BUY

CMP: **INR 2,209** Target Price: **INR 2,650** ▲ 20%

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23 November 2026

India | Equity Research | Initiating Coverage

National Stock Exchange of India

Exchanges

Prime play on Indian growth and financialisation story

National Stock Exchange Limited (NSE) has been India's largest stock exchange in terms of turnover across cash equities, derivatives, and currency. According to the World Federation of Exchanges (WFE), among leading listed stock exchanges globally, NSE is the largest multi-asset class exchange in terms of number of trades in cash equities and contracts traded in equity derivatives in FY26. It had a global market share of 11.4% and 51.2% in number of trades in cash equities and equity derivatives, respectively in FY26 (as per Company RHP). NSE has a strong market position, a platform-centric business model, and tailwinds of Indian markets, resulting in high operating EBITDA margin and RoE. We initiate coverage with a **BUY** rating and a target price of INR 2,650.

We position NSE at a higher valuation multiple compared with other Indian capital market plays because of its unique combination of market leadership, scale-driven efficiency, innovation, and emerging growth opportunities. The advantage of leadership (liquidity begets liquidity), scale (operating leverage, technological capability), infrastructure (technology and employee talent) and new emerging areas (commodities and Gift City operations) makes NSE an umbrella offering for entire capital markets.

While market cycles cannot be ruled out, we see potential for eventual earnings growth and compounding story, which leads us to factor in a PAT of INR 164bn by FY29E. We value NSE based on 40x FY29E EPS of INR 66.3 to arrive at a target price of INR 2,650.

Key assumptions

- We estimate cash ADTV to be INR 1,247bn/1,298bn/1,444bn in FY27/28/29E vs. INR 1,055bn/1,140bn in FY26/Oct'26. We factor in total cash segment revenue of INR 18.9bn/19.9bn/22.2bn in FY27/28/29E vs. INR 15.6bn in FY26 and INR 4.7bn in Q2FY27.
- We estimate index options premium ADTV to be INR 582bn/719bn/800bn in FY27/28/29E vs. INR 505bn in FY26 and INR 632bn in Oct'26. We factor total index options revenue of INR 102bn/128bn/142bn in FY27/28/29E vs. INR 88bn/18.8bn in FY26/Q2FY27.

Financial Summary

Y/E March (INR mn)	FY26A	FY27E	FY28E	FY29E
Net Revenue	1,66,013	1,89,453	2,25,303	2,52,170
EBITDA	1,12,249	1,46,321	1,75,358	1,96,767
EBITDA Margin (%)	67.6	77.2	77.8	78.0
Net Profit	1,03,020	1,22,150	1,44,877	1,63,999
EPS (INR)	41.6	49.4	58.5	66.3
EPS % Chg YoY	(15.5)	18.6	18.6	13.2
P/E (x)	53.1	44.8	37.7	33.3
RoCE (%)	20.4	25.9	28.8	29.9
RoE (%)	33.0	36.5	39.4	39.8

Ansuman Deb
ansuman.deb@icicisecurities.com
+91 22 6807 7312

Shubh Walia
shubh.walia@icicisecurities.com

Rishav Bajaj
rishav.bajaj@icicisecurities.com

Market Data	
Market Cap (INR)	5,468bn
Market Cap (USD)	58,852mn
Bloomberg Code	NSE IN
Reuters Code	NSE.BO
52-week Range (INR)	2,264 /1,640
Free Float (%)	10.0
ADTV-3M (mn) (USD)	-

Price Performance (%)	3m	6m	12m
Absolute	-	-	-
Relative to Sensex	-	-	-

ESG Score	2025	2026	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

- We estimate total revenue for NSE, including investments and deposit income, to be INR 213bn/252bn/282bn in FY27/28/29E vs. INR 187bn in FY26.
- We estimate EBITDA (including SGF) of INR 146bn/175bn/197bn in FY27/28/29E vs. INR 112bn in FY26, and EBITDA margin of 77.2%/77.8%/78.0% in FY27/28/29E vs. 67.6% in FY26.
- We estimate PAT of INR 122bn /145bn/164bn in FY27/28/29E vs. INR 103 in FY26.

India's capital market is a multi-decade growth story, and NSE could be one of its biggest beneficiaries

India is currently the fastest growing G20 economy, set to become the world's third largest by FY32 (company RHP). Against this growth background, India has a significant opportunity to expand its capital markets (India's market cap to GDP ratio 119.4% in FY26). Five structural drivers underpin this trajectory: a young workforce expanding productive capacity (68.4% of India's population belonged to working age as of CY25 as per world bank), a rising middle class generating investable surplus (~120mn households earn above INR 800k annually in FY26), rapid digitisation (UPI processed 25.5bn transactions worth INR 31.5trn in Oct'26, as per NPCI), widening financial access and knowledge flows, and a dynamic entrepreneurial base (India had over 223k DPIIT-recognised startups as of Mar'26 as per ministry of Commerce & Industry). Together with higher disposable incomes and financial inclusion, these forces are channelling household incomes towards financial savings and investments, strengthening domestic capital markets and sustaining long-term growth. We believe NSE could be the prime beneficiary of this dynamic as a vertically integrated stock exchange.

NSE – dominant franchise in India as well as across global exchanges

Started in Nov'92, NSE has been able to transform the capital markets by democratising access and enabling efficient capital flows through a transparent, technology-driven ecosystem. This transformation is reflected in the expansion of Unique Registered Investors base, which has grown at a CAGR of 26.93% from 31mn as of Mar'20 to 129mn as of Mar'26 and 136.6mn in Sep'26, while the aggregate Market Capitalisation of Listed Entities on platforms (Mainboard and EMERGE) grew at a CAGR of 24.13% during the same period. NSE maintains leading market share positions in India across key asset classes, with a FY26 market share of 1) 92.99% in cash market (based on total turnover), 2) 99.79% in equity futures (based on notional turnover), 3) 74.71% in equity options (based on premium turnover), 4) 99.48% in currency futures (based on total industry notional turnover), 5) 100.00% for currency options (based on total industry premium turnover), and 6) 85.65% in listed and unlisted corporate bonds (executed on over-the-counter (**OTC**), request for quote (**RFQ**), and anonymous platforms and settled through clearing corporations in India)

- NSE ranks among the top 15 global exchanges by the number of trades in cash equities.
- NSE ranks among the top 15 global exchanges by the number of contracts traded in derivatives
- NSE ranks among the top three exchanges compared to leading listed stock exchange groups globally in terms of total income CAGR and is the largest in India in terms of total income.
- NSE has the highest adjusted operating EBITDA margin among the leading listed stock exchanges globally.

New offerings to meet evolving needs and emerging opportunities; significant traction building up in commodities

NSE's product portfolio spans cash equities, equity derivatives, exchange-traded currency derivatives, commodity derivatives, and debt instruments, among others. It continues to expand offerings across asset classes. Recently, it expanded its commodity derivatives offering to include new products such as 10-gram gold futures contracts, Brent crude oil futures, electricity futures, electronic gold receipts (EGRs), and Indian natural gas futures. The company has also recently announced a collaboration with S&P Global Energy to launch derivatives on Platts benchmarks, beginning with the launch of Dated Brent Crude Oil (Platts) Futures. India's capital markets are opening newer avenues for growth through three emerging opportunities that are reshaping their structure and functioning. These opportunities are centred on the expanding role of indices and analytics (evolving into core tools for capital allocation, driving demand for passive products and customised data solutions), the development of international financial centres (offering global-standard regulations and incentives), and the increasing use of trading technology (digital platforms are advanced in execution, clearing, and are lowering costs for participants). Each of these is creating distinct avenues for participation and efficiency while collectively contributing to the long-term trajectory of the markets.

Key competitive strengths

NSE has been the largest stock exchange in India in terms of total turnover in cash market and notional turnover in equity derivatives from FY01 to FY26. According to WFE, compared to the leading listed stock exchanges globally, NSE was the largest multi-asset class exchange in terms of number of trades in cash equities and contracts traded in equity derivatives in FY26 with a global market share of 11.38% in number of trades in cash equities and 51.18% in contracts traded in equity derivatives.

- NSE is the market leader in India, making a liquid market for all stakeholders. As of Jun'26, NSE served 132mn (137mn as on Sep'26) Unique Registered Investors across over 99% of Indian postal codes, and facilitated trading of 3,270 Listed Entities including companies, trusts, government securities, bonds among others.
- India's rapid economic expansion, rising per capita incomes, and accelerating financialisation of savings are converging to create a generational opportunity for capital market infrastructure. NSE is well positioned to benefit from India's structural growth tailwinds, which drive strong network effects for NSE.
- NSE has a track record of comprehensive and innovative offerings delivered through a vertically integrated business model.
- Its technology platform is built for scale and resilience. This approach has helped trading members, listed entities, and asset management companies streamline their operations, and has enabled vendors to provide innovative and integrated solutions and features, contributing to the growth of the overall market.
- NSE combines scale, growth, profitability, and sustained cash generation. Between FY22 and FY26, its total income CAGR was 20.51% and it was positioned among the top three exchanges in terms of four-year total income growth compared to leading listed stock exchanges globally.
- Its experienced and skilled management team is committed to upholding strong corporate governance standards.

Key strategies

Since incorporation, NSE has built its platform on the pillars of trust, transparency, and market integrity (Company RHP). It continues to act as a catalyst for new capital formation in India across asset classes and attract new issuers and investors. It is committed to providing a transparent, orderly, and fair access to all market participants, fostering investor confidence and promoting sustainable growth in capital markets. It continuously invests in enhancing the transparency of price discovery mechanisms, strengthening its order-matching systems to ensure fairness and efficiency, and maintaining comprehensive disclosure and reporting standards. It is committed to scaling technology infrastructure and continuous modernisation and has also undertaken several strategic initiatives to bolster technological capabilities across other asset classes. It aspires to be at the forefront of capital market innovation, and business diversification. Its focus is on automating and organising large, traditionally unorganised markets in India by leveraging core competencies in building trusted, technology-driven marketplaces. It strives to ensure continued trust among all stakeholders and fostering a culture of responsible investing and financial inclusion. To promote cross-border financial cooperation and help companies worldwide raise funds from global investors in a regulated, fair, efficient, and transparent manner, NSE forges global partnerships and collaborations, including building presence in GIFT City, International Financial Services Centre as a “Gateway to the World”.

Key risks

NSE operates in a highly regulated industry, primarily overseen by SEBI. The company has been, and continues to be, subject to enforcement actions, penalties, adjudication proceedings, which may or may not get settled by SEBI in respect of alleged violations and non-compliance with applicable SEBI regulations. It is subject to cybersecurity risks and any successful cyberattack could disrupt its operations. Its clearing corporation operations could expose it to financial, operational, counterparty, and systemic risks arising from its relationships with, and dependencies on, clearing members, depositories, and other market infrastructure participants.

