

BSE

Impressive growth; emerging stronger

The equity derivatives segment has successfully navigated a period of significant regulatory changes and emerged stronger. Over the past eighteen months, the sector has adapted to multiple developments, including the one exchange one weekly expiry policy, revisions to upfront margin regulations and higher lot sizes, and uncertainty surrounding the continuation of weekly options. Despite challenges, trading activity stayed resilient, with notional ADTV up ~5% (3Y CAGR 43%) and options premium ADTV up ~8% YoY (3Y CAGR 17%). BSE has benefited from this transition, steadily gaining market share despite the shift in expiry from Tuesday to Thursday in Sep'25. Its notional market share increased from ~38% in Sep'25 to ~44% in Mar'26, while options premium share rose from 24.4% to 26.1%. Most major regulatory reforms have been implemented; however, the recent RBI regulation on the use of bank guarantees is yet to take effect and will now come into force from July 1, 2026 (instead of April 1, with partial relief). This measure could impact trading activity, as ~35% of industry margins are backed by FD and BGs; assuming half of these are pure bank guarantees and applying a 50% impact, the resulting effect on derivatives volumes is estimated at about 8–10%.

BSE's notional and premium market share rose to 45.4% and 27.5%, respectively, in Q4FY26, with notional and premium ADTV growing by 17% and 49% QoQ. However, the uptick was driven by higher market volatility, pushing the P/N to 11.8bps from 9.3bps in Q3. For FY27E, we factor in normalized volumes while incorporating the regulatory impact. Accordingly, we raise our revenue estimates by 5-10% and EPS by ~2–6%, reflecting elevated volumes despite the anticipated moderation. Despite the market correction, the stock is up 3% over 3 months and trades at 38x FY27E earnings. We maintain our ADD rating, expecting the pace of market share gains to moderate, with further upside hinging on growth in monthly options, higher FPI and institutional participation, and improvement in cash market share. We assign a SoTP-based target price of INR 3,450, based on 40x (vs. 42x earlier) FY28E core PAT + net cash excluding SGF and clearing funds + CDSL stake.

- Strong Q4FY26; pace of market share gain moderates:** BSE's options notional volume for Q4FY26 stood at INR 245trn and march exit is INR 225trn. The premium ADTV which surged to INR 289bn in Q4, March 2026 exit is at INR 330bn. The surge in March-26 volume is due to global volatility lifting P/N to 14.7bps vs the normal 9-10bps range. We have normalized the Q1 premium volume to INR 245bn, which is ~26% lower vs the March-26 levels. BSE premium market share reached a peak of 30.2% in Jan-26 and is at 26% in March-26. We believe the market share is near peak levels and further gain will be gradual. We assume notional market share of 42.0%/45.5%/49.0% and premium market share of 25.3%/28.0%/31.6% for FY26/27/28E respectively.
- RBI regulation impact:** The RBI's rules (applicable 1st July) impose strict limits on funding for capital market intermediaries (CMIs). Under these rules, banks are prohibited from providing direct finance to intermediaries for trading on their own accounts (except market making). While banks may still issue guarantees for proprietary trading, these must now be fully secured (100%) by specific collateral: cash, cash equivalents, or government securities. Further, at least 50% of this security must be in actual cash. These changes increase the capital requirements for CMIs (trading firms) and the derivatives trading volumes could be impacted by ~8-10%. At the industry level, the total margin is INR ~9.7trn, of which, ~INR 3.5trn (~35%) is from FDs and BGs. ICCL/ MCXCL has ~30/59% of its funding from FDs and BGs.

ADD

CMP (as on 30 Mar 26)	INR 2,684
Target Price	INR 3,450
NIFTY	22,331

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,310	INR 3,450
EPS %	FY27E +1.3%	FY28E +6.6%

KEY STOCK DATA

Bloomberg code	BSE IN
No. of Shares (mn)	408
MCap (INR bn) / (\$ mn)	1,095/11,551
6m avg traded value (INR mn)	13,091
52 Week high / low	INR 3,227/1,658

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.0	31.5	47.0
Relative (%)	19.0	41.9	54.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.00	0.00
FIs & Local MFs	19.91	23.74
FPIs	16.25	17.45
Public & Others	63.85	58.73
Pledged Shares	0.00	0.00

Source : NSE

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- 4QFY26E is going to be a record quarter:** We expect BSE to report total revenue of INR 15.74bn in Q4 (+27/86% QoQ/YoY) and PAT of INR 7.74bn (+29/57% QoQ/YoY). The EBITDA margin for the quarter is expected to be at 68.0%, which is an expansion of 548bps QoQ. The transaction revenue is expected to be up 37.4% QoQ and will be boosted by options revenue which is expected to be at INR 11.28bn, up 44/138% QoQ/YoY. The options will contribute ~72% to the total revenue. The SGF for the quarter is expected to be at INR 0.63bn (~5% of transaction revenue).

Financial Summary (consolidated)

YE March (INR mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	7,432	8,155	13,900	29,742	48,453	59,138	72,347
EBITDA	2,772	2,887	6,477	15,929	31,651	38,600	47,353
PAT	2,543	2,207	7,784	13,259	24,613	28,882	35,392
APAT	2,806	2,479	5,364	13,259	24,613	28,882	35,392
Diluted EPS (INR)	6.9	6.1	13.2	32.7	60.6	71.1	87.2
P/E (x)				82.2	44.3	37.7	30.8
EV/EBITDA				66.5	33.3	27.1	21.9
ROE (%)	9.9	8.2	25.9	34.3	49.2	41.7	41.3

Source: Company, HSIE Research

BSE SoTP valuation

BSE SoTP	INR mn	INR/share
Core FY28E PAT	33,391	82
40X Core PAT	13,35,647	3,289
Add: Net Cash ex SGF and clearing funds	34,101	84
Market Cap	13,69,748	3,373
CDSL (15% stake, valued at CMP taking 12.5% discount)	31,057	76
Target	14,00,806	3,450
Upside (%)		29%

Source: HSIE Research

Change in estimates

YE March (INR mn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	47,198	48,453	2.7	56,556	59,138	4.6	65,561	72,347	10.4
EBITDA	30,448	31,651	4.0	36,946	38,600	4.5	43,249	47,353	9.5
EBITDA margin (%)	64.5	65.3	81bps	65.3	65.3	-6bps	66.0	65.5	-52bps
APAT	24,026	24,613	2.4	28,518	28,882	1.3	33,202	35,392	6.6
EPS (INR)	59.2	60.6	2.4	70.2	71.1	1.3	81.8	87.2	6.6

