, and further to 244mn in Q1FY26. Order volumes have followed a similar trajectory, increasing from 185mn in FY22 to 663mn in FY25. We believe this momentum will be sustained, supported by the rising popularity of SIPs. Industry data on monthly gross SIP

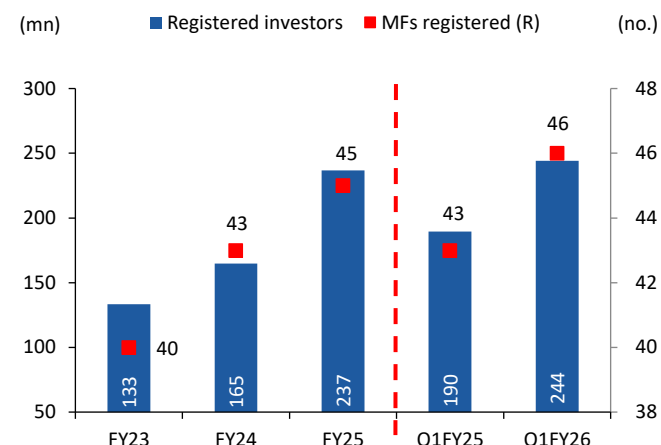
flows continues to set new records, and this trend should translate into higher order flows and incremental revenue for the company's mutual fund distribution segment.

**Exhibit 55: Mutual fund orders growth strong**



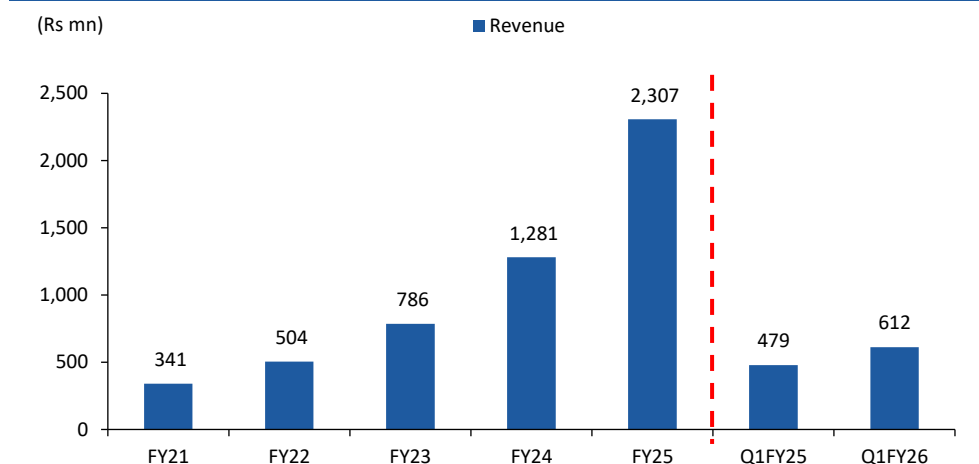
Source: Company Data, Centrum Broking

**Exhibit 56: Registered investors and MFs registered**



Source: Company Data, Centrum Broking

**Exhibit 57: StAR MF revenue**

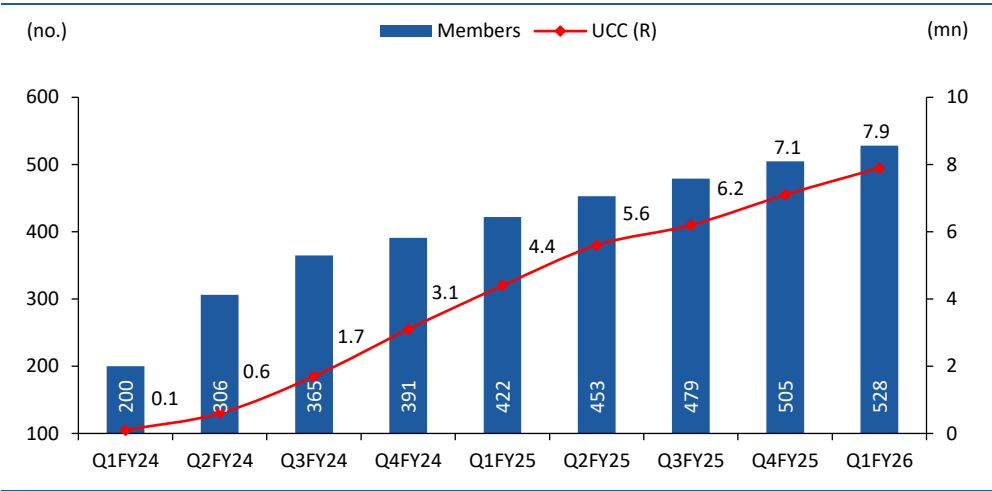


Source: Company Data, Centrum Broking

### Co-location revenue to drive other income

The co-location revenue can receive a big boost by attracting high-frequency and algorithmic traders. Co-location attracts institutional investors, which drives volumes for long-dated options, with higher realisations at lower costs. At end Q1FY26, the company had ~350 racks (FY25: ~300). These racks, some of them 15 kVA, some of them 6 kVA, which has been fully taken up by the market. The company plans to add another 140 racks by the end of FY26. The additional capacity aligns with its ambition to expand its broker base from the current 525 to 600-700 over time, and to increase the number of foreign participants from about 290-300 to around 500. Co-location services provide revenue in two parts, v.i.z. (i) rental income and (ii) MPS (Order per second).

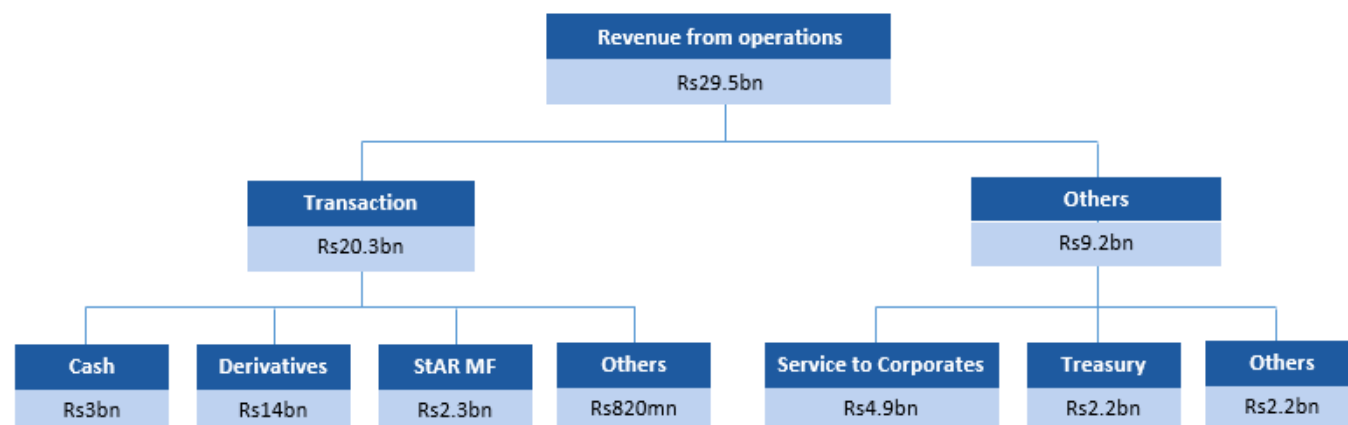
Exhibit 58: Members and UCC – Consistent growth



Source: Company Data, Centrum Broking

## Business snapshot

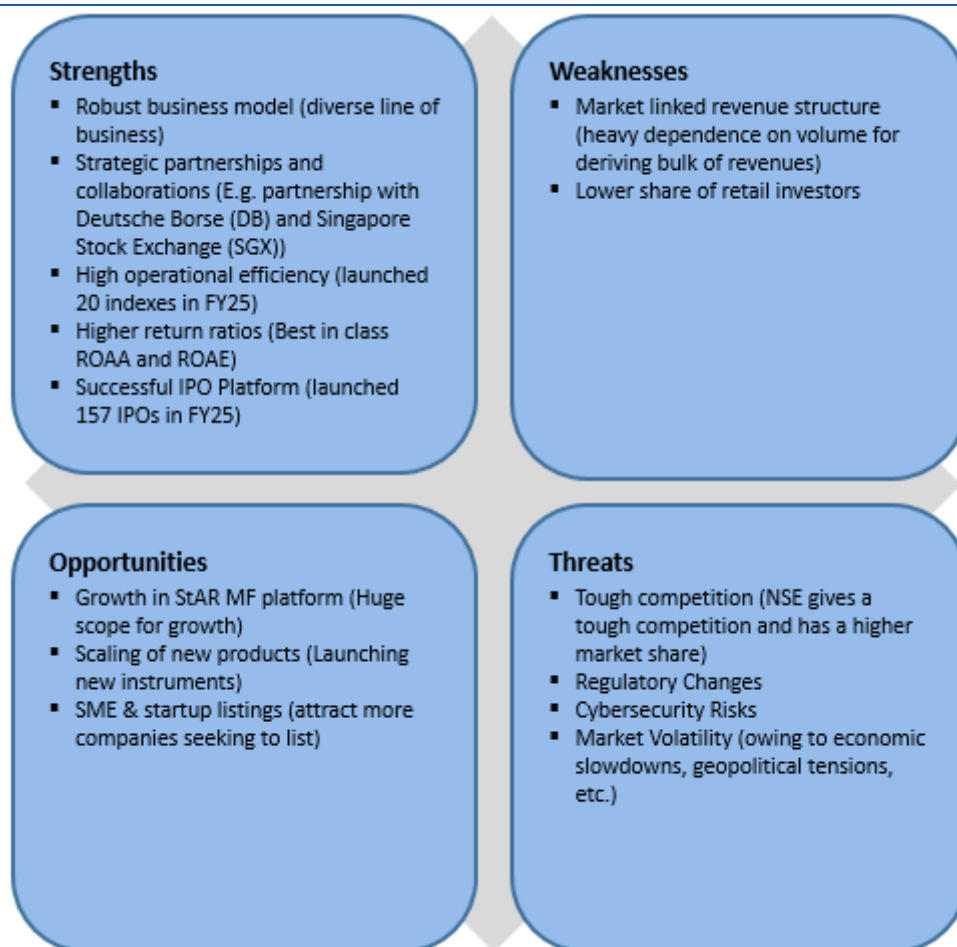
Exhibit 59: Revenue from operations – FY25



Source: Company Data, Centrum Broking

## SWOT Analysis

Exhibit 60: BSE has lot of inherent strengths



Source: Company Data, Centrum Broking

## Resilient IT systems

The Bombay Stock Exchange (BSE) conducts its trading operations primarily through the BSE On-Line Trading (BOLT) system and the newer BOLT On Web (BOW) front-end platform. Both are fully electronic, order-driven systems designed to facilitate fast, efficient, and transparent trading.

- **BOLT:** In 2014, BSE upgraded to the BOLT+ platform, built on Deutsche Börse's T7 architecture, achieving an order execution latency of approximately 200 microseconds. BOLT employs a two-tier architecture, where trader workstations connect directly to the backend server, which functions as both a communication hub and the Central Trading Engine (CTE). The system also provides a test and simulation environment (BOLT+ Test Environment) for equities, equity derivatives, and currency derivatives. Members can connect via high-performance messaging interfaces such as ETI and FIX, facilitating integration with advanced trading strategies and automated systems.
- **BOLT On Web (BOW):** The BOW front-end delivers real-time market data, market depth views, analytics, and integrated Order Management System (OMS) and Risk Management System (RMS) functionalities. It enforces margining, exposure, and position limits, along with user-level risk monitoring, allowing brokers and traders to manage their risk efficiently.
- **Risk Management Framework:** BSE's framework includes Base Minimum Capital (BMC), additional capital requirements, and collateral obligations. If a member exceeds their Total Liquid Assets (TLA) or breaches capital or trading limits, their trading sessions on BOLT are automatically deactivated to prevent further exposure. Securities are classified into Groups I, II, and III based on liquidity, trading frequency, and impact cost, which directly influences margin requirements and risk controls. This classification ensures that higher-risk or less liquid securities are subject to stricter monitoring, preserving market stability.

## Assumptions

### Cash segment

We forecast a 10% decline in volumes for FY26, with the first five months already showing a 22% drop. In contrast, cash market turnover grew 19% YoY to Rs19.3tn in FY25. The ADTO in the cash segment was Rs78bn and Rs76bn at end FY25 and YTD FY26 respectively. So far in FY26, volumes have remained subdued, though there are early signs of a potential rebound. Yields are expected to remain stable.

### Equity derivatives

In the first five months of FY26, premium turnover surged 102% YoY. For the full year, we estimate 53% growth, with premium ADTO rising from Rs90bn in FY25 to Rs138bn in FY26. We expect volumes to stabilise around these levels as the impact of the expiry-day shift to NSE has already played out. Option tariff is fixed at Rs3,250 per Rs10mn of premium turnover.

### Star MF

Total transactions are expected to grow 25% in FY26 before moderating to 15% p.a. in FY27E and FY28E. Yield is assumed to be Rs3.5 per transaction.

### Exhibit 61: Key estimates

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Equity cash segment</b>					
ADTO	66,221	77,667	69,578	95,422	1,19,277
YoY (%)		17.3	-10.4	37.1	25.0
<b>Equity derivatives</b>					
Premium ADTO	21,900	90,000	1,37,910	1,65,670	1,99,346
YoY (%)		311.0	53.2	20.1	20.3
<b>StAR MF</b>					
Total transactions (mn)	411	663	829	953	1,096
YoY (%)		61.3	25.0	15.0	15.0

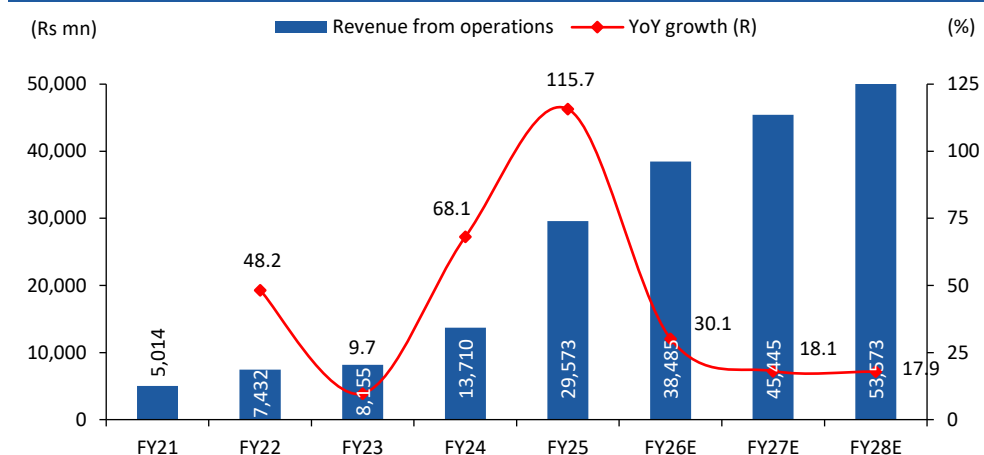
Source: Company Data, Centrum Broking



## Financial Review

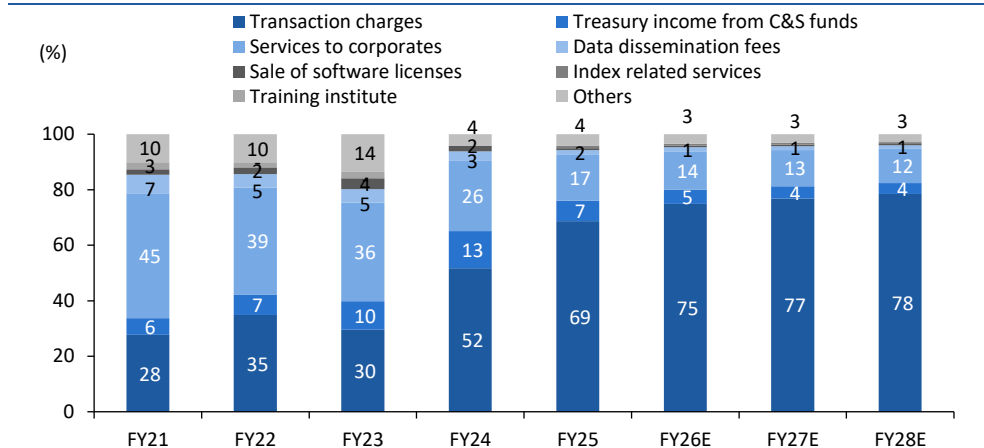
The company has delivered strong growth in recent years, with revenue from operations increasing at a strong 56% CAGR over FY21-25 to reach Rs29.5bn. In FY25 revenues doubled YoY, underscoring both the strength of the underlying business drivers and the scalability of its operating model. Looking ahead, we expect the growth trajectory to moderate to about 22% CAGR over FY25-28E, translating to Rs54bn by FY28E. Within this, the business mix is expected to become increasingly skewed towards equity derivatives, which are projected to contribute Rs42bn, or 78% of total revenues, by FY28E (69% in FY25). The cash segment is anticipated to remain steady at Rs4.7bn, accounting for 11% of transaction income, while the Star MF platform is set to emerge as a meaningful contributor with 9% share of transaction income.

**Exhibit 62: Growth to remain in high teens**



Source: Company Data, Centrum Broking

**Exhibit 63: Revenue breakup**

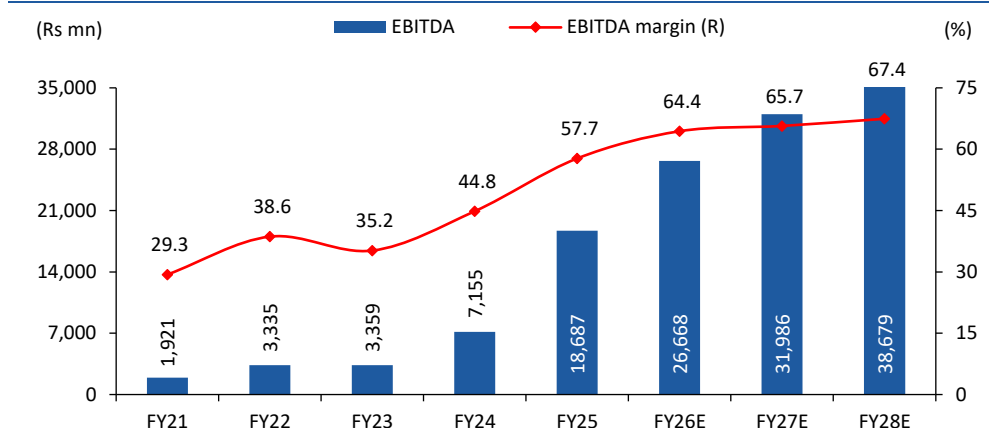


Source: Company Data, Centrum Broking

The company's total revenue from operations is projected to grow at a healthy 19% CAGR over FY25-28E to Rs54bn. On the cost front, expenses are expected to increase at a slower pace of 11% CAGR, enabling stronger operating leverage and translating into a robust 24% CAGR in EBITDA over the same period. Within the expense mix, employee costs – forming about 19% of total operating expenses – are estimated to grow at 15% CAGR, while technology expenses, accounting for 14% of expenses, are expected to rise at 16% CAGR. Regulatory fees, which make up the largest share at 35% of total expenses, are projected to grow at 17% CAGR. In contrast, clearing and settlement fees are expected to remain flat as FY26E declines before resuming growth from FY27E onwards, while other expenses are likely to post only single-digit growth. Factoring in this cost trajectory, EBITDA margins are

expected to expand meaningfully, rising to 67% by FY28E from 58% in FY25, reflecting enhanced operational efficiency and scale benefits

#### Exhibit 64: EBITDA & EBITDA margin



Source: Company Data, Centrum Broking

In FY26, the company announced a bonus issue in the ratio of 2:1, resulting in an expanded capital base (refer table for detailed capital changes). For the forecast period, we have assumed a dividend payout ratio of 30%. The company is expected to maintain superior return metrics, with ROAE projected to remain above 30% through FY28E, underpinned by strong revenue growth, operating leverage, and disciplined capital management.