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Evolution to Expansion: The capital markets story

Evolution of Indian capital markets

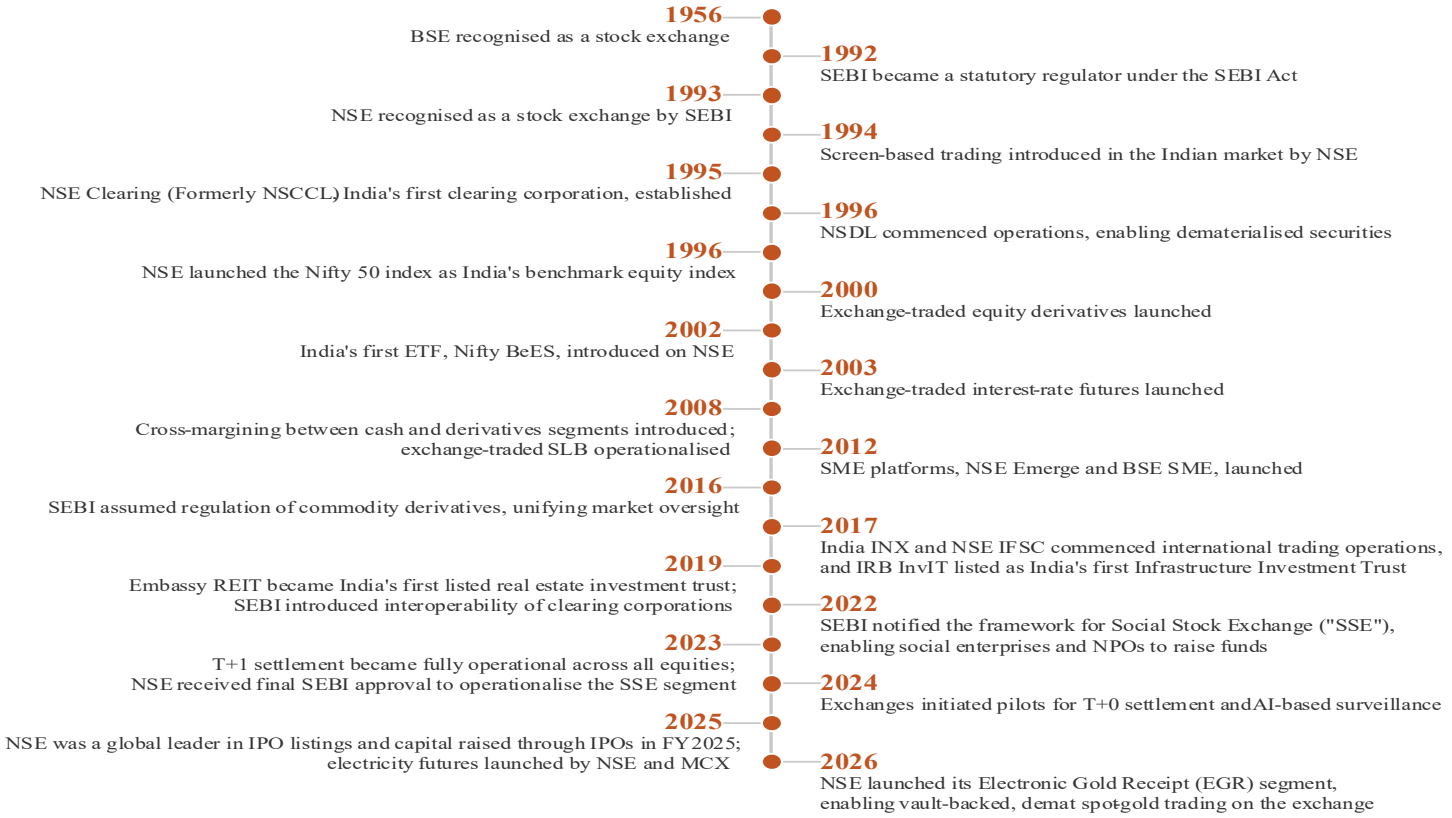
Over the past three decades, Indian capital markets have developed from having a geographically fragmented and manually traded exchange ecosystem to a nationally integrated, technology-led exchange ecosystem, marked by technological developments and innovations such as electronic trading, shortened settlement cycles, and the rise of investment products and platforms. In FY1995, NSE was the first exchange in India, among the ones still operational, to introduce a fully automated, screen-based electronic trading system through its National Exchange for Automated Trading (**NEAT**) platform. According to the World Federation of Exchanges data, NSE witnessed 219 new listings through IPOs (including both domestic and foreign), placing it among the top two exchanges globally in terms of the number of new listings through IPOs in FY26. Additionally, NSE has been among the top three exchanges globally in terms of the number of new listings through IPOs from FY23 to FY26. According to SEBI, in the mainboard segment, all IPO listings, except one, got listed on NSE in FY26. Additionally, out of total 111 listings (Mainboard IPOs, Infrastructure Investment Trusts (InvITs) (public and private issues) and Real Estate Investment Trust (REITs) (public issues)), choosing to list on both NSE and BSE in FY26, 78 listings chose NSE as their designated stock exchange, implying a market share of 70.27% in FY26. However, this share rose to 90.24% in FY26 for listings with issue size greater than INR 10bn.

As per the World Federation of Exchanges, NSE also retained its position as the largest equity derivatives exchange globally with over 36.99bn contracts traded in FY26 (including NSE International Exchange (**NSEIX**). While India leads globally in terms of options contracts traded, the corresponding premium turnover remains significantly lower compared to the US. As per NSE, in H1CY25, options premium turnover in India stood at ~USD 952bn, vs. ~USD 4,327bn in the US. In H1CY26, India recorded an options premium turnover of ~USD 1,286bn, compared with ~USD 6,256bn in the US. This highlights substantial headroom for growth as contract sizes, institutional participation, and depth of markets expand further.

As per SEBI, funds mobilised across equity (public issues, Qualified Institutional Placements (QIPs) and preferential allotments), debt (public issues and private placement) and business trusts (REITs and InvITs) rose from INR 5.83trn in FY16 to INR 13.92trn in FY26.

Despite strong growth demonstrated by the Indian capital market, it remains underpenetrated relative to key developed countries and regional peers. As of FY26, market capitalisation to GDP ratio of India remains lower at 119.38%, as compared to 224.04%, 199.20% and 171.60% for US (CY25), Canada (CY25) and Japan (CY25) respectively as per World Bank data.

Exhibit 1: Indian capital markets have significantly evolved over the past 70 years



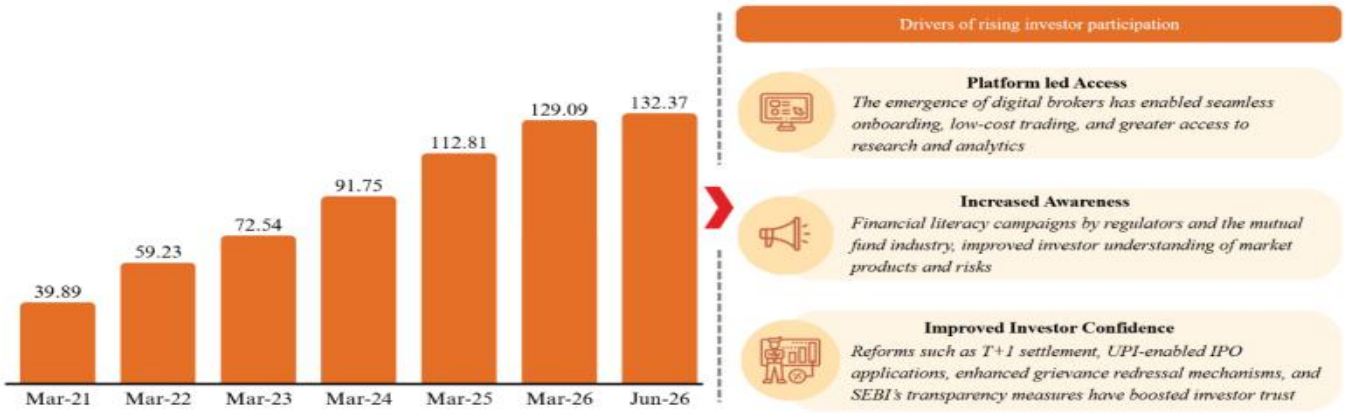
Source: Company data

Drivers for sustained growth in the Indian capital markets

Individual investors and the financialisation of savings

From FY21 to FY26, the unique investor count on NSE (number of unique Permanent Account Number (PAN) registered), grew from 39.89mn to 129.09mn (136.6mn as on Sep'26) enabled by India's robust digital infrastructure and simplified onboarding norms. In perspective, the investor base today surpasses the population of most countries, reflecting the unprecedented scale of capital markets participation in India. This reflects that individual investors have been increasingly allocating their savings to capital markets with the flow of net financial assets of the households towards equities and mutual funds increasing from 5.41% in FY21 to 26.89% in FY25, as per RBI. From FY21 to FY26, individual investors contributed to net inflows of approximately INR 4.49trn into Indian equities (net inflows into secondary market, NSE). Their participation, through both direct stock ownership and mutual fund channels, has established non-promoter individual ownership in the NSE-listed universe at ~18.70% as of Mar'26. In value terms, this amounts to ~INR 76.50trn, reflecting an annualised growth of ~29.60% since Mar'20.

Exhibit 2: Number of unique PANs registered (in mn) on NSE has been consistently rising, driven by multiple factors



Source: I-Sec research, Company data

Role of NRIs and HNIs

Family offices and HNIs represent an expanding source of market capital and have been particularly active while investing in capital markets. HNIs, along with NRIs, account for ~21.70% and ~46.30% of the direct and regular mutual fund AUM, respectively, as of Mar'25, as per AMFI. Three structural shifts have accelerated their participation:

- Monetisation events through IPOs, stake sales, and private equity (PE) exits;
- Access to sophisticated products such as portfolio management services (PMS), AIFs, and direct market strategies; and
- A generational shift towards preference for financial assets over traditional physical assets.