Source: HSIE Research

Impact of new RBI rules: We estimate volume impact of ~8-10%

Starting April 1, 2026, the RBI was set to introduce stricter rules to curb higher leverage by requiring stockbrokers (proprietary traders) and clearing members to provide significantly higher security for bank guarantees, which has now been eased and deferred to July 1, 2026. For standard business activities, any bank guarantee must now be backed by at least 50% collateral, with a minimum of 25% in actual cash. The impact on proprietary trading—where firms trade using their own money—is the most severe; banks are now prohibited from directly funding these trades, and any guarantee issued for this purpose must be fully secured (100%) by cash or government bonds, with at least 50% of that being cash. Additionally, if brokers use equity shares as security, banks must now apply a minimum "haircut" of 40%, meaning they will value those shares much lower to protect against market swings. These changes effectively mark the end of cheap funding for many proprietary firms, with broker-driven prop volumes likely to decline by ~50%. Clearing corporation data indicates that ~35% of total margin requirements are funded through FDs and BGs; assuming ~50% of these are BGs and impacted by ~50%, the overall system-level impact on volumes is estimated at ~8-10%.

The RBI's clarifications have eased the earlier proposal for CMIs, which was to take effect from April 1, but has now been deferred to July 1st with some relief. Bank funding for proprietary trading, which was earlier effectively restricted, is now allowed but only against 100% cash or cash-equivalent collateral, reducing leverage but not eliminating activity. The ban on lending to market makers against the same securities has been removed, restoring normal liquidity support (big relief). Overall, the framework shifts from potentially disruptive to more practical—still tight on risk, but operationally workable.

Exhibit 1: Total margins held with the clearing corporations across equities and commodities



Source, ICCL, NCL, MCXCCL

Exhibit 2: Total margins held with clearing corporations stand at ~INR9.7 lakh crore, with BSE and MCX accounting only for ~9% and 6% respectively

Margin held with clearing corporations (Dec -25)	BSE (INR bn)	MCX (INR bn)	Industry (INR bn)
Cash margin held from Brokers*	17.01	56.90	255.99
G-Secs / Sovereign Bonds	65.20	53.84	1,542.37
Corporate Bonds	2.68	0.00	21.35
Equities	472.11	72.86	3,206.95
Mutual Fund	36.76	27.83	1,293.59
Non-Cash Commodities – Gold & Others	0.00	10.90	10.90
FD & Bank Guarantee (BGs)	256.61	324.18	3,419.22
Total Margin with Clearing Corporations	850.38	546.51	9,750.38

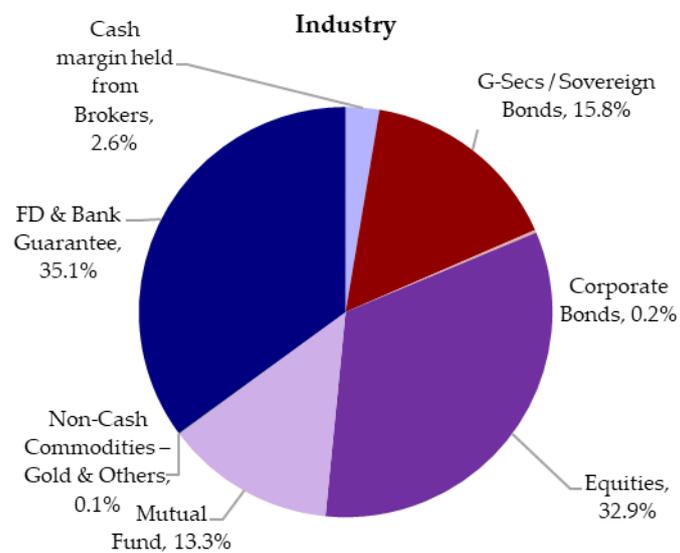
Source, ICCL, NCL, MCXCCL, assumed at 2% of total for BSE as they club cash, FDs and BGs

Exhibit 3: Large part of margins held with clearing corporations is funded through FDs and BGs

Mix of margins held with clearing corporation	BSE	MCX	Industry
Cash margin held from Brokers	2.0%	10.4%	2.6%
G-Secs / Sovereign Bonds	7.7%	9.9%	15.8%
Corporate Bonds	0.3%	0.0%	0.2%
Equities	55.5%	13.3%	32.9%
Mutual Fund	4.3%	5.1%	13.3%
Non-Cash Commodities – Gold & Others	0.0%	2.0%	0.1%
FD & Bank Guarantee (BGs)	30.2%	59.3%	35.1%
Total Margin with Clearing Corporations	100.0%	100.0%	100.0%

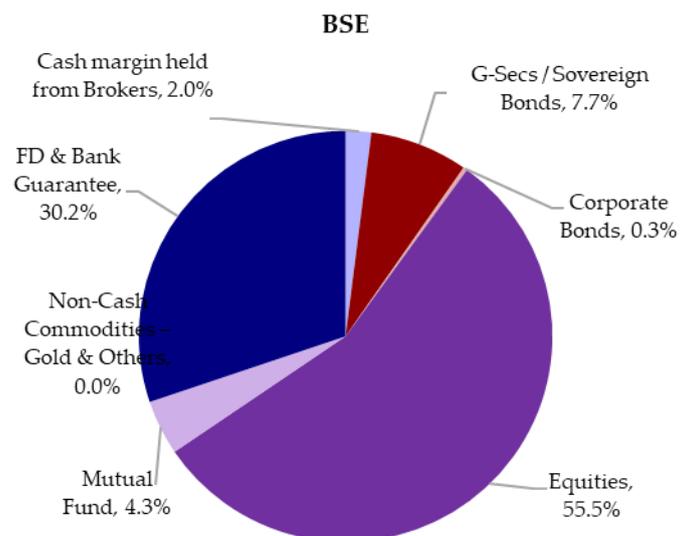
Source, ICCL, NCL, MCXCCL

Exhibit 4: At industry level, ~35% of margins held as fixed deposits (FDs) and bank guarantees



