

**DEEP DIVE**

**MCX**



# MCX

## The new gold standard

MCX presents a compelling growth story, driven by (1) new product launches (gold and silver monthly expiry options); (2) robust pipeline of new products (index and weekly options); (3) focus on technology and upgrades which enhance network capacity, agility, and speed to market; and (4) increasing institutional participation and hedging activity on the platform. The options notional and premium volume have registered robust growth (+18/14% CQGR), following the tech transition, leading to 2.5x increase in volumes. However, the options premium is still dominated by crude and natural gas premium (~85%) and we believe that the launch of monthly expiry gold and silver options contracts will trigger the next leg of growth. The initial success has been achieved with the launch of gold monthly expiry options in Q3FY25, with the premium contribution from bullion increasing from 7% in Q2FY25 to ~16% in Q1FY26, ~3.3x YoY. Now with the launch of silver monthly expiry options in June 2025, we expect volumes to further pick up. The launch pipeline is even more exciting with index options and weekly options awaiting regulatory approval. The index options product will be cash-settled and is expected to attract greater interest from institutional participants. We believe that MCX will witness sustained growth in options volume and new products will provide additional push to the growth story. We expect notional/premium volume to register a +34/27% CAGR over FY25-28E. We increase our revenue and EPS estimates by 5-8% and increase the multiple to 45x vs 40x earlier, based on optional value and better growth visibility. We maintain BUY with a target price of INR 9,040, based on 45x June-27E core EPS.

- New launches to boost volume:** MCX has recently received regulatory approval to launch an electricity futures contract. This addition will expand the MCX energy portfolio and is expected to incrementally contribute ~8-10% to the futures volume. MCX has also revamped its gold and silver options portfolio by introducing monthly expiries and smaller-sized contracts. Products like the Gold 10g Futures (launched in April 2025) and the monthly expiry of gold and silver contracts have led to an increase in bullion volume. The launches of Gold 1KG monthly expiry options in Q3 and the Silver Mini 5KG monthly expiry contract have received a positive response, with bullion options notional/premium ADTV increasing from 20/8% in Q3FY25 to ~36/16% in Q1FY26. Bullion notional ADTV stands at INR 912bn in Q1, which is ~36% of the total notional turnover, although the P/N ratio for bullion is lower than the company average. With a P/N of 0.72% (vs 1.7% for crude and 3% for NG), the bullion premium ADTV is at INR 6.54bn, representing ~16% of MCX's total premium ADTV of INR 42bn for Q1FY26. We expect the bullion premium ADTV to reach ~15-16bn in FY27E exit, which is ~28% of the total premium. The increase in lower P/N bullion volume will also drag the aggregate P/N, and we have assumed a P/N of 1.45% in FY27E vs 1.63% in FY25.
- Index and weekly options—embedded option value:** MCX is in a gearing for the launch of index options and weekly expiry options. The company has full readiness from a technical and go-to-market standpoint for these new offerings but is awaiting final regulatory approvals. Unlike other option products that are based on futures, these index options will be cash-settled, based directly on the underlying index, making them independent of index futures. This unique structure is expected to bring in Foreign Institutional Investor (FII) participation, especially as more products become eligible for FPI trading. MCX currently has two index contracts, BULLDEX (Bullion Index) and METLDEX (Base Metal Index), and options will mostly start with bullion index. We believe that index options could add ~20% of the existing premium ADTV, which will boost revenue by ~15-17% and PAT by ~20-22%.

## BUY

CMP (as on 23 Jun 2025) INR 8,292

Target Price INR 9,040

NIFTY 24,972

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 7,000	INR 9,040
EPS %	FY26E +5.1	FY27E +8.6

### KEY STOCK DATA

Bloomberg code	MCX IN
No. of Shares (mn)	51
MCap (INR bn) / (\$ mn)	423/4,874
6m avg traded value (INR mn)	3,291
52 Week high / low	INR 8,343/3,620

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	51.8	30.1	117.7
Relative (%)	45.3	25.8	111.6

### SHAREHOLDING PATTERN (%)

	Dec-24	Mar-25
Promoters	0.00	0.00
FIs & Local MFs	56.26	58.10
FPIs	23.13	21.81
Public & Others	20.61	20.09
Pledged Shares	0.00	0.00

Source : BSE

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- Jump in volumes from existing products:** The futures volume recovered strongly in Q1FY26, with an ADTV of INR 410bn, driven by a surge in gold volume. The futures volume was flat over the last four quarters and has now witnessed a jump of ~50% in Q1FY26. Options notional ADTV increased by 18% in Q1FY26, reaching INR 2.7trn in June 2025, a 71% YoY growth. Premium collection improved to INR 46bn in June 2024, with premium realization rising to 1.8%, after hitting a low of 1.3% in Feb 2025. This increase in premium collection is attributed to higher volatility and rise in bullion volume. We expect futures volumes of INR 382/416bn and options notional volume is estimated at INR 2.7/3.5trn for FY26/27E. The premium ADTV is projected to be INR 42.44/51.65bn for FY26/27E, resulting in premium realizations of 1.59% and 1.45% for FY26 and FY27, respectively.
- Valuations and view:** MCX is up ~27/116% in the last 1M/1Y and is trading at a P/E of 44x FY27E, which is a ~10% discount to BSE. Historically, MCX has traded at a 10-15% premium to BSE. The rising volumes, stable tech platform, regulatory tailwinds, and the option value linked to the launch of new products have resulted in outperformance, which we believe will continue. The stock has traded at an average one-year forward P/E of ~44x and is currently trading at a P/E of 53/44x FY26/27E EPS. We increase the P/E multiple to 45x, which implies a PEG of 1.5x.

#### Financial highlights (Consolidated)

YE March (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	3,906	3,668	5,135	6,836	11,127	14,930	17,418	20,838
EBITDA	1,852	1,622	1,497	1,000	7,326	10,648	12,668	15,761
APAT	2,252	1,639	1,490	831	5,600	8,045	9,613	11,975
APAT*	2,252	1,639	2,390	3,306	5,600	8,045	9,613	11,975
Diluted EPS (INR)	44.3	32.2	46.9*	64.8*	109.8	157.8	188.5	234.8
P/E (x)	187.4	257.6	176.6*	127.9*	75.5	52.6	44.0	35.3
EV / EBITDA (x)	221.9	252.4	276.7	410.8	55.4	38.2	31.9	25.4
RoE (%)	16.2	11.6	10.3	5.8	34.3	40.1	42.3	46.1

Source: Company, HSIE research, \*adjusted for technology cost

### MCX Valuation

MCX valuation scenarios	Base Case (Bullion options*)	Bull Case (Index options)
Futures ADTV FY27E (INR bn)	416.42	416.42
Futures ADTV CAGR FY25E-28E	19.7%	19.7%
Options ADTV FY27E (INR bn)	3,555.96	7,111.92
Options ADTV CAGR FY25E-28E	34%	34%
Options Premium ADTV FY27E (INR bn)	51.65	65.87
Options Premium CAGR FY25E-28E	27%	36%
P/N%	1.5%	0.9%
Revenue Futures (FY27E) INR bn	4.53	4.53
Revenue Options (FY27E) INR bn	11.18	14.26
Total Revenue (FY27E) INR bn	17.42	20.50
<b>Revenue CAGR % (FY25-28E)</b>	<b>23.3%</b>	<b>28.9%</b>
Total EBIT (FY27E) INR bn	<b>11.71</b>	<b>14.45</b>
EBIT % FY27E	67.3%	70.5%
EBIT CAGR % (FY25-28E)	30%	37%
Total PAT (FY27E) INR bn	9.61	11.79
PAT CAGR % (FY25-28E)	29%	36%
<b>Core PAT June-27E (INR bn)</b>	<b>9.90</b>	<b>12.06</b>
Core PAT multiple (x)	45	45
MCX Core Value (INR bn)	445.51	545.46
<b>Add: Net Cash (INR bn) ex SGF</b>	<b>15.52</b>	<b>15.52</b>
Mcap (INR bn)	461.02	560.98
<b>TP (INR)</b>	<b>9,040</b>	<b>11,000</b>
Upside (%)	9%	33%

Source: HSIE research, \* Assumed modest rise in bullion options ~25% of total premium in FY27E.