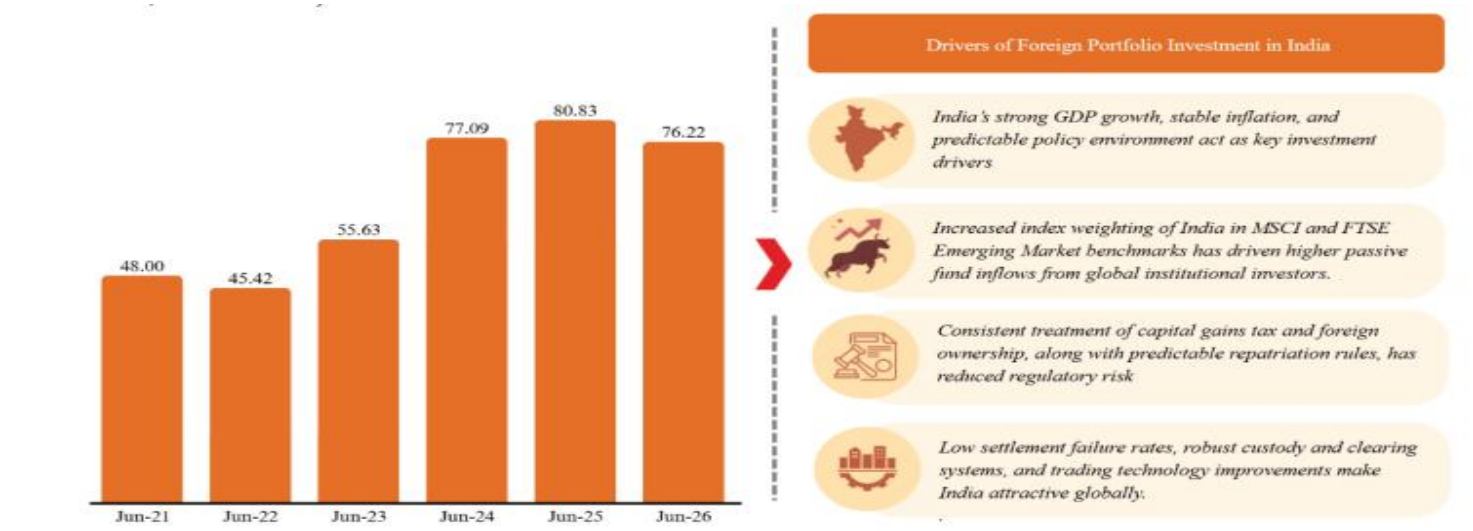
The HNI segment has consistently led pre-IPO and anchor placements. Family offices are increasingly allocating to both private and listed equities, creating a recurring loop of capital deployment and realisation.

Additionally, the markets are witnessing a new wave of HNIs. This includes senior corporate professionals and young founders who have benefitted from monetising high value Employee Stock Ownership Plans (ESOPs). These individuals are looking for ways to efficiently deploy their capital and move further ahead in their wealth creation journey. This, in turn, is leading to greater participation in financial markets and innovation in financial products as these new investors seek returns beyond what has been provided by traditional assets.

FPI participation in India

India's position as one of the fastest-growing major economies has made it a preferred destination for FPIs. As per NSDL, assets under custody for FPI investments has risen from INR 48.00trn in Jun'21 to INR 76.22trn in Jun'26. Even when FPIs turn net sellers, quantum of outflows is small compared to the scale of assets they hold in India. Despite periodic outflows due to global risk aversion, FPIs have consistently returned, underscoring structural confidence in India's long-term growth. Recent events in West Asia, however, have contributed to a moderation of FPI ownership in NSE-listed companies to ~15.80%, the lowest in 17 years, as per India Ownership Tracker Q4FY26. The growing counterweight of DIIs' and retail investors' ownership has meaningfully absorbed FPI selling pressure, contributing to greater market stability.

Exhibit 3: FPI AUC (INR trn) has been steadily rising in India, driven by multiple contributors



Source: I-Sec research, Company data

Structural under-penetration and headroom for expansion in Indian capital markets

Despite expansion in the capital markets and rising participation across investor classes, India's capital markets remain characterised by a traditional reliance on bank funding, underdevelopment in the corporate bond market, historically low free float, and nascency in alternative assets.

Corporate funding led by bank loans

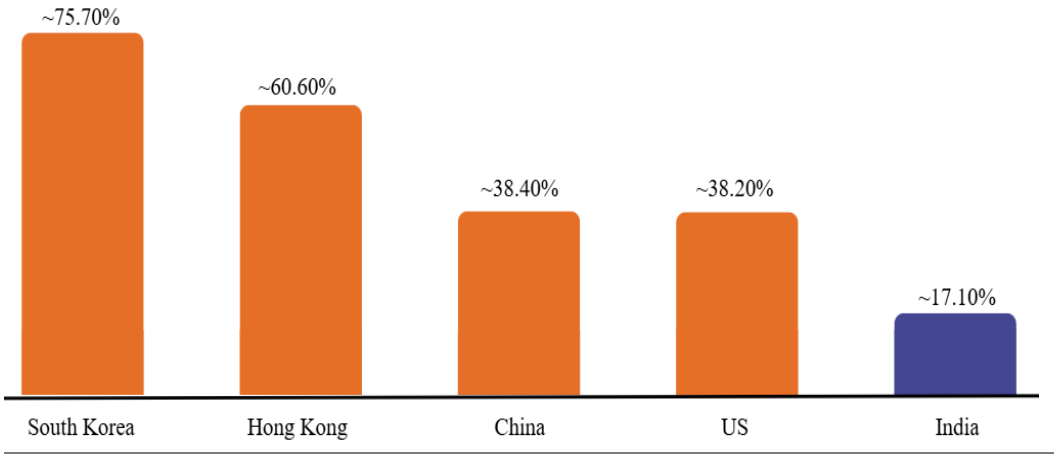
Corporate funding in India has historically been dominated by corporate loans from both banks and Non-Banking Financial Companies (**NBFCs**). As per RBI, industry (Micro and Small, Medium, and Large) and services accounted for approximately 49.82% of the gross bank credit in India as of Mar'26, amounting to INR 106.43trn. This reflects the central role banks and NBFCs have played in financing Indian corporates, even as credit deployment patterns evolve. As India's financial markets mature, corporations are increasingly tapping into alternative funding channels beyond traditional bank lending. As per NSE, corporate funding facilitated by outstanding corporate bonds at INR 59.10trn, as of Mar'26, accounted for nearly half the amount of outstanding bank credit to industries and services as of Mar'26. The growth of the corporate bond market along with rising external commercial borrowings and increased use of commercial papers, has begun to diversify the funding mix for Indian businesses.

Underdeveloped corporate bond market and nascent (on-exchange) markets for foreign exchange (FX) and interest-rate (IR) derivatives

India's corporate bond market remains underdeveloped, with outstanding bonds at ~17.10% of GDP as of FY26, well below China (~38.40%, CY25), South Korea (~75.70%, CY25), Hong Kong (~60.60%, CY25), and the US (~38.20%, CY25) as of FY26, as per NSE market pulse. While India's equity markets are deep and globally integrated, the corporate debt segment continues to lag in scale. Issuances remain concentrated among top-rated corporates, with limited public placements and narrow investor participation. On the regulatory side, RBI's ongoing enhancements to market infrastructure, such as permitting repo transactions in corporate bonds, expanding Held-to-Maturity (HTM) limits for banks, and operationalising the Partial Credit Enhancement (**PCE**) framework, are laying the foundation for a deeper and more liquid corporate bond market. NSE introduced India's first formal, screen-based exchange platform for debt trading with the launch of its Wholesale Debt Market segment in

CY1994. India's exchange-traded FX and IR derivatives markets remain at a nascent stage. While Over the Counter (**OTC**) markets dominate volumes, on-exchange platforms are yet to evolve into active risk management hubs. As per the company, strengthening these markets is critical for improving hedging efficiency, transparency, and broad-based access.

Exhibit 4: Indian corporate bond market remains underpenetrated (corporate bond market as a percentage of GDP in CY25)



Source: Company data, I-Sec research, Note: Figures for India correspond to FY26

Lack of free-float and liquidity

A large number of listed companies in India have significant promoter holdings, resulting in relatively lower free float compared to global peers. As promoters gradually dilute their stakes and the government reduces its ownership through divestments and stake sales, the investable float is expected to rise, driving higher trading volumes and deeper market liquidity as per the company.

Rise of alternatives and sponsor-led market cap creation

Private market activity and listed equity expansion in India are getting increasingly linked. AIFs, PE, and Venture Capital (VC) vehicles raise and deploy capital outside the listed universe, yet most large private positions seek eventual liquidity through public listings or secondary block sales. According to SEBI, cumulative AIF commitments rose from INR 4.51trn in Mar'21 to INR 16.94trn in Mar'26. Venture Capital Fund commitments also doubled to INR 0.74trn during this period.

Access to international markets

India is expanding offshore access to its capital markets through the IFSC at GIFT City in Gujarat. Established as India's first IFSC and regulated by the International Financial Services Centres Authority (IFSCA), GIFT provides a globally aligned framework for banking, capital markets, fund management, insurance, bullion, and aircraft/ship leasing, positioning India as a competitive hub for global financial flows. NSEIX Global Access IFSC Limited (NSEIXGA) was the first exchange-operated entity in GIFT City to be granted a Global Access Platform licence under the regulatory framework of the IFSCA. According to the World Federation of Exchanges data, in FY26, NSEIX held a market share of 99.81% in terms of number of contracts traded in the equity derivatives segment among exchanges at GIFT IFSC. In FY26, NSEIX launched GIFT Nifty 50 Zero Days to Expiration (0DTE) Options, which made NSEIX the first exchange in India to offer international investors same-day expiry options on the Nifty 50 Index at GIFT IFSC.

