

MCX

Scaling new heights

MCX continues to deliver a compelling growth story, powered by new product launches, a stable technology platform, regulatory tailwinds, and rising commodity participation—further amplified by elevated volatility and discount broker integration. As highlighted in our June 2025 report, bullion has risen as a major contributor to options trading, previously dominated by energy contracts; this shift unfolded over the last three quarters, with bullion contribution at ~57%/30% of options notional/premium ADTV in Q4FY26, a sharp jump from 25%/9% in Q4FY25. Options premium ADTV accelerated further in Q4 from a higher Q3 base, climbing to ~INR 106bn from INR 71bn, propelled by a robust +89% QoQ rebound in energy contracts and ~14% QoQ growth in bullion after it more than tripled in Q3. The Q4 crude volume surge tied directly to spiking volatility, which hit 3.7% in March 2026 (vs 1.3% YoY) — the highest in four years, with a ~90% correlation to the P/N ratio. We don't anticipate sustained elevated volatility, so we have normalized volume expectations, penciling in Q4FY27E premium ADTV at INR 75bn, ~45% below the March 2026 levels (INR 136bn).

MCX's options portfolio is now well-diversified, with gold and silver contracts contributing ~30% of options ADTV alongside established crude and natural gas contracts. The options premium base has shifted from INR 35-45bn to INR 70-80bn even in a normalized environment; spikes in global volatility can push premiums to the INR 130-150bn band, though it eventually settles back to the new base. The expiry distribution further supports this reset — crude and energy contracts expire in the first half of the month, while gold and silver expire at the end — helping maintain steady volumes throughout. Options active UCCs rose 62% YoY to 0.89mn in Q3 from 0.55mn, signalling broader participation fuelled by discount brokers. Despite this surge in participation, MCX still trails equity exchanges which have ~4-5mn active investors in equity options. We expect notional/premium volume to register a +56/42% CAGR over FY25-28E. We raise our revenue and EPS estimates by 7-13% to reflect the Q4 uptick but trim the multiple to 43x (from 46x earlier) amid near-term volume uncertainty. We maintain BUY with a TP of INR 2,950, based on 43x FY28E core EPS plus cash (ex-SGF and trading margin).

- **Options premium growth robust, sustainability difficult:** The options notional turnover for the quarter stood at INR 6.2trn, down 7% QoQ, but the P/N increased to ~1.8% (vs ~1.1% QoQ), leading to a sharp rise in options premium (~INR 112bn +50% QoQ). The options volumes surged significantly in Q4FY26E due to sharp increase in bullion volumes in Jan-26, followed by a surge in crude volume due to tensions in the Middle East in Mar-26. However, we expect the volumes to normalize and have assumed a premium ADTV of INR ~79bn for Q1FY27E, down 25% QoQ. The P/N will normalize to ~1.2% and premium will normalize back to the new base of INR 70-80bn. In case the current run rate (>INR 100bn premium ADTV) sustains, there could be further upgrades.
- **Commodity cost of trading attractive:** Despite the Securities Transaction Tax (STT) being twice the rate of Commodities Transaction Tax (CTT), budget 2026 refrained from hiking CTT and instead increased STT by 50-150%. This deliberate policy stance signals regulatory support for the nascent commodities market, rendering it even more attractive for traders. The cost of trading for commodities futures/options is now ~35/38% lower vs equities.
- **4QFY26E is another record quarter:** MCX is expected to report its highest ever revenue of INR 8.92bn (+34.1%/206.3% QoQ/YoY) and PAT of INR 5.5bn (+37.2/306.3% QoQ/YoY). The options and futures revenue will be INR 5.74/2.40bn +51.1%/5.8% QoQ. The EBITDA margin at 76.8% will be up 245bps QoQ.

BUY

CMP (as on 24 Mar 26)	INR 2,419
Target Price	INR 2,950
NIFTY	22,912

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,780	INR 2,950
EPS %	FY27E +6.8	FY28E +12.7

KEY STOCK DATA

Bloomberg code	MCX IN
No. of Shares (mn)	255
MCap (INR bn) / (\$ mn)	617/6,579
6m avg traded value (INR mn)	7,846
52 Week high / low	INR 2,706/905

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.7	52.0	124.3
Relative (%)	25.0	61.4	129.3

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.00	0.00
FIs & Local MFs	60.50	59.16
FPIs	19.00	20.64
Public & Others	20.31	20.02
Pledged Shares	0.00	0.00

Source : BSE

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- **Index and FPI are future growth drivers:** The cash-settled index contracts such as Metldex and Bulldex is expected to generate growth thrust and attract higher participation from FPIs and institutions and are future growth drivers. SEBI indication to allow FPI and domestic institutional participation in non-cash settled commodities is a positive step, especially given MCX's current FPI volume share of only ~2% versus ~16% for equity exchanges. Additionally, the co-location facilities in commodities could pave the way for HFT activity, which has been a significant volume driver in equity markets. These developments amplify our earlier thesis of sustained options growth, supported by both product innovation and structural market reforms, and strengthen our conviction on MCX's long-term earnings trajectory.
- **Valuation and view:** MCX is up ~12%/124% in the last 3M/1Y and is trading at a P/E of 40x FY27E, which is in line with the BSE multiple. Historically, MCX has traded at a ~15% premium to equity exchanges based on the optionality and lower regulatory risks. 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 a 3 year average one-year forward P/E of ~43.7x and is currently trading at a P/E of 40/34x FY27/28E EPS. We have assigned a core P/E multiple of 43x and the implied P/E multiple on FY28 EPS is ~41x.

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	23,055	26,774	31,034
EBITDA	1,852	1,622	1,497	643	6,653	16,662	19,261	22,603
APAT	2,252	1,639	1,490	831	5,600	13,521	15,657	18,365
APAT*	2,252	1,639	2,390	3,306	5,600	13,521	15,657	18,365
Diluted EPS (INR)	8.8	6.4	9.4*	13.0*	22.0	53.0	61.4	72.0
P/E (x)	274.5	377.3	258.7*	187.0*	110.4	45.7	39.5	33.7
EV / EBITDA (x)	324.6	370.7	402.4	935.2	89.3	35.8	30.7	26.0
RoE (%)	16.2	11.6	10.3	5.8	34.3	65.3	63.3	62.4

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

Assumptions – We expect the volume to normalize in Q1FY27E, FY27E options ADTV will reset to the new base

MCX Key Assumptions	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26E	Q1FY27E	Q2FY27E	Q3FY27E	Q4FY27E
Futures ADTV (INR bn)	213.57	187.30	204.49	175.43	259.62	269.32	279.61	273.11	405.43	417.55	844.61	879.89	714.38	718.57	722.91	727.42
QoQ Growth (%)	4%	-12%	9%	-14%	48%	4%	4%	-2%	48%	3%	102%	4%	-19%	1%	1%	1%
YoY Growth (%)	-15%	-21%	-14%	-15%	22%	44%	37%	56%	56%	55%	202%	222%	76%	72%	-14%	-17%
Options ADTV (INR bn)	619.28	858.73	944.89	1,136.72	1,467.71	1,933.08	2,038.55	2,209.36	2,702.28	3,695.12	6,656.62	5,989.49	6,070.57	6,134.56	6,199.52	6,265.49
QoQ Growth (%)	35%	39%	10%	20%	29%	32%	5%	8%	22%	37%	80%	-10%	1%	1%	1%	1%
YoY Growth (%)	217%	174%	144%	149%	137%	125%	116%	94%	84%	91%	227%	171%	125%	66%	-7%	5%
Options Premium ADTV	12.16	15.80	19.35	20.39	23.71	32.64	35.57	32.89	42.45	40.96	71.04	105.71	79.20	76.69	74.86	74.91
QoQ Growth (%)	23%	30%	22%	5%	16%	38%	9%	-8%	29%	-4%	73%	49%	-25%	-3%	-2%	0%
YoY Growth (%)	142%	97%	97%	106%	95%	107%	84%	61%	79%	25%	100%	221%	87%	87%	5%	-29%
P/N (%)	2.0%	1.8%	2.0%	1.8%	1.6%	1.7%	1.7%	1.5%	1.6%	1.1%	1.1%	1.8%	1.3%	1.3%	1.2%	1.2%
QoQ Growth bps	(20)	(12)	21	(25)	(18)	7	6	(26)	8	(46)	(4)	70	(46)	(5)	(4)	(1)