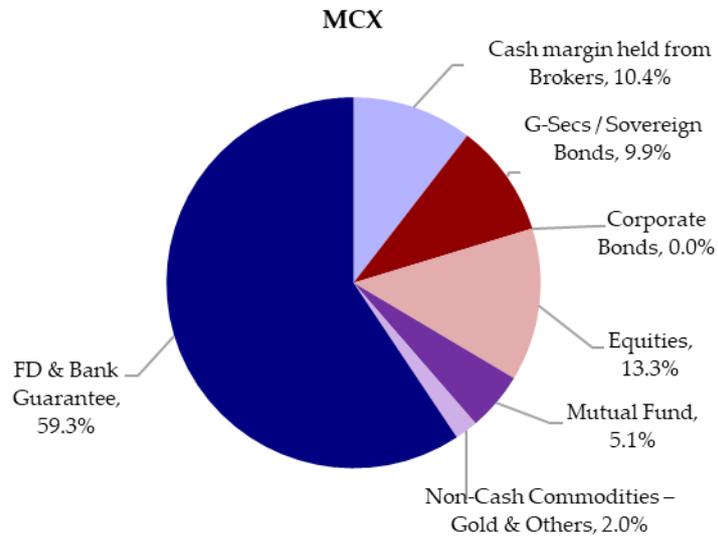
Source, ICCL, NCL, MCXCCL

Exhibit 5: ~30% of BSE's margins are held as fixed deposits (FDs) and bank guarantees



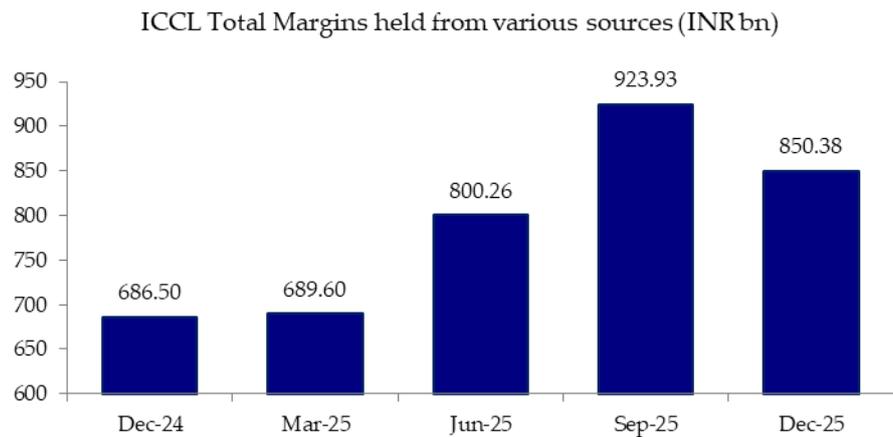
Source, ICCL, HSIE research

Exhibit 6: MCXCCL holds a higher share, with ~59% of its margins in the form of fixed deposits (FDs) and bank guarantees



Source, MCXCCL, HSIE research

Exhibit 7: ~60% of margin held by BSE ICCL is in the form of equities and Mutual Funds combined, FD and BG at ~30% and cash margin is at ~2%



Source: ICCL, HSIE Research

Exhibit 8: Mix of margins held by ICCL

ICCL Mix	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
House (INR bn)	256.68	273.47	314.17	245.16	327.65
Client (INR bn)	429.82	416.13	486.10	678.78	522.72
Total (INR bn)	686.50	689.60	800.26	923.93	850.38

ICCL Mix % as per client and prop (house)	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
House	37%	40%	39%	27%	39%
Client	63%	60%	61%	73%	61%
Total	100%	100%	100%	100%	100%

House Mix	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
FDs, BGs and Cash margin held from Brokers	79%	80%	81%	75%	83%
G-Secs / Sovereign Bonds	12%	11%	10%	13%	10%
Corporate Bonds	0%	0%	0%	0%	0%
Equities	9%	8%	8%	10%	7%
Mutual Fund	1%	1%	1%	2%	0%
Non-Cash Commodities – Gold & Others	0%	0%	0%	0%	0%

Client Mix	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
FDs, BGs and Cash margin held from Brokers	0%	0%	0%	26%	0%
G-Secs / Sovereign Bonds	8%	5%	7%	6%	6%
Corporate Bonds	0%	0%	0%	0%	1%
Equities	85%	87%	85%	62%	86%
Mutual Fund	6%	7%	7%	5%	7%
Non-Cash Commodities – Gold & Others	0%	0%	0%	0%	0%

ICCL Margins Mix - Segment Wise	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
F&O (INR bn)	395.65	396.94	479.35	586.60	530.16
CM & Others (INR bn)	290.85	292.66	320.91	337.33	320.21
Total Margins ICCL (INR bn)	686.50	689.60	800.26	923.93	850.38

ICCL Margins Mix - Segment Wise	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
F&O	57.6%	57.6%	59.9%	63.5%	62.3%
CM & Others	42.4%	42.4%	40.1%	36.5%	37.7%

Source: ICCL, HSIE Research

Exhibit 9: MCX has a high share of FD and BGs as the prop clients has high dependence on FDs and BGs

Particulars	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Cash margin held from Brokers	4%	4%	5%	5%	10%
G-Secs / Sovereign Bonds	17%	19%	18%	15%	10%
Corporate Bonds	0%	0%	0%	0%	0%
Equities	10%	8%	10%	10%	13%
Mutual Fund	4%	2%	3%	4%	5%
Non-Cash Commodities – Gold & Others	1%	1%	1%	1%	2%
FD & BG	64%	66%	64%	65%	59%
Total	100%	100%	100%	100%	100%

Source: MCX CCL, HSIE Research

Exhibit 10: Mix of margins held by MCXCCL

MCXCCL Mix	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
House (INR bn)	199.68	204.33	227.68	233.25	423.75
Client (INR bn)	78.78	72.64	83.25	80.20	122.76
Total (INR bn)	278.46	276.97	310.93	313.45	546.51

MCXCCL Mix % as per client and prop (house)	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
House	72%	74%	73%	74%	78%
Client	28%	26%	27%	26%	22%
Total	100%	100%	100%	100%	100%

House Mix	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Cash margin held from Brokers	5%	5%	7%	7%	13%
G-Secs / Sovereign Bonds	4%	5%	4%	4%	3%
Corporate Bonds	0%	0%	0%	0%	0%
Equities	1%	0%	1%	1%	5%
Mutual Fund	1%	0%	1%	1%	3%
Non-Cash Commodities – Gold & Others	0%	0%	0%	0%	0%
FD & BG	89%	89%	88%	88%	77%

Client Mix	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Cash margin held from Brokers	0%	0%	0%	0%	0%
G-Secs / Sovereign Bonds	49%	56%	56%	47%	35%
Corporate Bonds	0%	0%	0%	0%	0%
Equities	33%	31%	34%	36%	43%
Mutual Fund	14%	8%	8%	14%	14%
Non-Cash Commodities – Gold & Others	4%	4%	2%	3%	8%
FD & BG	0%	0%	0%	0%	0%