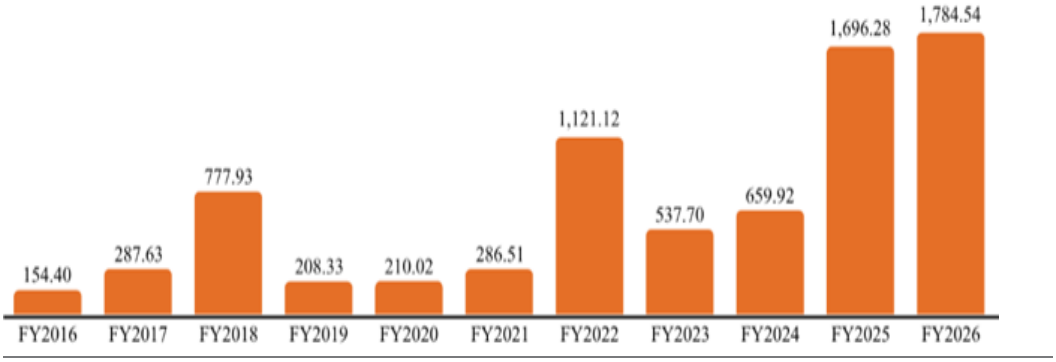
Growth of passive investing

Passive investing in India has shifted from niche to core, as investors embrace low-cost, rules-based exposure and the simplicity of tracking broad indices. Steady SIP adoption in index funds, an expanded shelf spanning equity, debt, and factor/thematic indices and continued institutional participation have anchored liquidity and made passive vehicles a standard tool for accessing market beta, implementing allocation tilts, and containing costs. As per NSE, as of Jun'26, total equity and debt passive Average AUM (**AAUM**) stood at INR 12.17trn, with equity share at INR 10.28trn and debt share at INR 1.88trn. Within equity passive AAUM, index funds AAUM stood at INR 2.37trn (domestic INR 2.29trn and international INR 0.08trn) and Exchange-Traded Fund (**ETF**) AAUM stood at INR 7.92trn. Within debt passive AAUM, index funds stood at INR 0.95trn and ETFs stood at INR 0.94trn. Additionally, as of Mar'26, total passive AUM (domestic + global) tracking Nifty indices stood at ~USD 97.2bn. The total index funds and ETFs (excluding gold and silver) AUM in India stood at INR 11.22trn as of Mar'26, according to AMFI data. Of this, INR 8.14trn was tracked by Nifty indices as per AMFI data, implying a share of 72.53% as of Mar'26. The total schemes in index funds and ETFs (excluding gold and silver) in India stood at 662 as of Jun'26, according to AMFI. Of this, 509 schemes track Nifty indices, implying a share of 76.89% as of Jun'26.

Capital formation could be a key driver of the Indian capital markets

In India, capital formation through the primary markets has been on a steady upward trajectory in recent years, with issuers across sectors raising equity to fund expansion, strengthen balance sheets, and enhance visibility. In FY26, total funds mobilised across equity and debt on NSE stood at INR 20.03trn with INR 1.78trn mobilised by fresh listings and Offer for Sale (**OFS**) across the mainboard and Small and Medium Enterprises (**SME**) segments in the primary market. According to the World Federation of Exchanges, total capital raised through IPO (fresh issues and OFS) on NSE stood at USD 20.06bn in FY26, placing NSE among the top five exchanges globally in terms of total capital raised though IPO (fresh issues and OFS) in FY26.

Exhibit 5: Funds mobilised through IPOs – NSE (INR bn)



Source: Company data, I-Sec research

Indian capital markets: Can the funnel expand now?

That is the most relevant question for capital markets. We present the key top-down funnel for capital markets below. To note, key retail participation data has remained stagnant. The trigger for expansion could be the next bull market. Current relative stagnancy may either be deemed as temporary saturation or regulation-driven pause.

- NSE Active client – stuck at ~44-45mn for the past 15 months.
- Retail monthly cash/derivative traders stuck at 13mn/3mn mark for ~20 months.
- Total unique demat account stuck in 130-140mn zone for the past 10 months. Growth is likely to come from beyond top 10 cities.

Exhibit 6: Investor funnel

In mn	FY21	FY22	FY23	FY24	FY25	FY26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Number of Demat Accounts	**55.1**	**89.7**	**114.5**	**151.4**	**192.4**	**224.5**	**226.8**	**229.0**	**231.5**	**234.4**	**237.7**	**240.6**
Total unique registered investors	40.0	59.4	72.7	91.6	112.8	129.1	130.2	131.17	132.4	133.7	135.3	136.6
Unique MF investors	22.8	33.7	37.7	44.6	54.2	61.4			61.9			63.3
NSE Active client	18.9	35.4	32.7	40.0	48.7	45.2	44.0	44.2	44.2	44.4	45.0	45.3
Investors who trade once a year (FY/TTM)												
Only in cash segment	12.8	22.8	19.5	23.0	29.1	29.4	29.5	29.3	29.2	29.2	29.5	29.6
Only in derivative segment	0.2	0.6	1.2	1.9	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2
Cash and derivative segments both	2.4	4.6	5.5	7.7	8.5	6.4	6.4	6.4	6.3	6.3	6.3	6.3
Total	**15.4**	**28.0**	**26.2**	**32.6**	**39.6**	**37.9**	**38.0**	**37.8**	**37.6**	**37.7**	**38.0**	**38.2**
Investors who trade once a month												
Only in cash segment					15.8	11.8	11.3	10.8	11.6	12.3	12.5	12.3
Only in derivative segment					5.3	3.8	3.6	3.5	3.6	3.5	3.4	3.5

Source: Company data, I-Sec research

Registered investor base reaches 136.6mn, with North India retaining the largest share

The number of unique registered investors on NSE increased to 136.6mn in Sep'26, rising 1.0% MoM and 13.5% YoY. The investor base expanded by 7.5mn during FY27-TD, from 129.1mn at FY26. North India continued to account for the largest share, with 50mn registered investors (36.9%), followed by West India at 40mn (29.1%), South India at 29mn (21.1%), and East India at 17mn (12.1%). The regional distribution highlights the continued prominence of North India, which accounted for more than one-third of registered investors.

Exhibit 7: Region-wise distribution of total unique registered investors (in mn)

Region	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27-TD
East India	3.0	3.9	6.6	8.3	10.8	13.6	15.6	16.6
North India	8.8	11.8	18.9	24.4	32.4	41.0	47.3	50.4
South India	7.5	9.7	13.3	15.7	18.9	23.3	27.1	28.8
West India	10.8	13.9	19.8	23.5	28.6	34.1	37.8	39.7
Others	0.8	0.8	0.8	0.8	0.9	0.9	1.2	1.1
Total	31.0	40.0	59.4	72.7	91.6	112.8	129.1	136.6

Source: Company data, I-Sec research, FY27-TD data is till Sep'26 only. Others include Army Personnel Officers and investors for whom state mapping is unavailable

Maharashtra retains the largest investor base, while Uttar Pradesh has strengthened its relative contribution

Maharashtra accounted for 21mn registered investors in Sep'26, representing 15.4% of the national total. Uttar Pradesh followed with 16.3mn investors (12.0%), ahead of Gujarat at 11.7mn (8.6%), West Bengal at 8.1mn (5.9%), and Rajasthan at 7.9mn (5.8%). Together, these five states accounted for 47.7% of registered investors, indicating that participation remains concentrated in a relatively small group of states.

Exhibit 8: State-wise distribution of total unique registered investors (mn) and their overall share

	FY15		FY20		FY25		FY27-TD	
State	Users (in mn)	Share (%)	Users (in mn)	Share (%)	Users (in mn)	Share (%)	Users (in mn)	Share (%)
Maharashtra	3.58	19.9	11.17	16.3	18.38	16.3	21.03	15.4
Uttar Pradesh	1.25	6.9	5.30	11.4	12.83	11.4	16.34	12.0
Gujarat	2.06	11.4	5.91	8.8	9.94	8.8	11.69	8.6
West Bengal	1.18	6.5	3.27	5.9	6.61	5.9	8.12	5.9
Rajasthan	0.67	3.7	3.18	5.7	6.45	5.7	7.90	5.8
Tamil Nadu	1.29	7.2	3.41	5.6	6.26	5.6	7.72	5.7
Karnataka	1.17	6.5	3.51	5.5	6.24	5.5	7.57	5.5
Madhya	0.52	2.9	2.56	4.8	5.46	4.8	6.58	4.8
Andhra	1.00	5.6	3.02	4.6	5.14	4.6	6.57	4.8
Bihar	0.29	1.6	1.97	4.5	5.09	4.5	6.40	4.7
Delhi	1.20	6.7	2.91	4.4	4.92	4.4	5.64	4.1
Haryana	0.53	3.0	1.96	3.4	3.85	3.4	4.56	3.3
Punjab	0.39	2.2	1.36	2.7	2.99	2.7	3.63	2.7
Kerala	0.58	3.2	1.60	2.5	2.82	2.5	3.52	2.6
Telangana	0.28	1.6	1.63	2.4	2.69	2.4	3.25	2.4
Orissa	0.25	1.4	1.24	2.2	2.45	2.2	3.03	2.2
Assam	0.11	0.6	1.26	2.2	2.53	2.2	2.96	2.2
Jharkhand	0.26	1.4	0.95	1.8	1.99	1.8	2.49	1.8
Chhattisgarh	0.13	0.7	0.58	1.3	1.42	1.3	1.68	1.2
Uttarakhand	0.12	0.7	0.54	1.1	1.19	1.1	1.47	1.1
Himachal	0.06	0.3	0.32	0.7	0.76	0.7	0.89	0.7
Jammu	0.07	0.4	0.30	0.6	0.65	0.6	0.82	0.6
Goa	0.05	0.3	0.14	0.2	0.25	0.2	0.29	0.2
Chandigarh	0.06	0.3	0.15	0.2	0.25	0.2	0.26	0.2
Tripura	0.01	0.1	0.07	0.2	0.18	0.2	0.24	0.2
Others	0.88	4.9	1.07	1.3	1.47	1.3	1.91	1.4
Total	**17.96**	**100.0**	**59.38**	**100.0**	**112.79**	**100.0**	**136.57**	**100.0**

Source: I-Sec research, NSE pulse, FY27-TD is till Sep'26 only

Exchanges – How competitive are they globally?

Exchanges worldwide have transformed from narrow equity trading venues into diversified financial infrastructure providers. This shift has been enabled by regulatory reforms that expanded asset classes, formalised clearing and settlement, and strengthened transparency, allowing exchanges to grow into multi-service platforms. Today, global peers derive a significant share of revenues from data, connectivity, indices, and post-trade services, reducing reliance on transactions. Indian exchanges, while technologically advanced and globally competitive in trading and clearing, remain concentrated in transaction and listing revenues, highlighting substantial scope for diversification.