## MCX assumptions

MCX (INR mn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR % FY20-25	CAGR % FY25-28E
Futures ADTV (INR bn)	256.48	324.24	312.81	257.45	233.35	195.27	270.38	382.05	416.38	464.02	-3.6%	19.7%
Growth %		26.4%	-3.5%	-17.7%	-9.4%	-16.3%	38.5%	41.3%	9.0%	11.4%		
Options ADTV (INR bn)	7.04	11.26	8.98	78.29	338.66	888.94	1,911.69	2,676.52	3,555.96	4,612.28	179.2%	34.1%
Growth %	1634.6%	59.9%	-20.3%	771.7%	332.5%	162.5%	115.1%	40.0%	32.9%	29.7%		
Options Premium ADTV (INR bn)					8.20	16.91	31.19	42.44	51.65	64.57		27.5%
Growth %					106.3%	84.4%	36.1%	21.7%	25.0%			
Premium/Notional %					2.4%	1.9%	1.63%	1.59%	1.45%	1.4%		
Futures Revenue	2,863	3,535	3,404	2,837	2,512	2,092	2,977	4,156	4,529	5,048	-3.4%	19.2%
Growth %		23.5%	-3.7%	-16.7%	-11.5%	-16.7%	42.3%	39.6%	9.0%	11.4%		
% of Transaction Revenue	100.0%	100.0%	100.0%	89.8%	58.8%	37.3%	30.6%	31.1%	28.8%	26.5%	-21.1%	
Option Revenue	0	0	0	323	1,761	3,515	6,756	9,190	11,183	13,981		27.4%
Growth %				444.6%	99.6%	92.2%	36.0%	21.7%	25.0%			
% of Transaction Revenue	0.0%	0.0%	0.0%	10.2%	41.2%	62.7%	69.4%	68.9%	71.2%	73.5%		
<b>Total Transaction Revenue</b>	<b>2,863</b>	<b>3,535</b>	<b>3,404</b>	<b>3,160</b>	<b>4,273</b>	<b>5,607</b>	<b>9,733</b>	<b>13,346</b>	<b>15,713</b>	<b>19,029</b>	<b>22.5%</b>	<b>25.0%</b>
Growth %		23.5%	-3.7%	-7.2%	35.2%	31.2%	73.6%	37.1%	17.7%	21.1%		

MCX (INR mn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR % FY20-25	CAGR % FY25-28E
Transaction Revenue	2,863	3,535	3,404	3,160	4,273	5,607	9,733	13,346	15,713	19,029	22.5%	25.0%
Other Operating Revenue	137	444	502	508	862	1,228	1,394	1,584	1,705	1,809	25.7%	9.1%
<b>Total Revenue</b>	<b>3,000</b>	<b>3,978</b>	<b>3,906</b>	<b>3,668</b>	<b>5,135</b>	<b>6,836</b>	<b>11,127</b>	<b>14,930</b>	<b>17,418</b>	<b>20,838</b>	<b>22.8%</b>	<b>23.3%</b>
Growth YoY %	15.5%	32.6%	-1.8%	-6.1%	40.0%	33.1%	62.8%	34.2%	16.7%	19.6%		

MCX (INR mn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR % FY20-25	CAGR % FY25-28E
<b>Cost Structure</b>												
CDP Cost	614	689	636	640	1,961	3,855	927	1,081	1,225	1,303	6.1%	12.0%
Product Licence Fees	205	206	211	205	270	396	694	842	985	1,061	27.5%	15.2%
Other Overheads	517	526	456	402	488	461	737	790	845	897	7.0%	6.8%
Employee Cost	725	773	751	800	919	1,123	1,443	1,569	1,694	1,816	13.3%	8.0%
<b>Total Cost</b>	<b>2,061</b>	<b>2,195</b>	<b>2,053</b>	<b>2,046</b>	<b>3,638</b>	<b>5,835</b>	<b>3,800</b>	<b>4,282</b>	<b>4,750</b>	<b>5,076</b>	<b>11.6%</b>	<b>10.1%</b>
Adjusted Cost	2,061	2,195	2,053	2,046	2,438	3,785	3,800	4,282	4,750	5,076		10.1%
EBITDA mn	940	1,784	1,852	1,622	1,497	1,000	7,326	10,648	12,668	15,761	32.7%	29.1%
<b>EBITDA margin %</b>	<b>31.3%</b>	<b>44.8%</b>	<b>47.4%</b>	<b>44.2%</b>	<b>29.1%</b>	<b>14.6%</b>	<b>65.8%</b>	<b>71.3%</b>	<b>72.7%</b>	<b>75.6%</b>		
<b>Adjusted EBITDA</b>	<b>940</b>	<b>1,784</b>	<b>1,852</b>	<b>1,622</b>	<b>2,697</b>	<b>4,300</b>	<b>7,326</b>	<b>10,648</b>	<b>12,668</b>	<b>15,761</b>	<b>32.7%</b>	<b>29.1%</b>
Depreciation	154	182	221	227	216	359	638	891	954	1,074	28.6%	19.0%
Growth YoY %	-7.3%	17.6%	21.5%	2.9%	-4.9%	66.5%	77.4%	39.7%	7.1%	12.6%		
<b>Adjusted EBITDA %</b>	<b>31.3%</b>	<b>44.8%</b>	<b>47.4%</b>	<b>44.2%</b>	<b>52.5%</b>	<b>62.9%</b>	<b>65.8%</b>	<b>71.3%</b>	<b>72.7%</b>	<b>75.6%</b>		
EBIT	785	1,602	1,632	1,395	1,281	641	6,689	9,757	11,714	14,688	33.1%	30.0%
<b>EBIT margin %</b>	<b>26.2%</b>	<b>40.3%</b>	<b>41.8%</b>	<b>38.0%</b>	<b>24.9%</b>	<b>9.4%</b>	<b>60.1%</b>	<b>65.4%</b>	<b>67.3%</b>	<b>70.5%</b>		

Other Income (including Extraordinary)	748	1,053	1,038	461	677	397	289	346	362	359	-22.8%	7.5%
<b>PBT</b>	<b>1,533</b>	<b>2,653</b>	<b>2,667</b>	<b>1,853</b>	<b>1,955</b>	<b>1,035</b>	<b>6,973</b>	<b>10,099</b>	<b>12,071</b>	<b>15,042</b>	<b>21.3%</b>	<b>29.2%</b>
Tax	75	289	415	406	416	189	1,394	2,075	2,479	3,088	37.0%	30.4%
PAT	1,462	2,365	2,252	1,434	1,490	831	5,600	8,045	9,613	11,975	18.8%	28.8%
<b>APAT</b>	<b>1,700</b>	<b>2,365</b>	<b>2,252</b>	<b>1,639</b>	<b>1,490</b>	<b>831</b>	<b>5,600</b>	<b>8,045</b>	<b>9,613</b>	<b>11,975</b>	<b>18.8%</b>	<b>28.8%</b>
<b>Core PAT</b>	<b>747</b>	<b>1,428</b>	<b>1,377</b>	<b>1,089</b>	<b>1,008</b>	<b>524</b>	<b>5,352</b>	<b>7,753</b>	<b>9,308</b>	<b>11,672</b>	<b>30.2%</b>	<b>29.7%</b>
Adjusted PAT for Tech cost	1,700	2,365	2,252	1,639	2,390	3,306	5,600	8,045	9,613	11,975	18.8%	28.8%
<b>EPS (INR)</b>	<b>33.4</b>	<b>46.5</b>	<b>44.3</b>	<b>32.2</b>	<b>29.3</b>	<b>16.3</b>	<b>109.8</b>	<b>157.8</b>	<b>188.5</b>	<b>234.8</b>	<b>18.8%</b>	<b>28.8%</b>