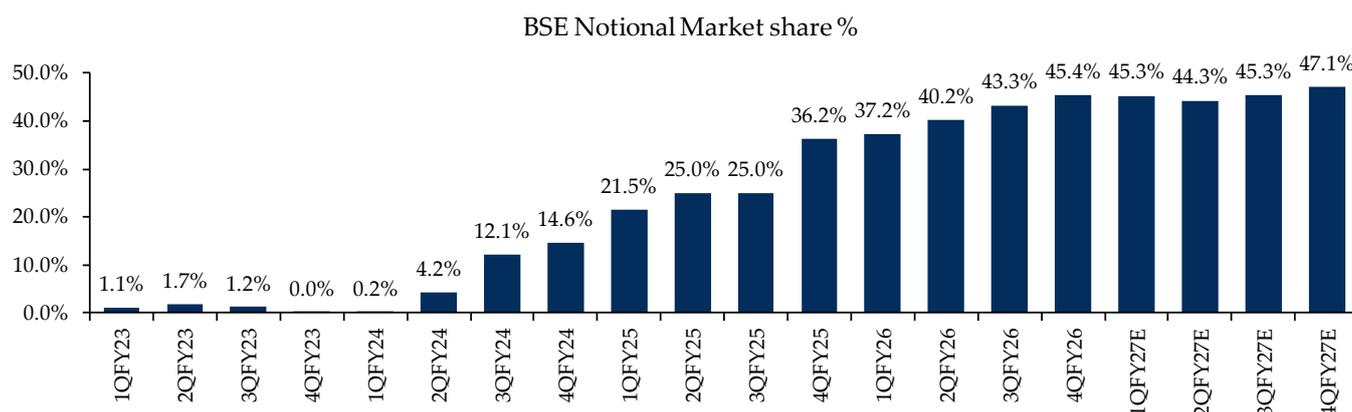
Source: MCXCCL, HSIE Research

Exhibit 11: Regulatory changes over the last 18 months

Regulatory Change	Description	Effective Date	Regulator
Increase in index derivative contract size	Raised minimum value from ~₹5-10 lakh to ₹15-20 lakh to curb retail speculation	Nov-24	SEBI
Reduction in weekly expiry contracts	Limited each exchange to one benchmark index weekly expiry (e.g., NSE: Nifty 50 only; BSE: Sensex only)	Nov-24	SEBI
Additional margins on short options	Imposed extra 2% extreme loss margin on open short option positions on expiry day	Nov-24	SEBI
Removal of calendar spread benefits	Eliminated margin offsets for same-day expiry calendar spreads	Feb-25	SEBI
Upfront premium collection	Required brokers to collect full option premium before order execution	Feb-25	SEBI
Intraday position limit monitoring	Mandated at least four daily checks on open interest breaches, with penalties	April-25	SEBI
BSE expiry shift (Tue to Thu)	BSE weekly/monthly F&O contracts moved to Thursday for Sensex/Bankex	Sep-25	SEBI
Uncertainty on weekly options existence	Ongoing SEBI deliberations and consultations on phasing out/restricting weekly F&O expiries amid speculation concerns (no discontinuation yet)	Ongoing (2025)	SEBI
RBI bank guarantee norms	Tightened collateral for BGs issued to exchanges/clearing corps; effective for derivatives margins	Apr-26 (now applicable 1 st July)	RBI

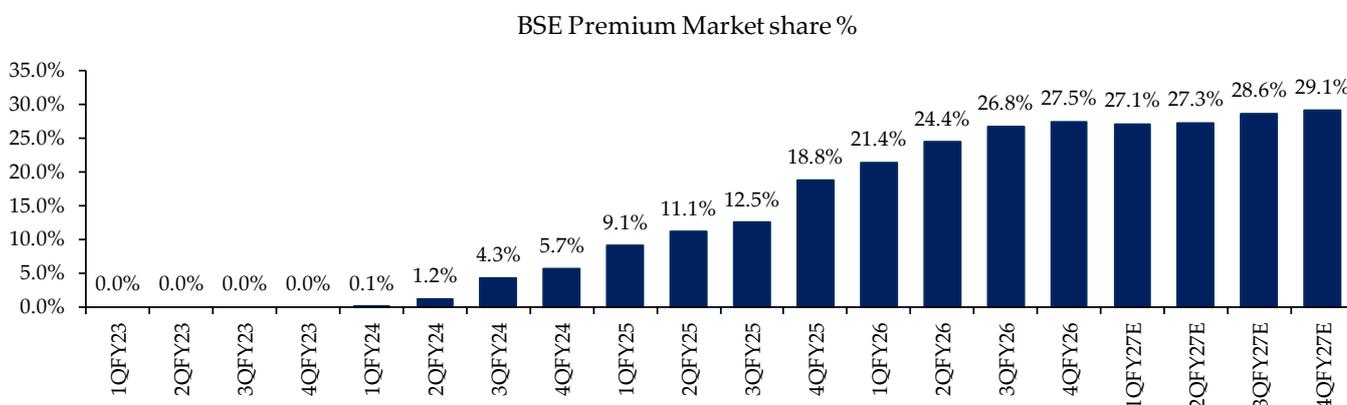
Source: SEBI, RBI, Media, HSIE Research

Exhibit 12: BSE has gained notional market share rising to ~45.4% in Q4FY26



Source: BSE, NSE, HSIE Research

Exhibit 13: BSE's premium market share is at ~27.5% in Q4FY26, gradually rising to 29%



Source: BSE, NSE, HSIE Research

Exhibit 14: BSE Sensex contract volume build-up over weekly and monthly contracts

Month	Notional Turnover			Premium Turnover		
	Weekly	Monthly	Long Dated	Weekly	Monthly	Long Dated
Sep 2024	99.9%	0.1%	0.0%	99.2%	0.8%	0.0%
Oct 2024	99.9%	0.1%	0.0%	99.3%	0.7%	0.0%
Nov 2024	99.8%	0.2%	0.0%	98.7%	1.3%	0.0%
Dec 2024	99.7%	0.3%	0.0%	98.4%	1.6%	0.0%
Jan 2025	99.8%	0.2%	0.0%	98.9%	1.1%	0.0%
Feb 2025	99.7%	0.3%	0.0%	98.7%	1.3%	0.0%
Mar 2025	99.6%	0.4%	0.0%	98.4%	1.6%	0.1%
Apr 2025	99.7%	0.3%	0.0%	98.5%	1.5%	0.0%
May 2025	99.7%	0.3%	0.0%	98.6%	1.4%	0.0%
Jun 2025	99.6%	0.4%	0.0%	98.4%	1.6%	0.0%
Jul 2025	99.6%	0.4%	0.0%	98.7%	1.3%	0.0%
Aug 2025	99.1%	0.9%	0.0%	96.9%	3.1%	0.0%
Sep 2025	99.5%	0.5%	0.0%	98.5%	1.4%	0.0%
Oct 2025	99.4%	0.6%	0.0%	97.9%	2.1%	0.0%
Nov 2025	99.5%	0.5%	0.0%	98.0%	2.0%	0.0%
Dec 2025	99.5%	0.5%	0.0%	98.5%	1.5%	0.0%
Jan 2026	99.5%	0.5%	0.0%	98.1%	1.9%	0.0%
Feb 2026	99.5%	0.5%	0.0%	98.2%	1.8%	0.0%
Mar 2026	99.7%	0.3%	0.0%	98.4%	1.6%	0.0%