#### Exhibit 65: Share of profits / loss of associates

Name of Associate	Share of Profit / (Loss) added during FY 2024-25 (Rs mn)	Share of Profit / (Loss) added during FY 2023-24 (Rs mn)
Central Depository Services (India) Limited	790	629
Asia Index Private Limited (upto May 31, 2025)	15	78
Countrywide Commodity Repository Limited	-3	-1
EBIX Insuretech Private Limited	-12	-3
EBIX Insurance Broking Private Limited	3	2
Hindustan Power Exchange Limited	24	34
India International Bullion Holding IFSC Limited	24	-14
BSE E-Agricultural Markets Limited	-15	-5
<b>Total</b>	<b>826</b>	<b>718</b>

Source: Company Data, Centrum Broking

#### Exhibit 66: Profit on sale of subsidiaries / associates

Year	Company	Stake sold	Profit on sale (Rs mn)
FY24	Central Depository Services (India) Limited	5.00%	4,066
FY20	Central Depository Services (India) Limited	4.00%	320

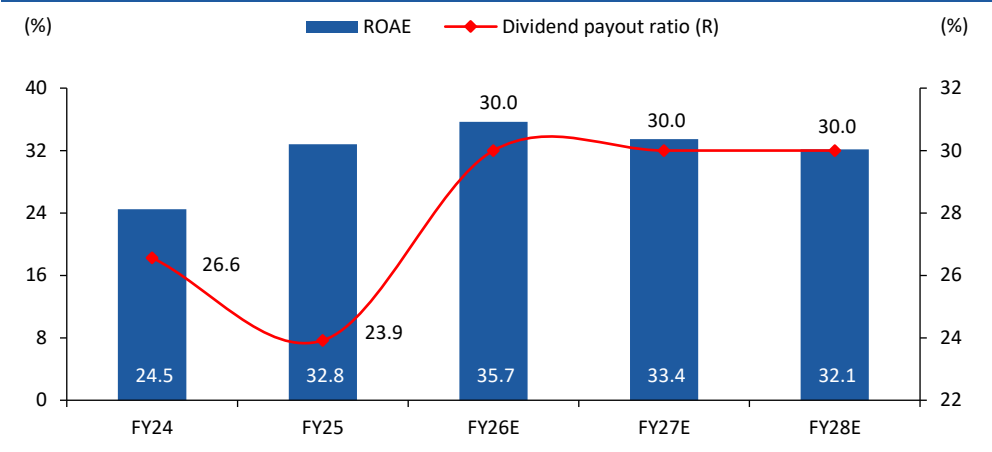
Source: Company Data, Centrum Broking

#### Exhibit 67: Capital changes over the last five years

FY	Corporate action	Bonus Ratio / Buyback Price	Record date
FY20	Buyback	Rs680 (Buyback offer size: Rs4.60bn)	29th Jul '19
FY22	Bonus Issue	2:1	21st Mar '22
FY23	Buyback	Rs1,080 (Buyback offer size: Rs3.74bn)	14th Sep '23
FY26	Bonus Issue	2:1	23rd May '25

Source: Company Data, Centrum Broking

Exhibit 68: ROAE & dividend payout ratio



Source: Company Data, Centrum Broking

## Q1FY26 - Highlights

### Financial performance

- Revenue from operations grew 58% YoY to Rs9.6bn, driving total income up 55% YoY to Rs10.4 bn at end Q1FY26.
- Total operating expenses stood at Rs3.3bn, up 3% YoY.
- EBITDA more than doubled, rising 103% YoY to Rs7 bn, up from Rs3.5 bn in Q1 FY25.
- Net profit also doubled to Rs5.3 bn, compared with Rs2.6 bn in Q1 FY25.

### KTAs of quarterly earnings call

- **Market Reforms:** Implemented Common Contract Note (CCN) and Smart Order Routing (SOR) to enhance institutional trading efficiency and provide level playing field.
- Introduced **throttle charges** for high-frequency traders (HFTs), expanding member-level message limits (from 10,000 MPS to 40 MPS free) while keeping BSE charges competitive.
- **Co-location services:** The company currently has approximately 350 racks installed, with utilization levels at around 75–80%, and plans to add about 140 more racks in FY26 in two tranches.
- **StarMF:** Revenue from StAR MF rose 30% YoY to Rs6.1bn, with transactions processed rising 30% YoY to 183mn.
- **Market participation:** Management noted that HFTs account for ~35% of options volumes, retail traders constitute ~25–26% while the remainder is constituted by prop desks and others. FPIs increased to 330; UCCs at 7.9 mn.
- **SME listings:** In Q1FY26, BSE hosted 21 new equity listings across its main and SME boards, mobilising Rs142bn. The exchange also surpassed the 600 SME milestone, with 18 fresh SME IPOs in Jul'25 alone raising Rs8.8bn.
- **Rebranding:** Asia Index Pvt. Ltd. was rebranded as BSE Index Services Pvt. Ltd., housing a portfolio of 170+ indices serving 300+ domestic and global clients.
- Index derivatives posted the highest-ever average daily premium turnover of Rs151bn.
- The management does not expect any material negative impact on premium realization due to the shift of the weekly expiry from Tuesday to Thursday, noting that Thursday is traditionally a favorable expiry day. Additionally, they highlighted that the Jane Street regulatory issue has not had any significant effect on co-location demand from HFTs or on overall derivative volumes, and current co-location infrastructure plans remain unchanged.

## Comparison

### Exhibit 69: Snapshot

	BSE					NSE				
Particulars (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY21	FY22	FY23	FY24	FY25
Revenue from operations	5,014	7,432	8,155	13,710	29,573	56,248	83,131	1,18,562	1,47,800	1,71,407
Total income	6,547	8,635	9,539	15,959	32,363	62,023	88,738	1,27,654	1,64,336	1,91,768
Total operating expenses	4,625	5,300	6,181	8,804	13,676	14,841	17,079	22,248	31,694	42,597
SGF	-	-	-	917	900	621	-	2,035	17,410	2,341
EBITDA	1,921	3,335	3,359	7,155	18,687	47,182	71,659	1,05,406	1,32,643	1,49,171
PBT	1,526	3,273	2,973	9,922	17,483	44,650	70,312	1,00,416	1,11,843	1,54,748
PAT	1,417	2,449	2,057	7,687	13,171	35,734	53,329	75,019	84,065	1,16,058
EBITDA margin (%)	29.3	38.6	35.2	44.8	57.7	76.1	80.8	82.6	80.7	77.8
ROAE (%)	5.6	9.2	7.3	24.5	32.8	30.7	39.4	41.8	37.8	42.7
<b>Cash segment (Rs bn)</b>										
Average daily turnover (ADTO)	42	54	41	66	78	618	668	534	817	1,130
Overall turnover	10,451	13,382	10,289	16,290	19,339	1,53,979	1,65,662	1,33,051	2,01,034	2,81,278
Market share (%)	6.4	7.5	7.2	7.5	6.4	93.6	92.5	92.8	92.5	93.6
<b>Equity index options (Rs bn)</b>										
Average daily turnover	-	-	-	22	90	106	236	440	562	545
Premium turnover	-	-	-	4,880	22,344	26,294	58,423	1,09,556	1,38,196	1,35,745
Market share (%)	-	-	-	3.4	14.1	100.0	100.0	100.0	96.6	85.9
Notional turnover	-	-	-	76,46,371	2,75,52,290	59,00,991	1,60,94,972	3,73,45,257	7,86,76,913	7,65,85,550
Market share (%)	-	-	-	8.9	26.5	100.0	100.0	100.0	91.1	73.5
<b>Futures (Rs bn)</b>										
Average daily turnover	-	-	-	0.9	1.9	1,090	1,188	1,148	1,340	1,859
Turnover	-	-	-	191	484	2,71,460	2,94,683	2,85,930	3,29,641	4,62,895
Market share (%)	-	-	-	0.1	0.1	100.0	100.0	100.0	99.9	99.9

Source: Company Data, Centrum Broking

### Exhibit 70: 5MFY26 vs. 5MFY25

	BSE			NSE		
	5MFY26	5MFY25	YoY (%)	5MFY26	5MFY25	YoY (%)
<b>Cash segment (Rs bn)</b>						
Average daily turnover (ADTO)	76	96	-21.2	1,027	1,272	-19.3
Overall turnover	7,776	9,939	-21.8	1,05,833	1,31,931	-19.8
Market share (%)	6.8	7.0	(16 bps)	93.2	93.0	16 bps
<b>Equity index options (Rs bn)</b>						
Average daily turnover	150	73	104.9	445	617	-27.8
Premium turnover	15,342	7,603	101.8	45,683	63,866	-28.5
Market share (%)	25.1	10.6	1450 bps	74.9	89.4	(1450 bps)
Notional turnover	1,48,55,914	1,10,97,988	33.9	2,27,11,785	3,74,35,051	-39.3
Market share (%)	39.5	22.9	1668 bps	60.5	77.1	(1668 bps)
<b>Futures (Rs bn)</b>						
Average daily turnover	3.3	1.7	98.0	1,586	2,078	-23.7
Turnover	344	176	95.7	1,62,772	2,15,449	-24.4
Market share (%)	0.2	0.1	13 bps	99.8	99.9	(13 bps)

Source: Company Data, Centrum Broking

## Revenue comparison

### Exhibit 71: Revenue breakup – comparison

(Rs mn)	BSE			NSE			MCX		
	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25
Transaction income	2,412	7,089	20,299	1,01,727	1,21,200	1,36,226	4,263	5,597	9,618
Treasury income from clearing & settlement funds	832	1,840	2,178	-	-	-	-	-	-
Income from services to corporates	2,904	3,497	4,900	-	-	-	-	-	-
Listing services	-	-	-	1,804	2,226	3,138	-	-	-
Colocation charges	-	-	-	6,143	8,875	11,565	-	-	-
Data dissemination fees	389	431	504	-	-	-	-	-	-
Data Feed & Terminal services	-	-	-	2,726	3,393	4,071	-	-	-
Sale of software licenses, development, customisation & maintenance of software	319	296	212	-	-	-	-	-	-
Licensing services	-	-	-	1,501	975	1,205	-	-	-
Clearing & Settlement Services	-	-	-	308	1,348	3,213	-	-	-
Other operating revenue	-	-	-	3,278	8,121	9,572	-	-	-
Income from margin money	-	-	-	-	-	-	525	839	964
Data feed income	-	-	-	-	-	-	83	97	126
Warehouse income	-	-	-	-	-	-	93	105	192
Others	1,299	557	1,481	1,076	1,663	2,415	171	198	227
<b>Revenue from operations</b>	<b>8,155</b>	<b>13,710</b>	<b>29,573</b>	<b>1,18,562</b>	<b>1,47,800</b>	<b>1,71,407</b>	<b>5,135</b>	<b>6,836</b>	<b>11,127</b>
<b>% of revenue from operations</b>									
Transaction income	29.6	51.7	68.6	85.8	82.0	79.5	83.0	81.9	86.4
Treasury income from clearing & settlement funds	10.2	13.4	7.4	0.0	0.0	0.0	0.0	0.0	0.0
Income from services to corporates	35.6	25.5	16.6	0.0	0.0	0.0	0.0	0.0	0.0
Listing services	0.0	0.0	0.0	1.5	1.5	1.8	0.0	0.0	0.0
Colocation charges	0.0	0.0	0.0	5.2	6.0	6.7	0.0	0.0	0.0
Data dissemination fees	4.8	3.1	1.7	0.0	0.0	0.0	0.0	0.0	0.0
Data Feed & Terminal services	0.0	0.0	0.0	2.3	2.3	2.4	0.0	0.0	0.0
Sale of software licenses, development, customisation & maintenance of software	3.9	2.2	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Licensing services	0.0	0.0	0.0	1.3	0.7	0.7	0.0	0.0	0.0
Clearing & Settlement Services	0.0	0.0	0.0	0.3	0.9	1.9	0.0	0.0	0.0
Other operating revenue	0.0	0.0	0.0	2.8	5.5	5.6	0.0	0.0	0.0
Income from margin money	0.0	0.0	0.0	0.0	0.0	0.0	10.2	12.3	8.7
Data feed income	0.0	0.0	0.0	0.0	0.0	0.0	1.6	1.4	1.1
Warehouse income	0.0	0.0	0.0	0.0	0.0	0.0	1.8	1.5	1.7
Others	15.9	4.1	5.0	0.9	1.1	1.4	3.3	2.9	2.0

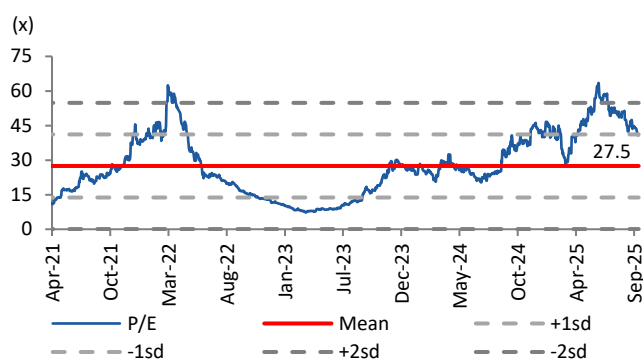
Source: Company Data, Centrum Broking

## Valuation

BSE has a robust business model underpinned by several moats – steady market share, strong reputation, client stickiness, robust technology infrastructure, diverse product offerings, and high entry barriers (driven by compliance requirements, regulatory approvals, and capital intensity). While SEBI's stance on long-term derivative contracts may create short-term profit impact, we believe it is structurally positive for market stability and will help curb excessive speculation. Over the medium to long term, the steady growth in demat accounts, increasing participation of retail traders, and deepening of India's capital markets should continue to benefit BSE.

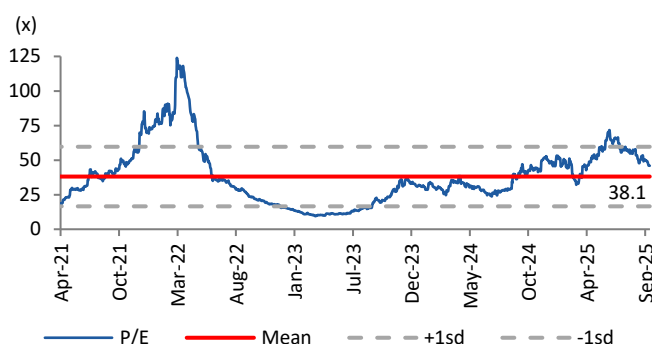
We initiate coverage on BSE with a BUY rating with a TP of Rs2,475. The company is assigned a P/E multiple of 41x on Sep'27 EPS, which is +1sd from the long-term mean. Currently, the stock is trading at 34x on Sep'27 EPS. We believe the ~25% decline in stock price over the last three months is unwarranted and the regulatory concerns seem stretched.

**Exhibit 72: P/E (1yr fwd.) trading around +1sd**



Source: Company Data, Centrum Broking

**Exhibit 73: P/ Core EPS (1yr fwd.) trading below +1sd**



Source: Company Data, Centrum Broking

**Exhibit 74: Comparison**

Companies	CMP (Rs)	MCap (Rs bn)	FY25 Revenue (Rs mn)	FY21-25 Revenue CAGR (%)	FY25 EBITDA (Rs mn)	FY21-25 EBITDA CAGR (%)	FY25 EBITDA Margin (%)	FY25 PAT (Rs mn)	FY21-25 PAT CAGR (%)	FY25 ROE (%)
BSE	2,045	833	29,573	55.8	18,687	76.6	57.7	13,171	74.6	32.8
NSE	NA	NA	1,71,407	32.1	1,49,171	33.3	77.8	1,16,058	34.2	42.7
MCX	7,806	398	9,676	30.5	6,653	38.6	68.8	4,148	25.6	23.9

Source: Bloomberg, Company Data, Centrum Broking. Note: Revenue stands for Revenue from Operations.

## Global comparison

### Exhibit 75: Comparative financial snapshot

Companies	FY25 Revenue (USD \$ mn)	FY21-25 Revenue CAGR (%)	FY25 EBITDA (USD \$ mn)	FY21-25 EBITDA CAGR (%)	FY25 EBITDA Margin (%)	FY25 PAT (USD \$ mn)	FY21-25 PAT CAGR (%)	FY25 ROE (%)
Nasdaq	4,649	12.5	2,486	13.1	53.5	1,117	4.6	10.2
Singapore Exchange	1,035	7.2	625	7.7	60.4	489	10.3	31.2
BSE	348	55.8	220	76.6	57.7	155	74.6	32.8
NSE	2,015	32.1	1,753	33.3	77.8	1,364	34.2	42.7

Source: Bloomberg, Company Data, Centrum Broking. Note: (1) For Nasdaq, Revenue, EBITDA & PAT data is for FY ending Dec'24, while for Singapore Exchange it is for FY ending Jun'25. (2) CMP for Nasdaq is as on 29 Sep '25.

### Exhibit 76: Relative valuation

Companies	CMP (USD \$)	MCap (USD \$ bn)	P/E (x)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Nasdaq	89	50.9	23.8	21.3	19.1	16.1	17.7	18.8
Singapore Exchange	13	13.7	26.3	24.5	22.8	29.1	28.7	28.2
BSE	23	9.3	44.9	37.4	30.9	35.7	33.4	32.1

Source: Bloomberg, Company Data, Centrum Broking. Note: CMP for Nasdaq is as on 29 Sep '25.



## Sensitivity analysis

We have done a sensitivity analysis where we have taken three scenarios to understand important factors impacting profitability.

### Scenario 1:

- **Transaction income increases by 500bps:** If transaction income increases by 500bps from the base case, PAT will increase by 3.5-3.7%.
- **Transaction income decreases by 1000bps:** If transaction income decreases by 1000bps from the base case, PAT will reduce by 7.0-7.3%.

### Scenario 2:

- **Operating expenses decrease by 500bps:** If the operating expenses decrease by 500bps from the base case, PAT will increase by 2.6-2.9%.
- **Operating expenses increase by 1000bps:** If the operating expenses increase by 1000bps from the base case, PAT will decrease by 5.1-5.9%.

### Scenario 3:

- **Premium turnover increases by 1000bps:** If premium turnover increases by 1000bps from the base case, PAT will increase by 3.9-6.5%.
- **Premium turnover decreases by 2000bps:** If premium turnover decreases by 2000bps from the base case, PAT will decrease by 9.8-12.6%.

**Exhibit 77: Impact of change in transaction income on PAT**

	Base case			Bull case			Bear case		
				(+500bps growth from base case)			(1,000bps decline from base case)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Transaction income	28,818	34,933	42,028	30,259	36,680	44,129	25,937	31,440	37,825
Total income	41,412	48,694	57,354	42,853	50,441	59,456	38,530	45,201	53,152
PBT	25,102	30,103	36,400	25,976	31,183	37,733	23,356	27,944	33,732
PAT	18,777	22,517	27,227	19,430	23,325	28,225	17,470	20,902	25,232
Impact (%)				3.5%	3.6%	3.7%	-7.0%	-7.2%	-7.3%

Source: Centrum Broking

**Exhibit 78: Impact of change in operating expenses on PAT**

	Base case			Bull case			Bear case		
				(-500bps decrease from base case)			(+1,000bps increase from base case)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total revenue	41,412	48,694	57,354	41,412	48,694	57,354	41,412	48,694	57,354
Total expenses	14,744	16,708	18,676	14,007	15,872	17,742	16,219	18,378	20,543
PBT	25,102	30,103	36,400	25,840	30,939	37,334	23,628	28,433	34,532
PAT	18,777	22,517	27,227	19,328	23,142	27,925	17,674	21,268	25,830
Impact (%)				2.9%	2.8%	2.6%	-5.9%	-5.6%	-5.1%

Source: Centrum Broking

**Exhibit 79: Impact of change in premium turnover on PAT**

	Base case			Bull case			Bear case		
				(+1000bps growth from base case)			(2,000bps decline from base case)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Premium t/o (Rs bn)	34,202	41,086	49,438	37,622	45,195	54,382	27,361	32,869	39,550
Transaction income	28,818	34,933	42,028	31,041	37,604	45,241	24,372	29,592	35,601
Total income	41,412	48,694	57,354	43,635	51,365	60,568	36,966	43,353	50,927
PBT	25,102	30,103	36,400	26,728	31,674	37,822	22,643	26,733	31,802
PAT	18,777	22,517	27,227	19,992	23,692	28,291	16,937	19,996	23,788
Impact (%)				6.5%	5.2%	3.9%	-9.8%	-11.2%	-12.6%

Source: Centrum Broking

## Key risks

**Regulatory intervention:** BSE remains vulnerable to frequent changes in SEBI's policies and regulations around transaction fees, intraday limits, margin requirements, and product approvals. Any adverse shift, such as higher regulatory levies, tighter margining norms, or restrictions on product innovation, could directly impact revenues and profitability.

**Technology infrastructure & cybersecurity risk:** Any prolonged outage, system latency, or cyberattack could disrupt trading activity, damage investor confidence, and potentially lead to loss of market participants. In addition, regulatory penalties for such lapses could increase costs and further erode trust.

**Economic & market volatility:** Prolonged bearish trends, recession, or geopolitical instability could significantly dampen investor sentiment and reduce trading volumes across asset classes. In such an environment, BSE's growth momentum could slow materially despite strong operational execution.