Source: Company, HSIE Research



### Product launch timeline

Product	Instrument Type	Date	Remark
Steel Rebar	Futures	Jan-24	New Product
Crude Oil Mini	Options	Apr-24	New Product
Natural Gas Mini	Options	Apr-24	New Product
Cotton Seed Wash Oil	Futures	Oct-24	New Product
Gold 1KG Monthly Series	Options	Nov-24	Existing contract but expiry changed from bi-monthly to monthly expiry
Gold 10 G	Futures	Apr-25	New Product
Silver 30 KG Monthly Series	Options	Jun-25	Existing contract but expiry changed from bi-monthly to monthly expiry
Silver 5 KG Monthly Series	Options	Jun-25	Existing contract but expiry changed from bi-monthly to monthly expiry
Electricity Futures	Futures	Jun-25	Approved by regulator, product yet to be launched

Source: Company, HSIE Research

### Products yet to be launched

Product	Instrument Type	Date	Remark
Index Options	Options	NA	Index options will be introduced on bullion and metals.
Weekly Options	Options	NA	The weekly options will be launched on Index options and crude/NG. The contract will be cash settled.
Silver Micro 1KG	Options	NA	Shorter time frame product with monthly expiry.

Source: Company, HSIE Research

### MCX volume growth across futures and options

Commodity Exchanges	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26*
<b>MCX Futures ADTV (INR)</b>	<b>251.22</b>	<b>238.22</b>	<b>238.09</b>	<b>205.71</b>	<b>213.57</b>	<b>187.30</b>	<b>204.49</b>	<b>175.43</b>	<b>259.62</b>	<b>269.32</b>	<b>279.61</b>	<b>273.11</b>	<b>405.74</b>
QoQ Growth %	-4%	-5%	0%	-14%	4%	-12%	9%	-14%	48%	4%	4%	-2%	49%
YoY Growth %	-9%	-7%	0%	-21%	-15%	-21%	-14%	-15%	22%	44%	37%	56%	56%
<b>MCX Options Notional ADTV (INR bn)</b>	<b>195.39</b>	<b>313.81</b>	<b>387.96</b>	<b>457.10</b>	<b>619.28</b>	<b>858.73</b>	<b>944.89</b>	<b>1,136.72</b>	<b>1,467.71</b>	<b>1,933.08</b>	<b>2,038.55</b>	<b>2,209.36</b>	<b>2,593.85</b>
QoQ Growth %	30%	61%	24%	18%	35%	39%	10%	20%	29%	32%	5%	8%	17%
YoY Growth %	929%	421%	358%	203%	217%	174%	144%	149%	137%	125%	116%	94%	77%
<b>MCX Options Premium ADTV (INR bn)</b>	<b>5.03</b>	<b>8.00</b>	<b>9.83</b>	<b>9.90</b>	<b>12.16</b>	<b>15.80</b>	<b>19.35</b>	<b>20.39</b>	<b>23.71</b>	<b>32.64</b>	<b>35.57</b>	<b>32.89</b>	<b>42.60</b>
QoQ Growth %	24%	59%	23%	1%	23%	30%	22%	5%	16%	38%	9%	-8%	30%
YoY Growth %	NM	NM	NM	143%	142%	97%	97%	106%	95%	107%	84%	61%	80%
<b>MCX Premium/Notional %</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.5%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>1.5%</b>	<b>1.6%</b>
QoQ Growth bps	-12	-2	-2	-37	-20	-12	21	-25	-18	7	6	-26	15

Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th, 2025

## Rise of bullion trading: Dominant in futures, gaining in options

- MCX has witnessed a significant change in its commodity futures trading mix over the past two years, with gold increasingly becoming the dominant driver. This rise in gold prices, higher volatility due to geopolitical uncertainties and comparatively lower margin (~6% for gold vs ~30% for crude) has led to surge in gold volume in Q1FY26. Gold now contributes to ~49% of the futures ADTV and the trading volume is up 3x YoY.
- The increase in ADTV is not only led by the rise in underlying gold prices but also the number of contracts traded. The gold ADTV for Q1FY26 is ~198bn, up 166% YoY, supported by ~93% increase in contracts traded and ~30% increase in gold prices.
- The bullion trading is also gaining in the options segment. Bullion notional volume contribution in the options segment has more than doubled from 15% in Q1FY25 to 36% in Q1FY26, demonstrating a robust 311% YoY growth.
- MCX has strategically broadened its bullion product suite by introducing a Gold 10gm Futures contract in April 2025, leading to a volume surge in Q1FY26. Further, the launch of monthly expiry options contracts in gold and silver will lead to volume expansion.
- The Silver Mini 5KG monthly expiry option was launched on 16 Jun, and it touched a notional of INR ~382bn and premium of INR 0.69bn (~2% of total premium ADTV).
- Notably, MCX commands a 100% market share in gold contracts traded on domestic exchanges, positioning it as the primary beneficiary of this growing appetite for gold exposure.

### Rising mix of Bullion in Futures trading

Future ADTV Contribution %	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26*
Gold	17%	19%	18%	25%	24%	21%	23%	29%	29%	30%	28%	36%	49%
Silver	22%	25%	30%	32%	36%	38%	41%	37%	40%	35%	33%	26%	30%
Crude	19%	16%	13%	13%	12%	11%	10%	10%	6%	8%	7%	5%	6%
Natural Gas	28%	23%	22%	13%	16%	18%	17%	15%	14%	14%	19%	23%	9%
Metals	14%	17%	17%	16%	11%	11%	9%	9%	12%	13%	12%	10%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

Future ADTV	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26*
Gold	42.33	45.09	42.80	51.68	51.98	40.06	46.71	50.96	74.33	82.09	78.85	99.26	198.17
Silver	55.02	59.60	72.35	66.80	77.09	71.48	83.50	65.57	103.07	94.75	92.64	71.94	122.02
Crude	47.65	37.41	29.93	26.29	26.49	20.70	21.35	16.78	14.54	21.67	20.74	14.02	24.44
Natural Gas	70.68	54.52	51.43	27.68	35.03	33.97	35.22	26.41	35.10	37.26	52.74	62.25	38.31
Metals	35.38	41.63	41.53	33.13	22.78	21.19	17.61	15.50	32.42	34.22	34.55	26.14	22.85
<b>Total</b>	<b>251.07</b>	<b>238.24</b>	<b>238.05</b>	<b>205.58</b>	<b>213.38</b>	<b>187.41</b>	<b>204.39</b>	<b>175.22</b>	<b>259.46</b>	<b>270.00</b>	<b>279.52</b>	<b>273.60</b>	<b>405.80</b>

Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

## Rising mix of Bullion in Futures trading

Future ADTV Contribution %	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26*
Gold	17%	19%	18%	25%	24%	21%	23%	29%	29%	30%	28%	36%	49%
Silver	22%	25%	30%	32%	36%	38%	41%	37%	40%	35%	33%	26%	30%
Crude	19%	16%	13%	13%	12%	11%	10%	10%	6%	8%	7%	5%	6%
Natural Gas	28%	23%	22%	13%	16%	18%	17%	15%	14%	14%	19%	23%	9%
Metals	14%	17%	17%	16%	11%	11%	9%	9%	12%	13%	12%	10%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

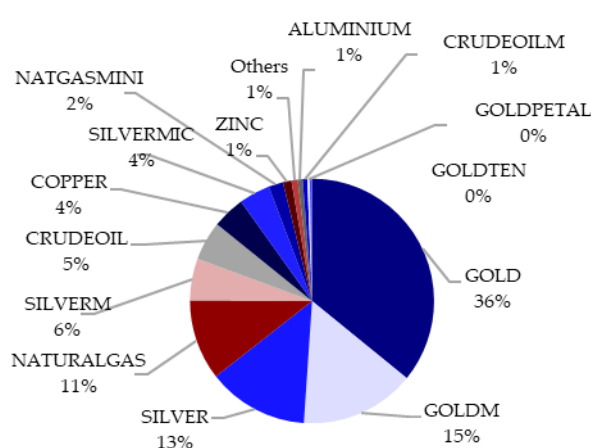
Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