Source: Company, HSIE Research

Impressive surge in notional and premium ADTV over the past seven months, fueled by heightened global commodity volatility, new product launches and higher participation. Current valuations factor in volume normalization ahead

Options Notional ADTV INR Cr					
Month	Total Notional ADTV	Gold	Silver	Crude Oil	Natural Gas
Feb-25	228,975	60,527	12,552	120,076	35,558
Mar-25	210,849	54,759	4,130	106,865	44,683
Apr-25	279,144	94,140	19,600	129,506	35,561
May-25	234,130	84,247	3,861	108,721	37,073
Jun-25	299,130	90,109	27,767	140,587	40,398
Jul-25	293,795	103,802	31,529	122,079	36,062
Aug-25	366,026	143,686	57,921	133,137	31,073
Sep-25	451,841	167,697	101,945	144,566	37,120
Oct-25	603,401	292,506	105,754	156,027	47,948
Nov-25	676,890	280,039	177,198	154,693	64,200
Dec-25	717,716	348,000	144,388	133,951	88,412
Jan-26	550,892	203,270	67,400	174,718	99,250
Feb-26	579,782	261,187	97,856	154,841	55,060
Mar-26*	735,811	394,781	41,638	223,663	68,714

Source: Company, HSIE Research, *Updated as on 23rd March 2026

MCX Notional Mix %				
Month	Gold	Silver	Crude Oil	Natural Gas
Feb-25	26%	5%	52%	16%
Mar-25	26%	2%	51%	21%
Apr-25	34%	7%	46%	13%
May-25	36%	2%	46%	16%
Jun-25	30%	9%	47%	14%
Jul-25	35%	11%	42%	12%
Aug-25	39%	16%	36%	8%
Sep-25	37%	23%	32%	8%
Oct-25	48%	18%	26%	8%
Nov-25	41%	26%	23%	9%
Dec-25	48%	20%	19%	12%
Jan-26	37%	12%	32%	18%
Feb-26	45%	17%	27%	9%
Mar-26*	54%	6%	30%	9%

Source: Company, HSIE Research, *Updated as on 23rd March 2026

Options Premium ADTV INR Cr					
Month	Total Premium INR	Gold	Silver	Crude Oil	Natural Gas
Feb-25	2,987	252	114	1,732	886
Mar-25	3,223	229	91	1,631	1,270
Apr-25	4,545	550	191	2,673	1,126
May-25	3,749	528	84	2,024	1,110
Jun-25	4,464	427	196	2,755	1,084
Jul-25	3,739	470	205	2,035	1,026
Aug-25	3,831	501	274	2,172	882
Sep-25	4,711	828	569	2,271	1,038
Oct-25	6,858	1,822	1,176	2,587	1,255
Nov-25	6,524	1,403	1,080	2,396	1,640
Dec-25	7,877	1,566	1,893	1,961	2,390
Jan-26	10,846	1,906	2,136	3,012	3,658
Feb-26	8,525	1,765	1,378	3,169	2,078
Mar-26*	14,280	2,140	910	8,451	2,719

Source: Company, HSIE Research, *Updated as on 23rd March 2026

P/N%					
Month	Total	Gold	Silver	Crude Oil	Natural Gas
Feb-25	1.3%	0.4%	0.9%	1.4%	2.5%
Mar-25	1.5%	0.4%	2.2%	1.5%	2.8%
Apr-25	1.6%	0.6%	1.0%	2.1%	3.2%
May-25	1.6%	0.6%	2.2%	1.9%	3.0%
Jun-25	1.5%	0.5%	0.7%	2.0%	2.7%
Jul-25	1.3%	0.5%	0.7%	1.7%	2.8%
Aug-25	1.0%	0.3%	0.5%	1.6%	2.8%
Sep-25	1.0%	0.5%	0.6%	1.6%	2.8%
Oct-25	1.1%	0.6%	1.1%	1.7%	2.6%
Nov-25	1.0%	0.5%	0.6%	1.5%	2.6%
Dec-25	1.1%	0.5%	1.3%	1.5%	2.7%
Jan-26	2.0%	0.9%	3.2%	1.7%	3.7%
Feb-26	1.5%	0.7%	1.4%	2.0%	3.8%
Mar-26*	1.9%	0.5%	2.2%	3.8%	4.0%

Source: Company, HSIE Research, *Updated as on 23rd March 2026

MCX Premium Mix %				
Month	Gold	Silver	Crude Oil	Natural Gas
Feb-25	8%	4%	58%	30%
Mar-25	7%	3%	51%	39%
Apr-25	12%	4%	59%	25%
May-25	14%	2%	54%	30%
Jun-25	10%	4%	62%	24%
Jul-25	13%	5%	54%	27%
Aug-25	13%	7%	57%	23%
Sep-25	18%	12%	48%	22%
Oct-25	27%	17%	38%	18%
Nov-25	22%	17%	37%	25%
Dec-25	20%	24%	25%	30%
Jan-26	18%	20%	28%	34%
Feb-26	21%	16%	37%	24%
Mar-26*	15%	6%	59%	19%

Source: Company, HSIE Research, *Updated as on 23rd March 2026

After the recent hike in STT in budget 2026 CTT is now 67-80% lower vs STT

STT	Old	Hike in October 2024	Increase %	New Rates in budget 2026	Increase %	CTT (No change in the Budget)	Rate	CTT vs STT difference %
Equity Delivery	0.10%	0.100%	0%	0.10%	0%			
Equity Intraday	0.03%	0.030%	0%	0.03%	0%			
Futures	0.0125%	0.020%	60%	0.050%	150%	Futures	0.010%	-80%
Options	0.0625%	0.100%	60%	0.150%	50%	Options	0.050%	-67%
Options (Exercised)	0.125%	0.125%	0%	0.150%	20%			

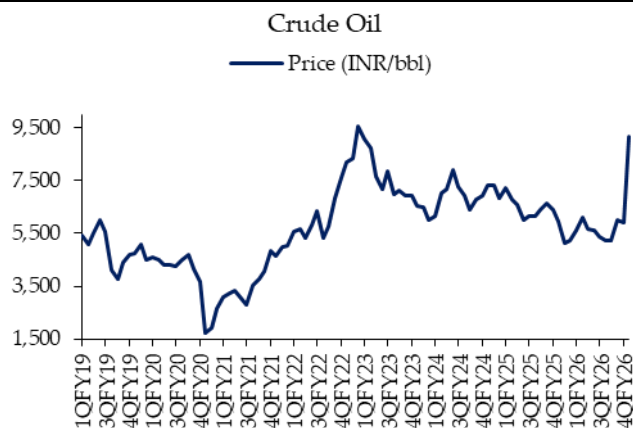
Source: HSIE research

STT has been hiked three times and CTT has been consistent. The cost of trading in commodities is better vs equities.