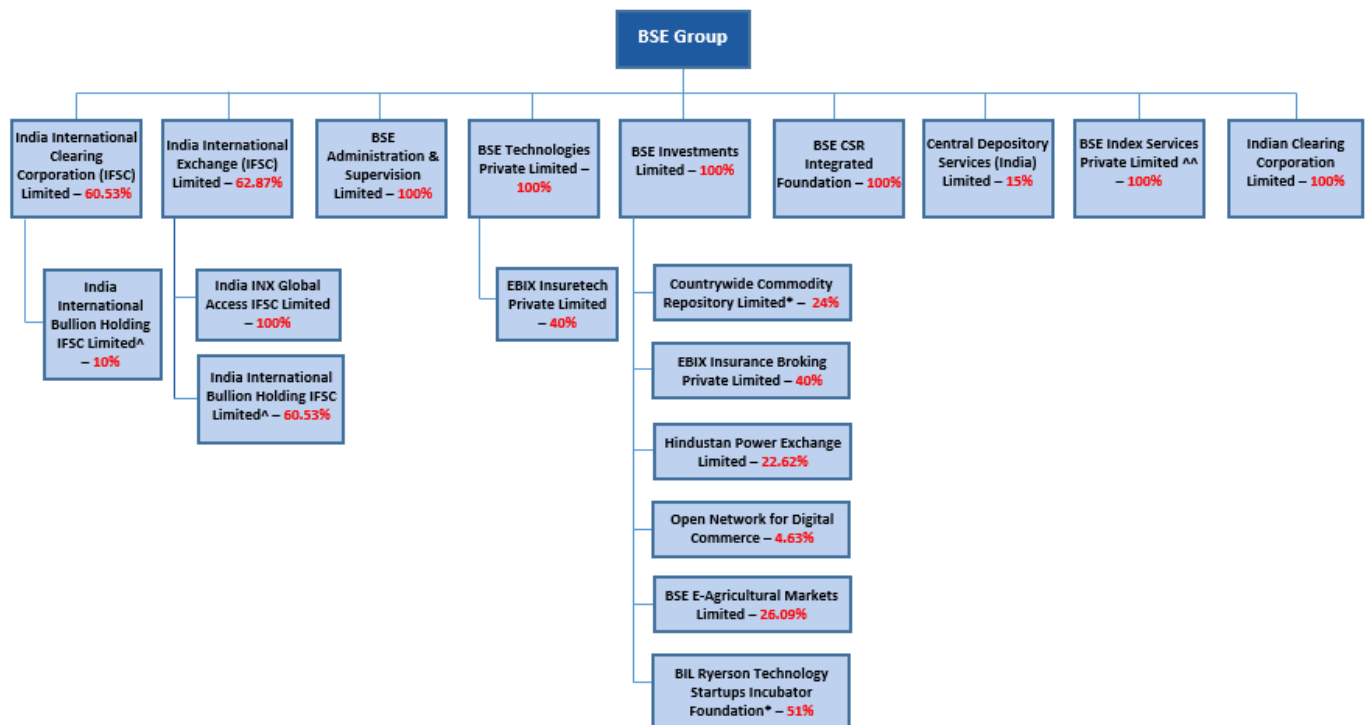
**Low market share in derivatives:** NSE maintains a structural dominance in the F&O segment, which is the most profitable and fastest-growing segment of India's capital markets. This significantly constrains BSE's ability to scale meaningfully in the derivatives segment.

**Mutual fund platform competition:** BSE's StAR MF has built strong leadership in the mutual fund distribution space, but competition is intensifying with NSE's MF platform scaling up. This could, over time, lead to erosion in the 85%+ market share that StAR MF currently commands.

**Challenges in scaling new product offerings:** Innovation in new asset classes and products remains a key growth lever for exchanges. Regulatory approval processes are often lengthy, and entrenched competitors may restrict growth from innovation.

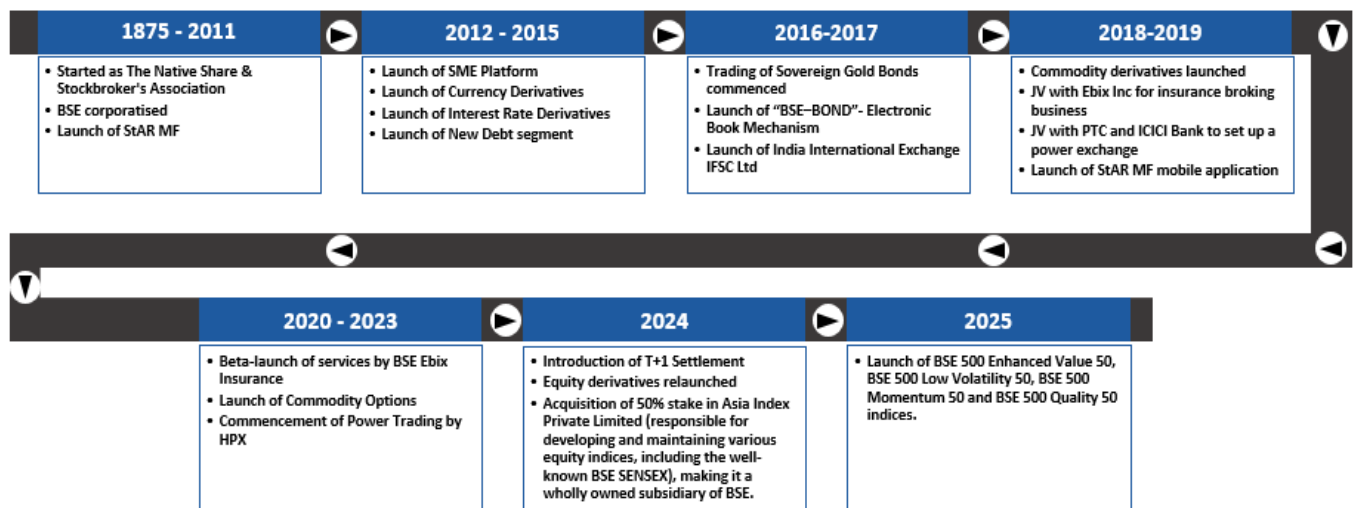
## Annexures

### Exhibit 80: About BSE Business – Overview



Source: Company Data, Centrum Broking. Note: ^ India International Bullion Exchange IFSC Limited is a wholly owned subsidiary of India International Bullion Holding IFSC Limited.  
 \* Countrywide Commodity Repository Limited is a Group companies of CDSL. ^^ BSE Index Services Private Limited (Formerly known as Asia Index Private Limited).

### Exhibit 81: Key milestones – transformation over time



Source: Company Data, Centrum Broking

**Exhibit 82: Direct subsidiaries**

Companies	% of shares held by listed entity	Turnover (Rs mn)	Principal activities
Indian Clearing Corporation Limited (ICCL)	100.00	3,993	Clearing and Settlement
BSE Investments Limited	100.00	10	Investment
BSE Technologies Private Limited (BTPL)	100.00	747	IT Support Services
BSE Administration and Supervision Limited (BASL)	100.00	25	Administration and Supervision of SEBI Registered Advisers
BSE CSR Integrated Foundation *	100.00	10.4	CSR Activities
India International Clearing Corporation (IFSC) Limited (India ICC)	60.53	100	Clearing and Settlement
India International Exchange (IFSC) Limited (India INX)	62.87	64	Stock Exchange
BSE Index Services Private Limited (formerly known as Asia Index Private Limited)	100.00	395	Index Services

Source: Company Data, Centrum Broking. Note: Data is as of Jun'25.

**Exhibit 83: Indirect subsidiaries**

Companies	% of shares held by listed entity	Principal activities
BIL-Ryerson Technology Start-up Incubator Foundation	51.00	Training
India INX Global Access IFSC Limited	100.00	Intermediary for trading in overseas Exchanges

Source: Company Data, Centrum Broking. Note: Data is as of Jun'25.

**Exhibit 84: Associate companies**

Companies	% of shares held by listed entity	Principal activities
Central Depository Services (India) Limited (CDSL)	15.00	Depository Services
Countrywide Commodity Repository Limited (formerly CDSL Commodity Repository Limited)	24.00	Repository Services
EBIX Insurance Broking Private Limited (formerly BSE EBIX Insurance Broking Private Limited)	40.00	Insurance Broking
EBIX Insuretech Private Limited (formerly BSE EBIX Insuretech Private Limited)	40.00	IT Support Services
Hindustan Power Exchange Limited	22.62	Power Exchange
India International Bullion Exchange IFSC Limited	10.00	Exchange related Services
India International Bullion Holding IFSC Limited	10.00	Finance Company undertaking specialised activity - Holding Company for Bullion Project
BSE E-Agricultural Markets Limited	26.09	Electronic platform for Agricultural Commodity
Open Network for Digital Commerce	4.63	Decentralised, open-source network for e-commerce

Source: Company Data, Centrum Broking. Note: Data is as of Jun'25.

## Company profile and management

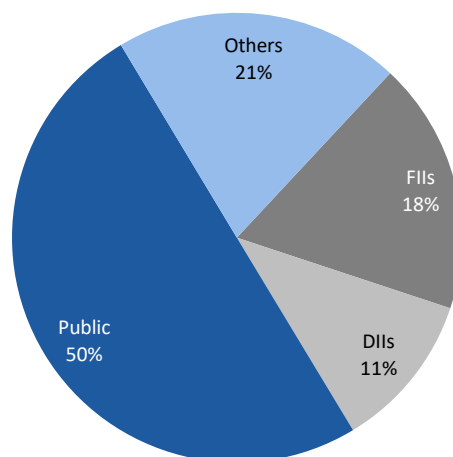
Founded in 1875, Bombay Stock Exchange (BSE) is Asia's oldest and a major stock exchange. It is headquartered in Mumbai and provides a platform for trading securities including equities, currencies, derivatives, and mutual funds, and operates India's largest platform for small and medium enterprises (SMEs). It is a corporatised, with a broad shareholder-base. At end June'25, the company had 7.9mn UCC and its market cap stood at Rs1.1tn.

### Exhibit 85: Key personnel

Name	Designation	Qualification	Experience
Mr. Sundararaman Ramamurthy	Managing Director & CEO	Bachelor of Science & Cost Accountant	Bank of America
Mr. Subhasis Chaudhuri	Chairman (Public Interest Director)	BTech, IIT Kharagpur	IIT Bombay
Mr. Nandkumar Saravade	Public Interest Director	IPS	ReBIT
Mr. Shamanna Balasubramanya	Public Interest Director	BE - Mechanical Engineering, University of Mysore, Master of Technology – Industrial Management, IIT Madras & Master of Law, University of Southern California	PSI Data Systems, TCS
Mr. Sunil Ramrakhiani	Chief Business Officer	MBA, IBS Ahmedabad	ICICI Bank, IL&FS, Way2Wealth
Mr. Deepak Goel	Chief Financial Officer	Chartered Accountant	Edelweiss, Kotak Mahindra Bank
Mr. Subhash Kelkar	Chief Information Officer	BE - Mechanical Engineering, Sardar Patel College & Post Graduation - Software Technology	ICICI Securities, CMS Info Systems
Mr. Ramesh Gurram	Chief Information Security Officer	MSc IT, MBA – Information Technology	MCX, Bank of Baroda, State Bank of India

Source: Company Data, Centrum Broking

### Exhibit 86: Shareholding pattern (%)



Source: Company Data, Centrum Broking. Note: Shareholding pattern as of Jun'25.

P&L					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from Operations	13,710	29,573	38,485	45,445	53,573
Other Income	2,248	2,790	2,927	3,249	3,781
Total Income	15,959	32,363	41,412	48,694	57,354
Total Operating Expenses	8,804	13,676	14,744	16,708	18,676
EBITDA	7,155	18,687	26,668	31,986	38,679
Profit before tax	9,922	17,483	25,102	30,103	36,400
Total Tax Expense	2,235	4,312	6,326	7,586	9,173
Tax Rate (%)	22.5	24.7	25.2	25.2	25.2
Profit After Tax (PAT)	7,687	13,171	18,777	22,517	27,227

Profitability Ratios					
YE Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
EBITDA Margin	44.8	57.7	64.4	65.7	67.4
PBT Margin	62.2	54.0	60.6	61.8	63.5
Net profit margin	48.2	40.7	45.3	46.2	47.5
Return on avg. Assets (ROAA)	10.0	13.3	16.8	17.4	18.2
Return on avg equity (ROAE)	24.5	32.8	35.7	33.4	32.1

DuPont					
YE Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from operations /Average Assets	17.8	29.9	34.5	35.2	35.8
Other income /Average Assets	2.9	2.8	2.6	2.5	2.5
Operating expense/Average Assets	11.4	13.8	13.2	12.9	12.5
Non-operating expense/Average Assets	1.4	1.1	1.2	1.2	1.3
Tax/ Average assets	2.9	4.4	5.7	5.9	6.1
ROAA	10.0	13.3	16.8	17.4	18.2
Average Assets/ Average Equity (x)	2.5	2.5	2.1	1.9	1.8
ROAE	24.5	32.8	35.7	33.4	32.1

Source: Company Data, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity Share Capital	271	271	812	812	812
Reserves & Surplus	32,752	43,967	57,110	72,872	91,931
Total Equity	34,547	45,757	59,442	75,204	94,263
Other Liabilities	50,406	46,334	49,019	51,877	54,917
Core SGF	9,550	11,326	11,326	11,326	11,326
<b>Total Liabilities</b>	<b>94,502</b>	<b>1,03,417</b>	<b>1,19,787</b>	<b>1,38,407</b>	<b>1,60,506</b>
Cash and Bank balance	44,629	51,839	61,949	73,763	89,065
Investments	12,377	15,208	17,490	19,588	21,547
Other Assets	37,497	36,370	40,349	45,056	49,893
<b>Total Assets</b>	<b>94,502</b>	<b>1,03,417</b>	<b>1,19,787</b>	<b>1,38,407</b>	<b>1,60,506</b>

Growth ratios					
YE Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from operations	115.7	30.1	18.1	17.9	
EBITDA	161.2	42.7	19.9	20.9	
PBT	76.2	43.6	19.9	20.9	
PAT	71.3	42.6	19.9	20.9	
EPS	70.4	42.2	19.9	20.9	

Per Share Data (Rs)					
YE Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	18.8	32.1	45.6	54.7	66.1
BVPS	83.8	111.1	144.3	182.6	228.8
DPS	5.0	7.7	13.7	16.4	19.8

Valuations					
YE Mar	FY24A	FY25A	FY26E	FY27E	FY28E
P/E			44.9	37.4	30.9
P/B			14.2	11.2	8.9
Dividend yield (%)			0.7	0.8	1.0

Source: Company Data, Centrum Broking

### Weathering the storm

**NSE dominates India's exchange landscape, with over 90% cash market share and 99.9% in futures (FY25), supported by strong liquidity, technology, and a broad product suite. Index options share has declined to 75% (YTDFY26) due to regulatory curbs and HFT exits, while the shift of weekly expiries to Tuesday had minimal impact. The Nov '24 regulation limiting weekly contracts caused options premium ADTO to fall 26% and notional ADTO by 41%, with further changes to expiry cycles potentially affecting short-term profits. Legal matters on co-location and dark fibre remain pending, with a reported Rs14 bn settlement, and IPO expected 8-9 months post-clearance. Revenue grew at 32% CAGR (FY21-FY25) to Rs171 bn, with EBITDA margins projected to rise from 78% to 82% by FY28E and net profit to reach Rs149 bn. NSE's IPO is likely to value the company at Rs5.2-6.7 tn, with a P/E of 35-45x on FY28E earnings.**

**At the Helm of the Market:** NSE continues to dominate India's exchange landscape, operating in a virtually duopoly market. In the cash segment, it has consistently maintained over 90% market share for several years, a position we expect to sustain despite rising traction at BSE. The futures market remains virtually unchallenged, with NSE commanding 99.9% share in FY25. Its leadership is supported by strong liquidity, robust technology infrastructure, and a comprehensive product suite. However, in index options, NSE's share has eroded – from ~97% in FY24 to ~86% in FY25, and further to 75% in YTDFY26 – along with a decline in notional turnover. This shift is attributed to regulatory curbs on weekly expiries and contract sizes, which curtailed trading activity, as well as the exit of large liquidity providers such as Jane Street.

**Shift in weekly expiry:** The shift of NSE's weekly expiry from Thursday to Tuesday (effective September 1, 2025) did not materially affect its market share in the initial four weeks of September. The change was implemented to curb volatility and speculative build-up from clustered expiry days across exchanges. NSE's market share in equity index options held steady at 75%, while its share in notional turnover remained at around 60%.

**Regulatory threats loom large:** NSE was most affected by the November 2024 regulation, which restricted each exchange to a single weekly index options expiry – reducing NSE's count from five to one and BSE's from three to one. Following this change, our analysis ([Exhibit 105](#)) indicates that NSE index options ADTO declined by 26%, while notional ADTO fell by 41%, underscoring the disproportionate impact on notional turnover due to lower churn in shorter-duration contracts. There is also increasing discussion about moving expiries to a fortnightly or monthly cycle. Although consultations have not yet begun, such a shift could temporarily pressure net profits, although we expect the market to stabilise over time.

**Legal battles:** While NSE has successfully resolved several legal cases, a few remain pending, notably those related to co-location and dark fibre. [Media reports](#) suggest that the company has offered Rs14 bn to settle these matters, which is currently under review by the regulator. Following the settlement, the IPO could take an estimated 8-9 months to materialise.

**Growth remains the key monitorable:** NSE's revenue from operations grew at a 32% CAGR over FY21-FY25, reaching Rs171 bn, but registered a tepid Q1FY26, declining 11% YoY. The subdued performance reflects lower trading volumes. We expect FY26 numbers to remain muted due to a strict regulatory stance on high-frequency trading (HFT) participants such as Jane Street, with recovery anticipated FY27 onwards. Beyond transaction income, co-location fees and listing fees are expected to provide additional support to revenue growth. EBITDA margins are projected to expand from 78% in FY25 to 82% by FY28E, driven by slower growth in operating expenses, including single-digit growth in other expenses. SEBI had mandated an increase in the SGF fund to Rs105 bn, which the company complied with. Net profit is expected to grow at a 9% CAGR over FY25-FY28E, reaching Rs149 bn. NSE is projected to maintain ROAEs above 35% in FY27E-FY28E after a short-term dip in FY26E. The dividend payout ratio is forecasted at 70%.

Initiating Coverage

India I Exchanges

30 September, 2025

Not Rated

Price: NA

Target Price: NA

Forecast return: NA

#### Shareholding pattern

	Jun-25	Mar-25	Dec-24	Sep-24
DII's	5.4	5.4	11.3	11.3
FII's	28.0	28.0	22.5	21.2
Public	30.6	30.6	24.0	25.2
Others	36.0	36.0	42.3	42.3

Source: NSE

Institutional Research



Mohit Mangal

+91-022-4215 9110

mohit.mangal@centrum.co.in



Harsh Hulsogi

+91-022-4215 9110

harsh.hulsogi@centrum.co.in

Exchanges

**Valuation:** NSE is not currently listed but anticipates an IPO once all regulatory hurdles are cleared. We have modelled three scenarios for the listing, with the likely market capitalization ranging from Rs5.2 tn to Rs6.7 tn, corresponding to a P/E multiple of 35x-45x based on FY28E earnings.

### Financial and valuation summary

YE Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	1,47,800	1,71,407	1,59,362	1,88,303	2,23,418
Total income	1,64,336	1,91,768	1,89,605	2,17,498	2,54,121
EBITDA	1,32,643	1,49,171	1,49,261	1,73,899	2,07,065
EBITDA margin (%)	80.7	77.8	78.7	80.0	81.5
PBT	1,11,843	1,54,748	1,44,282	1,67,525	1,99,379
Net profit	84,065	1,16,058	1,07,923	1,25,308	1,49,136
EPS (Rs)	33.6	49.2	43.6	50.6	60.3
EPS growth (%)		46.7	-11.5	16.1	19.0
ROAE (%)	37.8	42.7	33.8	35.3	37.7

Source: Company, Centrum Broking

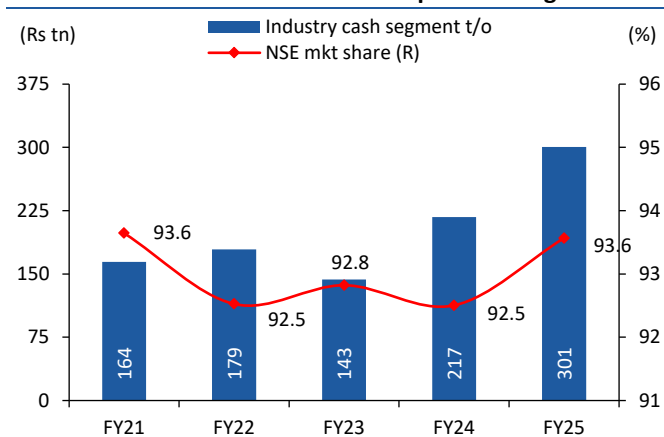


## Investment rationale

### Market leader with a strong position

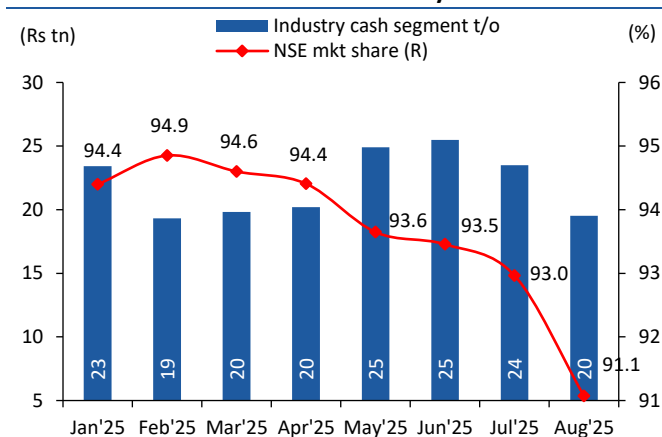
The National Stock Exchange (NSE) continues to hold a leadership position across both the cash and equity derivatives segments of the Indian capital markets. The overall industry's cash segment has delivered a healthy 16% CAGR over FY21-25, reaching Rs301tn in FY25. Within this, NSE commands a dominant market share of 93.6% as of FY25, though this eased marginally to 93.2% at end YTD FY26 (91.1% by Aug '25). Despite the dip, the exchange continues to maintain a formidable position in the segment. NSE's sustained success can be attributed to its strong technology backbone, high levels of liquidity, and a diversified product bouquet catering to a wide spectrum of market participants. Being among the first in India to introduce fully automated, screen-based trading, the exchange has consistently attracted institutional as well as retail investors. The resulting scale of participation further reinforces liquidity, creating a self-sustaining cycle that strengthens NSE's competitive advantage. Looking ahead, we expect NSE to retain its dominance, although competitive pressures are gradually intensifying.