## Mini contracts are now 21% of futures ADTV



Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

## Mix of Futures ADTV contract wise



Source: Company, HSIE Research

## Options Notional ADTV contract wise: Crude and Natural gas are top contributors, gold and mini contracts are growing

Option Notional ADTV (INR bn)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26*
CRUDEOIL	235.02	281.85	369.10	475.18	661.49	731.70	885.50	1,062.82	1,495.99	1,373.50	1,265.14	1,288.32
NATURALGAS	62.79	84.72	52.38	73.05	111.44	130.54	125.46	180.46	172.75	237.57	366.05	365.49
GOLD	12.61	13.94	27.19	40.37	53.68	45.04	79.12	100.81	143.37	240.92	394.43	613.69
GOLDM	0.66	1.89	1.89	4.95	4.59	8.65	8.23	27.94	39.81	85.55	89.44	153.60
SILVER	2.40	4.84	5.27	22.28	23.15	24.34	33.77	80.53	55.40	60.45	51.50	103.84
SILVERM	0.30	0.70	1.24	3.39	4.20	4.34	4.42	12.57	12.84	19.74	16.06	37.48
CRUDEOILM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.09	9.45	14.27	14.77	18.20
NATGASMINI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.69	1.66	3.93	9.00	10.32
COPPER	0.02	0.03	0.03	0.05	0.18	0.28	0.21	0.75	1.73	2.39	2.72	2.76
ZINC	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.05	0.07	0.23	0.25	0.14
NICKEL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZINCMINI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>313.81</b>	<b>387.96</b>	<b>457.10</b>	<b>619.28</b>	<b>858.73</b>	<b>944.89</b>	<b>1,136.72</b>	<b>1,467.71</b>	<b>1,933.08</b>	<b>2,038.55</b>	<b>2,209.36</b>	<b>2,593.85</b>

Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025



**Options Notional ADTV mix: Crude and Natural is 65% while bullion is now 35% of ADTV**

Option Notional ADTV Contribution %	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26*
CRUDEOIL	74%	75%	73%	81%	77%	77%	77%	78%	72%	77%	67%	57%	50%
NATURALGAS	20%	20%	22%	11%	12%	13%	14%	11%	12%	9%	12%	17%	14%
GOLD	5%	4%	4%	6%	7%	6%	5%	7%	7%	7%	12%	18%	24%
GOLDM	0%	0%	0%	0%	1%	1%	1%	1%	2%	2%	4%	4%	6%
SILVER	1%	1%	1%	1%	4%	3%	3%	3%	5%	3%	3%	2%	4%
SILVERM	0%	0%	0%	0%	1%	0%	0%	0%	1%	1%	1%	1%	1%
CRUDEOILM	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%
NATGASMINI	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
COPPER	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
ZINC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
NICKEL	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
ZINCMINI	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

**Options Premium ADTV contract wise: Crude and Natural gas is the bulk of volume**

Option Premium ADTV (INR bn)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26*
CRUDEOIL	5.72	6.37	7.36	9.12	11.69	14.55	14.91	16.03	24.92	24.67	18.72	24.49
NATURALGAS	2.17	3.29	2.28	2.51	3.53	4.03	4.59	5.65	5.37	7.42	10.59	10.87
GOLD	0.11	0.18	0.26	0.53	0.58	0.77	0.39	0.72	0.85	1.17	1.60	3.74
GOLDM	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.16	0.23	0.43	0.45	1.19
SILVER	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.90	0.79	0.84	0.76	1.19
SILVERM	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.20	0.22	0.32	0.22	0.37
CRUDEOILM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.18	0.29	0.23	0.36
NATGASMINI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.06	0.15	0.30	0.36
COPPER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.02	0.03	0.02	0.03
ZINC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NICKEL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZINCMINI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>8.00</b>	<b>9.83</b>	<b>9.90</b>	<b>12.16</b>	<b>15.80</b>	<b>19.35</b>	<b>20.39</b>	<b>23.71</b>	<b>32.64</b>	<b>35.32</b>	<b>32.89</b>	<b>42.60</b>

Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

**Options Premium ADTV mix: Crude and Natural is 85% while bullion is now 15% of ADTV**

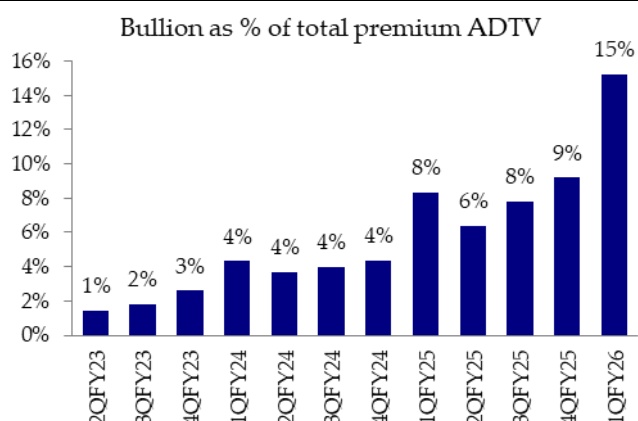
Option Premium ADTV Contribution %	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26*
CRUDEOIL	71%	65%	74%	75%	74%	75%	73%	68%	76%	70%	57%	57%
NATURALGAS	27%	33%	23%	21%	22%	21%	23%	24%	16%	21%	32%	26%
GOLD	1%	2%	3%	4%	4%	4%	2%	3%	3%	3%	5%	9%
GOLDM	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	3%
SILVER	0%	0%	0%	0%	0%	0%	2%	4%	2%	2%	2%	3%
SILVERM	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%
CRUDEOILM	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%
NATGASMINI	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%
COPPER	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
ZINC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
NICKEL	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
ZINCMINI	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

Option P/N %	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26*
CRUDEOIL	2.4%	2.3%	2.0%	1.9%	1.8%	2.0%	1.7%	1.5%	1.7%	1.8%	1.5%	1.9%
NATURALGAS	3.5%	3.9%	4.4%	3.4%	3.2%	3.1%	3.7%	3.1%	3.1%	3.1%	2.9%	3.0%
GOLD	0.9%	1.3%	0.9%	1.3%	1.1%	1.7%	0.5%	0.7%	0.6%	0.5%	0.4%	0.6%
GOLDM	NA	NA	NA	NA	NA	NA	0.4%	0.6%	0.6%	0.5%	0.5%	0.8%
SILVER	NA	NA	NA	NA	NA	NA	1.2%	1.1%	1.4%	1.4%	1.5%	1.1%
SILVERM	NA	NA	NA	NA	NA	NA	1.4%	1.6%	1.7%	1.6%	1.4%	1.0%
CRUDEOILM	NM	NM	NM	NM	NM	NM	NM	1.7%	1.9%	2.0%	1.6%	2.0%
NATGASMINI	NM	NM	NM	NM	NM	NM	NM	3.3%	3.5%	3.8%	3.4%	3.5%
COPPER	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	1.3%	1.3%	1.2%	0.9%	1.1%
ZINC	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	2.2%	2.1%	1.5%	1.0%	1.2%
NICKEL	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ZINCMINI	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>2.6%</b>	<b>2.5%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>1.5%</b>	<b>1.6%</b>

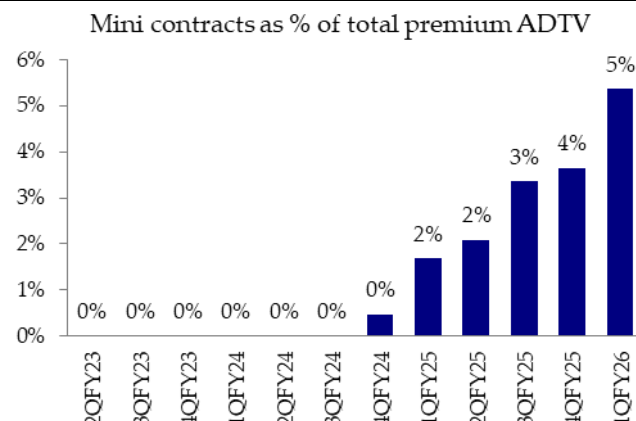
Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