Earlier rate	STT	CTT	STT vs CTT (x)
Old Rate			
Futures	0.010%	0.010%	1.0
Options	0.050%	0.050%	1.0
Budget 2023			
Futures	0.0125%	0.010%	1.3
Options	0.0625%	0.050%	1.3
Oct-24			
Futures	0.0200%	0.010%	2.0
Options	0.1000%	0.050%	2.0
Budget 2026			
Futures	0.050%	0.010%	5.0
Options	0.150%	0.050%	3.0

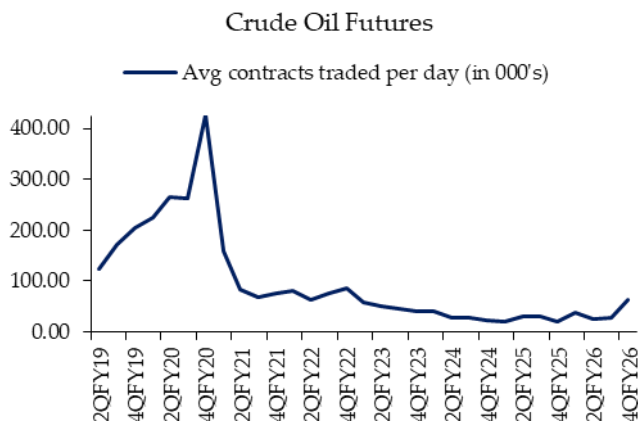
Source: HSIE research

Crude Oil Prices have shot up in March-26 owing to the supply shortage in the Middle East



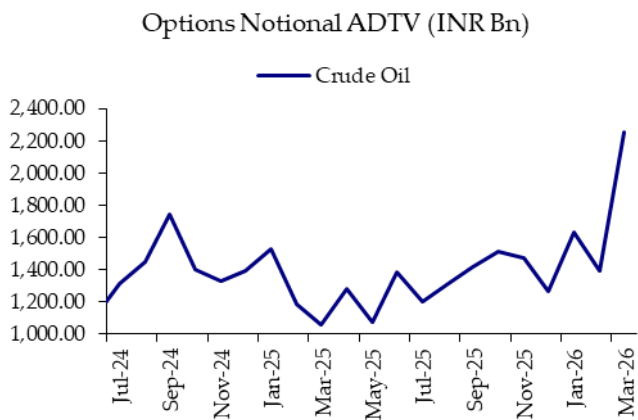
Source: Company, HSIE Research

Average number of contracts traded per day has increased by ~2.3x in sync with the volatility



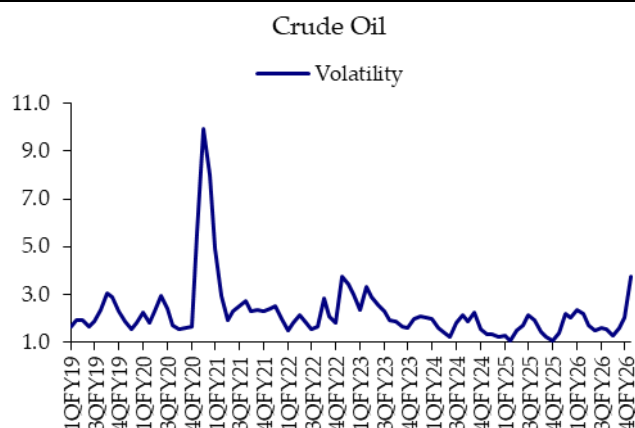
Source: Company, HSIE Research

Crude Oil Options Notional ADTV has surged ~1.6x MoM due to the ongoing conflicts



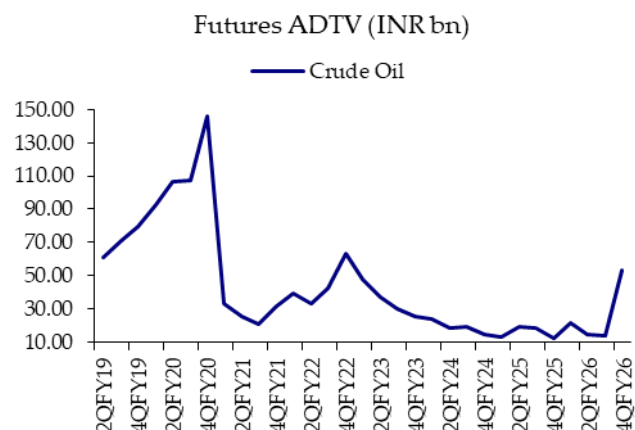
Source: Company, HSIE Research

Volatility in Crude has witnessed a spike following the rising Crude prices, still volatility lower vs peak levels during covid



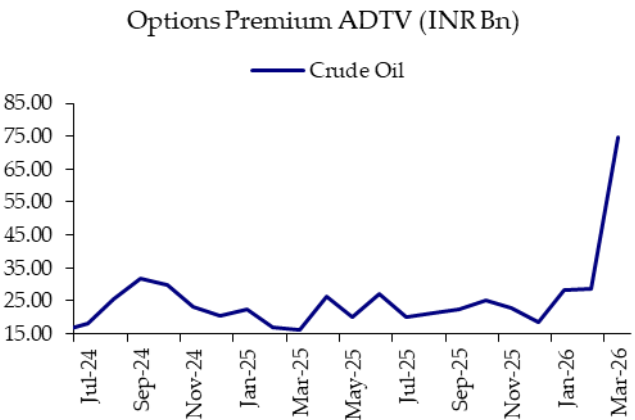
Source: Company, HSIE Research

Futures ADTV, being a function of the price change and the number of contracts traded per day has shot up



Source: Company, HSIE Research

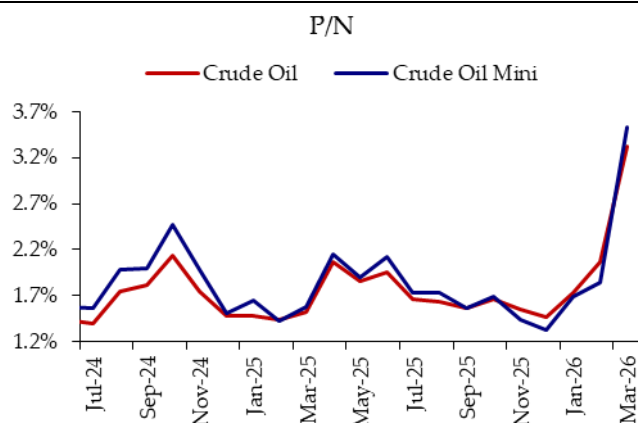
Crude Oil Options Premium ADTV has beat the pace of Notional ADTV and risen by ~2.6x MoM