**Exhibit 87: NSE maintained leadership in cash segment**



Source: Company Data, Centrum Broking

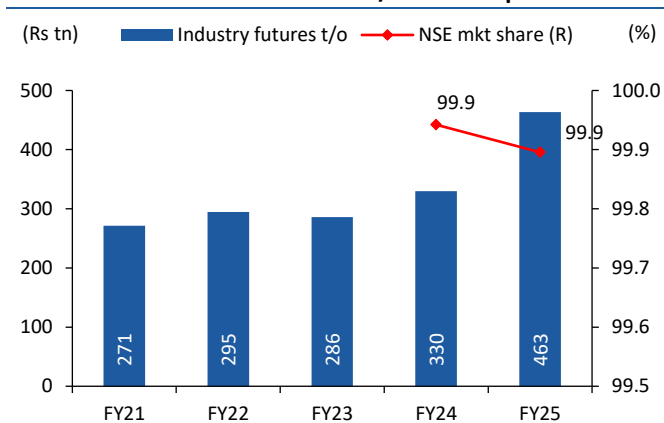
**Exhibit 88: ...reflected in latest monthly trend**



Source: Company Data, Centrum Broking

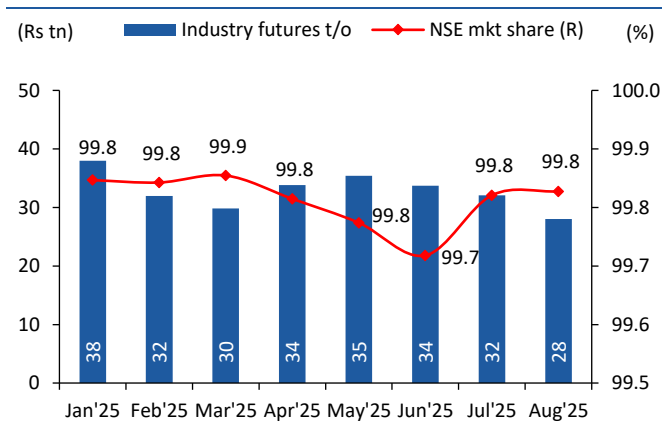
In the futures segment, NSE remains virtually unchallenged with a 99.9% market share, easing only slightly to 99.8% by end-Aug'25. Its dominance reflects unmatched liquidity, resilient infrastructure, and the strong participation of both brokers and institutions, which together cement its position as the go-to exchange for index and stock futures. This leadership is further reinforced by the breadth of products it offers, the consistency of price discovery, and its appeal to global investors seeking a stable and efficient marketplace. We expect the dominance to continue.

**Exhibit 89: Index and stock futures t/o – a monopolistic trend**



Source: Company Data, Centrum Broking. Note: BSE launched index futures on 26<sup>th</sup> Apr, 2023. Equity futures were launched on 01<sup>st</sup> Jul, 2024.

**Exhibit 90: ...reflected in last few months too**

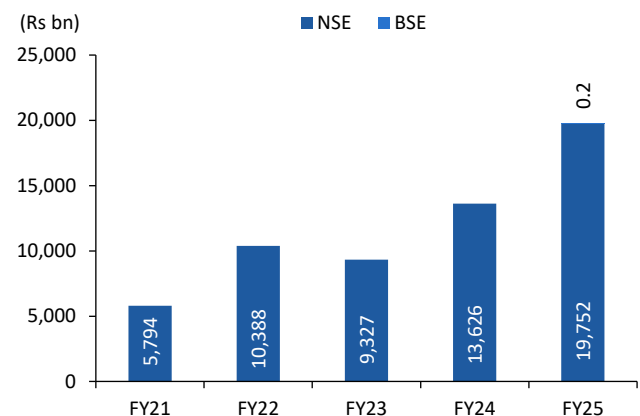


Source: Company Data, Centrum Broking

### Added advantage of stocks options – almost a monopoly

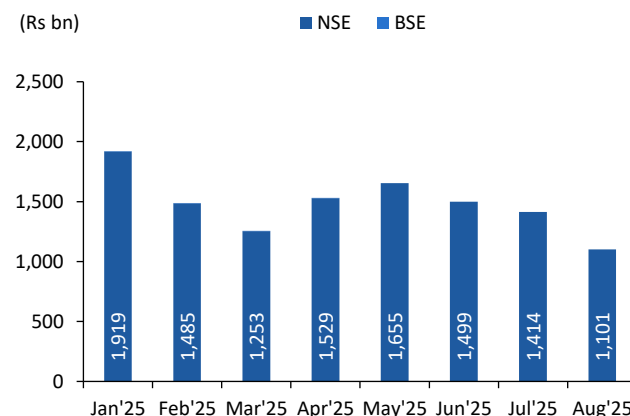
In stock options, NSE holds a near-monopoly, as BSE is expected to take time to scale up its offerings. NSE's dominant position is underpinned by its first-mover advantage and the resulting deep liquidity pool, which creates a strong network effect, attracting traders and institutions and reinforcing its market leadership.

**Exhibit 91: Equity stock options – NSE in a near monopoly**



Source: Company Data, Centrum Broking

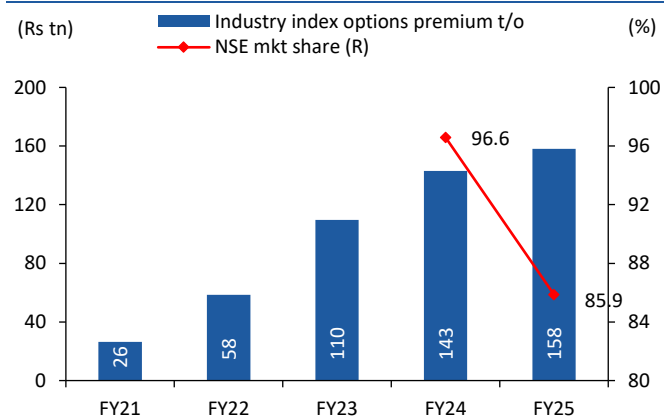
**Exhibit 92: ...and seen in the monthly trend also**



Source: Company Data, Centrum Broking

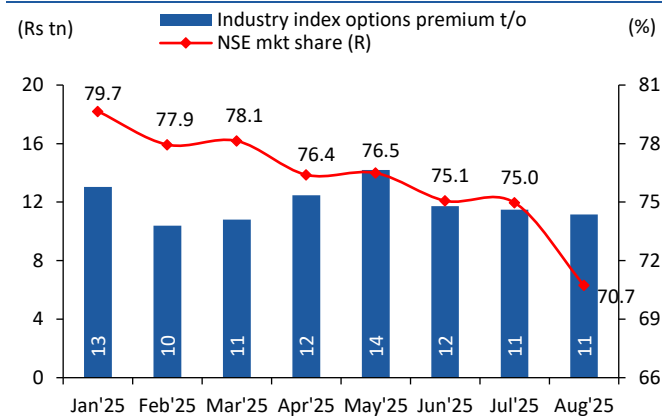
In contrast to its near-monopoly in futures, NSE's market share in index options premium has fallen sharply from ~97% in FY24 to ~86% in FY25 and further to 75% at end YTD FY26. The decline has been driven by regulatory curbs on weekly expiries and contract sizes that reduced trading frequency, the exit of major liquidity providers such as Jane Street, and the growing traction of BSE. While some argue that the bulk of this erosion is already behind, the outlook will depend on forthcoming regulatory measures, prevailing market volatility, and the sustainability of BSE's recent gains.

**Exhibit 93: Index options premium t/o – loss of mkt. share**



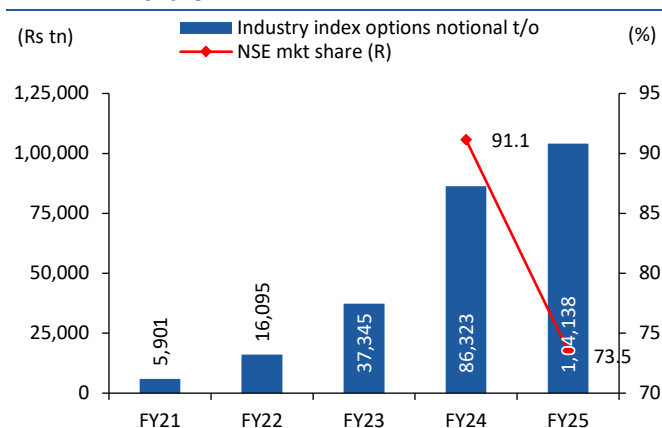
Source: Company Data, Centrum Broking. Note: BSE launched index options on 15<sup>th</sup> May, 2023.

**Exhibit 94: ...as seen over the last few months**

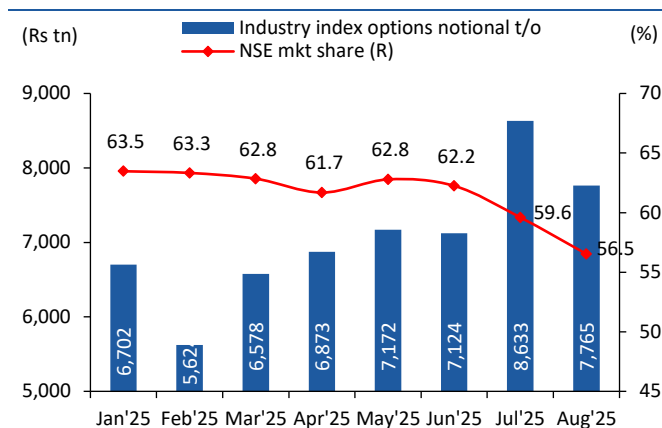


Source: Company Data, Centrum Broking

NSE's market share in index options notional turnover has also slipped driven by a mix of regulatory and market factors. The introduction of weekly expiries on BSE provided traders with alternate trading avenues, while SEBI's curbs on contract structures and higher margin requirements curtailed churn on NSE. Adding to this, the exit of major liquidity providers such as Jane Street further dampened the activity.

**Exhibit 95: Index options notional t/o – Loss in market share**

Source: Company Data, Centrum Broking. Note: BSE launched index options on 15<sup>th</sup> May, 2023.

**Exhibit 96: ...and it continued over the last few months**

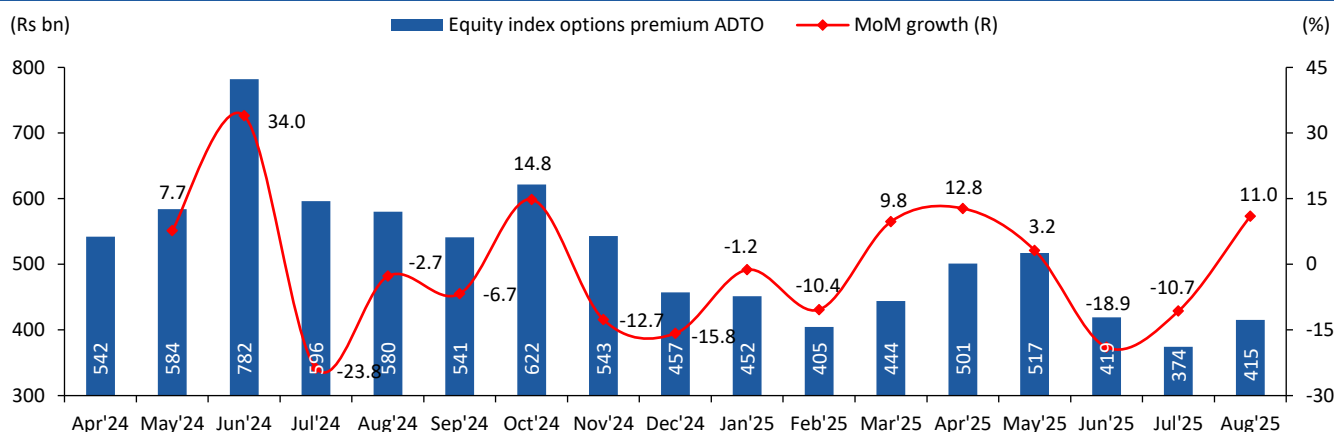
Source: Company Data, Centrum Broking

### Weekly expiries – A new reality

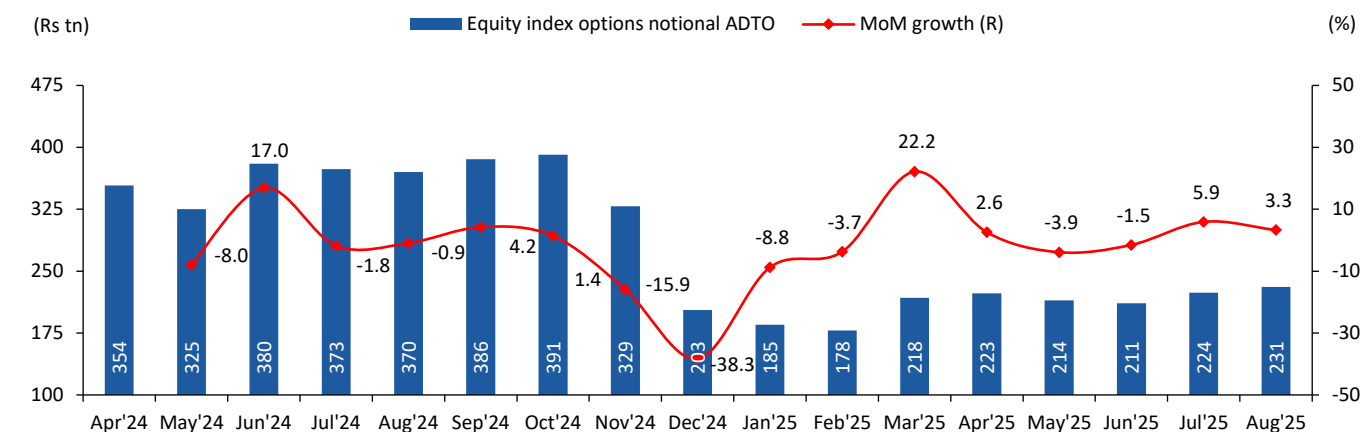
In November 2024, SEBI introduced a regulation restricting each exchange to only one weekly expiry contract. Prior to this, BSE had three weekly expiries – Sensex, Bankex, and Sensex 50 – while NSE offered five, namely Nifty 50, Bank Nifty, Nifty Financial Services, Nifty Midcap Select, and Nifty Next 50. Following the new guidelines, BSE retained the Sensex derivative as its weekly expiry product, while Bankex and Sensex 50 were shifted to a monthly cycle. Similarly, NSE chose to continue with Nifty as its weekly contract, with the remaining indices moving to monthly expiries.

### What has this led to?

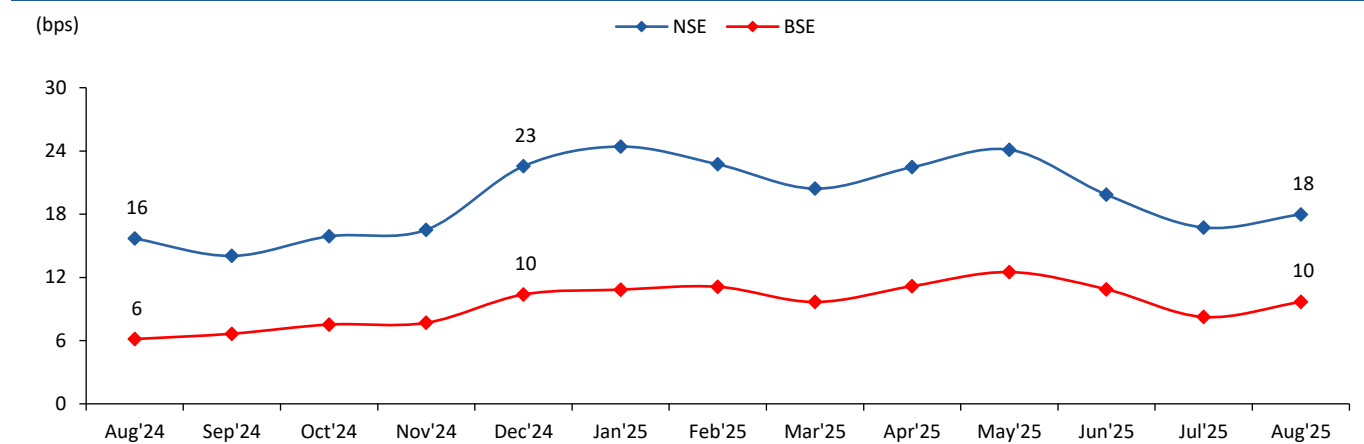
This legislation led to steep decline in volumes in the month of December. After that, the growth trajectory showed a mixed trend but has still not reached the earlier peak levels.

**Exhibit 97: Equity index options premium ADTO**

Source: Company Data, Centrum Broking

**Exhibit 98: Equity index options notional ADTO – Growth off late**

Source: Company Data, Centrum Broking

**Exhibit 99: Premium to notional t/o – Mixed trend**

Source: Company Data, Centrum Broking

**Exhibit 100: Expiry day change**

Index	Symbol	Period	Old expiry	New expiry	Previous lot size	New lot size
Nifty 50	NIFTY	Weekly	Thursday	Tuesday	25	75 *
		Others	Last Thursday of the expiry month	Last Tuesday of the expiry month	25	75 *
Nifty Bank	BANKNIFTY	Weekly	Wednesday	Disallowed		
		Others	Last Wednesday of the expiry month	Last Tuesday of the expiry month	30	35 ^
Nifty Financial Services	FINNIFTY	Weekly	Tuesday	Disallowed		
		Others	Last Tuesday of the expiry month	Last Tuesday of the expiry month	25	65 *
Nifty Midcap Select	MIDCPNIFTY	Weekly	Monday	Disallowed		
		Others	Last Monday of the expiry month	Last Tuesday of the expiry month	120	140 ^
Nifty Next 50	NIFTYNXT50	Weekly	Friday	Disallowed		
		Others	Last Friday of the expiry month	Last Tuesday of the expiry month	10	25 *

Source: Company Data, Centrum Broking. Note: \* Change in lot size effective from 20 Nov, 2024. ^ Change in lot size effective from 25 Apr, 2025.

## Expiry day impact

We examine the impact of expiry day on NSE volumes. Between Jan'25 and Aug'25, the average equity index options notional turnover on expiry days was nearly 2x higher than on non-expiry days. Although, equity index options premium turnover was only about 1.2x higher on expiry days.

### Exhibit 101: Increase in average daily notional turnover for NSE on expiry days

Equity index options notional turnover (Jan'25 – Aug'25)		
Average daily turnover (Rs bn)	NSE	BSE
NSE expiry days (Thursday)	4,85,584	19,048
Other days (excl. Thursday)	2,31,892	49,284
<b>Increase</b>	<b>2.1x</b>	<b>0.2x</b>

Source: Company Data, Centrum Broking. Note: NSE's index options weekly expiry was on Thursday from 01 Jan '25 to 31 Aug '25. This was changed to Tuesday from 01 Sep '25 onwards.

### Exhibit 102: Increase in average daily premium turnover for NSE on expiry days

Equity index options premium turnover (Jan'25 – Aug'25)		
Average daily turnover (Rs bn)	NSE	BSE
NSE expiry days (Thursday)	538	50
Other days (excl. Thursday)	458	97
<b>Increase (x)</b>	<b>1.2x</b>	<b>0.5x</b>

Source: Company Data, Centrum Broking. Note: NSE's index options weekly expiry was on Thursday from 01 Jan '25 to 31 Aug '25. This was changed to Tuesday from 01 Sep '25 onwards.

### No impact on NSE post the change in expiry day

We see there is not much of market share movement after the change in expiry days in the index options.

### Exhibit 103: NSE market share remained stable

NSE - Equity index options (Rs bn)	Jul'25	Aug'25	1st four weeks of Sep'25
Premium turnover	8,609	7,893	8,021
Premium turnover ADTO	374	415	401
NSE market share (%)	75.0%	70.7%	71.0%
Industry premium turnover ADTO (index options)	499	587	565

Source: Company Data, Centrum Broking

### Exhibit 104: NSE notional turnover market share stable

NSE - Equity index options (Rs bn)	Jul'25	Aug'25	1st four weeks of Sep'25
Notional turnover	51,45,116	43,89,563	48,16,820
Notional turnover ADTO	2,23,701	2,31,030	2,40,841
NSE market share (%)	59.6%	56.5%	57.5%
Industry notional turnover ADTO (index options)	3,75,357	4,08,705	4,18,707

Source: Company Data, Centrum Broking

## NSE impacted most due to weekly expiry change in index options

NSE faced a sharper impact after SEBI's directive reduced the number of weekly index option expiries from five per week to just one. Previously, NSE dominated with multiple expiries across Nifty, Bank Nifty, and FinNifty, which had become major liquidity drivers. Post the rule change, our analysis shows that during the period 20 Nov '24 to 16 Sep '25 as compared to 1 Apr '24 to 19 Nov '24, index options ADTO fell by 26%, while the notional ADTO dropped by 41%, highlighting the disproportionate impact on notional turnover due to reduced churn in shorter-duration contracts.

In contrast, BSE benefited from the change. With NSE restricted, liquidity began shifting to BSE's Sensex and Bankex weekly options. This led to a sharp pickup in BSE's options turnover and improved its market share in the derivatives segment. While absolute levels on BSE are still much smaller compared to NSE, the relative growth has been significant, marking a opportunity for BSE to gain traction in equity derivatives.