### Bullion contracts are 15% of premium ADTV



Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

### Mini contracts are 5% of premium ADTV



Source: Company, HSIE Research, \* Q1FY26 represents average volume of April, May and June 20th 2025

## Futures contracts specifications

### Futures: Bullion contracts

Commodity	Contract Unit Size	Contract Size (INR)	Minimum Margin %	Actual Margin %	Margin Required Per Contract (INR)	Settlement	Contract Duration	Specs
Gold	1KG	1,01,42,270	6%	7%	7,37,105	Physical	Bi-Monthly	995 purity
Gold Mini	100 G	10,14,227	6%	7%	75,137	Physical	Monthly	995 purity
Gold Guinea	8 G	81,138	6%	6%	5,096	Physical	4-Months	999 purity
Gold Petal	1 G	10,142	6%	6%	631	Physical	4-Months	999 purity
Gold ten	10 G	1,01,423	6%	6%	6,187	Physical	3-Months	999 purity
Silver	30 KG	29,90,442	10%	16%	4,65,278	Physical	Annual	999 Fineness
Silver Mini	5 KG	4,98,407	10%	16%	77,480	Physical	Annual	999 Fineness
Silver Micro	1 KG	99,681	10%	16%	15,541	Physical	9-Months	999 Fineness

Source: Company, HSIE Research

**Futures: Energy contracts**

Products	Contract	Contract	Minimum	Actual	Margin	Settlemen	Contract	Specs
Crude Oil	100 barrels	5,62,167	10%	33%	1,85,515	Cash	6-Months, expiry every month	Max Order Size - 10,000 barrels Max Open Position - 4,80,000 barrels or 5% of Open Market Position
Crude Oil Mini	10 barrels	56,217	10%	33%	18,551	Cash	-Months, expiry every month	Max Order Size - 10,000 barrels Max Open Position - 4,80,000 barrels or 5% of Open Market Position
Natural Gas	1250 mmBtu	3,93,332	10%	33%	1,30,443	Cash	-Months, expiry every month	Max Order Size - 60,000 mmBtu Max Open Position - 60,00,000 mmBtu or 5% of Open Market Position
Natural Gas Mini	250	78,666	10%	33%	26,276	Cash	-Months, expiry every month	Max Order Size - 60,000 mmBtu Max Open Position - 60,00,000 mmBtu or 5% of Open Market Position

Source: Company, HSIE Research

**Futures: Metals contracts**

Products	Contract Size	Contract Size (INR mn)	Minimum Margin %	Actual Margin %	Margin Required Per Contract (INR)	Settlement	Contract duration	Specs
Aluminium	5000 KG (5 MT)	12,29,250	8%	10%	1,23,613	Physical	5-Months	Aluminium Ingots with 99.70% purity Max Order Size - 150 MT Max Open Position - 25,000 MT or 5% of Open Market Position
Aluminium Mini	1000 KG (1 MT)	2,45,850	8%	11%	28,194	Physical	5-Months	Aluminium Ingots with 99.70% purity Max Order Size - 150 MT Max Open Position - 25,000 MT or 5% of Open Market Position
Copper	2500 KG (2.5 MT)	23,12,873	8%	8%	1,89,315	Physical	5-Months	Copper cathodes Max Order Size - 70 MT Max Open Position - 7,000 MT or 5% of Open Market Position
Lead	5000 KG (5 MT)	9,27,500	8%	7%	61,326	Physical	5-Months	Lead Ingots with purity 99.98% Max Order Size - 150 MT Max Open Position - 3,500 MT or 5% of Open Market Position
Lead Mini	1000 KG (1 MT)	1,85,500	8%	6%	11,506	Physical	5-Months	Lead Ingots with purity 99.98% Max Order Size - 150 MT Max Open Position - 3,500 MT or 5% of Open Market Position
Nickel	1500 KG (1.5 MT)	19,80,000	10%	10%	1,98,000	Physical	5-Months	Primary Nickel Cathodes 99.80% purity Max Order Size - 24 MT Max Open Position - 1,000 MT or 5% of Open Market Position
Steel Rebar	5000 KG (5 MT)	2,14,500	8%	48%	1,03,777	Physical	5-Months	Max Order Size - 200 MT Max Open Position - 1,20,000 MT or 5% of Open Market Position
Zinc	5000 KG (5 MT)	11,43,052	10%	10%	1,17,183	Physical	5-Months	Zinc with purity of 99.995% Max Order Size - 100 MT Max Open Position - 7,000 MT or 5% of Open Market Position
Zinc Mini	1000 KG (1 MT)	2,28,610	10%	10%	23,191	Physical	5-Months	Zinc with purity of 99.995% Max Order Size - 100 MT Max Open Position - 7,000 MT or 5% of Open Market Position

Source: Company, HSIE Research

## Options Contracts specifications

Bullion

Products	Contract Unit Size	Contract Avg. Notional Size (INR)	P/N	Avg Premium (INR)	Expiry & Underlying Expiry	Duration
Gold	1KG	1,01,42,270	0.60%	61,028	Monthly expiry on bi-monthly futures	Monthly
Gold Mini	100gms	10,14,227	0.79%	7,966	Monthly expiry on monthly futures	Monthly
Silver	30 KG	29,90,442	1.21%	36,273	Monthly and bi-monthly expiry on Annual futures	Monthly & Bi-Monthly
Silver Mini	5 KG	4,98,407	1.33%	6,609	Monthly and bi-monthly expiry on Annual futures	Monthly & Bi-Monthly

Energy

Products	Contract Unit Size	Contract Avg. Notional Size (INR)	P/N	Avg Premium (INR)	Expiry & Underlying Expiry	Duration
Crude Oil	100 barrels	5,62,167	1.89%	10,622	Monthly expiry on half-yearly futures	Monthly
Crude Oil Mini	10 barrels	56,217	1.93%	1,085	Monthly expiry on half-yearly futures	Monthly
Natural Gas	1250 mmBtu	3,93,332	3.48%	13,702	Monthly expiry on half-yearly futures	Monthly
Natural Gas Mini	250 mmBtu	78,666	4.18%	3,290	Monthly expiry on half-yearly futures	Monthly

Metals

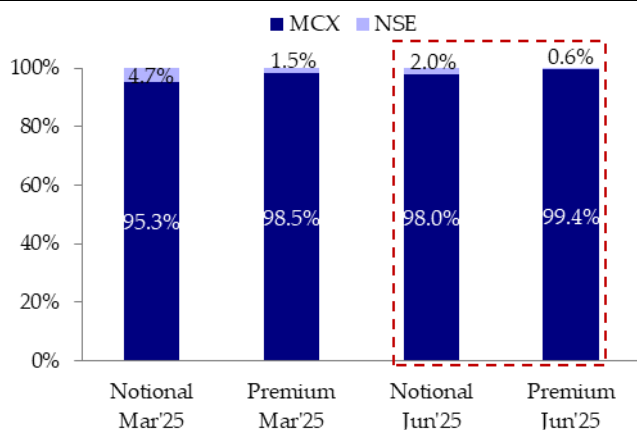
Products	Contract Unit Size	Contract Avg. Notional Size (INR)	P/N	Avg Premium (INR)	Expiry & Underlying Expiry	Duration
Copper	2500 KG (2.5 MT)	23,12,873	1.06%	24,598	Monthly expiry on 5-month futures	Monthly
Zinc	5000 KG (5 MT)	11,43,052	1.53%	17,481	Monthly expiry on 5-month futures	Monthly