Source: Company, HSIE Research

Exhibit 15: BSE options volume Build-up (SENSEX+BANKEK), monthly expiry contracts contribute only ~2% to the premium turnover

Month	Notional Turnover			Premium Turnover		
	Weekly	Monthly	Long Dated	Weekly	Monthly	Long Dated
Sep 2024	99.9%	0.1%	0.0%	99.4%	0.6%	0.0%
Oct 2024	99.8%	0.2%	0.0%	98.9%	1.1%	0.0%
Nov 2024	84.7%	8.2%	7.2%	86.6%	8.0%	5.4%
Dec 2024	91.4%	8.6%	0.0%	91.4%	8.6%	0.0%
Jan 2025	98.5%	1.5%	0.0%	97.2%	2.8%	0.0%
Feb 2025	98.7%	1.3%	0.0%	98.0%	2.0%	0.0%
Mar 2025	98.6%	1.4%	0.0%	97.2%	2.7%	0.1%
Apr 2025	98.7%	1.3%	0.0%	97.7%	2.3%	0.0%
May 2025	99.2%	0.8%	0.0%	98.1%	1.9%	0.0%
Jun 2025	99.2%	0.8%	0.0%	98.1%	1.9%	0.0%
Jul 2025	99.2%	0.8%	0.0%	98.2%	1.8%	0.0%
Aug 2025	98.8%	1.2%	0.0%	96.6%	3.4%	0.0%
Sep 2025	99.2%	0.8%	0.0%	98.2%	1.8%	0.0%
Oct 2025	99.2%	0.8%	0.0%	97.7%	2.3%	0.0%
Nov 2025	99.1%	0.9%	0.0%	97.6%	2.4%	0.0%
Dec 2025	99.3%	0.7%	0.0%	98.3%	1.7%	0.0%
Jan 2026	99.2%	0.8%	0.0%	97.8%	2.2%	0.0%
Feb 2026	99.2%	0.8%	0.0%	97.9%	2.1%	0.0%
Mar 2026	99.5%	0.5%	0.0%	98.2%	1.8%	0.0%

Source: Company, HSIE Research

Exhibit 16: Sensex Premium Market Share has increased from 26% to 30% in the last one year (peaked at 35% in Jan 2026)

Month	Notional ADTV SENSEX (INR lakh cr)	Total Weekly Expiry Contracts ADTV (INR lakh cr)	SENSEX Notional MS%	SENSEX Premium ADTV (INR Cr)	Total Weekly Expiry Contracts Premium ADTV (INR Cr)	SENSEX Premium Options MS%
Jan 2025	105	264	40%	11,328	43,963	26%
Feb 2025	102	258	40%	11,371	42,271	27%
Mar 2025	127	316	40%	12,289	47,512	26%
Apr 2025	137	333	41%	15,359	54,899	28%
May 2025	126	322	39%	15,809	59,503	27%
Jun 2025	128	321	40%	13,872	49,902	28%
Jul 2025	151	357	42%	12,438	44,476	28%
Aug 2025	177	392	45%	17,142	53,554	32%
Sep 2025	165	413	40%	15,680	53,073	30%
Oct 2025	220	481	46%	20,443	64,466	32%
Nov 2025	208	456	46%	19,046	61,929	31%
Dec 2025	200	450	44%	18,737	57,431	33%
Jan 2026	286	568	50%	28,689	81,166	35%
Feb 2026	223	490	45%	25,266	81,190	31%
Mar 2026	224	497	45%	32,965	110,848	30%

Source: Company, HSIE Research

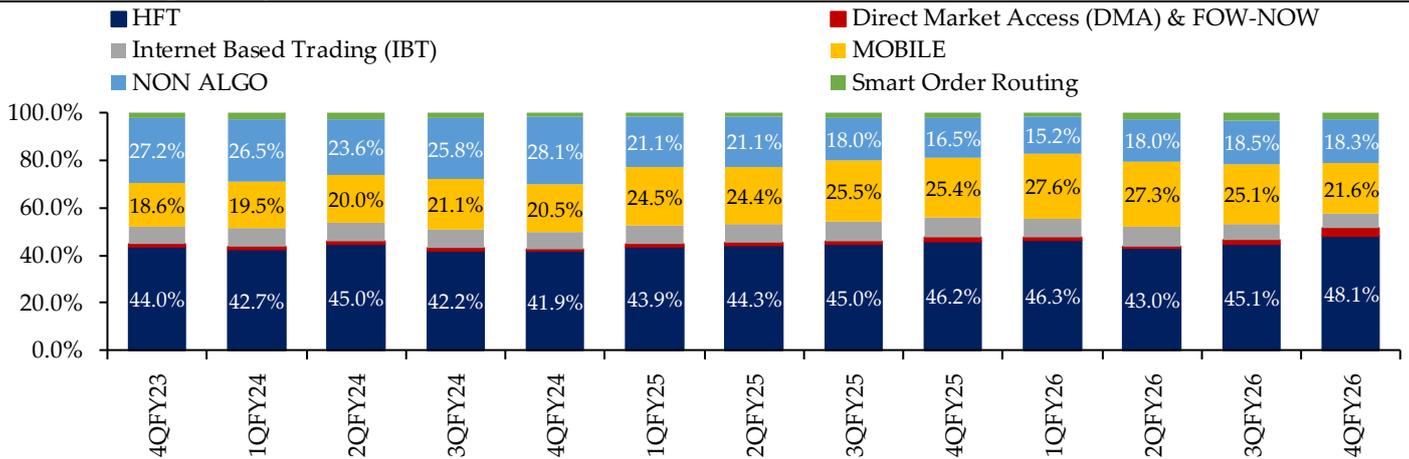
Exhibit 17: BSE's premium market share has risen from 20% to 26% over the past year. However, in the last two months, while BSE has lost some market share, its absolute premium value has continued to increase