Source: Company, HSIE Research

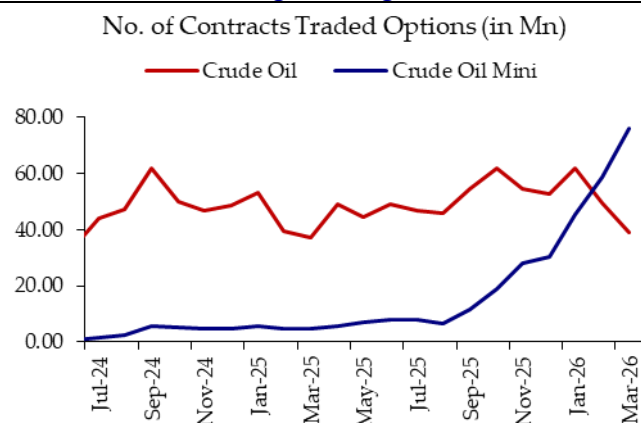
MCX: Company Update

Spike in volatility has led to increase in P/N for Crude oil contracts



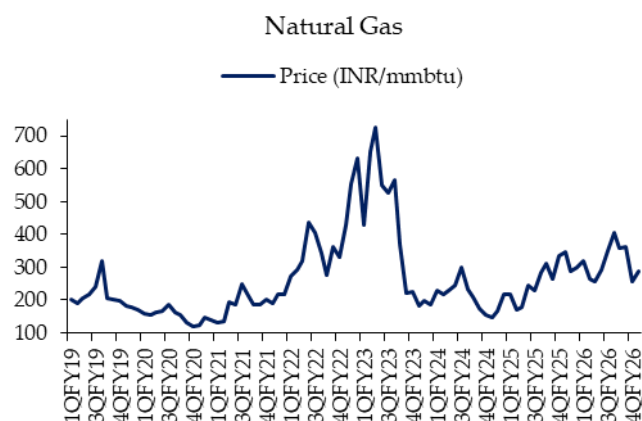
Source: Company, HSIE Research

The decline in number of Options contracts traded for Crude Oil is due to higher margins



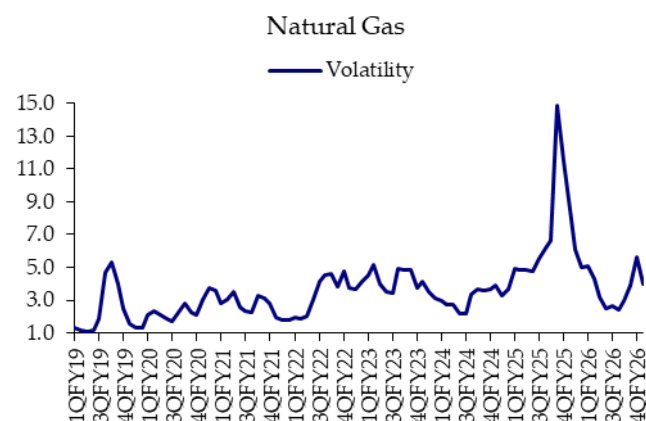
Source: Company, HSIE Research

Natural Gas prices have stabilized after a surge due to shortages and extreme winters



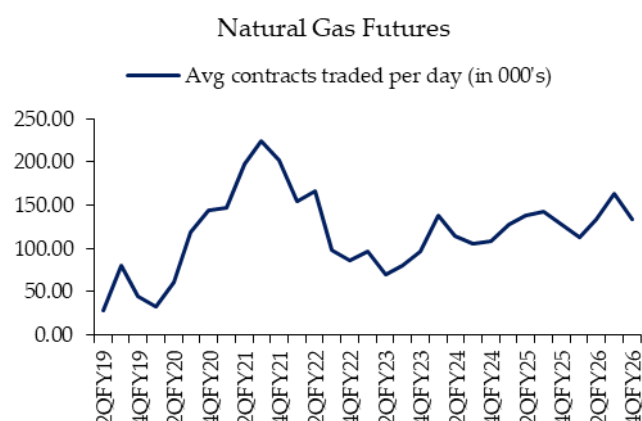
Source: Company, HSIE Research

Natural gas volatility has normalized after a spike in Q4FY25



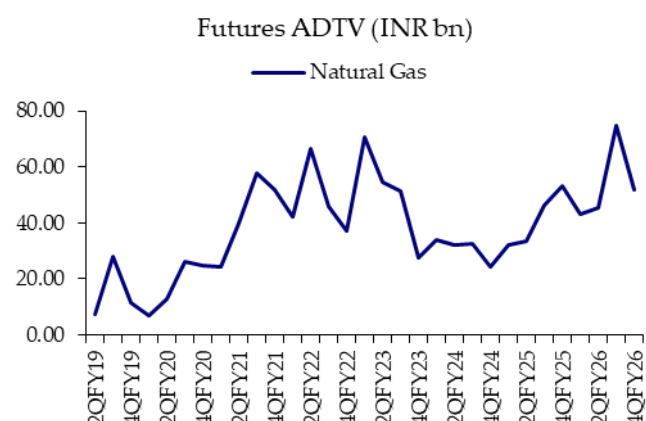
Source: Company, HSIE Research

No. of contracts traded per day rising led by increase in volatility



Source: Company, HSIE Research

Futures ADTV has increased in the last two quarters led by rise in global volatility but are now stabilizing

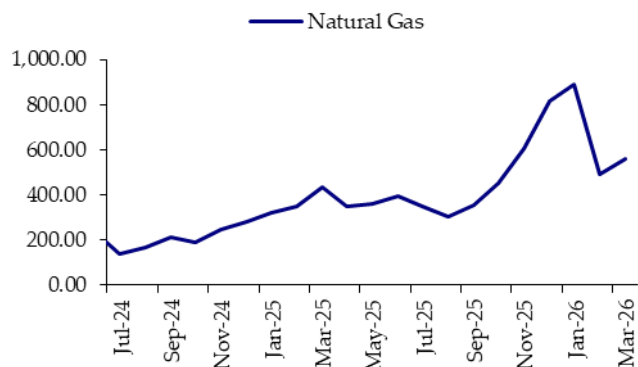


Source: Company, HSIE Research

MCX: Company Update

Similarly, Options Notional ADTV is also stabilizing after registering a spike in the past few months due to increase in demand global shortage

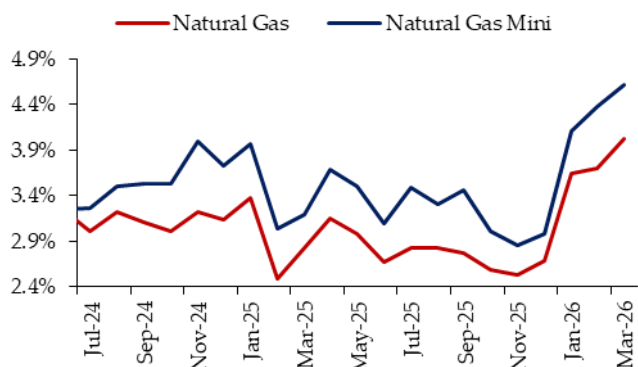
Options Notional ADTV (INR Bn)