Exchanges use varied monetisation models across asset classes and services

As detailed below, exchanges earn revenue through seven key streams across asset classes and services:

Exhibit 9: Key revenue streams for stock exchanges globally

Revenue stream	Definition	Monetisation Model
Transaction Charges	• Transaction charges accrue when fees are levied on executed trades in cash and derivatives markets, including electricity and commodity futures	• Trading members pay these charges, which are built up trade by trade and are invoiced on a periodic cycle.
	• The charge can be per trade, per share or contract, by notional value, or by option premium, with activity tiers or rebates where relevant	• When benchmarked against global peers, India's transaction costs show a mixed profile across products for Fiscal 2026
		○ In cash market (delivery), NSE's charges are broadly in line with those observed across major global exchanges.
		○ For cash market (intraday), NSE's charges are materially lower than those observed across major global exchanges, making India among the most competitive globally for short-horizon strategies.
		○ In derivatives, NSE's charges across index options, index futures, single-stock options, and single-stock futures all sit comfortably within global ranges, striking a balance that keeps it competitive without pricing itself to the extremes.
Listing Services	• Listing services fees arise from admission and continuing listing securities on the exchange	• Issuers and sponsors pay one-time admission fees, with recurring annual fees scaled by size or category
		• They also pay additional charges for corporate actions, and new classes or identifiers
Data Centre Rack Charges and Data Services	• Exchange-hosted connectivity and colocation for direct market access	• Access seekers (members, proprietary firms, institutions) pay recurring rental/port fees
	• Market participants subscribe to racks/power, cross-connects or private lines, exchange ports/sessions, and test/certification environments	• Installation and service-level add-ons tied to capacity, latency, or throughput
Data Feed and Terminal Services	• Packaging and distribution of proprietary prices, order-book depth, and reference and historical datasets, delivered via feeds, APIs, and terminals	• User and enterprise subscriptions including usage-based licences, redistribution, and administration fees
		• Premium for depth, low latency, and analytics-enhanced histories
Index Licensing and Data Subscriptions Fees	• Licensing of benchmarks and methodologies that underpin exchange-traded funds (ETFs), derivatives, structured notes, and investment mandates.	• Flat licence fees
		• Asset-based fees for passive funds
		• Royalties linked to contracts or notional exposure
		• Bundled benchmark data and analytics subscriptions
Clearing and Settlement Services	• Post-trade services that convert matched trades into final obligations	• Per-trade and per-position fees, membership dues, delivery and settlement charges; collateral interest treated under local pass-through rules.
	• Core functions include novation, margining, netting, deliveries, settlement, membership administration, and management of default and guarantee funds.	
Investment Income	• Treasury returns via deployment of regulatory capital and operational cash balances, cash/ cash equivalent collateral, and default funds.	• Yield income, which moves with interest-rate cycles and portfolio mix

Source: Company data, I-Sec research

Relative maturity of these revenue streams differs between India and global markets

While India has a well-developed trading and clearing ecosystem, the contribution from revenue streams such as market data & terminal services and index licensing & data subscription services and data centre and connectivity services remains limited. The table below outlines the revenue contribution of each revenue line for Indian exchanges versus global exchanges:

Exhibit 10: A major share of Indian exchanges' revenue comes from transaction charges, indicating massive headroom for diversification

Share of revenue streams in total exchange revenue - Indian exchanges vs global peers
Descriptive

Share in total exchange revenue
<5% >10%

Revenue Streams	Indian Exchanges[1]	Global Exchanges[2]
Transaction Charges	>10%	>10%
Listing Services	<5%	5-10%
Data Centre - Rack Charges and Data Connectivity Charges	5-10%	5-10%
Data Feed and Terminal Services and Index Licensing & Data Subscription Fees	<5%	>10%
Clearing and Settlement Services	<5%	>10%

Source: Company data, I-Sec research

Clearing corporations, operating as independent Market Infrastructure Institutions (**MIIs**) under SEBI's oversight, act as central counterparties to trades executed on exchanges, guaranteeing settlement by novating contracts and maintaining comprehensive margining and default management frameworks. Over time, India has transitioned from account-period settlement to rolling settlement cycles and, more recently, to T+1 settlement across equity markets, with optional T+0 settlement being introduced in phases to further reduce counterparty exposure and settlement risk.

Regulatory changes have played a key role in diversifying the revenue mix for exchanges globally, including in India

Global exchanges have evolved from equity trading venues into integrated financial market institutions, shaped by regulatory reforms that expanded tradable asset classes, mandated central clearing, and strengthened post-trade frameworks. The key shifts underpinning this evolution are outlined below:

- **Market structure and transparency reforms** reinforced exchanges' role as central utilities. The US Regulation National Market System (**Reg NMS**, 2005) reshaped equity market structure through order protection rules and consolidated data feeds, ensuring best execution and fair pricing.
- **Mandatory central clearing of OTC derivatives** turned clearing into a high-margin, recurring revenue stream. Post Global Financial Crisis (GFC) regulations including the Dodd-Frank Act (2010) and Europe's European Market Infrastructure Regulation (EMIR, 2012) required standardised OTC derivatives to be centrally cleared, rapidly expanding the role of clearing houses such as CME Clearing, ICE Clear, and London Clearing House (LCH).
- **Integration of trading with post-trade services** enabled exchanges to capture the full transaction value chain. Euronext's ~EUR 4.40bn acquisition of Borsa Italiana in 2021 brought in Monte Titoli (securities settlement) and CC&G (clearing), creating a vertically integrated platform across trading, clearing, and settlement.
- **Stricter benchmark oversight** enhanced index licensing and data revenues. LSEG's ~USD 27bn acquisition of Refinitiv in 2021 transformed it into one of the world's largest financial data providers, with information services now contributing over ~70% of group revenues. Similarly, the creation of S&P Dow Jones Indices positioned exchanges as key licensors of passive investment benchmarks, capitalising on the rise of ETFs and index funds.

- **Cross-border listing liberalisation** broadened income bases. SGX's acquisition of the Baltic Exchange in 2016 diversified its portfolio into global shipping benchmarks and freight derivatives, while MiFID II enhanced cross-border market access across Europe.
- **Formal licensing of custody** for new asset classes expanded fee bases into digital assets and tokenised instruments. Börse Stuttgart Digital's 2023 BaFin licence as a regulated crypto custodian exemplified this shift.

Addressable market for Indian exchanges

Indian exchanges today serve a broad spectrum of asset classes, each showing strong growth momentum. Cash market is expanding with strong nominal GDP growth and increasing market capitalisation driven by greater individual investor participation and increasing free float. Equity derivatives, led by equity index options, are expected to scale, albeit at a slower pace than in the past five years due to the recent regulatory changes to curb speculative trading. Corporate bonds are becoming a key financing channel as issuers diversify beyond banks. Following recent regulatory measures, the currency derivatives market is expected to see a tilt towards hedgers, particularly exporters, importers, and corporates, reinforcing its role as a risk management instrument. Commodity derivatives are surging with wider contract coverage and options activity. Alongside these, services such as data centres, listing, index licensing, and clearing are deepening and diversifying exchange revenues

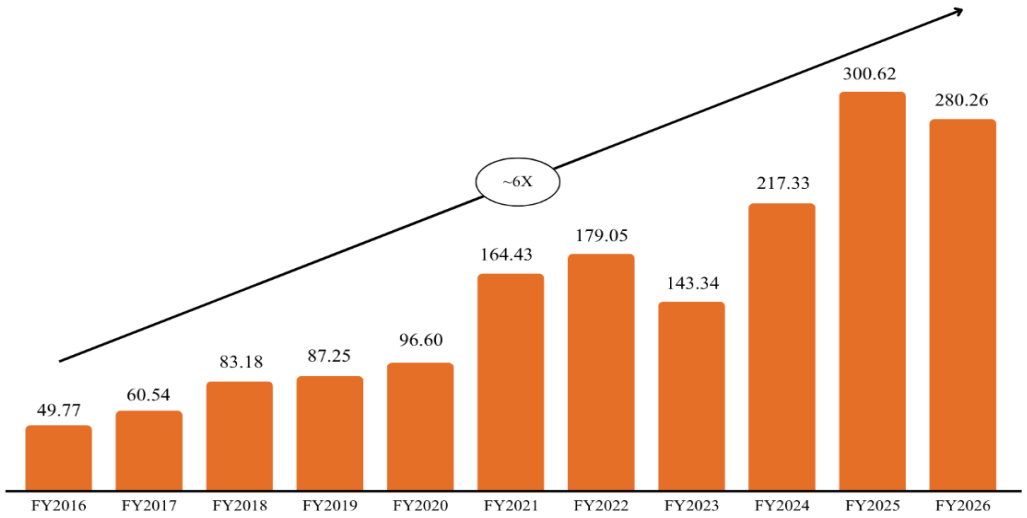
Cash market

Cash market instruments include equities, equity convertible securities, ETFs, mutual funds, REITs, InvITs, and corporate bonds. According to SEBI, the Indian cash market recorded a turnover of INR 280.26trn in FY26, compared to INR 49.77trn in FY16, reflecting an approximate ~6x increase over the period. Growth in this segment is structurally anchored to four components: nominal GDP growth, expansion of market capitalisation relative to GDP, availability of free float, and a growing investor base.

Systemic cash volumes ADTV stood at INR 1,288bn for Q2FY27 and INR 1,243bn in Oct'26.

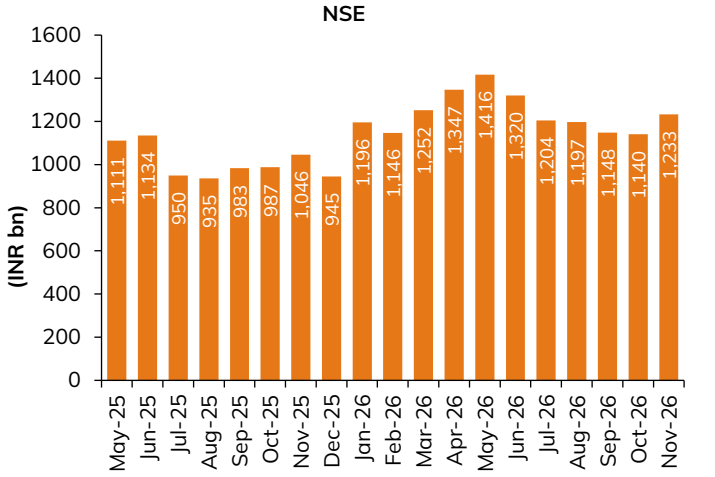
- Cash ADTV in Oct'26 for NSE stood at INR 1,140bn, down 1% vs. INR 1,148bn in Sep'26. Q2FY27 (INR 1,183bn) is down 13.1%, from INR 1,361bn in Q1FY27 in on this metric.
- In Oct'26, for BSE, it was INR 103bn, down 7.1% vs. Sep'26's INR 111bn. Q2FY27 (INR 105bn) was up 5.5% vs. Q1FY27 (INR 100bn) on this metric.

Exhibit 11: Indian cash market turnover has grown ~6x over the past decade (INR trn)



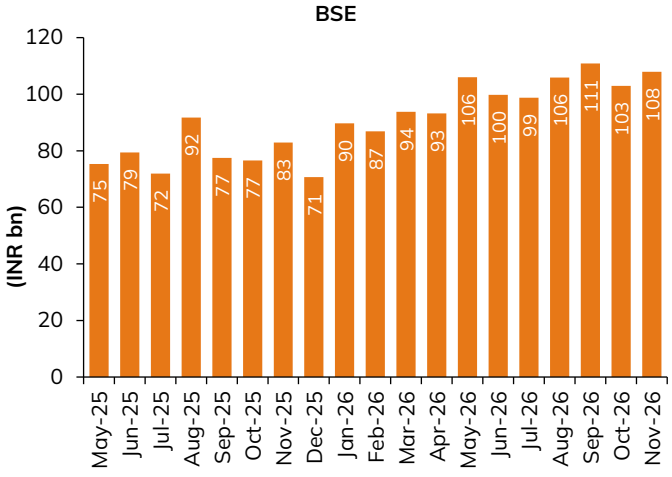
Source: I-Sec research, Company data

Exhibit 12: In Nov'26, cash ADTV increased for NSE...