Month	Notional ADTV BSE (INR lakh cr)	Total Notional ADTV (INR lakh cr)	BSE Notional MS%	BSE Premium ADTV (INR Cr)	Total Premium ADTV (INR Cr)	BSE Options MS%
Jan 2025	106	298	36%	11,532	65,032	18%
Feb 2025	103	288	36%	11,454	59,357	19%
Mar 2025	129	352	37%	12,432	63,456	20%
Apr 2025	139	368	38%	15,479	73,632	21%
May 2025	127	348	37%	15,890	75,480	21%
Jun 2025	128	346	37%	13,920	62,970	22%
Jul 2025	152	381	40%	12,498	56,077	22%
Aug 2025	178	415	43%	17,190	64,527	27%
Sep 2025	166	436	38%	15,737	64,399	24%
Oct 2025	221	506	44%	20,497	76,901	27%
Nov 2025	209	481	43%	19,112	73,686	26%
Dec 2025	201	472	43%	18,768	67,858	28%
Jan 2026	287	592	48%	28,769	95,232	30%
Feb 2026	223	489	46%	25,336	95,393	27%
Mar 2026	225	516	44%	33,042	126,834	26%

Source: Company, HSIE Research

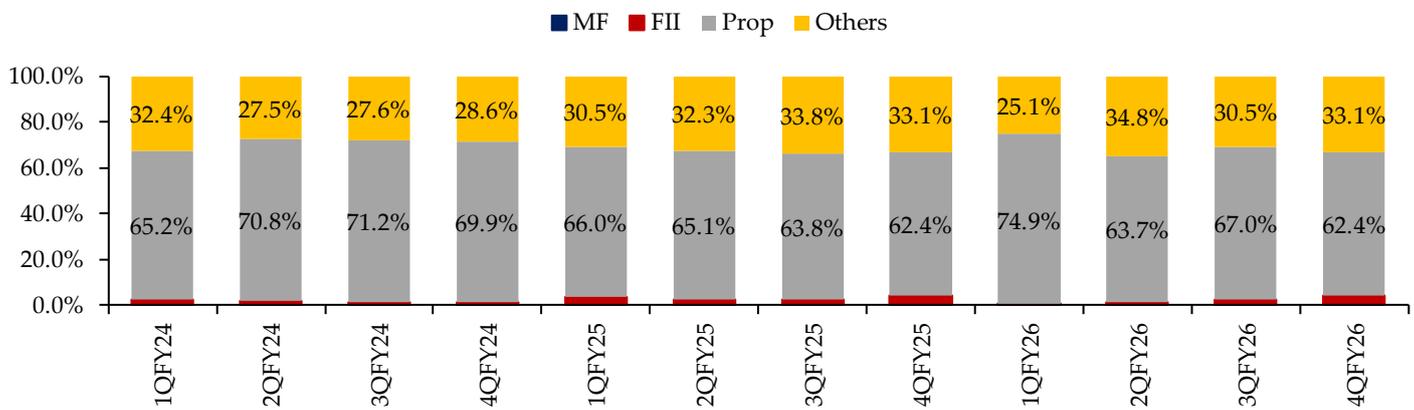
BSE Ltd: Company Update

Exhibit 18: HFT Trading along with Mobile Trading has eaten up share from Non Algo trading increasing to 48.1% and 21.6% respectively



Source: BSE, HSIE Research

Exhibit 19: Prop traders make up for > 60% of activity in BSE, with the rest coming from retail investors. There is virtually no foreign institutional participation seen on BSE



Source: BSE, HSIE Research

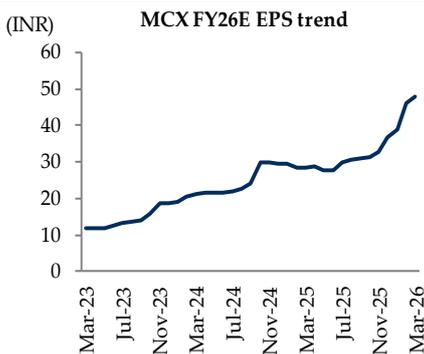
Exhibit 20: Peer Valuation

Company	MCAp (INR bn)	CMP (INR)	TP (INR)	RECO	EPS (INR)				P/E (x)				ROE (%)				Rev CAGR% FY25-28E	EPS CAGR% FY25-28E
					FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E		
MCX	609	2,389	2,950	BUY	22.0	53.0	61.4	72.0	108.8	45.1	38.9	33.2	34.3	65.3	63.3	62.4	41%	49%
CDSL	234	1,119	1,520	ADD	25.2	24.1	29.0	35.5	44.4	46.5	38.5	31.6	32.7	27.0	29.1	31.5	15%	12%
BSE	1,090	2,684	3,450	ADD	32.7	60.6	71.1	87.2	82.2	44.3	37.7	30.8	34.3	49.2	41.7	41.3	34%	39%

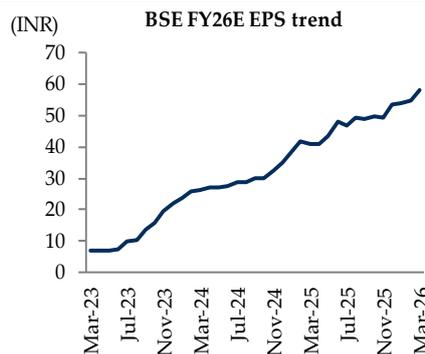
Source: Company, HSIE research. CMP as of 30th Mar 2026