**Exhibit 105: NSE more impacted by weekly expiry change with decline in index option premium ADTO**

(Rs bn)	1 Apr '24 to 19 Nov '24	20 Nov '24 to 16 Sep '25	Growth/decline (%)
Index options premium ADTO	600	443	-26%
Index options notional ADTO	3,66,515	2,15,233	-41%

Source: Company Data, Centrum Broking

**Exhibit 106: BSE saw an increase in weekly ADTO in index option premium**

(Rs bn)	1 Apr '24 to 19 Nov '24	20 Nov '24 to 16 Sep '25	Growth/ decline (%)
Index options premium ADTO	78	133	71%
Index options notional ADTO	1,12,290	1,28,992	15%

Source: Company Data, Centrum Broking

**Recent noise – Fortnightly/ Monthly expiry?**

Recent market [reports](#) indicate that weekly options expiries may be shifted to a fortnightly or monthly cycle. This proposed change is intended to curb the sharp surge in index options trading activity. Even the SEBI chairman opined that long term [contracts](#) should be healthy for retail investors. According to the report, if trading volumes in index options remain high despite the current regulatory measures, SEBI may consider implementing further structural reforms. Over the past year, the derivatives market in India – particularly index options – has seen a significant increase in trading volumes. This trend has sparked concerns about excessive speculative activity, heightened market volatility, and the potential risks posed to retail investors with limited knowledge or experience.

**Scenario 1: Shifts to fortnightly expiry**

If the weekly expiry shifts to fortnightly, we understand the impact on financials by keeping FY25 as a base:

- **Revenue:** Equity derivatives – Premium ADTO is assumed to decline 25% to Rs468bn as compared to Rs624bn in FY25.
- **Regulatory fees:** Notional Value is assumed to decrease by 25% to Rs57,439tn as compared to Rs76,585tn in FY25.

**Exhibit 107: Impact on shift of index options to fortnightly expiry**

(Rs mn)	FY25
<b>Base case</b>	
Revenue from operations	1,71,407
Net profit	1,16,058
<b>Scenario 1 – Bear case</b>	
Revenue from operations	1,45,927
Decline in revenue from operations	-25,480
Decline in revenue from operations (%)	-14.9%
Net profit	92,984
Decline in net profit	-23,073
Decline in net profit (%)	-19.9%

Source: Company Data, Centrum Broking

**Scenario 2: Shifts to monthly expiry**

If the weekly shifts to monthly, below is the sensitivity:

- **Revenue:** Equity derivatives – Premium ADTV is assumed to decline by 40% to Rs375bn as compared to Rs624bn in FY25.
- **Regulatory fees:** Notional Value is assumed to decrease by 40% to Rs45,951tn as compared to Rs76,585tn in FY25.

**Exhibit 108: Impact on shift of index options to monthly expiry**

(Rs mn)	FY25
<b>Base case</b>	
Revenue from operations	1,71,407
Net profit	1,16,058
<b>Scenario 2 - Bear case</b>	
Revenue from operations	1,30,639
Decline in revenue from operations	-40,768
Decline in revenue from operations (%)	-23.8%
Net profit	79,140
Decline in net profit	-36,917
Decline in net profit (%)	-31.8%

Source: Company Data, Centrum Broking

**Exhibit 109: Summary of assumptions – change to fortnightly/ monthly expiries**

	Decline in premium ADTO	Decline in Revenue from operations	Decline in net profit
Shift to fortnightly expiry	25.0%	14.9%	19.9%
Shift to monthly expiry	40.0%	23.8%	31.8%

Source: Company Data, Centrum Broking

## Business snapshot

**Exhibit 110: Revenue from operations – FY25**

Revenue from operations							
Rs171.4bn							
Transaction charges	Colocation	Data feed & terminal services	Clearing & settlement services	Listing services	Licensing services	Other operating revenue	Others
Rs136.2bn	Rs11.6bn	Rs4.1bn	Rs3.2bn	Rs3.1bn	Rs1.2bn	Rs9.6bn	Rs2.4bn

Source: Company Data, Centrum Broking

## SWOT analysis

**Exhibit 111: NSE intend to further build on strengths**



Source: Company Data, Centrum Broking



## **Commodities – Still early stages but looks promising**

NSE has significantly scaled its commodity derivatives business, expanding to over 25 products across energy, bullion and base metals, with more than 240 members enabled. Crude oil options, launched in October 2023, have been the standout, with average daily traded quantity rising over 200% YoY to 7.7mn barrels in FY25 and peaking at 12.7mn in Q4FY25, driving a 770% YoY jump in premium turnover alongside strong traction in silver contracts. Liquidity improved sharply, with segment turnover crossing Rs15tn in FY25 which is 4x that of FY24, supported by rising participation and growing approvals for algorithmic trading, even without co-location facilities. Over 1bn barrels were traded in FY25, with daily volumes doubling from ~2.5 mn to 5.6 mn. NSE also upgraded technology with high-bandwidth leased lines (up to 300Mbps) and multicast tick-by-tick data to enhance access.

## **Electricity futures – Encouraging signs**

NSE launched electricity derivatives in July 2025 after years of preparation, with early traction of 1,709 mn units traded worth Rs7.4 bn in just 10 days, though management emphasised that at this stage the focus is on supporting government's power market liberalization rather than volumes. They see large optionality in outcomes if the product succeeds within policy objectives. MCX echoed similar optimism, highlighting India's position as the third-largest global power market and strong policy push with >500 GW renewable targets and robust grid infrastructure. Early signs are encouraging with ~700 lots of open interest in the first month, positive corporate feedback, and nearly half the participation coming from industrial users where electricity forms 30–40% of costs. Both exchanges view electricity contracts as a long-term growth driver in the energy segment, with the potential to scale significantly as the market matures.

## IT systems – Robust

NSE conducts its trading operations through the National Exchange for Automated Trading (NEAT) platform, a fully electronic, order-driven system. NEAT's advanced matching engine is capable of processing orders within microseconds, enabling seamless participation from institutional investors, retail traders, and high-frequency trading desks that demand ultra-low latency. A key strength of the platform lies in its scalability. NSE can deploy additional hardware resources "on-demand" to accommodate rising trading volumes, thereby sustaining its strong track record of high uptime and minimal latency in trade execution. To ensure system reliability, NSE also undertakes periodic testing, simulation, and capacity enhancements in line with the growth of its user base and trading loads. Beyond its core markets, NSE has also built specialized platforms to foster capital market access for smaller companies. EMERGE and EMERGE-ITP serve as dedicated listing and trading avenues for SMEs, providing them with an ecosystem to raise equity capital and enhance investor participation. Key points include:

- **NEAT:** NSE runs multiple market segments – equities, derivatives, currencies – on dedicated NEAT modules and maintains a nationwide high-speed network of over 0.2mn trading terminals. High liquidity and trading volumes on NEAT result in tighter bid-ask spreads and ultra-fast order matching, reinforcing NSE's market dominance.
- **Disaster recovery:** NSE adheres to DR 45 disaster-recovery norms, maintaining both primary and disaster-recovery sites with automated data replication. This ensures that trading can resume almost immediately in the event of a failure at the main site, minimizing operational risk and downtime.
- **Risk management:** NSE employs real-time risk controls that include capital adequacy checks, SPAN margining, position limits, and automatic trade disablement when risk thresholds are breached. Additionally, automated surveillance tools continuously monitor market activity for unusual trades, potential market manipulation, and insider trading. These systems work in tandem with the NEAT platform to safeguard market integrity.
- **Monitoring:** Continuous market surveillance and tick-by-tick data dissemination enable NSE to detect abnormal trading patterns while providing deep order-book transparency.

## Assumptions

### Cash segment

We forecast an 18% decline in cash segment volumes for FY26, with the first five months already registering a ~20% drop. This contrasts with FY25, when cash market turnover rose 40% YoY to Rs281tn. Performance in FY26 to date has been lacklustre, though there are initial signs of recovery, while yields are expected to remain stable.

### Equity index options

In the first five months of FY26, premium turnover declined 28% YoY. For the full year, we estimate a ~20% decline, with premium ADTO falling from Rs545bn in FY25 to Rs432bn in FY26. The option tariff remains fixed at Rs3,500 per Rs10mn of premium turnover.

### Equity stock options

Premium turnover has declined 19% YoY in the first five months of FY26. We estimate a decline of 10% YoY to Rs17.8tn from Rs19.8tn in FY25. Premium ADTO is expected to decline from Rs79bn in FY25 to Rs72bn in FY26.

### Futures (index and stock)

We forecast a 15% decline in turnover for FY26 with turnover having declined 24% in the first five months of FY26. In comparison, futures ADTO grew 39% to Rs1.9tn in FY25.

## Why are we optimistic for growth FY27 onwards?

### Low base effect

While we expect greater clarity on long-term derivative contracts in the coming months, we believe growth will resume from FY27 onwards after the FY26 decline, driven by the base effect and more clarity.

### Exhibit 112: Growth to pick up FY27 onwards

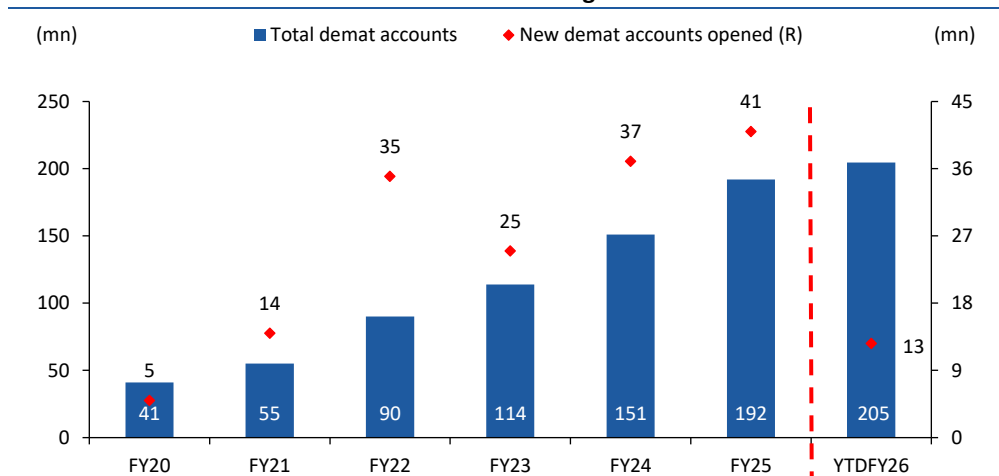
(Rs bn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Equity cash segment</b>					
ADTO	817	1,130	924	1,097	1,372
YoY (%)		38.2	-18.2	18.7	25.0
<b>Equity index options</b>					
ADTO	562	545	432	518	622
YoY (%)		-3.0	-20.8	20.0	20.0
<b>Equity stock options</b>					
ADTO	55	79	72	87	109
YoY (%)		43.2	-9.7%	22.0	25.0
<b>Options (index and stock)</b>					
ADTO	617	624	504	606	731
YoY (%)		1.2	-19.4	20.3	20.7
<b>Equity &amp; index futures</b>					
ADTO	1,340	1,859	1,584	1,865	2,200
YoY (%)		38.7	-14.8	17.7	18.0

Source: Company Data, Centrum Broking

### Demat accounts growth has been strong

The total number of demat accounts increased from 41mn at the end of FY20 to 192mn by FY25, and further crossed the 200mn mark in FY26, reaching 205mn accounts as of YTD FY26 (five months). This reflects robust growth in demat penetration. Of these, 119mn accounts belong to unique PAN-registered customers, which themselves grew from 31mn in FY20 to 113mn in FY25.

### Exhibit 113: Demat account addition has been strong

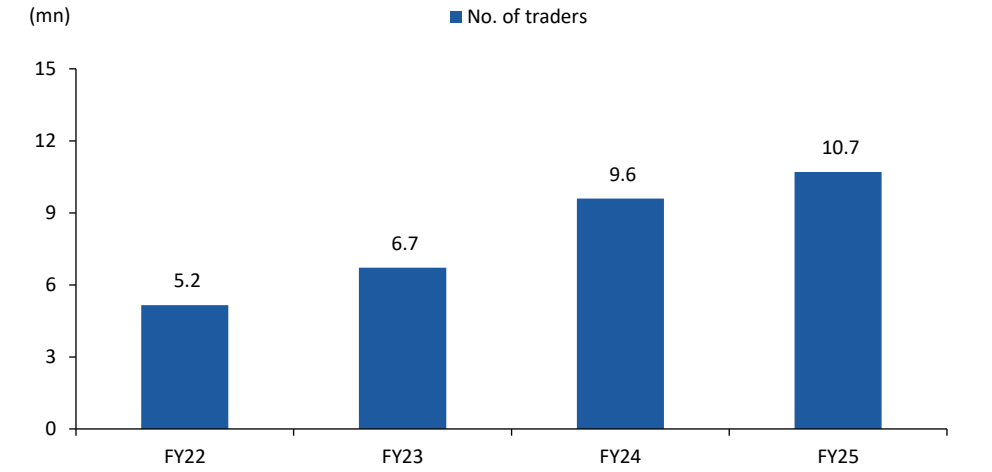


Source: Company Data, Centrum Broking. YTD FY26 data is as of Aug'25.

### Lot more active traders in derivative segment

Number of traders in the equity derivative segment have more than doubled over the last four years from 5.2mn at end FY22 to 10.7mn at end FY25.

Exhibit 114: Active traders doubled in the last four years



Source: SEBI, Centrum Broking. Note: Active traders include individual traders, HUF and NRIs, exclude proprietary traders, institutions, partnership firms, corporates, etc.

## Legal battles – Many settled

### Co-location case

#### [About the case](#)

Co-location allows brokers to operate closer to their servers upon payment of additional fees. It helps brokers secure advantage over others due to proximity to exchange servers as data transmission takes less time. The NSE co-location scam, which came to light in 2015, involved allegations that certain brokers gained unfair advantages by exploiting the co-location facility. It was alleged that some brokers manipulated this setup to receive data ahead of others, enabling them to execute trades before the broader market could react.

#### [What this led to?](#)

In 2019, SEBI fined the NSE Rs6.25bn (including 12% annual interest from April 1, 2014 onwards) for failing to ensure equitable access to its co-location facility. However, in September 2024, SEBI dismissed charges against the NSE and its former officials, citing insufficient evidence of collusion.

#### [Current status](#)

Legal proceedings are ongoing

### Dark fibre case

#### [About the case](#)

The NSE Dark Fibre case pertains to allegations that the National Stock Exchange (NSE) permitted certain brokers to establish unauthorized high-speed data connections, known as "dark fibre," between the NSE and the Bombay Stock Exchange (BSE). These connections were reportedly provided by a third-party vendor, Sampark, which lacked the necessary licenses and approvals from the NSE. The brokers, including Way2Wealth and GKN Securities, allegedly used these illicit connections to gain faster access to market data, thereby obtaining a trading advantage over other market participants. This practice violated NSE's rules, which mandated that only approved telecom providers could offer such services.

#### [What this led to?](#)

In 2022, SEBI imposed penalties on the NSE and its former officials for failing to ensure the integrity of its trading systems and allowing unauthorized access. The NSE has since offered Rs2.2bn to SEBI to settle this matter, aiming to resolve the issue. In June'25, NSE filed a composite settlement application with SEBI, covering both the dark fibre and co-location matters, offering a total of ~Rs13.9bn (with a portion attributable to the dark fibre case).

#### [Current status](#)

NSE has submitted its application to resolve the issue and is expecting an answer from SEBI.

### Trading Access Point (TAP)

#### [About the case](#)

A Trading Access Point (TAP) is a software system introduced in 2008 used by the NSE to manage the connection and communication between its trading members and the NSE's core trading system. SEBI investigated the TAP framework following allegations that certain trading members may have gained preferential access due to weaknesses in the system controls. The review focused on whether gaps in network connectivity, routing, or access management allowed some participants to transmit orders faster or receive more favourable handling than others. The probe was aimed at determining if these issues created an uneven playing field, raising fairness concerns similar to those identified in the earlier co-location and dark-fibre cases.

[What this led to?](#)

In February 2023, SEBI issued a Show Cause Notice to NSE and nine identified current and former employees, citing concerns over the TAP system's architecture and network connectivity practices. Following this, NSE submitted a settlement proposal, which SEBI accepted for a total amount of Rs6.4bn. NSE paid the entire settlement amount on behalf of itself and the nine implicated employees in Sep'24, thereby closing the proceedings.

[Current status](#)

Resolved

## **Trading System Halt Case**

[About the case](#)

In February 2021, NSE faced a major trading system outage that resulted in a halt of about four hours across the cash and derivatives segments. The disruption stemmed from failures in telecom service provider links, which impacted the Storage Area Network (SAN) and rendered the primary SAN inaccessible to host servers. This had a cascading effect on critical systems, including the risk management framework of NSE Clearing Limited (NCL), clearing and settlement processes, index dissemination, and surveillance mechanisms. NSE explained that it maintained multiple telecom links with two service providers, both of whom reported link issues that adversely affected NSE's systems. SEBI launched an investigation to assess whether the breakdown of NSE and NCL systems constituted violations of regulatory requirements. Following the inquiry, SEBI issued a show cause notice to the applicants in August 2021.

[What this led to?](#)

In June 2023, NSE paid Rs497mn and NCL Rs229mn, aggregating to Rs726mn, pursuant to a SEBI settlement order.

[Current status](#)

Resolved

## **Data Sharing Case**

[About the case](#)

Between Feb' 21 and Mar '22, a SEBI inspection uncovered serious lapses in how the NSE handled unpublished price-sensitive information (UPSI). (SEBI) found NSE had indirectly shared confidential price-sensitive information of listed companies with a third-party vendor via its subsidiary, NSE Data & Analytics (NDAL), without a proper legal agreement. This allowed NDAL clients to receive information before public release, violating disclosure and insider trading norms.

[What this led to?](#)

In early 2024, SEBI issued a show-cause notice to NSE and its officials for violations related to improper data handling and premature dissemination of UPSI. In response, NSE filed a suo motu settlement application under SEBI's Settlement Regulations. As part of the settlement, the exchange paid Rs403.5mn to SEBI in August 2025. In addition to the monetary penalty, NSE was directed to undertake non-monetary actions such as conducting a comprehensive systems audit, strengthening internal controls, and submitting periodic compliance reports to SEBI.

[Current status](#)

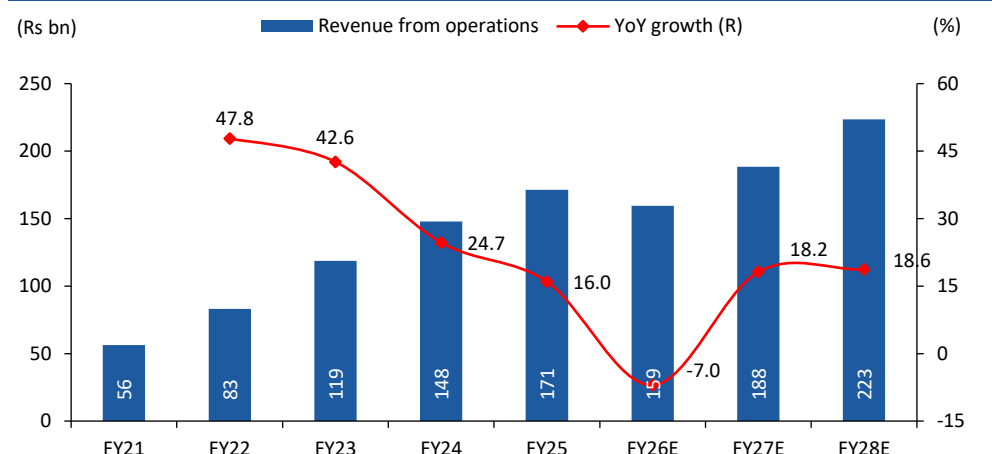
Resolved

## Financial Review

### Robust revenue growth; sustainability remains the key

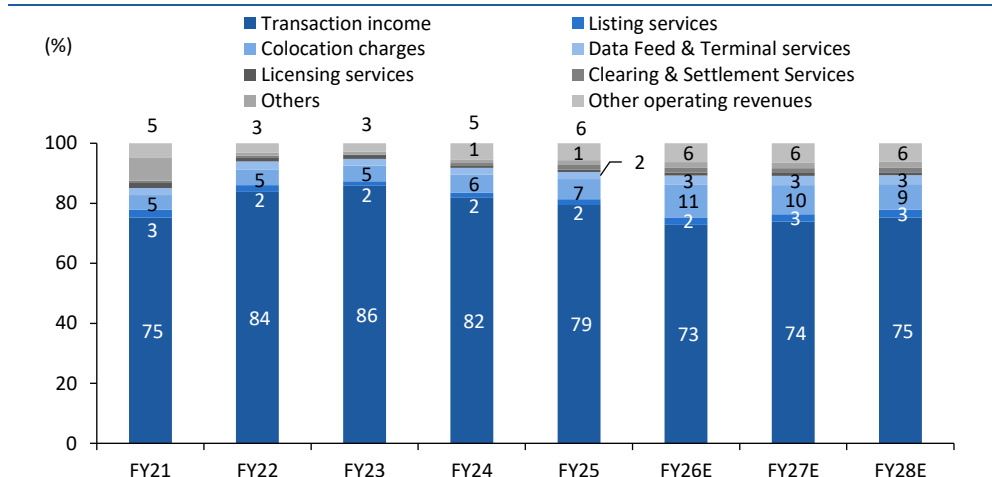
NSE's revenue from operations grew at a 32% CAGR over FY21-FY25, reaching Rs171bn. Of this, nearly 80% was derived from transaction income. However, in Q1FY26, revenue from operations fell 11% YoY, driven by a 14% YoY decline in transaction income. The key drag came from equity index options, which account for roughly 75% of transaction income. The decline in NSE's revenue in Q1FY26 was driven by lower equity index option volumes, following the introduction of weekly expiries on BSE. We expect revenue from operations to contract by about 7% YoY in FY26, factoring in both the pressure from reduced index option volumes and the adverse impact on market activity from the exit of Jane Street. From FY27 onwards, we anticipate a rebound in revenues as volumes stabilize.