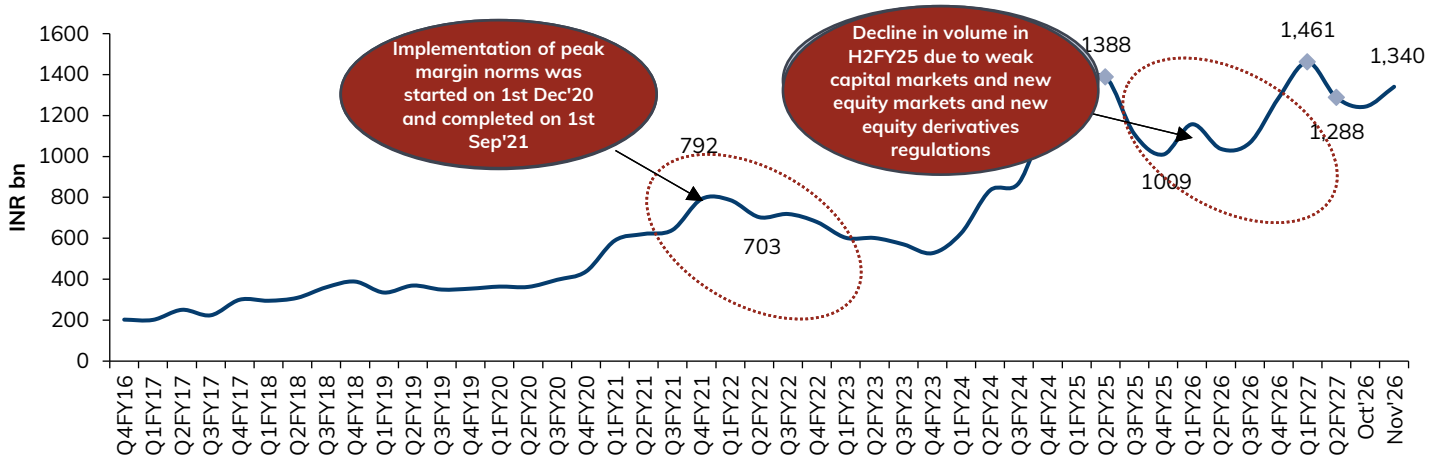
Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 13: ...as well as BSE



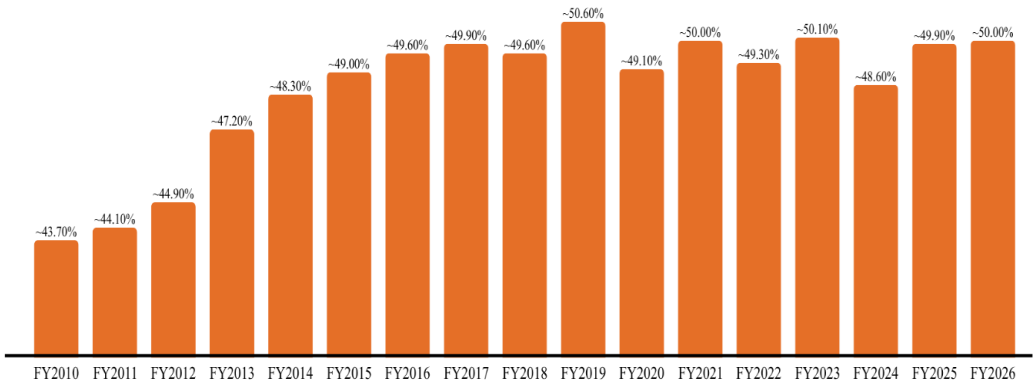
Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 14: Systemic cash ADTV has historically dipped with regulations, but has bounced back subsequently; in Q1FY27, cash ADTV reached an all-time high, declined in Q2FY27, but started recovering in Nov'26



Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 15: Free float in NSE-listed universe has risen slowly over time, reaching ~50% of market capitalisation



Source: Company data, I-Sec research

Exhibit 16: Investor participation in cash equities (%)

% mix of investors	BSE						NSE					
Equity Cash	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Corporate	3.6%	3.2%	3.8%	3.1%	3.8%	3.6%	3.7%	3.9%	3.9%	3.9%	4.4%	4.3%
DII	13.2%	14.1%	16.9%	19.0%	20.0%	16.2%	13.4%	11.9%	13.7%	13.9%	12.7%	13.4%
FPI	8.2%	13.3%	9.5%	8.9%	12.9%	16.5%	11.8%	14.2%	13.4%	12.3%	14.1%	13.7%
Individual	32.3%	30.3%	31.8%	30.7%	28.9%	30.3%	33.8%	32.8%	32.7%	33.0%	33.5%	32.2%
Others	2.9%	2.7%	2.8%	2.4%	2.4%	2.9%	2.7%	2.9%	3.3%	3.5%	3.6%	4.1%
Proprietary	39.9%	36.4%	35.3%	35.9%	32.0%	30.5%	34.6%	34.3%	33.0%	33.4%	31.7%	32.3%

Source: I-Sec research, Company data

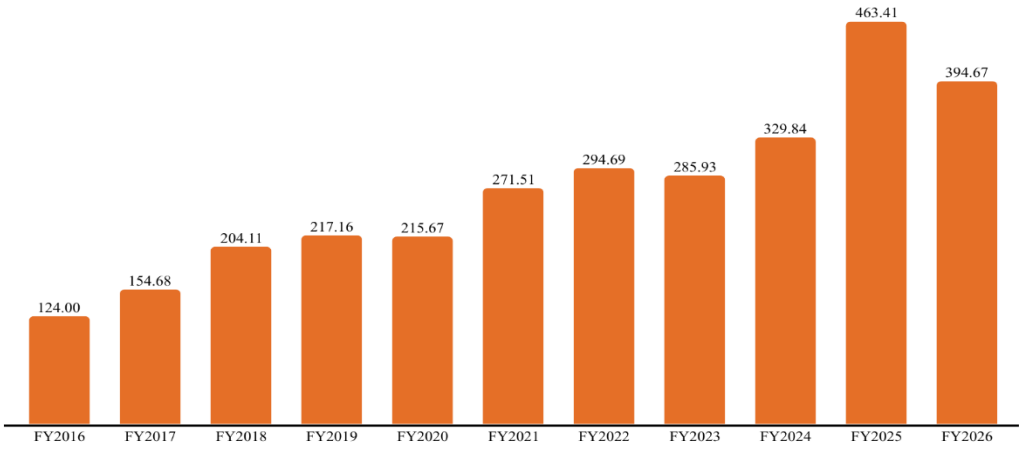
Equity derivatives

According to SEBI, India's equity derivatives market has grown rapidly over the past five years, with equity futures reaching a notional turnover of INR 394.67trn and equity options reaching a premium turnover of INR 190.65trn in FY26. Options, particularly equity index options, have become the dominant product and have been the fastest growing segment in terms of turnover (premium) within equity derivatives, growing at a CAGR of 47.54% over the past decade. The scale of expansion has been unprecedented, but it has also raised concerns around the extent to which speculative trading rather than risk management has contributed to volumes.

Systemic (BSE + NSE) premium ADTV for Oct'26 stood at INR 1,060bn, up 42% vs. INR 744bn in Sep'26. However, this figure for Q2FY27 (INR 703bn) is down 25.3% vs. Q1FY27 (INR 941bn).

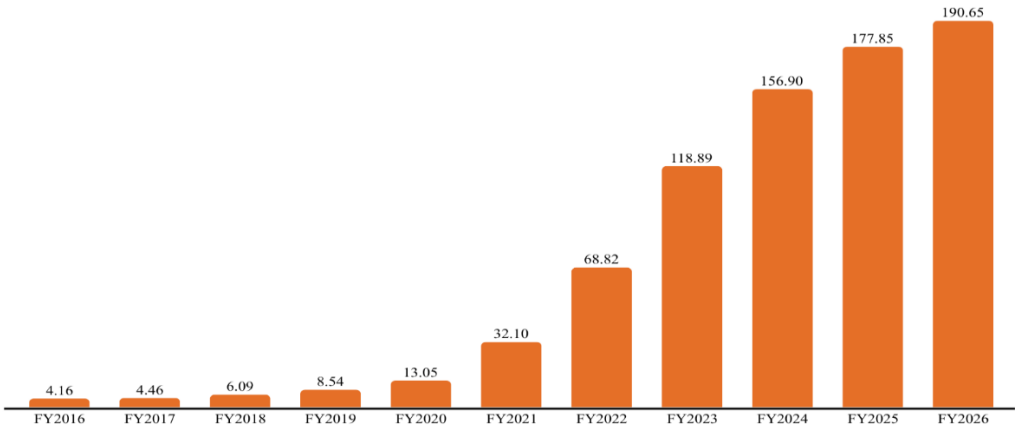
- In Oct'26, NSE premium ADTV was INR 705bn, up 38% vs. INR 512bn in Sep'26, while Q2FY27 (INR 479bn) is down 25.7% vs. Q1FY27 (INR 644bn).
- In Oct'26, BSE's premium ADTV was INR 355bn, up 53% vs. INR 232bn in Sep'26, while Q2FY27 (INR 224bn) is down 24.4% vs. Q1FY27 (INR 297bn).