Source: Company, HSIE Research

P/N% has increased led by steep increase in global volatility

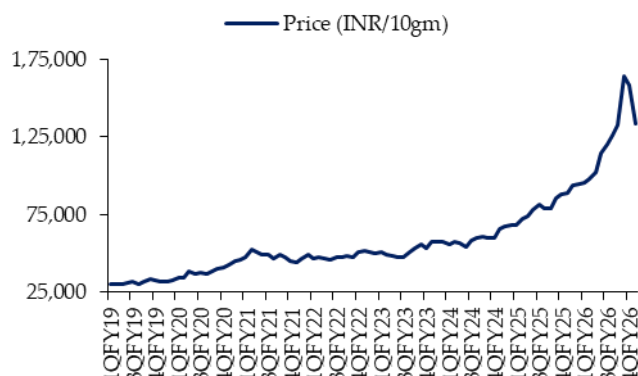
P/N



Source: Company, HSIE Research

Gold prices have fallen from record highs registered in the past months

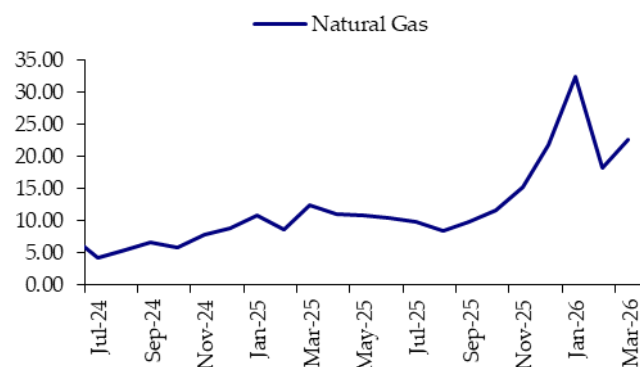
Gold



Source: Company, HSIE Research

The Premium ADTV in Natural Gas has also normalized

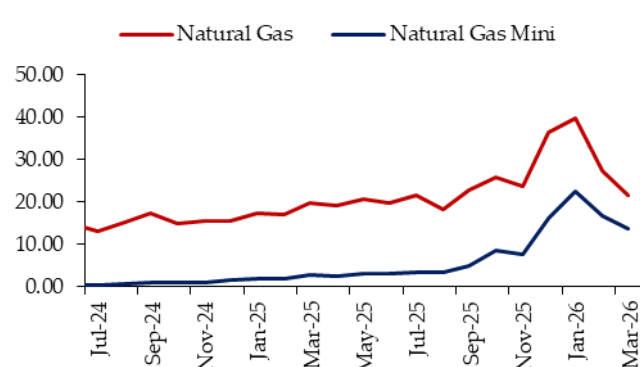
Options Premium ADTV (INR Bn)



Source: Company, HSIE Research

Number of contracts traded has normalized

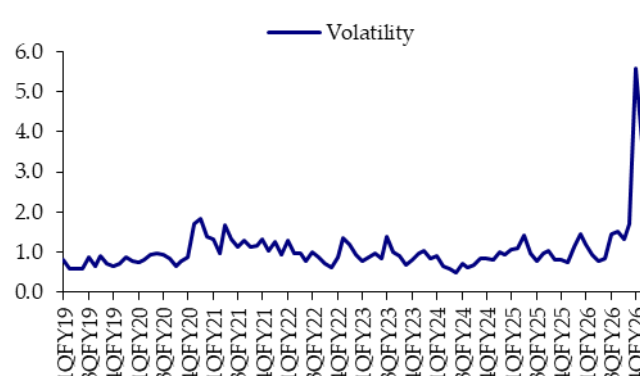
No. of Contracts Traded Options (in Mn)



Source: Company, HSIE Research

Volatility in gold has also decreased in March-26

Gold

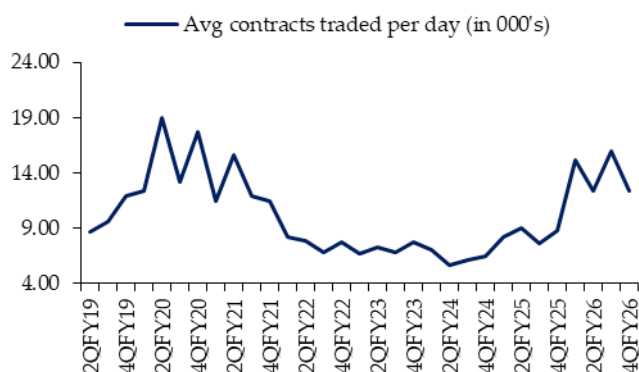


Source: Company, HSIE Research

MCX: Company Update

Average Contracts traded per day has decreased

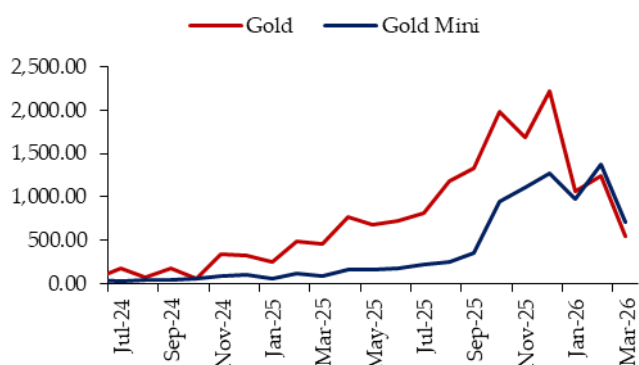
Gold Futures



Source: Company, HSIE Research

Options Notional ADTV has normalized in Q4 after being on a record run from September-25

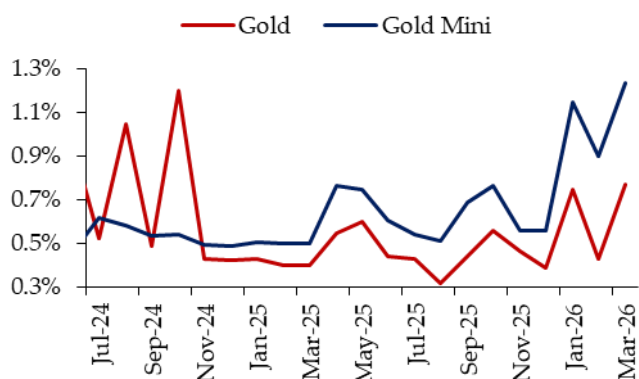
Options Notional ADTV (INR Bn)



Source: Company, HSIE Research

P/N% continues to be elevated amid higher volatility

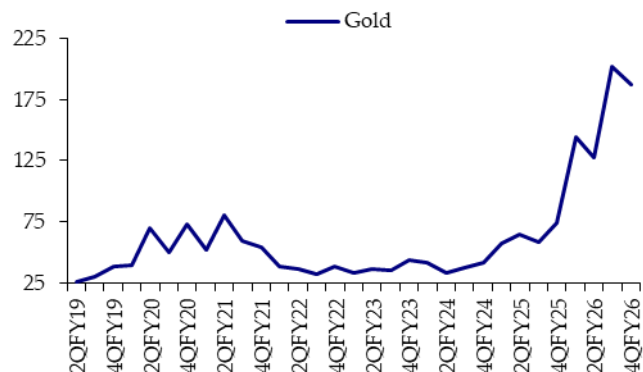
P/N



Source: Company, HSIE Research

Futures ADTV has come off highs recorded in Jan-26

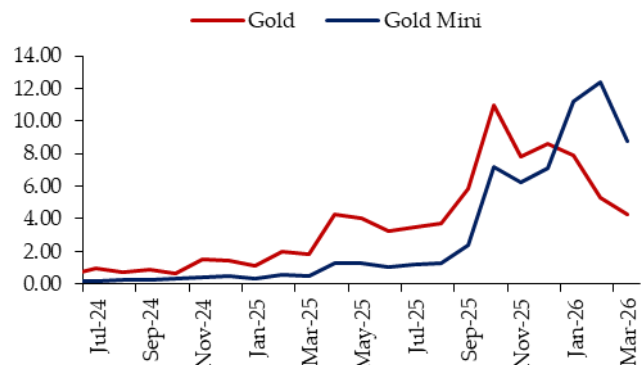
Futures ADTV (INR bn)



Source: Company, HSIE Research

Options Premium ADTV continued to soar into Jan-26 but has now come down

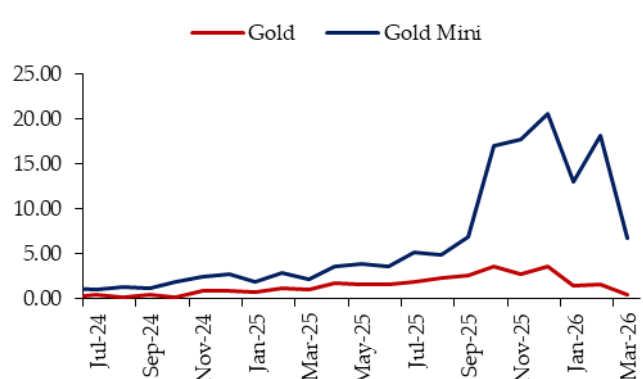
Options Premium ADTV (INR Bn)