Source: Company, HSIE Research

## No major threat from competition

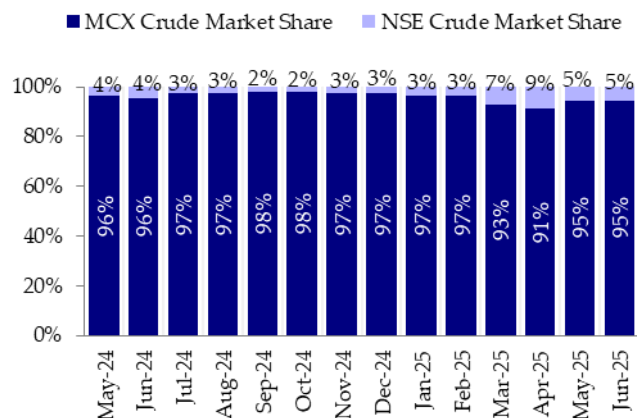
- NSE gained some market share in the commodities segment in Feb and Mar 2025. The notional market share reached ~5% but the premium market share was only 1.5% in Mar 2025. The gain was only in one contract—crude—and the quality of premium was also inferior to MCX; thus, it did not last long. We believe NSE poses a limited threat to the established dominance of MCX, which has regained market share in Jun and currently has 98/99% market share in terms of notional/premium for Jun 25.
- In 2015, the FMC and SEBI merger paved the way for universal exchanges. Equity dominant exchanges like BSE and NSE entered the commodity segment in 2018. It's been around seven years and MCX is an undisputed leader in the commodities segment.
- Currently, NSE offers futures trading in nine commodities and options trading in six commodities, with crude oil dominating volumes in both segments.
- A significant advantage for MCX lies in commodity contracts beyond cash-settled ones, which necessitate delivery and warehousing infrastructure. Developing this infrastructure and attracting traders and hedgers will be a substantial challenge for NSE, effectively creating a moat for MCX in commodities segment.

### MCX vs NSE Market Share



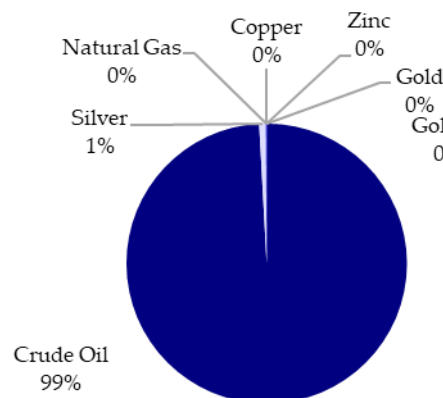
Source: Company, HSIE Research

### NSE's notional market share increased to 9% in Apr'25 but is now tapering down



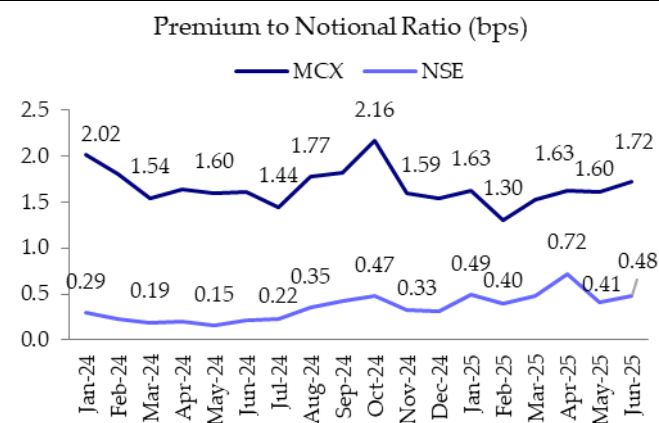
Source: Company, HSIE Research

### Crude Oil contract contributes 99% to NSE notional turnover



Source: Company, HSIE Research, data as on May-25

### NSE earns lower P/N realization compared to MCX



Source: Company, HSIE Research



### Change in estimate

INR mn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %
Revenue	14,283	14,930	4.5	16,214	17,418	7.4
EBITDA	10,112	10,648	5.3	11,651	12,668	8.7
EBITDA Margin (%)	70.8	71.3	52bps	71.9	72.7	87bps
APAT	7,653	8,045	5.1	8,851	9,613	8.6
EPS (Rs)	150.1	157.8	5.1	173.6	188.5	8.6

Source: HSIE Research

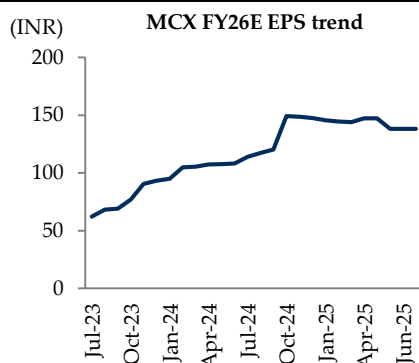
### Peer valuation

Company	MCap (INR bn)	CMP (INR)	TP (INR)	RECO	EPS (INR)			P/E (x)			ROE (%)			Rev CAGR% FY25-27E	EPS CAGR% FY25-27E
					FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E		
MCX	423	8,292	7,000	BUY	109.8	157.8	188.5	75.5	52.6	44.0	34.3	40.1	42.3	25.1%	31.0%
CDSL	360	1,723	1,180	ADD	25.2	25.4	31.0	68.4	67.8	55.5	32.7	28.5	30.8	10.3%	11.0%
BSE	1,128	2,775	2,067	ADD	32.7	45.0	53.0	85.0	61.6	52.4	34.3	37.8	34.7	20.1%	27.4%

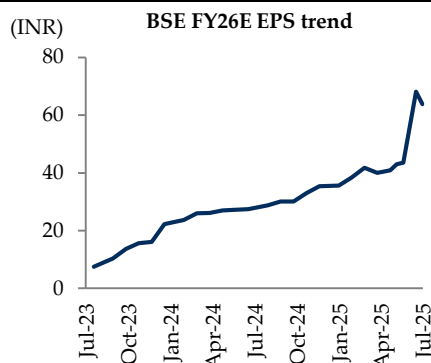
Source: Company, HSIE research. CMP as of 23<sup>rd</sup> June 2025