Exhibit 17: Equity futures turnover (INR trn) in India has surged substantially in the past decade



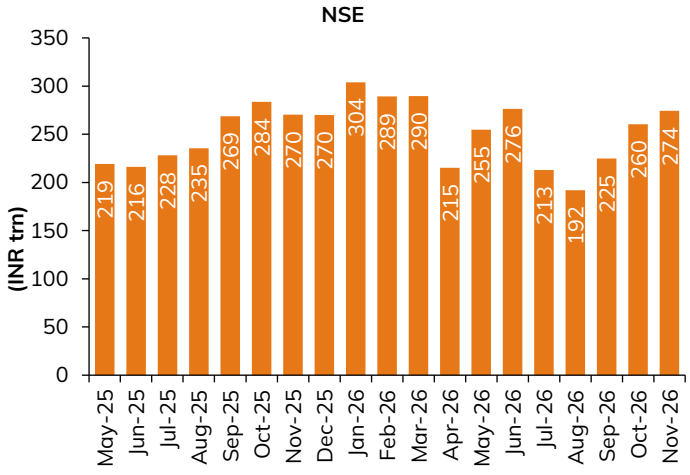
Source: I-Sec research, Company data

Exhibit 18: Equity options turnover in India has surged substantially in the past decade



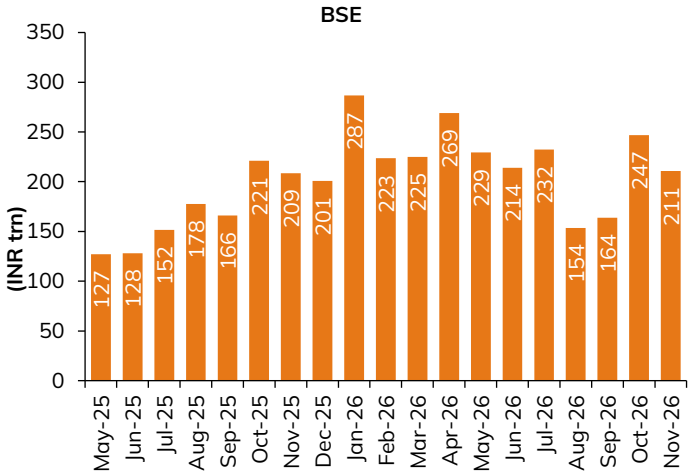
Source: Company data, I-Sec research

Exhibit 19: In Nov'26, notional ADTV was up for NSE...



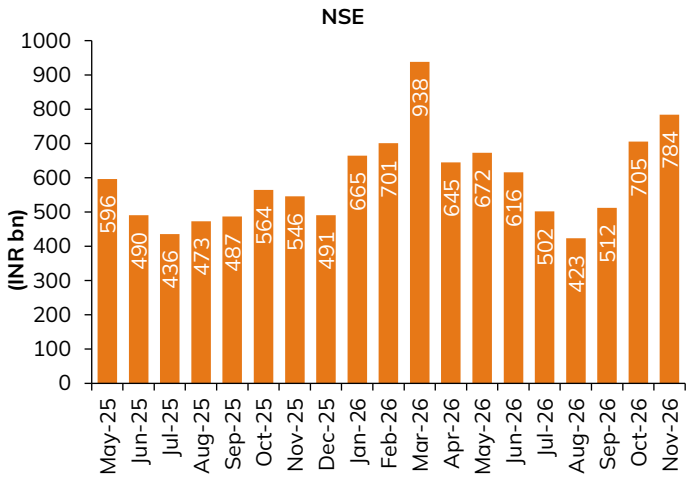
Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 20: ...but down for BSE



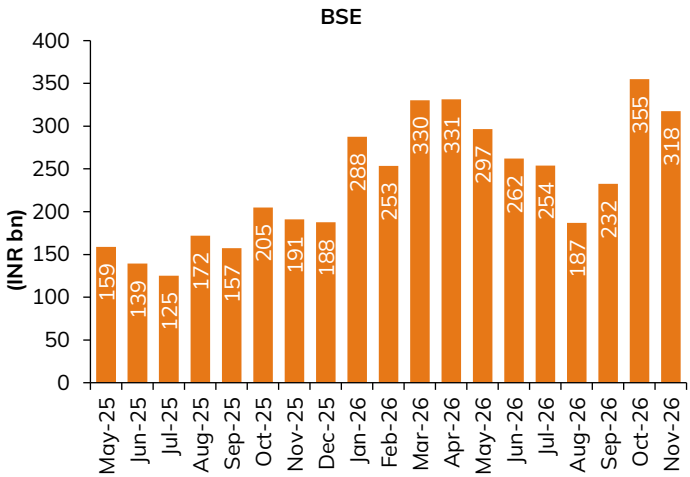
Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 21: In Nov'26, premium ADTV increased for NSE...



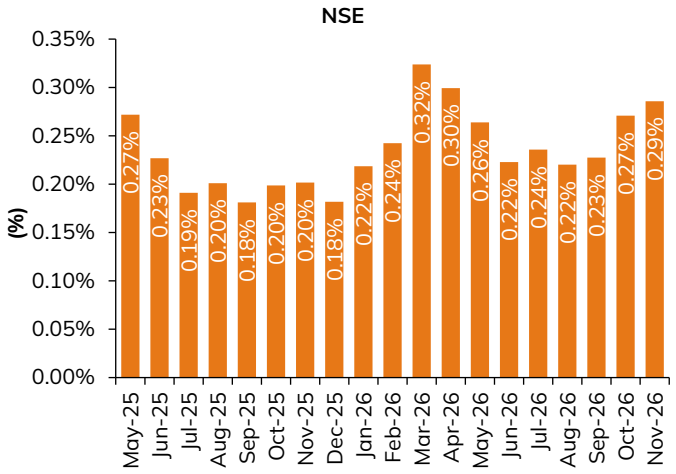
Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 22: ...but declined for BSE after peaking in Oct'26



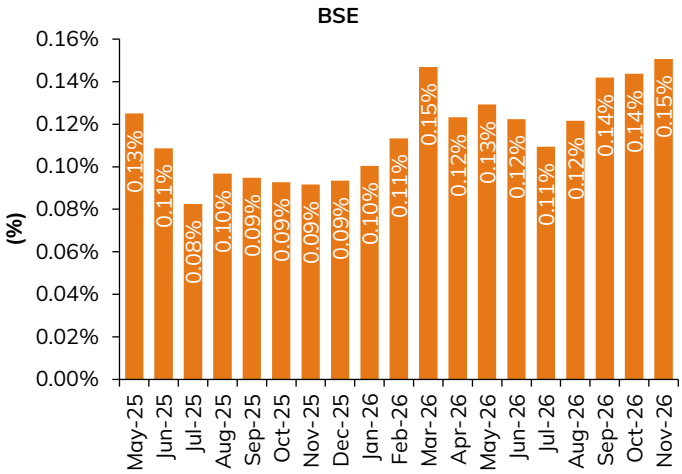
Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 23: In Nov'26, % premium turnover increased for NSE...



Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 24: ...as well as BSE



Source: I-Sec research, Company data, Note: For Nov'26, we have taken the data as on 20th Nov only

Exhibit 25: Investor participation in equity derivatives (%)

% mix of investors	BSE						NSE					
Equity derivative	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Corporate	2.0%	1.6%	1.6%	1.6%	1.7%	1.7%	2.2%	2.1%	2.1%	2.2%	2.4%	2.6%
FPI	5.3%	6.0%	5.8%	5.3%	4.7%	5.1%	6.3%	6.1%	5.7%	5.7%	5.9%	5.8%
Individual	36.8%	36.7%	38.3%	39.1%	40.3%	40.6%	30.9%	30.9%	30.7%	32.0%	32.9%	32.0%
Others (inc DII)	2.9%	2.8%	2.9%	3.0%	3.3%	3.6%	3.1%	3.2%	3.4%	3.9%	4.1%	4.2%
Proprietary	52.9%	52.7%	51.4%	50.9%	49.9%	48.9%	57.4%	57.8%	58.1%	56.1%	54.7%	55.3%

Source: Company data, I-Sec research

Other asset classes

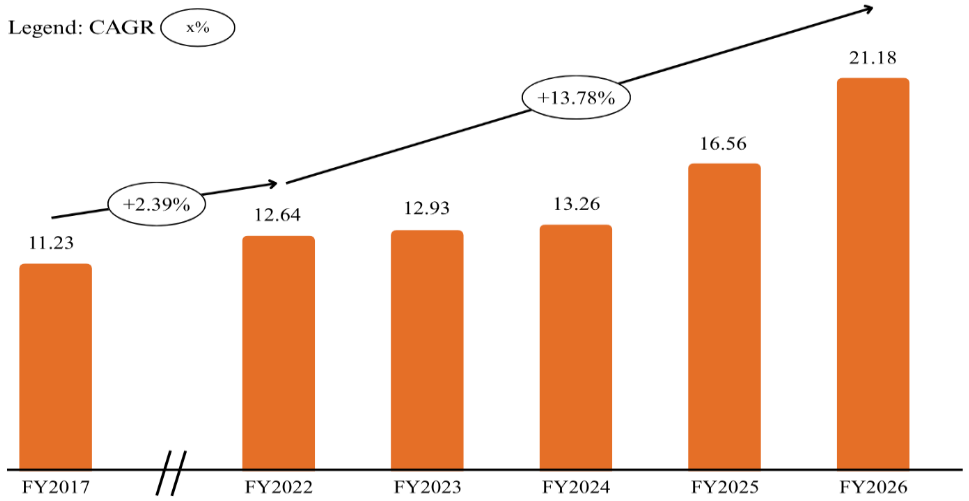
These segments are smaller in size compared to cash equities and equity derivatives but play an important role in broadening market depth and meeting diverse participant needs. Their growth is influenced by macroeconomic conditions, regulatory reforms, and structural trends such as digital adoption and rising institutional participation.

Exhibit 26: Projection outlook for other asset classes

Asset class	FY2026 turnover (INR trn)	Projected CAGR (%)	FY2030P turnover (INR trn)
Corporate Bonds	21.18	13-18%	35-41
Currency and Commodity futures turnover (notional)	175.29	15-20%	307-363
Currency and commodity options turnover (premium)	16.83	20-25%	35-41