**Exhibit 115: Revenue growth**



Source: Company Data, Centrum Broking

**Exhibit 116: Revenue breakup**



Source: Company Data, Centrum Broking. Note: The constituents of revenue from operations is standalone and the difference in standalone and consolidated of about 1% is due to the GIFT City activity.

### NSE's Revenue Engine: Powered by Transaction Income

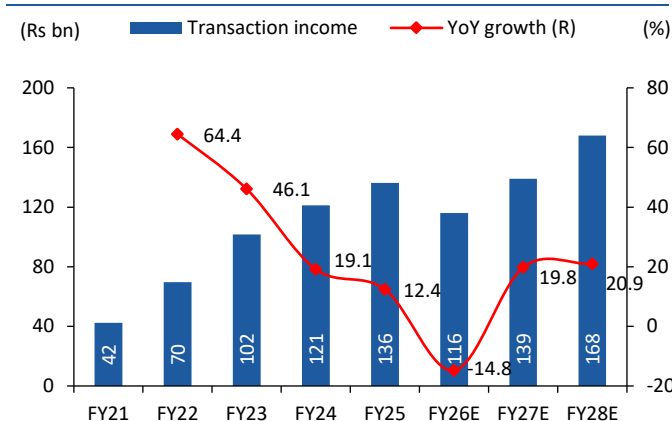
Transaction income clocked a robust 34% CAGR over FY21-25, reaching Rs136bn and accounting for 79% of revenue from operations. The segment primarily comprises income generated from (i) the cash market, (ii) equity index options, and (iii) equity and index futures.

- The cash segment contributed 12% to transaction income and grew 37% YoY in FY25. While volumes had increased during FY25, they declined by approximately 20% in YTD FY26, driven by tariff-related uncertainties and a consequent drop in interest from foreign investors.



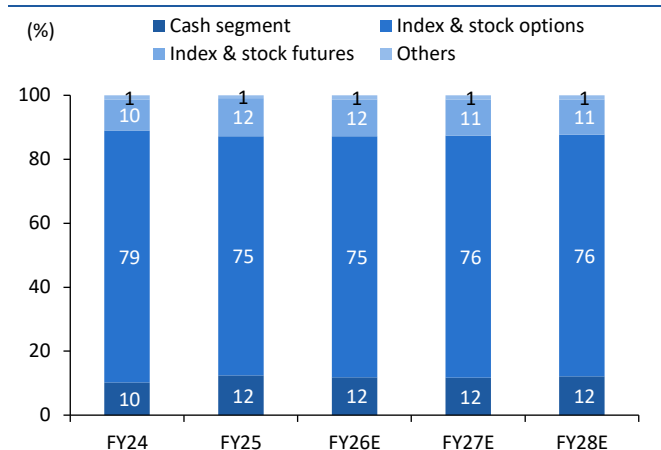
- Equity index options contributed 75% to transaction income and grew 7% YoY in FY25. The premium ADTV remained flattish in FY25 following the discontinuation of weekly expiries for Bank Nifty, Nifty Financial Services, Nifty Midcap Select, and Nifty Next 50 indices. BSE also discontinued weekly expiries for BANKEX and Sensex 50 indices, effective November 2024. NSE will charge Rs3,500 option per Rs10mn which is a bit higher than it did in FY25. We expect decline in premium ADTV in FY26 before bouncing back FY27 onward.
- Equity and index futures income grew 37% YoY in FY25 with the ADTO growing around 40% in FY25. NSE is the undisputed leader in this segment with a near monopoly. The combination of global factors and regulations had an impact on the ADTO in the first five months on FY26. We expect decline in average ADTO in FY26 before bouncing back FY27 onward.

**Exhibit 117: Transaction income growth to bounce back FY27 onwards**



Source: Company Data, Centrum Broking

**Exhibit 118: Transaction income – constituents**

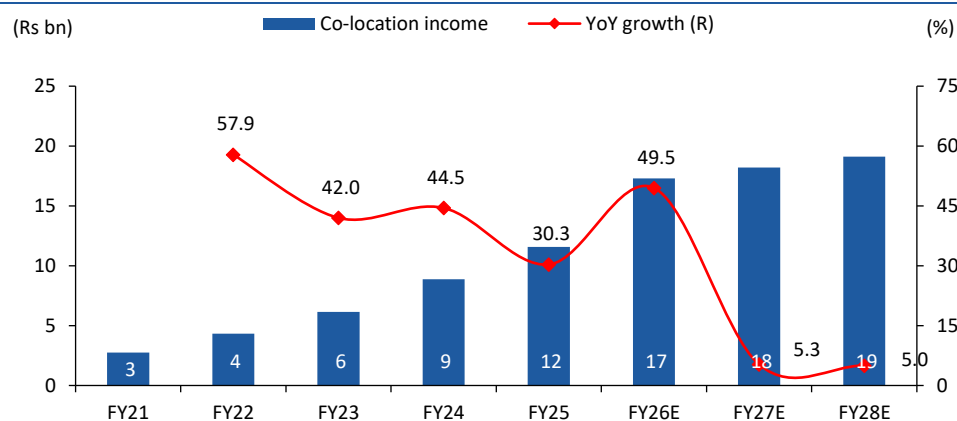


Source: Company Data, Centrum Broking.

## Co-location revenue to normalise in FY27 after a strong FY26

NSE's co-location revenue has emerged as a key growth driver, exhibiting strong momentum over the past five years. This reflects both rising demand and the company's ongoing capacity expansion. The growth is unfolding amid a booming Indian data center market and an intensifying "rack race" between NSE and other exchanges to expand co-location facilities. NSE has been steadily adding racks and plans to add over 650 more in FY26, building on its current tally of 1,200+ racks and bringing the total to nearly 1,850 by year-end. Co-location revenue accounted for 7% of total revenue from operations in FY25, up from 5% in FY21, highlighting its increasing contribution to the business.

**Exhibit 119: Co-location income to increase in FY26 owing to rack addition**



Source: Company Data, Centrum Broking

**Exhibit 120: Co-location charges lowered effective Apr'25**

Rack Variant	Charges per rack p.a. (excluding other incidental charges) (Rs)**	Initial Setup charges (Rs) (one time charge per rack)	Maximum permissible Interactive IPs	Pair of uplinks*
Full Rack	9,00,000	1,00,000	60	1 Default + Additional 4 on demand basis
Half Rack	4,50,000	50,000	30	1 Default + Additional 1 on demand basis
Quarter Rack	2,25,000	25,000	15	1 Default

Source: Company Data, Centrum Broking. Note: \* The Annual Recurring Charges (ARC) for the additional 1 pair of connectivity would be Rs 75000+applicable taxes. Participants are requested to refer circular download ref no. NSE/MSD/67756 dated April 29, 2025, for more details on this facility. \* The Annual Recurring Charges (ARC) for the additional 1 pair of connectivity would be Rs 75000 + applicable taxes.

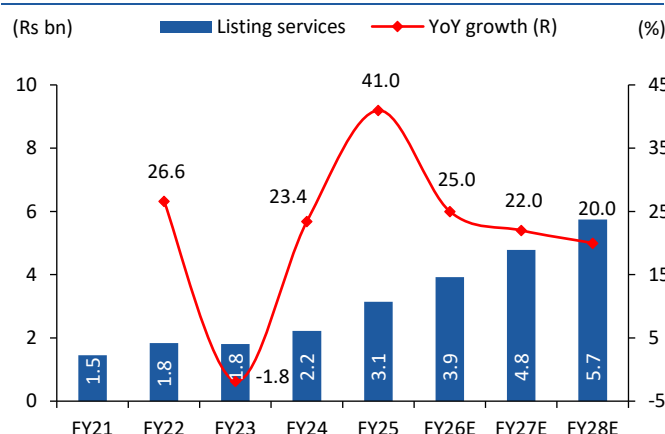
**Exhibit 121: Revision in co-location charges**

Rack Variant	Charges per rack p.a. in Rs. (including basic IT charges)	Charges per rack p.a. in Rs. (excluding other incidental charges)
	Existing	Revised
Full Rack	12,00,000	9,00,000
Half Rack	6,00,000	4,50,000
Quarter Rack	3,00,000	2,25,000

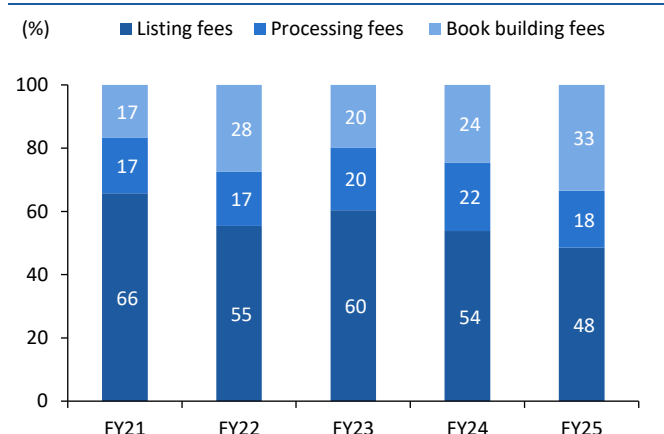
Source: Company Data, Centrum Broking. Note: (1) Base rate for the first 10 Half Rack Equivalent (HRE) racks will be as above for a Colo participant. (2) Charges for the next 15 HREs will be 25% over the base rate. (3) Charges for racks above 25 HREs will be 50% over the base rate.

**Listing fees stable revenue source**

Listing services recorded a robust 21% CAGR over FY21–FY25, reaching Rs3.1 bn, driven by strong growth in FY24 and FY25. The revenue from listing services comprises three components: (i) listing fees, (ii) processing fees, and (iii) book-building fees. We expect this revenue stream to remain stable and continue its strong growth trajectory in the forecast period.

**Exhibit 122: Listing services**

Source: Company Data, Centrum Broking

**Exhibit 123: Listing services – constituents**

Source: Company Data, Centrum Broking

**Exhibit 124: Listing fees details**

Particulars	Amount (Rs)
Initial Listing Fees	50,000
Annual Listing Fees (on equity share, bond and/ or debenture paid-up capital)	
- Upto Rs1bn	3,00,000
- Above Rs1bn and upto Rs2bn	3,80,000
- Above Rs2bn and upto Rs3bn	4,90,000
- Above Rs3bn and upto Rs4bn	5,95,000
- Above Rs4bn and upto Rs5bn	7,30,000

Source: Company Data, Centrum Broking. Note: Companies which have a paid up capital, bond and/or debenture and/or debt capital, etc. of more than Rs5bn will pay minimum fees of Rs7,35,000 and an additional listing fees of Rs4,800 for every increase of Rs50mn or part thereof in the paid up share, bond and/debenture and/or debt capital, etc. Companies which have a paid up share, bond and /or debenture and/or debt capital etc. of more than Rs10bn will pay minimum fees of Rs12,20,000 and an additional listing fees of Rs5,125 for every increase of Rs50mn or part thereof in the paid up share, bond and/debenture and/or debt capital, etc.

**Fee structure based on market capitalisation**

Incremental Fee shall be levied for listed companies with market capitalisation above Rs25bn as follows - Rs5,000 per Rs10bn.

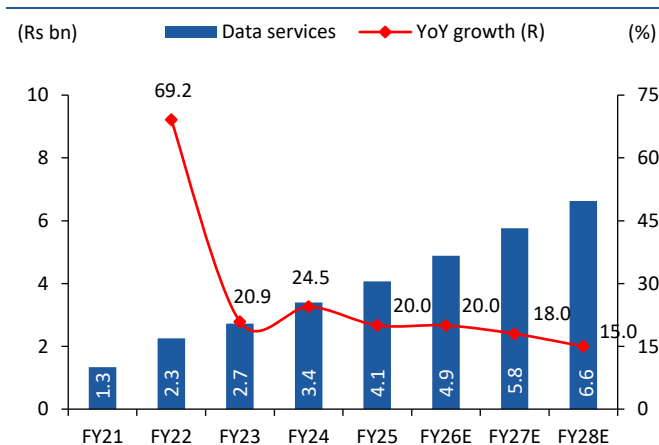
The incremental fee due to market capitalisation is capped at Rs2mn (excluding the component towards paid up capital)

**For the purpose of this computation, market capitalisation shall be deduced as follows:**

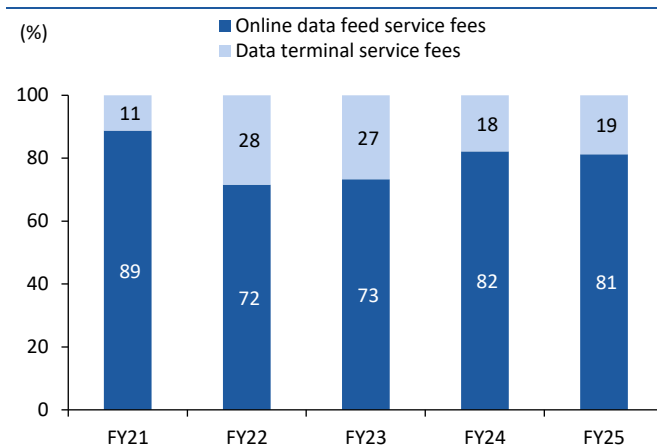
- Monthly average market capitalization = Average of Highest market capitalisation during the month and Lowest market capitalisation during the month
- Average of the above for the twelve months period preceding the invoicing date i.e. from April 1 to March 31.

**Data services to grow in late teens**

Data Feed & Terminal services clocked 32% CAGR over FY21-25 to Rs4bn. This segment provides market data and information services to brokers, trading firms, and institutional investors. It includes real-time market feeds, historical data, and trading terminals that enable market participants to make informed decisions. The revenue from this streams comprises two components: (i) Online data feed service fees and (ii) Data terminal service fees. With increasing adoption by domestic and global clients, Data Feed and Terminal Services are emerging as a key enabler of market efficiency and an important contributor to NSE's revenue diversification strategy. We expect this segment's revenue to clock a 18% CAGR over FY25-28E to Rs6.6bn.

**Exhibit 125: Data services growth strong**

Source: Company Data, Centrum Broking

**Exhibit 126: Online data feed services constitute bulk of data services revenue**

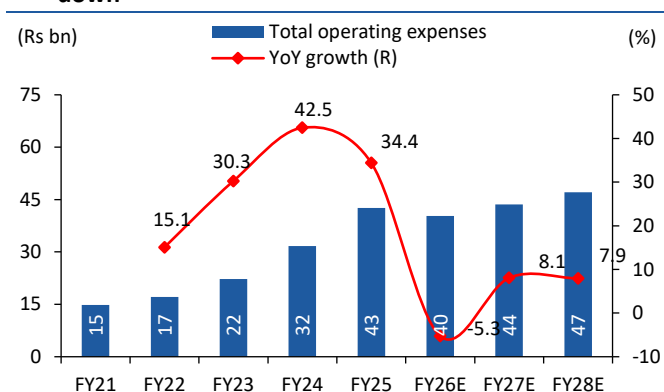
Source: Company Data, Centrum Broking

## Operating expenses expected to grow in low single digits

Operating expenses clocked 30% CAGR over FY21 to FY25 to Rs43bn. We have baked in 3% CAGR between FY25 to FY28 owing to multiple factors:

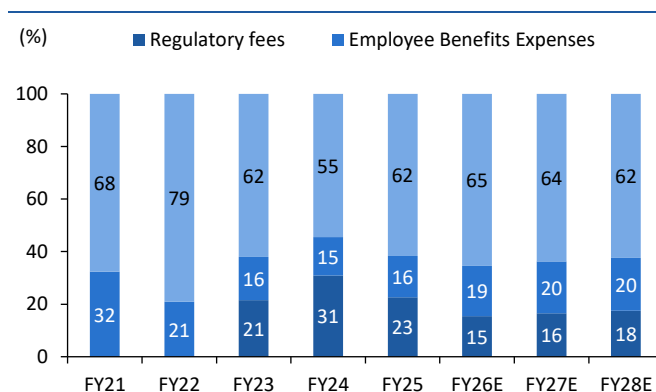
- **Regulatory Fees:** Regulatory fees, which are based on notional turnover, are expected to decline in FY26. The segment had already contracted by 3% in FY25 due to a fall in notional value. We factor in a sharper decline of approximately 35% in FY26, reflecting a 39% YoY drop observed in YTD FY26. From FY27 onward, regulatory fees are expected to recover and grow; however, the steep FY26 correction results in a compounded decline of around 5% between FY25 and FY28E.
- **Employee expenses:** Employee expenses grew at a 9% CAGR over FY21-FY25, reaching Rs6.7 bn. We project a 12% CAGR over FY25-FY28E, reaching Rs9.4 bn, reflecting a conservative estimate that accounts for potential increases in workforce and compensation.
- **Other expenses:** Other expenses clocked 27% CAGR over FY21-FY25 to Rs26bn. In FY25, it grew 52% YoY to Rs26bn. Of these, about Rs6.7bn was due to a penalty which we do not expect to reoccur in the future. While there were [media reports](#) that the company is intending to pay Rs14bn to settle outstanding cases with SEBI, there is no clarity of the accounting adjustment to it. Thus, we bake in a 4% CAGR over FY25 to FY28E.

**Exhibit 127: Total operating expenses growth to taper down**



Source: Company Data, Centrum Broking

**Exhibit 128: Total operating expenses – breakup**

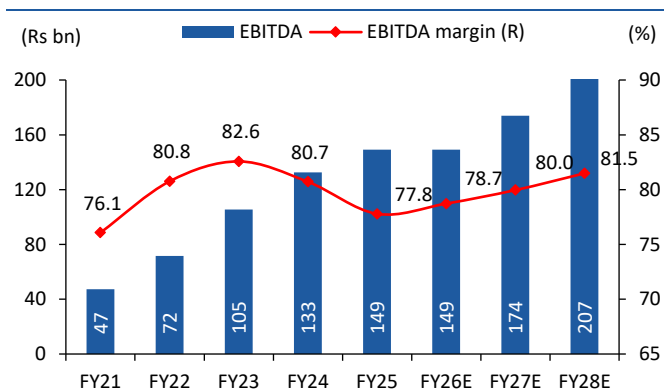


Source: Company Data, Centrum Broking

## EBITDA margins – High and expected to improve further

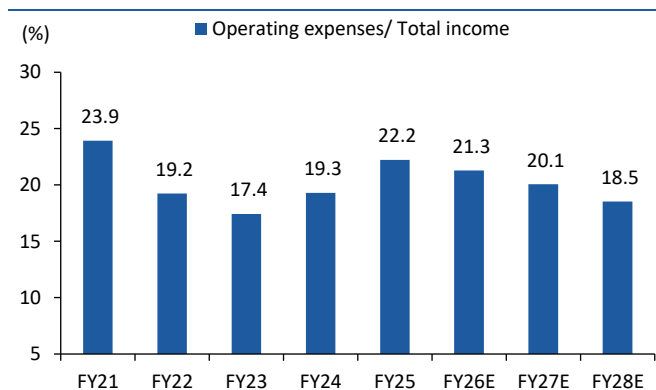
NSE's EBITDA (calc.) clocked 33% CAGR over FY21-FY25 to Rs149bn. EBITDA margin stood at 77.8% at end FY25. We bake in EBITDA to clock 12% CAGR over FY25-FY28E to Rs207bn. EBITDA margin is also expected to see an uptick as we bake in a higher EBITDA growth as compared to total income growth.

**Exhibit 129: EBITDA & EBITDA margin**



Source: Company Data, Centrum Broking

**Exhibit 130: Operating expenses expected to grow at a slower rate**



Source: Company Data, Centrum Broking

**Exhibit 131: Associate companies**

Associates	% of shares held by listed entity	Principal activities	Share of Profit/ (Losses) from Associates – FY25 (Rs mn)	Share of Profit/ (Losses) from Associates – FY24 (Rs mn)
National Securities Depository Limited	24.0	Depository Services	832	627
Power Exchange India Limited	25.0	Trading Facility in power	88	-
Market Simplified India Limited	30.0	Software Industry	-	-
BFSI Sector Skill Council of India	49.0	Skill Council	-	-
Indian Gas Exchange Limited	25.6	Gas Exchange	79	59
Capital Quant Solutions Private Limited	19.0	Data processing	-2	-4
Receivables Exchange of India Limited	30.0	Online Platform for financing receivables (TReDS)	153	86
India International Bullion Holding IFSC Limited	20.0	Bullion Exchange	24	-14
Protean eGov Technologies Limited *	NA	Digital public infrastructure and e-governance solutions	115	251
<b>Total</b>			<b>1,289</b>	<b>1,005</b>

Source: Company Data, Centrum Broking. Note: \* During the year, NSE Investments Limited has sold its entire stake (i.e. 20.34%) in Protean eGov Technologies Ltd.