Source: Company, HSIE Research

No. of contracts traded in Mar-26 have also fallen to Q3FY26 levels

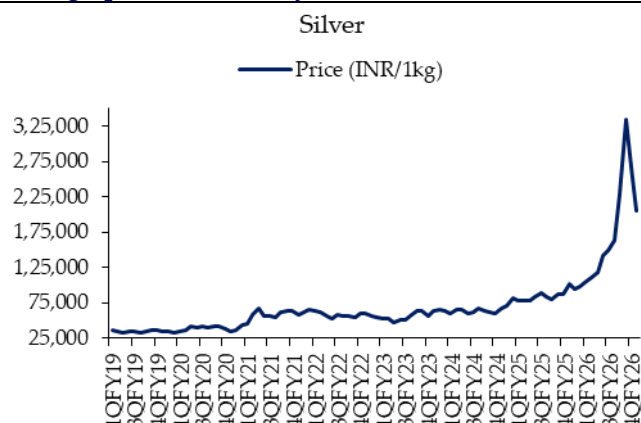
No. of Contracts Traded Options (in Mn)



Source: Company, HSIE Research

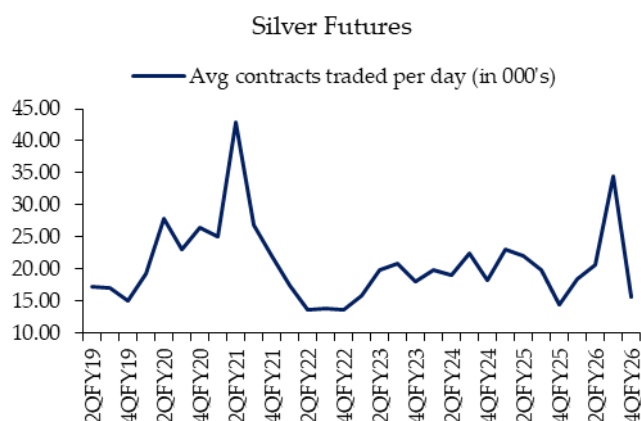
MCX: Company Update

Silver prices have come crashing down after recording all time high prices in January-26



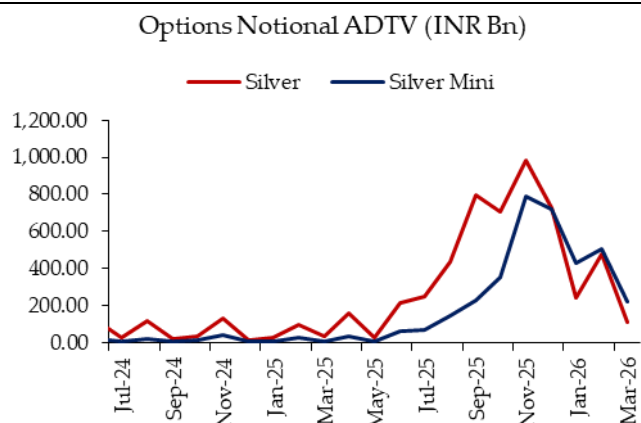
Source: Company, HSIE Research

Average Contracts traded per day have come down in Q4FY26 to similar levels as Q4FY25



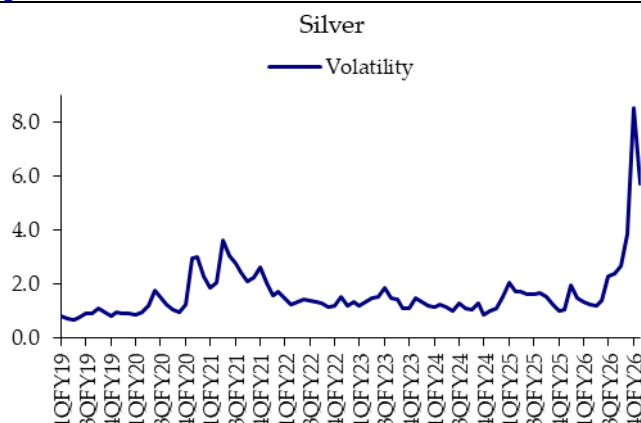
Source: Company, HSIE Research

Declining Silver prices and sudden lapse in demand has led to a decrease in the Notional ADTV



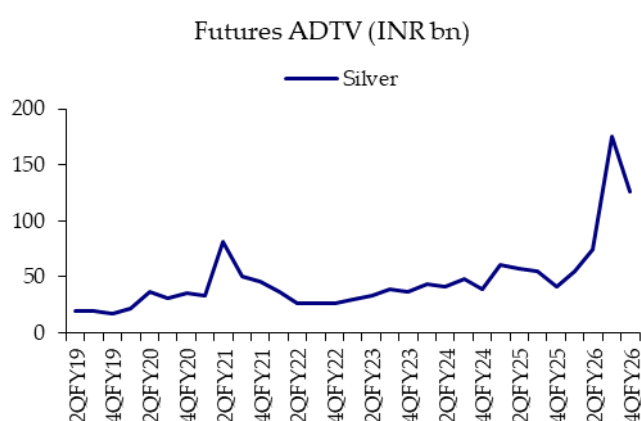
Source: Company, HSIE Research

Volatility has also decreased due to normalization in prices



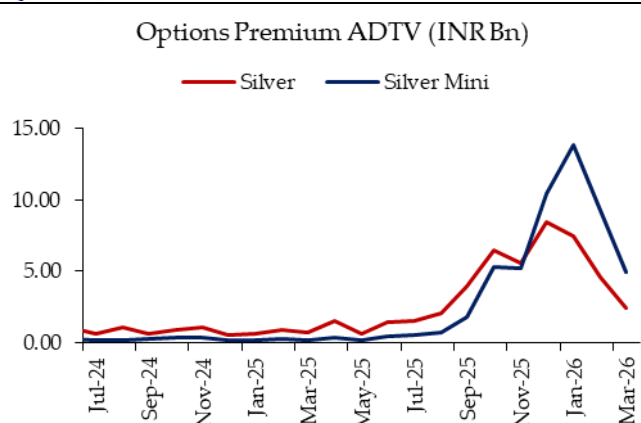
Source: Company, HSIE Research

Futures ADTV has also normalized in Q4 after soaring to record highs on the back of increased prices and global volatility in the last three quarters



Source: Company, HSIE Research

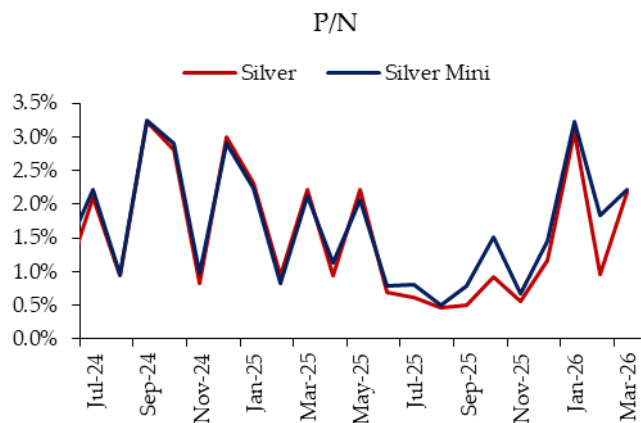
While Silver Premium ADTV continued to rise into Q4FY26, it has also normalized in March-26



Source: Company, HSIE Research

MCX: Company Update

P/N% has shot up due slower pace of decline in Premium ADTV compared to decline in Notional ADTV