Exhibit 21: EPS upgrades for FY26E

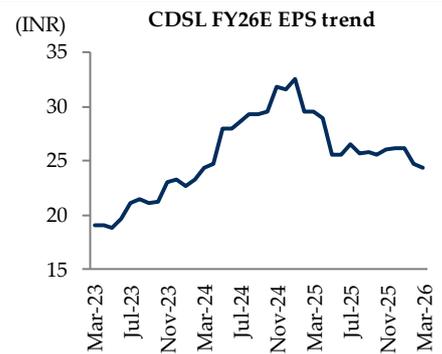
MCX FY26E EPS



BSE FY26E EPS



CDSL FY26E EPS

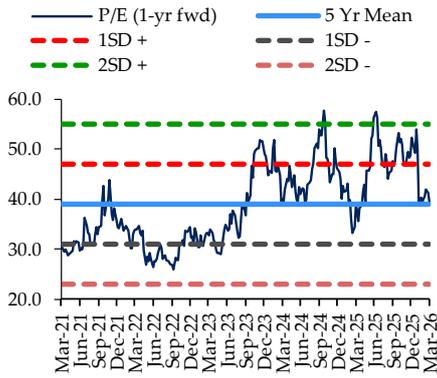


Source: Bloomberg, HSIE research

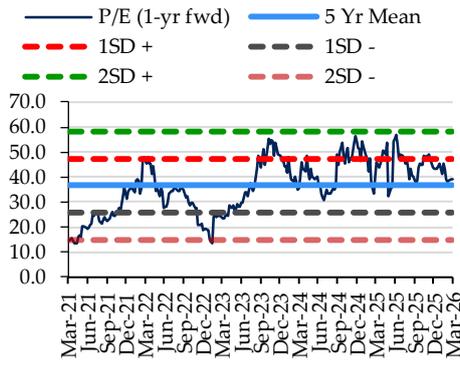
BSE Ltd: Company Update

Exhibit 22: Valuation charts

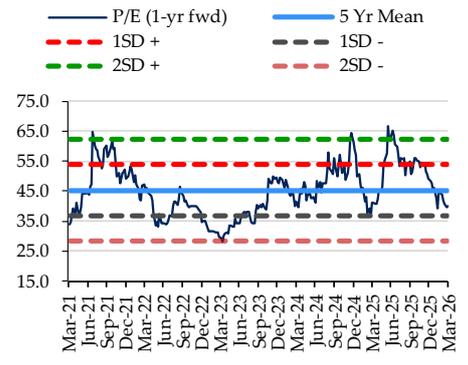
MCX P/E (1-yr fwd) trend



BSE P/E (1-yr fwd) trend



CDSL P/E (1-yr fwd) trend



Source: Bloomberg, HSIE research

Income Statement (Consolidated)

YE March (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues (INR mn)	4,505	5,014	7,432	8,155	13,900	29,742	48,453	59,138	72,347
<i>Growth (%)</i>	<i>0.0</i>	<i>11.3</i>	<i>48.2</i>	<i>9.7</i>	<i>70.4</i>	<i>114.0</i>	<i>62.9</i>	<i>22.1</i>	<i>22.3</i>
Employee Expenses	1,512	1,487	1,773	1,802	2,047	2,407	3,202	3,650	4,124
Technology Expenses	1,176	948	969	1,239	1,374	1,645	2,089	2,507	2,958
Other operating Expenses	1,736	1,854	1,918	2,227	2,391	2,176	2,067	2,398	2,758
Clearing & Settlement charges	0	0	0	0	1,331	3,481	2,886	3,264	4,694
Sebi turnover fees	0	0	0	0	279	4,105	6,558	8,719	10,460
EBITDA	81	725	2,772	2,887	6,477	15,929	31,651	38,600	47,353
<i>EBITDA Margin (%)</i>	<i>1.8</i>	<i>14.5</i>	<i>37.3</i>	<i>35.4</i>	<i>46.6</i>	<i>53.6</i>	<i>65.3</i>	<i>65.3</i>	<i>65.5</i>
<i>EBITDA Growth (%)</i>	<i>(73.9)</i>	<i>793.8</i>	<i>282.4</i>	<i>4.2</i>	<i>124.3</i>	<i>145.9</i>	<i>98.7</i>	<i>22.0</i>	<i>22.7</i>
Depreciation	510	579	483	603	954	1,132	1,550	2,147	2,532
EBIT	(429)	146	2,289	2,284	5,523	14,796	30,101	36,453	44,820
Other Income (Including EO Items)	1,795	1,533	854	1,021	4,270	2,809	3,043	3,298	3,665
SGF contribution	188	301	291	550	917	900	1,191	2,278	2,543
Interest	24	103	222	275	0	0	0	0	0
PBT	1,154	1,275	2,631	2,480	8,876	16,706	31,953	37,473	45,943
Tax (Incl Deferred)	215	290	823	916	1,878	4,315	8,148	9,556	11,715
Minority Interest	(17)	(32)	(94)	(150)	(67)	(36)	(54)	(54)	(54)
Share of profit / (Loss) of associate	267	432	642	492	718	826	755	911	1,111
Discontinued operations	0	0	0	0	0	6	0	0	0
RPAT	1,223	1,449	2,543	2,207	7,784	13,259	24,613	28,882	35,392
EO (Loss) / Profit (Net Of Tax)	0	0	263	272	(2,420)	0	0	0	0
APAT	1,223	1,449	2,806	2,479	5,364	13,259	24,613	28,882	35,392
<i>APAT Growth (%)</i>	<i>(38.6)</i>	<i>18.5</i>	<i>93.6</i>	<i>(11.6)</i>	<i>116.4</i>	<i>147.2</i>	<i>85.6</i>	<i>17.3</i>	<i>22.5</i>
Adjusted EPS (Rs)	3.0	3.6	6.9	6.1	13.2	32.7	60.6	71.1	87.2
<i>EPS Growth (%)</i>	<i>(38.6)</i>	<i>18.5</i>	<i>93.6</i>	<i>(11.6)</i>	<i>116.4</i>	<i>147.2</i>	<i>85.6</i>	<i>17.3</i>	<i>22.5</i>

Source: Company, HSIE Research

Balance Sheet (Consolidated)

YE March (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCES OF FUNDS									
Share Capital - Equity	90	90	271	271	271	271	812	812	812
Reserves	24,161	24,976	26,275	26,741	32,753	43,968	54,925	68,402	84,933
Total Shareholders Funds	24,251	25,066	26,545	27,012	33,024	44,239	55,737	69,214	85,745
Settlement guarantee fund	4,354	5,391	6,409	7,576	9,550	11,326	12,517	14,795	17,338
Minority Interest	186	235	1,352	1,278	1,524	1,520	2,275	3,185	4,297
Total Debt	0	0	0						
Net Deferred Taxes (Net)	(1,276)	(1,454)	(1,198)	(846)	(588)	(194)	(194)	(194)	(194)
Long Term Provisions & Others	111	124	109	145	136	187	709	746	883
TOTAL SOURCES OF FUNDS	27,626	29,363	33,216	35,166	43,646	57,077	71,043	87,746	108,069
APPLICATION OF FUNDS									
Net Block	1,527	1,464	1,238	2,149	2,479	2,618	4,943	7,528	10,783
CWIP	219	38	100	19	145	541	541	541	541
Goodwill	374	374	374	374	374	381	381	381	381
Investments	3,862	4,220	4,881	4,104	4,604	5,006	5,006	5,006	5,006
LT Loans & Advances & Others	881	1,008	1,294	1,512	1,212	1,243	4,119	5,027	6,149
Total Non-current Assets	6,863	7,105	7,888	8,158	8,814	9,790	14,991	18,483	22,862
Inventories	0	0	0	0	0	0	0	0	0
Debtors	700	873	634	909	2,109	3,097	7,301	8,911	10,902
Other Current Assets	321	899	370	492	585	2,603	2,132	2,602	3,183
Cash & Equivalents	35,597	35,941	51,763	49,534	82,407	87,733	131,169	155,030	204,601
Total Current Assets	36,618	37,712	52,767	50,935	85,101	93,433	140,602	166,543	218,686
Trading margin from members & deposits from clearing banks	7,245	5,853	15,299	10,960	24,958	24,958	41,791	55,329	65,942
Other Current Liabilities & Provns	8,611	9,602	12,140	12,967	25,312	21,188	42,760	41,953	67,538
Total Current Liabilities	15,856	15,455	27,439	23,927	50,270	46,146	84,551	97,282	133,480
Net Current Assets	20,762	22,258	25,328	27,008	34,831	47,287	56,051	69,261	85,206
TOTAL APPLICATION OF FUNDS	27,626	29,363	33,216	35,166	43,645	57,076	71,042	87,745	108,068