### EPS upgrades for FY26E

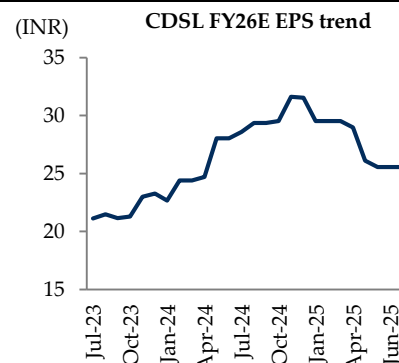
#### MCX FY26E EPS



#### BSE FY26E EPS



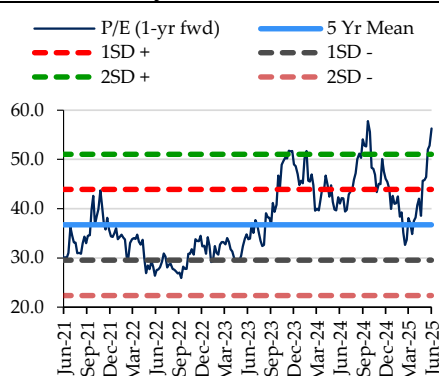
#### CDSL FY26E EPS



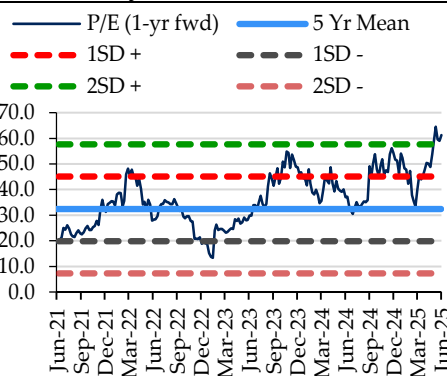
Source: Bloomberg, HSIE research

### Valuation charts

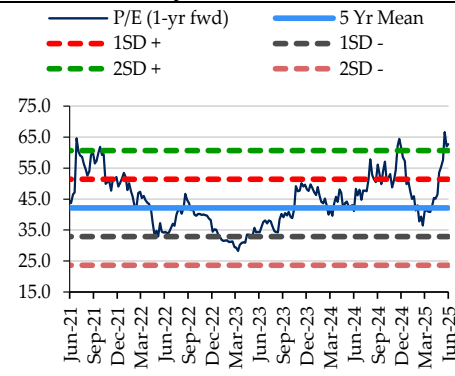
#### MCX P/E (1-yr fwd) trend



#### BSE P/E (1-yr fwd) trend



#### CDSL P/E (1-yr fwd) trend



Source: Bloomberg, HSIE research

# Financials

## Income Statement (Consolidated)

YE March (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>3,978</b>	<b>3,906</b>	<b>3,668</b>	<b>5,135</b>	<b>6,836</b>	<b>11,127</b>	<b>14,930</b>	<b>17,418</b>	<b>20,838</b>
<i>Growth (%)</i>	<i>32.6</i>	<i>(1.8)</i>	<i>(6.1)</i>	<i>40.0</i>	<i>33.1</i>	<i>62.8</i>	<i>34.2</i>	<i>16.7</i>	<i>19.6</i>
Software support charges	689	636	640	1,961	3,855	927	1,081	1,225	1,303
Employee Expenses	773	751	800	919	1,123	1,443	1,569	1,694	1,816
Product Licence & Tech Expenses	206	211	205	270	396	694	842	985	1,061
Other Operating Expenses	526	456	402	488	461	737	790	845	897
<b>EBITDA</b>	<b>1,784</b>	<b>1,852</b>	<b>1,622</b>	<b>1,497</b>	<b>1,000</b>	<b>7,326</b>	<b>10,648</b>	<b>12,668</b>	<b>15,761</b>
<i>EBITDA Margin (%)</i>	<i>44.8</i>	<i>47.4</i>	<i>44.2</i>	<i>29.1</i>	<i>14.6</i>	<i>65.8</i>	<i>71.3</i>	<i>72.7</i>	<i>75.6</i>
<i>EBITDA Growth (%)</i>	<i>89.9</i>	<i>3.8</i>	<i>(12.4)</i>	<i>(7.7)</i>	<i>(33.2)</i>	<i>632.5</i>	<i>45.3</i>	<i>19.0</i>	<i>24.4</i>
Depreciation	182	221	227	216	359	638	891	954	1,074
<b>EBIT</b>	<b>1,602</b>	<b>1,632</b>	<b>1,395</b>	<b>1,281</b>	<b>641</b>	<b>6,689</b>	<b>9,757</b>	<b>11,714</b>	<b>14,688</b>
Other Income (Including EO Items)	1,053	1,038	461	677	397	289	346	362	359
Interest	2	3	2	2	3	5	5	5	5
<b>PBT</b>	<b>2,653</b>	<b>2,667</b>	<b>1,853</b>	<b>1,955</b>	<b>1,035</b>	<b>6,973</b>	<b>10,099</b>	<b>12,071</b>	<b>15,042</b>
Tax (Incl Deferred)	289	415	406	416	189	1,394	2,075	2,479	3,088
Minority Interest & Associate profit	0.4	0.9	-12.7	-49.6	-15.2	20.9	20.9	20.9	20.9
<b>RPAT</b>	<b>2,365</b>	<b>2,252</b>	<b>1,434</b>	<b>1,490</b>	<b>831</b>	<b>5,600</b>	<b>8,045</b>	<b>9,613</b>	<b>11,975</b>
EO (Loss) / Profit (Net Of Tax)	0	0	-204	0	0	0	0	0	0
<b>APAT</b>	<b>2,365</b>	<b>2,252</b>	<b>1,639</b>	<b>1,490</b>	<b>831</b>	<b>5,600</b>	<b>8,045</b>	<b>9,613</b>	<b>11,975</b>
<i>APAT Growth (%)</i>	<i>39.1</i>	<i>(4.8)</i>	<i>(27.2)</i>	<i>(9.1)</i>	<i>(44.2)</i>	<i>573.9</i>	<i>43.7</i>	<i>19.5</i>	<i>24.6</i>
<b>Core PAT (ex other income)</b>	<b>1,428</b>	<b>1,377</b>	<b>1,089</b>	<b>1,008</b>	<b>524</b>	<b>5,352</b>	<b>7,753</b>	<b>9,308</b>	<b>11,672</b>
<i>Core PAT Growth (%)</i>	<i>91.2</i>	<i>(3.5)</i>	<i>(20.9)</i>	<i>(7.4)</i>	<i>(48.0)</i>	<i>921.3</i>	<i>44.9</i>	<i>20.1</i>	<i>25.4</i>
<b>Adjusted EPS (INR)</b>	<b>46.5</b>	<b>44.3</b>	<b>32.2</b>	<b>29.3</b>	<b>16.3</b>	<b>109.8</b>	<b>157.8</b>	<b>188.5</b>	<b>234.8</b>
<i>EPS Growth (%)</i>	<i>39.1</i>	<i>(4.8)</i>	<i>(27.3)</i>	<i>(9.1)</i>	<i>(44.3)</i>	<i>573.9</i>	<i>43.7</i>	<i>19.5</i>	<i>24.6</i>

Source: Company, HSIE Research

## Balance Sheet (Consolidated)

YE March (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>SOURCES OF FUNDS</b>									
Share Capital - Equity	510	510	510	510	510	510	510	510	510
Reserves	13,084	13,672	13,671	14,283	13,275	18,334	20,751	23,654	27,302
<b>Total Shareholders Funds</b>	<b>13,594</b>	<b>14,182</b>	<b>14,181</b>	<b>14,793</b>	<b>13,785</b>	<b>18,844</b>	<b>21,261</b>	<b>24,164</b>	<b>27,812</b>
Settlement guarantee fund	4,098	4,692	5,256	5,898	7,806	9,301	10,102	11,045	12,187
<b>Total Debt</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Deferred Taxes (Net)	18	0	98	0	82	263	263	263	263
Long Term Provisions & Others	528	573	559	561	574	618	618	618	618
<b>TOTAL SOURCES OF FUNDS</b>	<b>18,237</b>	<b>19,447</b>	<b>20,095</b>	<b>21,252</b>	<b>22,246</b>	<b>29,026</b>	<b>32,244</b>	<b>36,090</b>	<b>40,880</b>
<b>APPLICATION OF FUNDS</b>									
Net Block	1,583	1,594	1,565	1,502	3,794	4,118	3,974	3,891	3,859
CWIP	237	263	948	1,685	159	183	183	183	183
Investments	123	124	124	383	371	602	602	602	602
LT Loans & Advances	708	667	631	660	986	173	182	191	200
<b>Total Non-current Assets</b>	<b>2,651</b>	<b>2,649</b>	<b>3,268</b>	<b>4,230</b>	<b>5,310</b>	<b>5,076</b>	<b>4,940</b>	<b>4,866</b>	<b>4,844</b>
Debtors	65	90	115	146	679	288	245	286	343
Other Current Assets	753	948	1,221	2,310	1,054	2,039	6,136	7,158	8,563
Cash & Equivalents	23,878	21,339	23,403	23,540	27,044	35,849	43,481	50,014	58,472
<b>Total Current Assets</b>	<b>24,695</b>	<b>22,377</b>	<b>24,738</b>	<b>25,997</b>	<b>28,778</b>	<b>38,176</b>	<b>49,862</b>	<b>57,458</b>	<b>67,378</b>
Trading margin from members	7,599	4,296	6,429	7,584	10,254	11,808	20,019	23,569	28,544
Other Current Liabilities & Provisions	1,510	1,282	1,482	1,392	1,588	2,418	2,538	2,665	2,799
<b>Total Current Liabilities</b>	<b>9,109</b>	<b>5,578</b>	<b>7,911</b>	<b>8,976</b>	<b>11,841</b>	<b>14,225</b>	<b>22,557</b>	<b>26,234</b>	<b>31,342</b>
<b>Net Current Assets</b>	<b>15,586</b>	<b>16,799</b>	<b>16,827</b>	<b>17,021</b>	<b>16,936</b>	<b>23,950</b>	<b>27,304</b>	<b>31,223</b>	<b>36,036</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>18,237</b>	<b>19,447</b>	<b>20,095</b>	<b>21,252</b>	<b>22,247</b>	<b>29,026</b>	<b>32,244</b>	<b>36,090</b>	<b>40,880</b>