Source: Company, HSIE Research

No. of contracts traded has decreased for Silver after witnessing a sharp spike in December-2025



Source: Company, HSIE Research

Change in estimate

INR mn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	21,088	23,055	9.3	25,246	26,774	6.1	27,930	31,034	11.1
EBITDA	14,992	16,662	11.1	18,085	19,261	6.5	20,031	22,603	12.8
EBITDA Margin (%)	71.1	72.3	118bps	71.6	71.9	31bps	71.7	72.8	111bps
APAT	12,173	13,521	11.1	14,659	15,657	6.8	16,300	18,365	12.7
EPS (Rs)	47.7	53.0	11.2	57.5	61.4	6.8	63.9	72.0	12.7

Source: HSIE Research

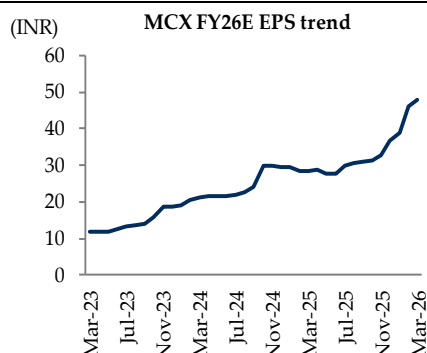
Peer valuation

Company	MCAp (INR bn)	CMP (INR)	TP (INR)	RECO	EPS (INR)				P/E (x)				ROE (%)				Rev CAGR %	EPS CAGR %
					FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25- 28E	FY25- 28E
MCX	618	2,424	2,950	BUY	22.0	53.0	61.4	72.0	110.4	45.7	39.5	33.7	34.3	65.3	63.3	62.4	41%	49%
CDSL	248	1,188	1,520	ADD	25.2	24.1	29.0	35.5	47.1	49.3	40.9	33.5	32.7	27.0	29.1	31.5	15%	12%
BSE	1,142	2,812	3,310	ADD	32.7	59.2	70.2	81.7	86.1	47.5	40.0	34.4	34.3	48.2	41.5	39.5	30%	36%

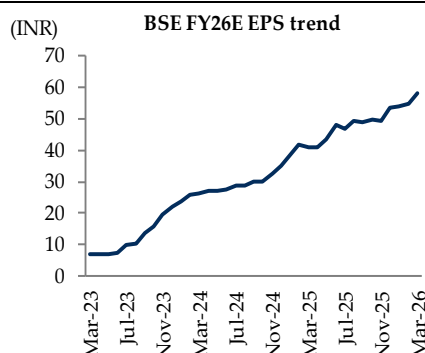
Source: Company, HSIE research. CMP as of 24th March 2026

EPS upgrades for FY26E

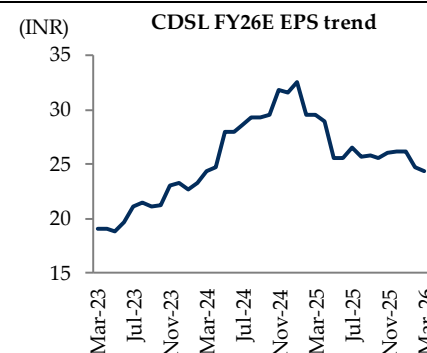
MCX FY26E EPS



BSE FY26E EPS



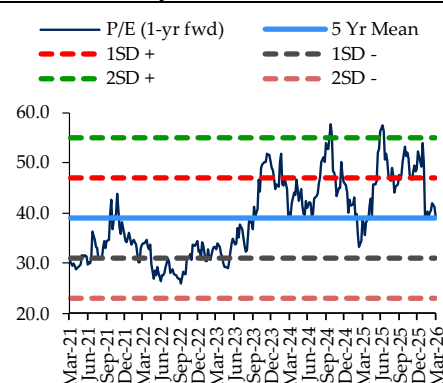
CDSL FY26E EPS



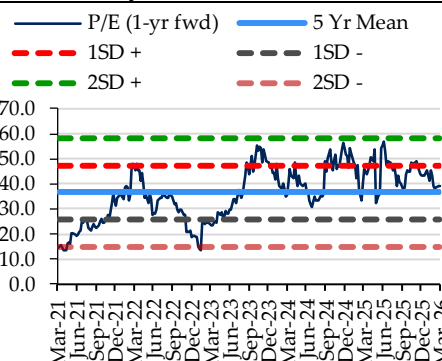
Source: Bloomberg, HSIE research

Valuation charts

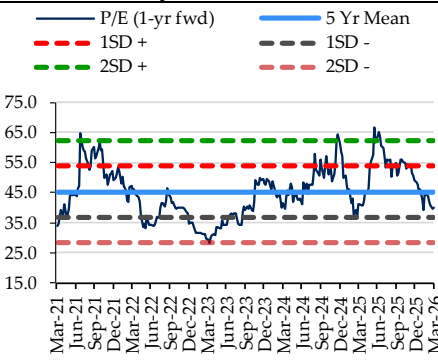
MCX P/E (1-yr fwd) trend



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
Net Revenues	3,978	3,906	3,668	5,135	6,836	11,127	23,055	26,774	31,034
<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>107.2</i>	<i>16.1</i>	<i>15.9</i>
Software support charges	689	636	640	1,961	3,855	927	1,079	1,444	1,669
Employee Expenses	773	751	800	919	1,123	1,443	1,794	1,900	2,036
Product Licence & Tech Expenses	206	211	205	270	396	694	1,063	1,177	1,287
Other Operating Expenses including SGF	526	456	402	488	818	1,410	2,458	2,992	3,439
EBITDA ex SGF	1,784	1,852	1,622	1,497	643	6,653	16,662	19,261	22,603
<i>EBITDA Margin (%)</i>	<i>44.8</i>	<i>47.4</i>	<i>44.2</i>	<i>29.1</i>	<i>9.4</i>	<i>59.8</i>	<i>72.3</i>	<i>71.9</i>	<i>72.8</i>
<i>EBITDA Growth (%)</i>	<i>89.9</i>	<i>3.8</i>	<i>(12.4)</i>	<i>(7.7)</i>	<i>(57.0)</i>	<i>934.5</i>	<i>150.4</i>	<i>15.6</i>	<i>17.3</i>
Depreciation	182	221	227	216	359	638	822	963	1,126
EBIT	1,602	1,632	1,395	1,281	284	6,016	15,839	18,298	21,477
Other Income	1,053	1,038	461	677	754	962	1,183	1,411	1,638
Interest	2	3	2	2	3	5	5	5	5
PBT	2,653	2,667	1,853	1,955	1,035	6,973	17,018	19,705	23,110
Tax (Incl Deferred)	289	415	406	416	189	1,394	3,487	4,037	4,736
Minority Interest & Associate profit	0.4	0.9	-12.7	-49.6	-15.2	20.9	-10.5	-10.5	-10.5
RPAT	2,365	2,252	1,434	1,490	831	5,600	13,521	15,657	18,365
EO (Loss) / Profit (Net Of Tax)	0	0	(204)	0	0	0	0	0	0
APAT	2,365	2,252	1,639	1,490	831	5,600	13,521	15,657	18,365
<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>141.4</i>	<i>15.8</i>	<i>17.3</i>
Core PAT (ex-other income)	1,428	1,377	1,089	1,008	232	4,813	12,594	14,549	17,076
<i>Core PAT Growth (%)</i>	<i>91.2</i>	<i>(3.5)</i>	<i>(20.9)</i>	<i>(7.4)</i>	<i>(77.0)</i>	<i>1,974.2</i>	<i>161.7</i>	<i>15.5</i>	<i>17.4</i>
Adjusted EPS (INR)	9.3	8.8	6.4	5.8	3.3	22.0	53.0	61.4	72.0
<i>EPS 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>141.4</i>	<i>15.8</i>	<i>17.3</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	510	510	510	510	510	510	510	510	510
Reserves	13,084	13,672	13,671	14,283	13,275	18,334	22,072	26,392	31,467
Total Shareholders' Funds	13,594	14,182	14,181	14,793	13,785	18,844	22,582	26,902	31,977
Settlement guarantee fund	4,098	4,692	5,256	5,898	7,806	9,301	10,971	12,915	15,186
Total Debt	0	0	0	0	0	0	0	0	0
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
TOTAL SOURCES OF FUNDS	18,237	19,447	20,095	21,252	22,246	29,026	34,435	40,698	48,043
APPLICATION OF FUNDS									
Net Block	1,583	1,594	1,565	1,502	3,794	4,118	4,449	4,825	5,251
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
Total Non-current Assets	2,651	2,649	3,268	4,230	5,310	5,076	5,415	5,800	6,236
Debtors	65	90	115	146	679	288	379	440	510
Other Current Assets	753	948	1,221	2,310	1,054	2,039	9,474	11,003	12,754
Cash & Equivalents	23,878	21,339	23,403	23,540	27,044	35,849	47,047	55,513	65,692
Total Current Assets	24,695	22,377	24,738	25,997	28,778	38,176	56,901	66,956	78,956
Trading margin from members	7,599	4,296	6,429	7,584	10,254	11,808	25,343	29,393	34,350
Other Current Liabilities & Provisions	1,510	1,282	1,482	1,392	1,588	2,418	2,538	2,665	2,799
Total Current Liabilities	9,109	5,578	7,911	8,976	11,841	14,225	27,881	32,059	37,149
Net Current Assets	15,586	16,799	16,827	17,021	16,936	23,950	29,019	34,897	41,808
TOTAL APPLICATION OF FUNDS	18,237	19,447	20,095	21,252	22,247	29,026	34,435	40,698	48,044