Source: Company, HSIE Research

Cash Flow (Consolidated)

YE March (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	1,154	1,275	2,631	2,480	5,171	16,706	31,953	37,473	45,943
Non-operating & EO items	(1,179)	(185)	188	497	(3,714)	(2,256)	(1,852)	(1,020)	(1,122)
Interest expenses	24	-	-	-	-	-	-	-	-
Depreciation	510	579	483	603	954	1,130	1,550	2,147	2,532
Working Capital Change	3,948	(1,928)	11,943	(4,291)	24,048	(8,199)	33,072	10,691	33,753
Tax Paid	(491)	(416)	(827)	(660)	(1,739)	(3,280)	(8,148)	(9,556)	(11,715)
OPERATING CASH FLOW (a)	3,967	(676)	14,418	(1,371)	24,720	4,102	56,576	39,735	69,390
Capex	(376)	(382)	(318)	(1,434)	(1,313)	(1,532)	(3,876)	(4,731)	(5,788)
Free cash flow (FCF)	3,591	(1,057)	14,099	(2,805)	23,408	2,569	52,700	35,004	63,602
Investments	-	-	-	-	-	(7,029)	-	-	-
Non-operating Income	493	184	185	659	1,047	880	3,043	3,298	3,665
INVESTING CASH FLOW (b)	117	(198)	(134)	(775)	(266)	(7,681)	(833)	(1,433)	(2,123)
Debt Issuance/(Repaid)	-	-	-	-	-	-	-	-	-
Interest Expenses	(24)	-	-	-	-	-	-	-	-
FCFE	3,567	(1,057)	14,099	(2,805)	23,408	2,569	52,700	35,004	63,602
Share Capital Issuance/Buyback	(4,570)	85	1,051	-	159	-	-	-	-
Dividend	(1,584)	(779)	(962)	(1,855)	(1,649)	(2,060)	(12,307)	(14,441)	(17,696)
FINANCING CASH FLOW (c)	(6,178)	(694)	89	(1,855)	(1,491)	(2,060)	(12,307)	(14,441)	(17,696)
NET CASH FLOW (a+b+c)	(2,093)	(1,568)	14,373	(4,001)	22,964	(5,639)	43,436	23,861	49,571
EO Items, Others	1,796	1,911	1,449	1,773	9,909	10,965	-	-	-
Closing Cash & Equivalents	35,597	35,941	51,763	49,534	82,407	87,733	131,169	155,030	204,601

Source: Company, HSIE Research

Key Ratios

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PROFITABILITY (%)									
GPM	66.4	70.3	76.1	77.9	85.3	91.9	93.4	93.8	94.3
EBITDA Margin	1.8	14.5	37.3	35.4	46.6	53.6	65.3	65.3	65.5
APAT Margin	27.1	28.9	37.8	30.4	38.6	44.6	50.8	48.8	48.9
RoE	4.6	5.9	9.9	8.2	25.9	34.3	49.2	41.7	41.3
RoIC (or Core RoCE)	(2.9)	0.9	10.6	8.9	22.8	45.9	70.3	66.5	67.4
RoCE	4.1	5.4	9.5	7.8	13.6	26.3	38.4	36.4	36.1
EFFICIENCY									
Tax Rate (%)	18.6%	22.7%	31.3%	36.9%	21.2%	25.8%	25.5%	25.5%	25.5%
Fixed Asset Turnover (x)	1.2	1.1	1.7	1.4	2.0	3.6	4.0	3.5	3.2
Inventory (days)	0	0	0	0	0	0	0	0	0
Debtors (days)	57	64	31	41	55	38	55	55	55
Other Current Assets (days)	26	65	18	22	15	32	16	16	16
Payables (days)	587	426	751	491	655	306	315	341	333
Other Current Liab & Provs (days)	698	699	596	580	665	260	322	259	341
Cash Conversion Cycle (days)	(1,202)	(996)	(1,298)	(1,008)	(1,249)	(496)	(566)	(529)	(602)
Debt/EBITDA (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net D/E (x)	-1.5	-1.4	-1.9	-1.8	-2.5	-2.0	-2.4	-2.2	-2.4
Interest Coverage (x)	(18)	1	10	8					
PER SHARE DATA (INR)									
EPS	3.0	3.6	6.9	6.1	13.2	32.7	60.6	71.1	87.2
CEPS	4.3	5.0	8.1	7.6	15.6	35.4	64.4	76.4	93.4
Dividend	3.9	1.9	2.4	4.6	4.1	5.1	30.3	35.6	43.6
Book Value	59.7	61.7	65.4	66.5	81.3	108.9	137.3	170.5	211.2
VALUATION									
P/E (x)	891.2	752.0	388.4	439.5	203.1	82.2	44.3	37.7	30.8
P/BV (x)	44.93	43.47	41.05	40.34	33.00	24.63	19.55	15.74	12.71
EV/EBITDA (x)	13,246.0	1,482.3	386.6	371.1	164.7	66.5	33.3	27.1	21.9
OCF/EV (%)	0.4	(0.1)	1.3	(0.1)	2.3	0.4	5.4	3.8	6.7
FCF/EV (%)	0.3	(0.1)	1.3	(0.3)	2.2	0.2	5.0	3.3	6.1
FCFE/Mkt Cap (%)	0.3	(0.1)	1.3	(0.3)	2.1	0.2	4.8	3.2	5.8
Dividend Yield (%)	0.1	0.1	0.1	0.2	0.2	0.2	1.1	1.3	1.6

Source: Company, HSIE Research

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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