Source: Company, HSIE Research

## Cash Flow (Consolidated)

YE March (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	2,653	2,667	1,853	1,955	1,035	6,973	10,099	12,071	15,042
Non-operating & EO items	(1,224)	(981)	(419)	(590)	(709)	(1,755)	(1,147)	(1,304)	(1,500)
Interest expenses	2	2	2	2	3	5	5	5	5
Depreciation	181	221	227	216	359	638	891	954	1,074
Working Capital Change	3,402	(3,274)	2,572	326	5,032	3,237	4,290	2,626	3,657
Tax Paid	(523)	(479)	(323)	(495)	(511)	(401)	(2,075)	(2,479)	(3,088)
<b>OPERATING CASH FLOW ( a )</b>	<b>4,492</b>	<b>(1,844)</b>	<b>3,913</b>	<b>1,414</b>	<b>5,209</b>	<b>8,696</b>	<b>12,062</b>	<b>11,872</b>	<b>15,189</b>
Capex	(277)	(211)	(820)	(713)	(1,432)	(959)	(746)	(871)	(1,042)
Free cash flow (FCF)	4,215	(2,055)	3,093	702	3,777	7,737	11,316	11,001	14,147
Investments	0	0	0	0	0	0	0	0	0
Non-operating Income	407	302	220	425	133	789	1,147	1,304	1,500
<b>INVESTING CASH FLOW ( b )</b>	<b>130</b>	<b>91</b>	<b>(600)</b>	<b>(287)</b>	<b>(1,300)</b>	<b>(170)</b>	<b>401</b>	<b>434</b>	<b>459</b>
Debt Issuance/(Repaid)	0	0	0	0	0	0	0	0	0
Interest Expenses	0	(0)	(1)	(5)	(0)	(3)	(5)	(5)	(5)
FCFE	4,215	(2,055)	3,092	696	3,776	7,734	11,311	10,996	14,143
Share Capital Issuance	0	0	0	0	0	0	0	0	0
Dividend	(1,230)	(1,530)	(1,408)	(887)	(974)	(390)	(4,827)	(5,768)	(7,185)
<b>FINANCING CASH FLOW ( c )</b>	<b>(1,230)</b>	<b>(1,530)</b>	<b>(1,409)</b>	<b>(893)</b>	<b>(974)</b>	<b>(392)</b>	<b>(4,832)</b>	<b>(5,772)</b>	<b>(7,189)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>3,392</b>	<b>(3,284)</b>	<b>1,904</b>	<b>234</b>	<b>2,935</b>	<b>8,133</b>	<b>7,632</b>	<b>6,533</b>	<b>8,458</b>
EO Items, Others	3,243	744	160	(96)	569	671	0	0	0
<b>Closing Cash &amp; Equivalents</b>	<b>23,878</b>	<b>21,339</b>	<b>23,403</b>	<b>23,540</b>	<b>27,044</b>	<b>35,849</b>	<b>43,481</b>	<b>50,014</b>	<b>58,472</b>

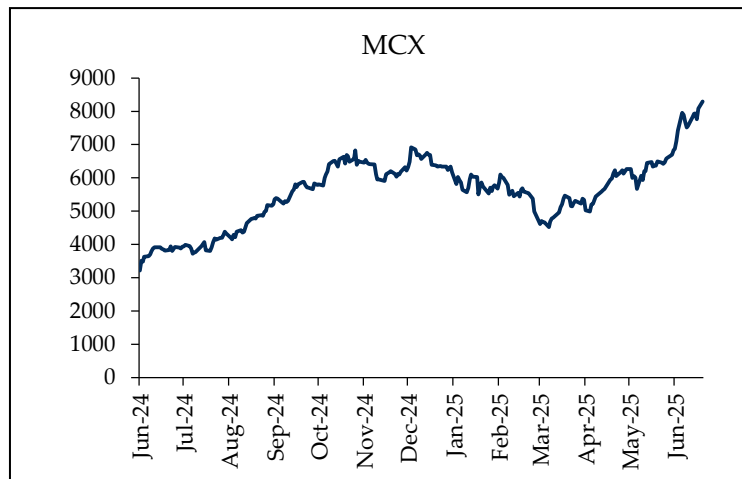
Source: Company, HSIE Research

## Key Ratios

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>PROFITABILITY (%)</b>									
GPM	77.5	78.3	77.0	56.6	37.8	85.4	87.1	87.3	88.7
EBITDA Margin	44.8	47.4	44.2	29.1	14.6	65.8	71.3	72.7	75.6
APAT Margin	59.4	57.7	44.7	29.0	12.2	50.3	53.9	55.2	57.5
RoE	18.1	16.2	11.6	10.3	5.8	34.3	40.1	42.3	46.1
RoIC (or Core RoCE)	25.4	23.4	16.2	10.4	6.6	35.9	41.2	46.9	54.6
RoCE	13.7	12.0	8.3	7.2	3.8	21.9	26.3	26.4	31.1
<b>EFFICIENCY</b>									
Tax Rate (%)	10.9	15.6	21.9	21.3	18.2	20.0	20.5	20.5	20.5
Fixed Asset Turnover (x)	0.1	0.2	0.1	0.2	0.2	0.3	0.3	0.3	0.3
Debtors (days)	6	8	11	10	36	9	6	6	6
Other Current Assets (days)	69	89	121	164	56	67	150	150	150
Other Current Liab & Provns (days)	388	359	434	187	123	374	342	318	313
Cash Conversion Cycle (days)	-313	-262	-301	-12	-30	-298	-186	-162	-157
Debt/EBITDA (x)	-5.9	-6.0	-7.8	-5.3	-11.1	-2.2	-1.4	-1.4	-1.4
Net D/E (x)	-0.8	-0.8	-0.9	-0.5	-0.8	-0.8	-0.7	-0.8	-0.8
Interest Coverage (x)	NM	NM	NM	NM	NM	NM	NM	NM	NM
<b>PER SHARE DATA (INR)</b>									
EPS	46.5	44.3	32.2	29.3	16.3	109.8	157.8	188.5	234.8
CEPS	50.0	48.6	36.7	33.5	23.3	122.3	175.2	207.2	255.9
Dividend	24.2	30.1	27.7	17.4	19.1	7.6	94.7	113.1	140.9
Book Value	267.1	278.6	278.6	290.6	270.3	369.5	416.9	473.8	545.4
<b>VALUATION</b>									
P/E (x)	178.5	187.4	257.6	283.3	508.8	75.5	52.6	44.0	35.3
P/BV (x)	31.0	29.8	29.8	28.5	30.7	22.4	19.9	17.5	15.2
EV/EBITDA (x)	230.7	221.9	252.4	276.7	410.8	55.4	38.2	31.9	25.4
OCF/EV (%)	1.1	(0.4)	1.0	0.3	1.3	2.1	3.0	2.9	3.8
FCF/EV (%)	1.0	(0.5)	0.8	0.2	0.9	1.9	2.8	2.7	3.5
FCFE/Mkt Cap (%)	0.1	(0.0)	0.1	0.0	0.1	0.2	0.3	0.3	0.4
Dividend Yield (%)	0.3	0.4	0.3	0.2	0.2	0.1	1.1	1.4	1.7

Source: Company, HSIE Research

## 1 Yr Price movement



### Rating Criteria

**BUY:** >+15% return potential  
**ADD:** +5% to +15% return potential  
**REDUCE:** -10% to +5% return potential  
**SELL:** > 10% Downside return potential

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