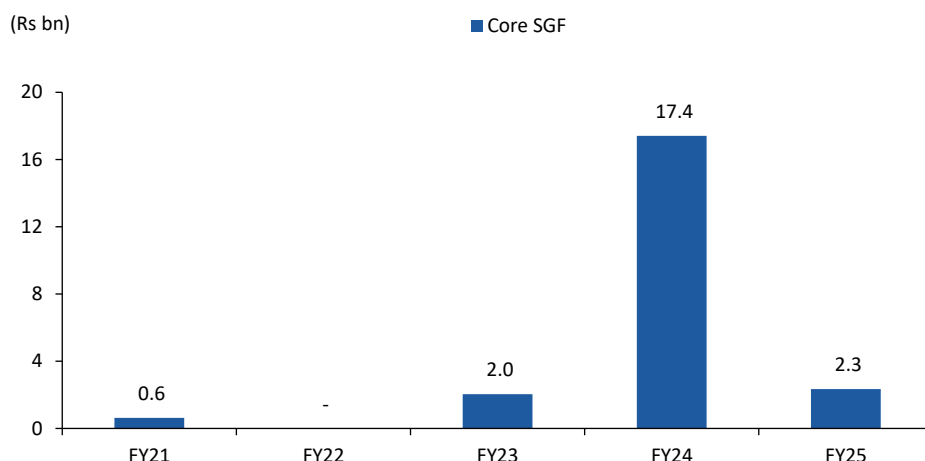
**Exhibit 132: Profit on sale of associates**

Year	Company	Stake sold	Profit on sale (Rs mn)
FY25	Protean eGov Technologies Ltd.	20.34% (entire stake)	11,549
	Power Exchange India Ltd.	4.21%	545
FY24	Protean eGov Technologies Ltd.	4.71%	814
FY22	Power Exchange India Ltd.	5.00%	16
FY21	Computer Age Management Services Ltd. (CAMS)	44.99% (entire stake)	17,351

Source: Company Data, Centrum Broking. Note: (1) Profit on sale of associate in FY24 was a part of other income. (2) In FY22, profit on sale of associate was a part of exceptional items (Rs16mn). Other exceptional items include reversal of provision/(provision) for impairment of intangible assets under development (Rs682mn) and settlement compensation towards cancellation of contracts (Rs156mn). (3) In FY21, profit on sale of associate was a part of exceptional items (Rs17,351mn). Other exceptional items include contribution to Investor Protection Fund Trust (- Rs18,221mn) and reversal of provision/(provision) for impairment of intangible assets under development (-Rs682mn).

**SGF – An important matter**

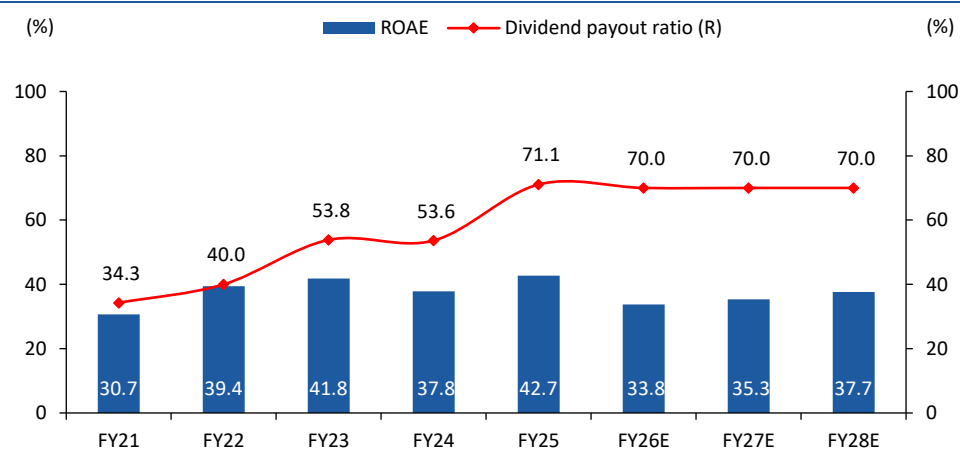
The Settlement Guarantee Fund (SGF) is maintained by clearing houses to ensure the settlement of trades executed on the stock exchange. If a clearing member fails to meet its settlement obligations, the SGF is utilized to fulfill those obligations, thereby preventing disruption to the normal settlement process. At the end of FY25, the company's contribution to the SGF stood at Rs2.3bn. SEBI had mandated an increase in the fund to Rs 105 bn, which the company complied with. In Q1 FY26, the P&L impact of this line item was zero, and we expect the company to incur no expense for FY26, with only minor contributions likely from FY27 onwards. However, there remains regulatory risk, as any future directive from the regulator to further increase the SGF could adversely affect profitability.

**Exhibit 133: Core SGF (P&L) impact volatile**

Source: Company Data, Centrum Broking

**Return ratios to bounce back FY27 onward**

Net profit from continuing operations grew at a 34% CAGR over FY21-FY25, reaching Rs 116 bn. We project a 9% CAGR over FY25-FY28E, taking net profit to Rs 149 bn. The company has consistently delivered high return ratios in recent years. Despite a minor dip expected in FY26, we anticipate ROAE to remain above 30%, with return ratios accelerating from FY27 onwards and reaching 38% by FY28. The dividend payout ratio is assumed to remain steady at 70% throughout the forecast period.

**Exhibit 134: ROAE & dividend payout ratio**

Source: Company Data, Centrum Broking

**Exhibit 135: Capital changes over the last five years**

Year	Corporate action	Ratio / Bonus Ratio	Date / Record date
FY25	Increase in Authorised Capital	From Rs5bn to Rs50bn	23rd Jun '24
FY25	Bonus Issue	4:1	2nd Nov '24

Source: Company Data, Centrum Broking

## Q1FY26 - Highlights

### Financial performance

- Revenue from operations declined 11% YoY to Rs40bn at end Q1FY26 vs. Rs45bn at end Q1FY25. Total income fell 3% YoY but rose 9% sequentially.
- Total operating expenses increased 11% YoY to Rs9 bn.
- EBITDA declined 6% YoY to Rs39bn in Q1 FY26 versus Rs41bn in Q1 FY25.
- Net profit, however, grew 8% YoY to Rs28 bn in Q1 FY26.

### KTAs of quarterly earnings call

- **High market share:** Cash market: 93.8%, Equity futures: 99.8%, Equity options: 78.6% and Debt secondary market: 96%-100% depending on segment
- **Listing services:** The fundraising activity gained renewed momentum in Q1 FY26 with a total of Rs5.2tn, up 13% QoQ. Of this, within the equity segment, 33 companies raised Rs151bn through IPOs on both the Main Board and SME platforms. On the debt side, Rs4.2tn was mobilized through CPs and NCDs.
- **Co-location services** will be further expanded with the addition of approximately 660 racks, increasing the total capacity to around 1,860 racks, in order to cater to the growing demand from HFTs and institutional participants.
- **Investor accounts** crossed 220mn in April 2025, with unique registered investors reaching 116mn by the end of June 2025, covering 99.9% of pin codes. Gujarat became the third state after Maharashtra and Uttar Pradesh to surpass 10mn investors, highlighting the deepening retail participation across regions. **DII**s contributed record net inflows of Rs1.7tn (US\$20bn).
- NSE signed MoU with Cyprus Stock Exchange for cross listings.
- **New indices:** NSE Indices expanded its portfolio by launching eight new indices during the quarter, taking the total to 417. For example, it introduced the Nifty 500 Healthcare Index, which tracks the top 50 healthcare stocks from the Nifty 500.
- **New derivatives:** NSE launched electricity derivatives and plans to launch commodity contracts, while options derivatives continue with five active contracts (1 weekly, 4 monthly). VIX futures are under consideration based on market feedback, highlighting the exchange's product diversification strategy.
- **No impact on rule change:** The exchange does not expect any material impact on premium realisation due to shift in the weekly expiry to Tuesday from Thursday.
- **Sale of non-core business:** The company successfully executed a non-binding agreement to sell our KYC registration agency (KRA) business through a Business Transfer Arrangement.
- **Exchequer:** NSE contributed Rs143bn to the exchequer, which included STT and CTT of Rs123bn, stamp duty of Rs8.8bn, SEBI-related fees of Rs2.7bn, Income tax of Rs3.4bn, GST of Rs5.2bn.
- **Common Contract Note (CCN):** As the CCN went live recently, management noted that early feedback from brokers and investors has been positive, indicating a notable improvement in the overall trading and settlement experience.
- Management noted that ongoing regulatory reforms and prevailing global macro uncertainties have influenced options trading volumes, and indicated that future growth will be shaped by SEBI's evolving guidelines and market developments.

## Comparison

### Exhibit 136: Snapshot

Particulars (Rs mn)	NSE					BSE				
	FY21	FY22	FY23	FY24	FY25	FY21	FY22	FY23	FY24	FY25
Revenue from operations	56,248	83,131	1,18,562	1,47,800	1,71,407	5,014	7,432	8,155	13,710	29,573
Total income	62,023	88,738	1,27,654	1,64,336	1,91,768	6,547	8,635	9,539	15,959	32,363
Total operating expenses	14,841	17,079	22,248	31,694	42,597	4,625	5,300	6,181	8,804	13,676
SGF	621	-	2,035	17,410	2,341	-	-	-	917	900
EBITDA	47,182	71,659	1,05,406	1,32,643	1,49,171	1,921	3,335	3,359	7,155	18,687
PBT	44,650	70,312	1,00,416	1,11,843	1,54,748	1,526	3,273	2,973	9,922	17,483
PAT	35,734	53,329	75,019	84,065	1,16,058	1,417	2,449	2,057	7,687	13,171
EBITDA margin (%)	76.1	80.8	82.6	80.7	77.8	29.3	38.6	35.2	44.8	57.7
ROAE (%)	30.7	39.4	41.8	37.8	42.7	5.6	9.2	7.3	24.5	32.8
<b>Cash segment (Rs bn)</b>										
Average daily turnover (ADTO)	618	668	534	817	1,130	42	54	41	66	78
Overall turnover	1,53,979	1,65,662	1,33,051	2,01,034	2,81,278	10,451	13,382	10,289	16,290	19,339
Market share (%)	93.6	92.5	92.8	92.5	93.6	6.4	7.5	7.2	7.5	6.4
<b>Equity index options (Rs bn)</b>										
Average daily turnover	106	236	440	562	545	-	-	-	22	90
Premium turnover	26,294	58,423	1,09,556	1,38,196	1,35,745	-	-	-	4,880	22,344
Market share (%)	100.0	100.0	100.0	96.6	85.9	-	-	-	3.4	14.1
Notional turnover	59,00,991	1,60,94,972	3,73,45,257	7,86,76,913	7,65,85,550	-	-	-	76,46,371	2,75,52,290
Market share (%)	100.0	100.0	100.0	91.1	73.5	-	-	-	8.9	26.5
<b>Futures (Rs bn)</b>										
Average daily turnover	1,090	1,188	1,148	1,340	1,859	-	-	-	0.9	1.9
Turnover	2,71,460	2,94,683	2,85,930	3,29,641	4,62,895	-	-	-	191	484
Market share (%)	100.0	100.0	100.0	99.9	99.9	-	-	-	0.1	0.1

Source: Company Data, Centrum Broking

### Exhibit 137: 5MFY26 vs. 5MFY25

	NSE			BSE		
	5MFY26	5MFY25	YoY (%)	5MFY26	5MFY25	YoY (%)
<b>Cash segment (Rs bn)</b>						
Average daily turnover (ADTO)	1,027	1,272	-19.3	76	96	-21.2
Overall turnover	1,05,833	1,31,931	-19.8	7,776	9,939	-21.8
Market share (%)	93.2	93.0	16 bps	6.8	7.0	(16 bps)
<b>Equity index options (Rs bn)</b>						
Average daily turnover	445	617	-27.8	150	73	104.9
Premium turnover	45,683	63,866	-28.5	15,342	7,603	101.8
Market share (%)	74.9	89.4	(1450 bps)	25.1	10.6	1450 bps
Notional turnover	2,27,11,785	3,74,35,051	-39.3	1,48,55,914	1,10,97,988	33.9
Market share (%)	60.5	77.1	(1668 bps)	39.5	22.9	1668 bps
<b>Futures (Rs bn)</b>						
Average daily turnover	1,586	2,078	-23.7	3.3	1.7	98.0
Turnover	1,62,772	2,15,449	-24.4	344	176	95.7
Market share (%)	99.8	99.9	(13 bps)	0.2	0.1	13 bps

Source: Company Data, Centrum Broking



## Valuation

[Management](#) expects to list the company in the next 8-9 months once SEBI grants the No-Objection Certificate (NOC). We expect the company to clock a PAT CAGR of 9% over FY25-28E to Rs149bn. We built in few assumptions to know the likely market capitalisation of the company.

**Exhibit 138: Valuation – different scenarios**

FY28E PAT (Rs bn)	FY25-28E PAT CAGR	Base		Bull		Bear	
		P/E (FY28E)	MCap (Rs tn)	P/E (FY28E)	MCap (Rs tn)	P/E (FY28E)	MCap (Rs tn)
149	8.7	40x	6.0	45x	6.7	35x	5.2

Source: Centrum Broking

**Exhibit 139: Comparison**

Companies	CMP (Rs)	MCap (Rs bn)	FY25 Revenue (Rs mn)	FY21-25 Revenue CAGR (%)	FY25 EBITDA (Rs mn)	FY21-25 CAGR (%)	EBITDA Margin (%)	FY25 PAT (Rs mn)	FY21-25 PAT CAGR (%)	FY25 ROE (%)
BSE	2,045	833	29,573	55.8	18,687	76.6	57.7	13,171	74.6	32.8
NSE	NA	NA	1,71,407	32.1	1,49,171	33.3	77.8	1,16,058	34.2	42.7
MCX	7,806	398	9,676	30.5	6,653	38.6	68.8	4,148	25.6	23.9

Source: Bloomberg, Company Data, Centrum Broking

**Exhibit 140: Global comparative financial snapshot**

Companies	FY25 Revenue (USD \$ mn)	FY21-25 Revenue CAGR (%)	FY25 EBITDA (USD \$ mn)	FY21-25 EBITDA CAGR (%)	EBITDA Margin (%)	FY25 PAT (USD \$ mn)	FY21-25 PAT CAGR (%)	FY25 ROE (%)
Nasdaq	4,649	12.5	2,486	13.1	53.5	1,117	4.6	10.2
Singapore Exchange	1,035	7.2	625	7.7	60.4	489	10.3	31.2
BSE	348	55.8	220	76.6	57.7	155	74.6	32.8
NSE	2,015	32.1	1,753	33.3	77.8	1,364	34.2	42.7

Source: Bloomberg, Company Data, Centrum Broking. Note: (1) For Nasdaq, Revenue, EBITDA & PAT data is for FY ending Dec'24, while for Singapore Exchange it is for FY ending Jun'25. (2) CMP for Nasdaq is as on 29 Sep '25.

**Exhibit 141: Relative valuation**

Companies	CMP (USD \$)	MCap (USD \$ bn)	P/E (x)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Nasdaq	89	50.9	23.8	21.3	19.1	16.1	17.7	18.8
Singapore Exchange	13	13.7	26.3	24.5	22.8	29.1	28.7	28.2
BSE	23	9.3	44.9	37.4	30.9	35.7	33.4	32.1

Source: Bloomberg, Company Data, Centrum Broking. Note: CMP for Nasdaq is as on 29 Sep '25.

## Sensitivity analysis

We have done a sensitivity analysis where we have taken three scenarios to understand important factors impacting profitability.

### Scenario 1:

- **Transaction income increases by 500bps:** If transaction income increases by 500bps from the base case, PAT will increase by 3-3.3%.
- **Transaction income decreases by 1000bps:** If transaction income decreases by 1000bps from the base case, PAT will reduce by 6.1-6.6%.

### Scenario 2:

- **Operating expenses decrease by 500bps:** If the operating expenses decrease by 500bps from the base case, PAT will increase by 1.2-1.4%.
- **Operating expenses increase by 1000bps:** If the operating expenses increase by 1000bps from the base case, PAT will decrease by 2.4-2.8%.

### Scenario 3:

- **Premium turnover increases by 1000bps:** If premium turnover increases by 1000bps from the base case, PAT will increase by 4.6-5%.
- **Premium turnover decreases by 2000bps:** If premium turnover decreases by 2000bps from the base case, PAT will decrease by 9.2-10%.

**Exhibit 142: Impact of change in transaction income on PAT**

(Rs mn)	Base case			Bull case			Bear case		
				(+500bps growth from base case)			(1,000bps decline from base case)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Transaction income	1,16,054	1,39,029	1,68,097	1,21,857	1,45,981	1,76,501	1,04,449	1,25,126	1,51,287
Total income	1,89,605	2,17,498	2,54,121	1,95,407	2,24,449	2,62,526	1,77,999	2,03,595	2,37,312
PBT	1,44,282	1,67,525	1,99,379	1,48,698	1,72,879	2,05,974	1,35,451	1,56,816	1,86,191
PAT	1,07,923	1,25,308	1,49,136	1,11,226	1,29,313	1,54,068	1,01,317	1,17,298	1,39,271
Impact on PAT (%)				3.1%	3.2%	3.3%	-6.1%	-6.4%	-6.6%

Source: Centrum Broking

**Exhibit 143: Impact of change in operating expenses on PAT**

(Rs mn)	Base case			Bull case			Bear case		
				(500bps decrease from base case)			(+1,000bps increase from base case)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total revenue	1,89,605	2,17,498	2,54,121	1,89,605	2,17,498	2,54,121	1,89,605	2,17,498	2,54,121
Total expenses	40,343	43,599	47,056	38,326	41,419	44,703	44,378	47,959	51,762
PBT	1,44,282	1,67,525	1,99,379	1,46,299	1,69,705	2,01,732	1,40,248	1,63,165	1,94,674
PAT	1,07,923	1,25,308	1,49,136	1,09,432	1,26,939	1,50,896	1,04,905	1,22,047	1,45,616
Impact on PAT (%)				1.4%	1.3%	1.2%	-2.8%	-2.6%	-2.4%

Source: Centrum Broking

**Exhibit 144: Impact of change in premium turnover on PAT**

(Rs mn)	Base case			Bull case			Bear case		
				(+1000bps growth from base case)			(2,000bps decline from base case)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Premium turnover	1,24,889	1,50,223	1,81,351	1,37,378	1,65,245	1,99,486	99,912	1,20,178	1,45,081
Transaction income	1,16,054	1,39,029	1,68,097	1,24,796	1,49,545	1,80,791	98,570	1,17,998	1,42,707
Total income	1,89,605	2,17,498	2,54,121	1,98,347	2,28,013	2,66,816	1,72,120	1,96,467	2,28,732
PBT	1,44,282	1,67,525	1,99,379	1,50,935	1,75,624	2,09,339	1,30,977	1,51,326	1,79,459
PAT	1,07,923	1,25,308	1,49,136	1,12,899	1,31,367	1,56,586	97,971	1,13,192	1,34,236
Impact on PAT (%)				4.6%	4.8%	5.0%	-9.2%	-9.7%	-10.0%

Source: Centrum Broking

## Key risks

**Regulatory intervention:** NSE remains vulnerable to regulatory policy changes around transaction fees, margin requirements, and product approvals, which could directly impact revenues.

**Technology infrastructure & cybersecurity risk:** Any system outages, latency issues or cyberattacks could disrupt trading, damage reputation, and trigger penalties.

**Economic & market volatility:** Prolonged bearish trends, recession, or geopolitical instability could reduce trading volumes and slow overall business momentum.

**Market share erosion in cash equities:** BSE's relative strength in the cash segment could limit NSE's overall growth, especially among retail investors.

**Mutual fund platform competition:** BSE's StAR MF platform already has strong distributor traction, which could hinder NSE's MF platform expansion.

**Reputational & compliance risk:** Past controversies like co-location highlight the sensitivity of compliance; further lapses could lead to penalties and reputational loss.

**Concentration risk in derivatives:** Heavy dependence on derivatives revenue makes NSE vulnerable to regulatory restrictions or a structural market shift.

## Company profile and management

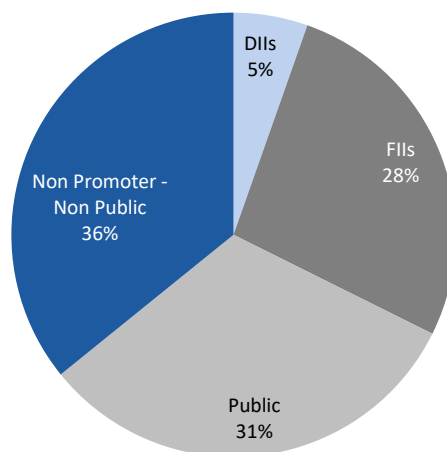
Established in 1992, the National Stock Exchange (NSE) is India's leading and most liquid stock exchange. Based in Mumbai, it offers a wide spectrum of products such as equities, equity derivatives, currencies, debt instruments, and mutual funds, and has built the country's largest derivatives market by volume. By 2025, NSE had emerged as one of the world's top exchanges in terms of trading activity, with robust participation from both institutional and retail investors. As of Jun'25, NSE has 220mn+ registered investor accounts, with 2,758 companies listed on the exchange.