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	17,018	19,705	23,110
Non-operating & EO items	(1,224)	(981)	(419)	(590)	(709)	(1,755)	(1,183)	(1,411)	(1,638)
Interest expenses	2	2	2	2	3	5	5	5	5
Depreciation	181	221	227	216	359	638	822	963	1,126
Working Capital Change	3,402	(3,274)	2,572	326	5,032	3,237	6,110	2,568	3,249
Tax Paid	(523)	(479)	(323)	(495)	(511)	(401)	(3,487)	(4,037)	(4,736)
OPERATING CASH FLOW (a)	4,492	(1,844)	3,913	1,414	5,209	8,696	19,285	17,792	21,117
Capex	(277)	(211)	(820)	(713)	(1,432)	(959)	(1,153)	(1,339)	(1,552)
Free cash flow (FCF)	4,215	(2,055)	3,093	702	3,777	7,737	18,132	16,453	19,565
Investments	0	0	0	0	0	0	0	0	0
Non-operating Income	407	302	220	425	133	789	1,183	1,411	1,638
INVESTING CASH FLOW (b)	130	91	(600)	(287)	(1,300)	(170)	30	73	86
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	18,128	16,449	19,560
Share Capital Issuance	0	0	0	0	0	0	0	0	0
Dividend	(1,230)	(1,530)	(1,408)	(887)	(974)	(390)	(8,113)	(9,394)	(11,019)
FINANCING CASH FLOW (c)	(1,230)	(1,530)	(1,409)	(893)	(974)	(392)	(8,117)	(9,399)	(11,023)
NET CASH FLOW (a+b+c)	3,392	(3,284)	1,904	234	2,935	8,133	11,198	8,466	10,179
EO Items, Others	3,243	744	160	(96)	569	671	0	0	0
Closing Cash & Equivalents	23,878	21,339	23,403	23,540	27,044	35,849	47,047	55,513	65,692

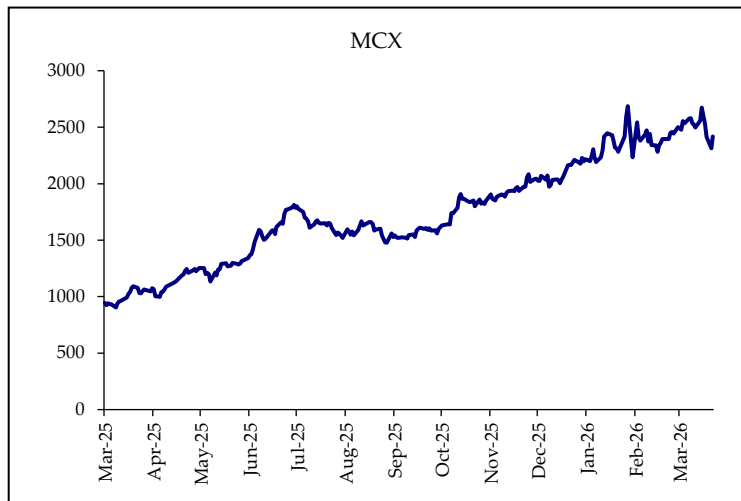
Source: Company, HSIE Research

Key Ratios

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PROFITABILITY (%)									
GPM	77.5	78.3	77.0	56.6	37.8	85.4	90.7	90.2	90.5
EBITDA Margin	44.8	47.4	44.2	29.1	9.4	59.8	72.3	71.9	72.8
APAT Margin	59.4	57.7	44.7	29.0	12.2	50.3	58.6	58.5	59.2
RoE	18.1	16.2	11.6	10.3	5.8	34.3	65.3	63.3	62.4
RoIC (or Core RoCE)	25.4	23.4	16.2	10.4	6.6	35.9	57.8	61.7	66.5
RoCE	13.7	12.0	8.3	7.2	3.8	21.9	42.6	38.1	41.4
EFFICIENCY									
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	0.4	0.4	0.4
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	114	291	201	173	160
Cash Conversion Cycle (days)	(313)	(262)	(301)	(12)	(22)	(215)	(45)	(17)	(4)
Debt/EBITDA (x)	(6)	(6)	(8)	(5)	(17)	(2)	(1)	(1)	(1)
Net D/E (x)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Interest Coverage (x)	NM	NM	NM	NM	NM	NM	NM	NM	NM
PER SHARE DATA (INR)									
EPS	9.3	8.8	6.4	5.8	3.3	22.0	53.0	61.4	72.0
CEPS	10.0	9.7	7.3	6.7	4.7	24.5	56.2	65.2	76.4
Dividend	4.8	6.0	5.5	3.5	3.8	1.5	31.8	36.8	43.2
Book Value	53.3	55.6	55.6	58.0	54.1	73.9	88.6	105.5	125.4
VALUATION									
P/E (x)	261.4	274.5	377.3	415.0	743.8	110.4	45.7	39.5	33.7
P/BV (x)	45.5	43.6	43.6	41.8	44.8	32.8	27.4	23.0	19.3
EV/EBITDA (x)	337.5	324.6	370.7	402.4	935.2	89.3	35.8	30.7	26.0
OCF/EV (%)	0.7	(0.3)	0.7	0.2	0.9	1.5	3.2	3.0	3.6
FCF/EV (%)	0.7	(0.3)	0.5	0.1	0.6	1.3	3.0	2.8	3.3
FCFE/Mkt Cap (%)	0.4	(0.1)	0.3	0.1	0.3	0.7	1.6	1.4	1.7
Dividend Yield (%)	0.2	0.2	0.2	0.1	0.2	0.1	1.3	1.5	1.8

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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