### Exhibit 145: Key personnel

Name	Designation	Qualification	Experience
Mr. Ashishkumar Chauhan	Managing Director & CEO	IIT Bombay, IIM Calcutta	BSE, Reliance Industries
Mr. Ian De Souza	Chief Financial Officer	CA, CMA	Bank of Baroda, YES Bank
Mr. Sriram Krishnan	Chief Business Development Officer	CA, CMA	NSDL
Mr. K S Somasundaram	Chief Enterprise Risk Officer	BITS Pilani, IIM Bangalore	Citi Bank, YES Bank
Mr. Mayur Sindhwad	Chief Technology Officer- Operations	CS, CMA	Oracle, TCS, Edelweiss
Mr. Piyush Chourasia	Chief Regulatory Officer - Member Compliance, Surveillance, Member Inspection & Investigation	BTech, MBA IIM Ahmedabad	Indian Clearing Corporation Ltd. (ICCL)
Mr. Sampath Manickam	Chief Technology Officer - Technology Infrastructure	BTech - BITS Pilani	Wipro, IBM, Jio
Prof. S. Sudarshan	Public Interest Director	IIT Madras	AT&T Bell Laboratories
Mr. Rajesh Gopinathan	Public Interest Director	BE - Electrical and Electronics Engineering	TCS

Source: Company Data, Centrum Broking

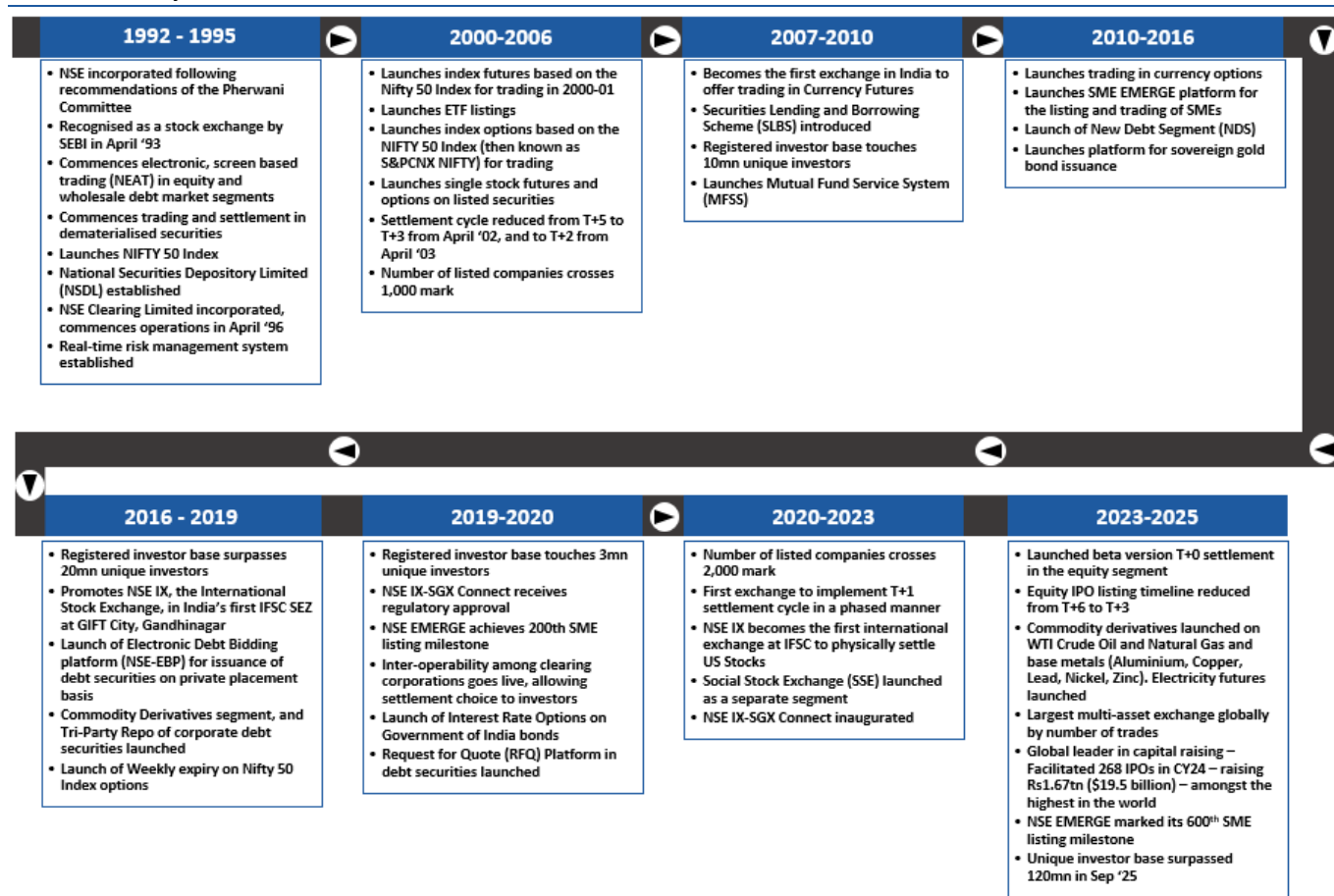
### Exhibit 146: Shareholding pattern (%)



Source: Company Data, Centrum Broking. Note: Shareholding pattern as of Jun '25.

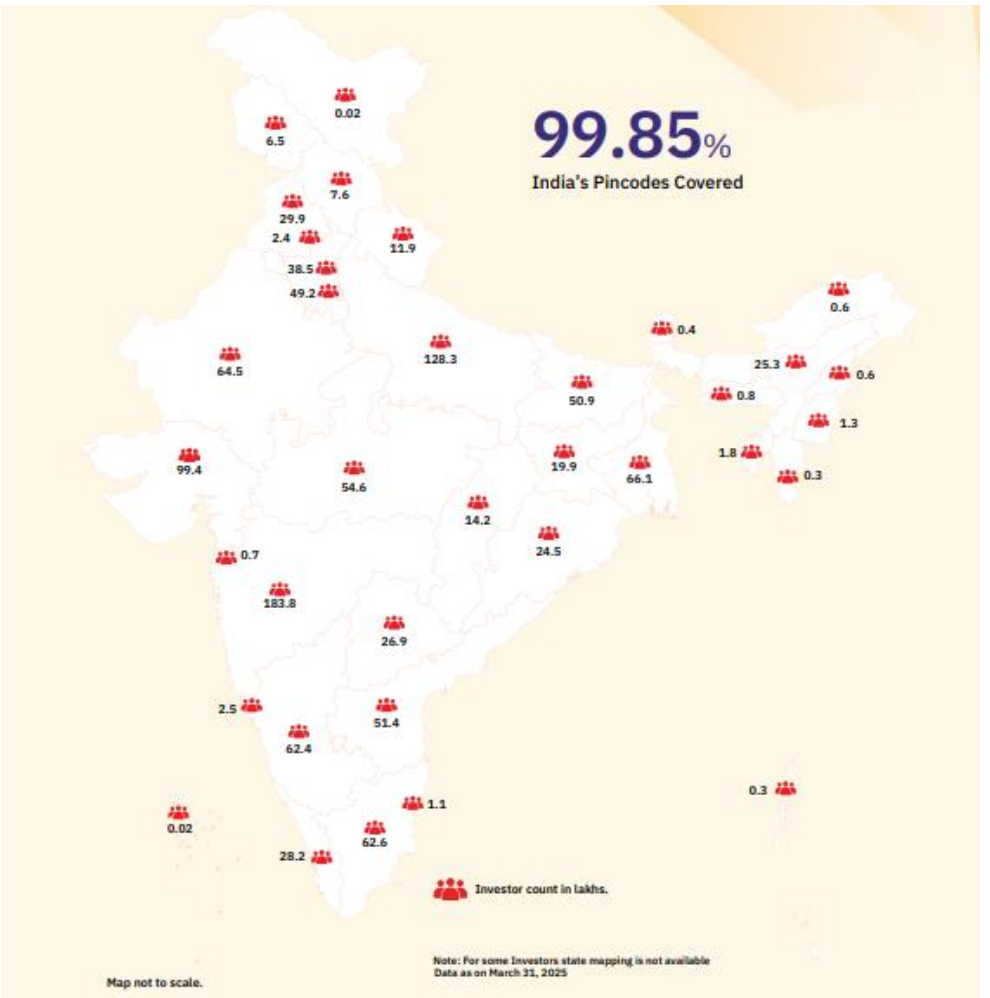
## Annexures

Exhibit 147: Key milestones

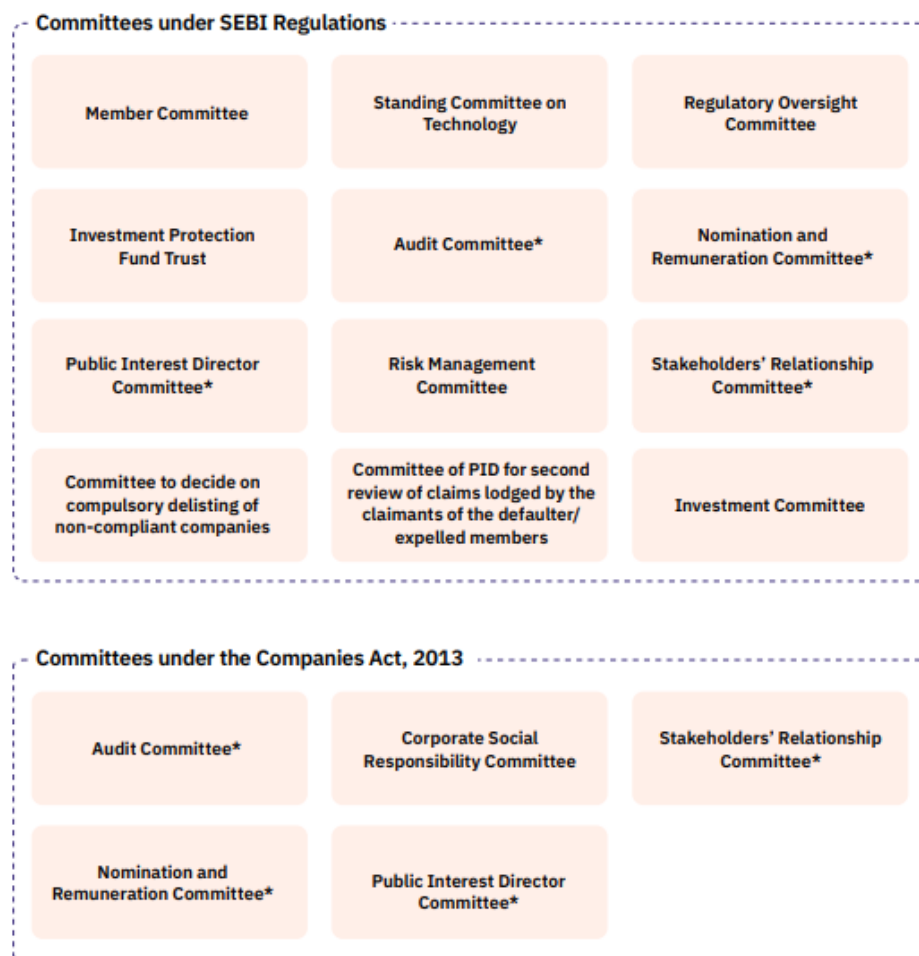


Source: Company Data, Centrum Broking

Exhibit 148: Investors across the country



Source: Company Data, Centrum Broking

**Exhibit 149: Board Committees: Oversight and Accountability**

\*Common committees under both SEBI Regulations and the Companies Act, 2013.

Source: Company Data, Centrum Broking

**Exhibit 150: Subsidiary companies**

Subsidiaries	% of shares held by listed entity	FY25 Turnover (Rs mn)	Principal activities
NSE Clearing Limited	100.0	27,500	Clearing and settlement
NSE IFSC Clearing Corporation Limited	100.0	271	Clearing and settlement
NSE IFSC Limited	100.0	1,365	Stock exchange services
NSE Foundation (Section 8 Company)	100.0	211	Corporate social responsibility activities
NSE Investments Limited	100.0	11,460	Investment entity
NSE Administration & Supervision Limited	100.0	0.3	Administration of SEBI registered Research Analyst
NSE Indices Limited	100.0	1,604	Index services
NSE Sustainability Ratings & Analytics Limited	100.0	4	ESG Rating
NSE Data & Analytics Limited	100.0	3,505	Data feed services
Cogencis Information Services Limited	100.0	997	Data terminal services
NSE Academy Limited	100.0	562	Financial literacy programmes
Talentsprint Private Limited	100.0	1,377	Skill development and training programme
TalentSprint Inc.	100.0	120	Skill development and training programme

Source: Company Data, Centrum Broking

**Exhibit 151: Change in expiry (NSE circular)**

Sr. no.	Index/ Stock derivatives	Contract		Existing Expiry & Maturity Date as Thursday	Revised Expiry & Maturity Date as Tuesday	Comments
1	NIFTY	Weekly Contracts		03-07-25	No Revision	-
				10-07-25		-
				17-07-25		-
				24-07-25		-
				07-08-25		To be generated with Thursday expiry on July 03, 2025 (EOD)
				14-08-25		To be generated with Thursday expiry on July 10, 2025 (EOD)
				21-08-25		To be generated with Thursday expiry on July 17, 2025 (EOD)
				-	02-Sep-25 (New weekly contract)	To be generated with Tuesday expiry on July 24, 2025 (EOD)
				-	09-Sep-25 (New weekly contract)	To be generated with Tuesday expiry on August 07, 2025 (EOD)
				-	16-Sep-25 (New weekly contract)	To be generated with Tuesday expiry on August 14, 2025 (EOD)
				-	23-Sep-25 (New weekly contract)	To be generated with Tuesday expiry on August 21, 2025 (EOD)
		Monthly contracts		26-06-25	No Revision	-
				31-07-25		
				28-08-25		
				-		
				-	28-Oct-25 (New monthly contract)	To be generated with Tuesday expiry on July 31, 2025 (EOD)
		Quarterly		25-09-25	30-09-25	All the long-dated index options contracts shall be realigned with new expiry day from July 31, 2025 (EOD)
				24-Dec-25 (since 25 Dec-25 is holiday)	30-12-25	
				26-03-26	31-03-26	
		Half Yearly		25-06-26	30-06-26	All the long-dated index options contracts shall be realigned with new expiry day from July 31, 2025 (EOD)
				31-12-26	29-12-26	
				24-06-27	29-06-27	
				30-12-27	28-12-27	
				29-06-28	27-06-28	
				28-12-28	26-12-28	
				28-06-29	26-06-29	-
				27-12-29	24-Dec-29 (since 25-Dec-29 is holiday)	
				-	25-Jun-30 (New half yearly contract)	
				-	-	To be generated with Tuesday expiry on June 26, 2025 (EOD)
2	BANKNIFTY	Monthly		26-06-25	No Revision	-
				31-07-25		
				28-08-25		
		Quarterly		25-09-25	30-09-25	All the long-dated index options contracts shall be realigned with new expiry day from July 31, 2025 (EOD)
				24-Dec-25 (since 25-Dec-25 is holiday)	30-12-25	
				26-03-26	31-03-26	
3	FINNIFTY, MIDCPNIFTY and NIFTYNXT50	Monthly Contracts		26-06-25	No Revision	-
				31-07-25		
				28-08-25		
				-	30-Sep-25 (New monthly contract)	To be generated with Tuesday expiry on June 26, 2025 (EOD)
4	Single Stock	Monthly Contracts		26-06-25	No Revision	-
				31-07-25		
				28-08-25		
				-	30-Sep-25 (New monthly contract)	To be generated with Tuesday expiry on June 26, 2025 (EOD)
				-	-	

Source: Company Data, Centrum Broking. Note: Data as per NSE circular dated 25<sup>th</sup> June, 2025.



P&L					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from Operations	1,47,800	1,71,407	1,59,362	1,88,303	2,23,418
Other Income	16,536	20,362	30,242	29,195	30,703
Total Income	1,64,336	1,91,768	1,89,605	2,17,498	2,54,121
Total Operating Expenses	31,694	42,597	40,343	43,599	47,056
EBITDA	1,32,643	1,49,171	1,49,261	1,73,899	2,07,065
Profit before tax	1,11,843	1,54,748	1,44,282	1,67,525	1,99,379
Total Tax Expense	27,778	38,690	36,359	42,216	50,244
Tax Rate (%)	24.8	25.0	25.2	25.2	25.2
Profit After Tax (PAT)	84,065	1,16,058	1,07,923	1,25,308	1,49,136

Profitability Ratios					
YE Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
EBITDA Margin	80.7	77.8	78.7	80.0	81.5
PBT Margin	68.1	80.7	76.1	77.0	78.5
Net profit margin	51.2	60.5	56.9	57.6	58.7
Return on avg. Assets (ROAA)	16.5	17.2	14.8	15.5	16.7
Return on avg equity (ROAE)	37.8	42.7	33.8	35.3	37.7

DuPont					
YE Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from operations /Average Assets	29.0	25.4	21.8	23.3	25.0
Other income /Average Assets	3.2	3.0	4.1	3.6	3.4
Operating expense/Average Assets	6.2	6.3	5.5	5.4	5.3
Non-operating expense/Average Assets	0.9	0.8	0.9	1.0	1.1
Tax/ Average assets	5.4	5.7	5.0	5.2	5.6
ROAA	16.5	17.2	14.8	15.5	16.7
Average Assets/ Average Equity (x)	2.3	2.5	2.3	2.3	2.3
ROAE	37.8	42.7	33.8	35.3	37.7

Source: Company Data, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity Share Capital	495	2,475	2,475	2,475	2,475
Reserves & Surplus	2,39,244	3,01,058	3,33,435	3,71,028	4,15,768
Total Equity	2,39,739	3,03,533	3,35,910	3,73,503	4,18,243
Other Liabilities	3,25,799	2,70,381	2,97,419	3,27,161	3,59,877
Core SGF	89,102	1,20,753	1,32,828	1,46,111	1,60,722
<b>Total Liabilities</b>	<b>6,54,640</b>	<b>6,94,666</b>	<b>7,66,157</b>	<b>8,46,774</b>	<b>9,38,842</b>
Cash and Bank balance	2,91,110	2,75,142	3,11,677	3,54,247	4,04,647
Investments	1,04,710	1,64,831	1,81,314	1,99,446	2,19,390
Other Assets	2,58,820	2,54,693	2,73,165	2,93,082	3,14,804
<b>Total Assets</b>	<b>6,54,640</b>	<b>6,94,666</b>	<b>7,66,157</b>	<b>8,46,774</b>	<b>9,38,842</b>

Growth ratios					
YE Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from operations		16.0	-7.0	18.2	18.6
EBITDA		12.5	0.1	16.5	19.1
PBT		38.4	-6.8	16.1	19.0
PAT		38.1	-7.0	16.1	19.0
EPS		46.7	-11.5	16.1	19.0

Per Share Data (Rs)					
YE Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	33.6	49.2	43.6	50.6	60.3
BVPS	96.9	122.6	135.7	150.9	169.0
DPS	18.0	35.0	30.5	35.4	42.2

Source: Company Data, Centrum Broking

## Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. "Investment in securities market are subject to market risks. Read all the related documents carefully before investing."

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by them, Mr. Mohit Mangal & Mr. Harsh Hulsogi, research analyst and and/or any of their family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by them, they are not received any compensation from the above companies in the preceding twelve months. They do not hold any shares by them or through their relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release such report. Our entire research professionals are our employees and are paid a salary. They do not have any other material conflict of interest of the research analyst or member of which the research analyst knows of has reason to know at the time of publication of the research report or at the time of the public appearance.

While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances.

This report is not directed to, or intended for distribution to 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 or regulation or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.

#### Ratings definitions

Our ratings denote the following 12-month forecast returns:

Buy – The stock is expected to deliver above 10% returns

Neutral – The stock is expected to deliver -10% to +10% returns.

Sell – The stock is expected to deliver <-10% returns

#### BSE Ltd.



Source: Bloomberg

Disclosure of Interest Statement	
1 Business activities of Centrum Broking Limited (CBL)	Centrum Broking Limited (hereinafter referred to as "CBL") is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.
2 Details of Disciplinary History of CBL	CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing /dealing in securities market.
3 Registration status of CBL:	CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)
	<b>BSE Ltd</b>
4 Whether Research analyst's or relatives' have any financial interest in the subject company and nature of such financial interest	No
5 Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.	No
6 Whether the research analyst or his relatives has any other material conflict of interest	No
7 Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received	No
8 Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report	No
9 Whether Research Analysts has served as an officer, director or employee of the subject company	No
10 Whether the Research Analyst has been engaged in market making activity of the subject company.	No
11 Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;	No
12 Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;	No
13 Whether it or its associates 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;	No

**Member (NSE and BSE). Member MSEI (Inactive)**

**Single SEBI Regn. No.: INZ000205331**

**Depository Participant (DP)**

CDSL DP ID: 120 – 12200

Single SEBI Regn. No.: IN-DP-537-2020

Research Analyst

SEBI Registration No. INH000001469

Mutual Fund Distributor

AMFI REGN No. ARN- 147569

**Website:** [www.centrumbroking.com](http://www.centrumbroking.com)

**Investor Grievance Email ID:** [investor.grievances@centrum.co.in](mailto:investor.grievances@centrum.co.in)

**Compliance Officer Details:**

Chintan Madiya

(022) 4215 9000/9023; Email ID: [compliance@centrum.co.in](mailto:compliance@centrum.co.in)

**Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)**

**Registered and Corporate Office:**

Level -9, Centrum House, C.S.T. Road,

Vidyanagari Marg, Kalina,

Santacruz (East) Mumbai – 400098

Tel.: - +91 22 4215 9000