Source: Company data, I-Sec research, NSE RHP

Exhibit 27: Corporate bond turnover has surged (INR trn) in the past five years

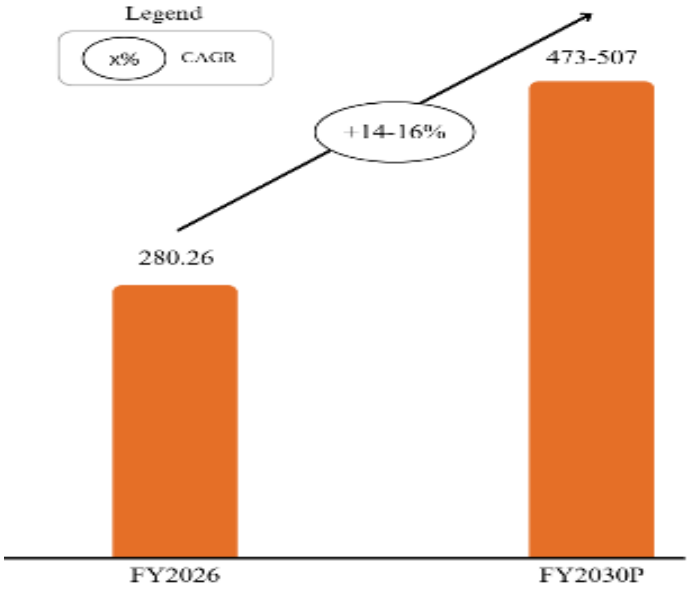


Source: Company data, I-Sec research

Currency and commodity derivatives

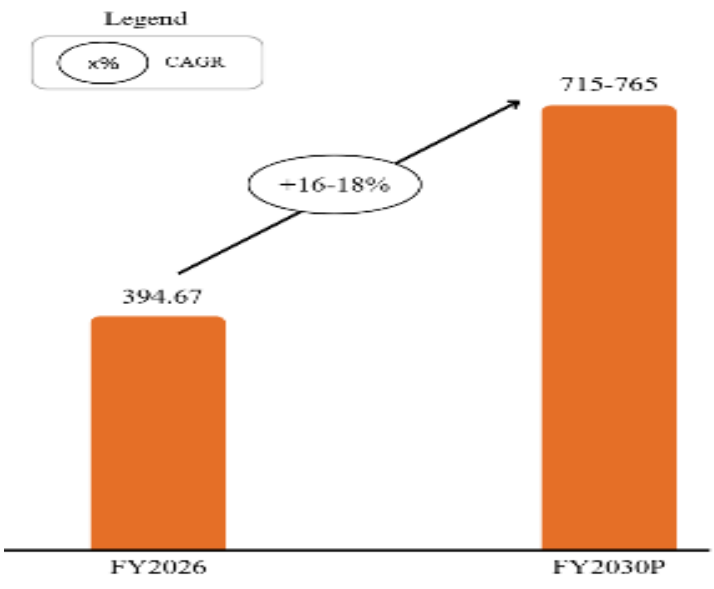
Currency futures and currency options activity has been shaped by regulatory changes that have anchored participation in genuine hedging. The RBI's requirement that exchange-traded rupee derivatives be used only for hedging purposes, supported by documentation and position limit requirements, has reinforced this structure. Demand is driven primarily by FPIs hedging equity and debt inflows and by exporters and importers managing trade-related exposures. Commodity futures and commodity options have scaled more significantly, with corporates hedging procurement and inventory risks, while financial investor participation and individual activity through digital platforms continue to expand. Growth in currency and commodity futures and options turnover (notional for futures and premium for options) would be largely indexed on the commodity segments with commodity options growing faster driven by the relative cost advantage of options over futures, as rising execution costs on the futures side incentivise market participants to replicate directional exposures synthetically through options, supporting a gradual structural shift in activity toward the options segment.

Exhibit 28: Cash market turnover (in INR trn)



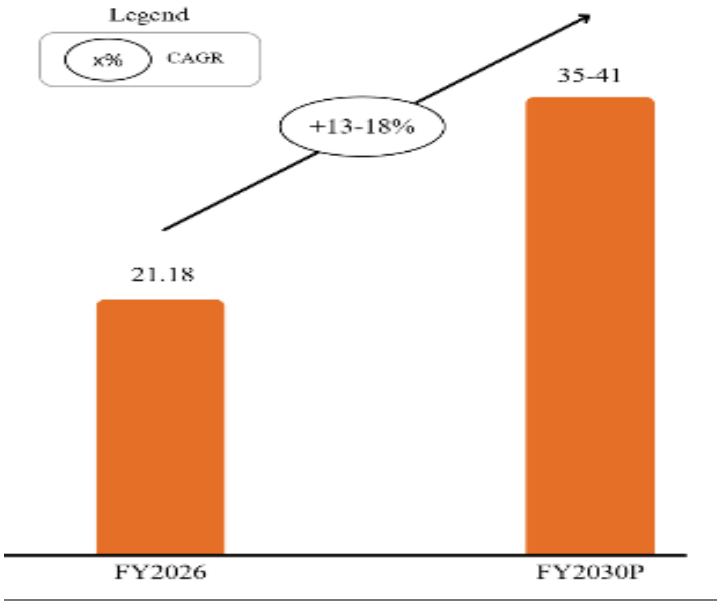
Source: Company data, I-Sec research, NSE RHP

Exhibit 29: Equity futures turnover (notional) (in INR trn)



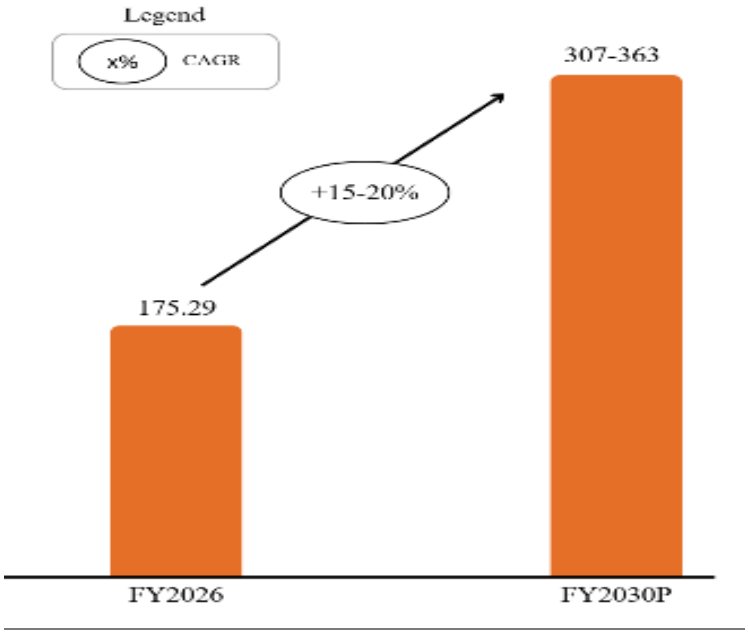
Source: Company data, I-Sec research, NSE RHP

Exhibit 30: Corporate bonds turnover (in INR trn)



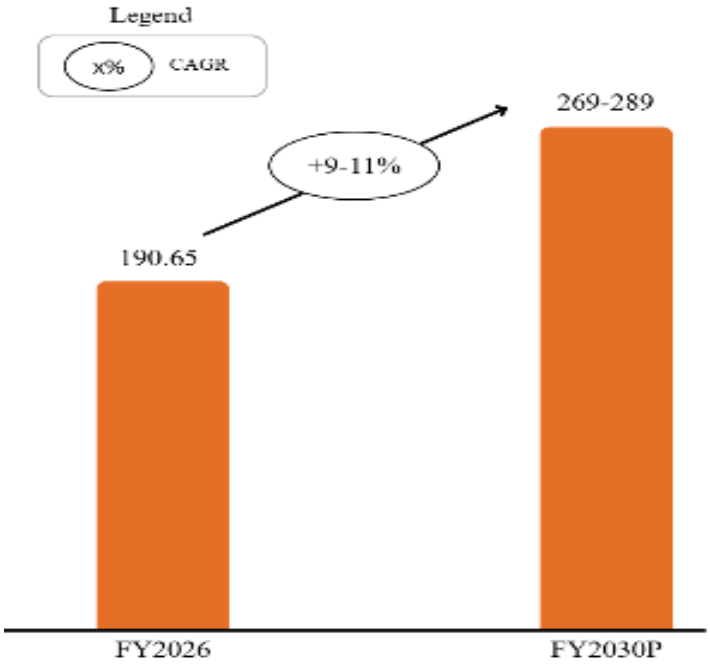
Source: Company data, I-Sec research, NSE RHP

Exhibit 31: Exchange-traded currency futures and commodity futures total turnover (in INR trn)



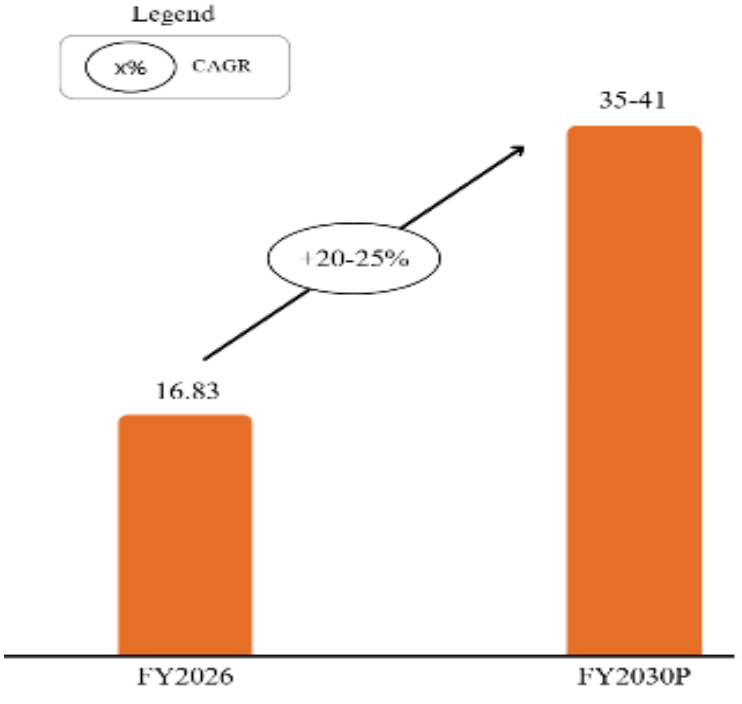
Source: Company data, I-Sec research, NSE RHP

Exhibit 32: Equity options total premium turnover (in INR trn)



Source: Company data, I-Sec research, NSE RHP

Exhibit 33: Exchange-traded currency options and commodity options total premium turnover (in INR trn)



Source: Company data, I-Sec research, NSE RHP

Other services

In addition to trading across asset classes, Indian exchanges provide a range of services that support the broader market ecosystem and generate diversified revenue streams.

Data centre – Rack charges and data connectivity charges

Exchanges provide colocation and connectivity services through data centres hosting trading members' servers. The number of external Full Rack Equivalents (FREs) across NSE and BSE data centres was estimated at 2,180 in FY26, reflecting strong demand for low-latency access and stable connectivity.

Growth in demand is expected to be driven by two key levers:

- New members leasing racks: As more domestic and international participants enter the market, leasing racks at exchange-operated data centres provides immediate low-latency connectivity without the need to build infrastructure from scratch.
- Expansion by existing members: Current users are expected to scale up rack usage to support higher volumes, more sophisticated trading strategies, and greater data processing needs across asset classes and trading desks.

At present, usage is concentrated among high-frequency and institutional traders, but as strategies become more technology-driven, a broader share of members is likely to depend on colocation. External FREs are projected to grow at a CAGR of 20–25% between FY26 and FY30 (Company RHP).

Index licensing fees

Index licensing revenues arise from fees paid by asset managers to use exchange-owned indices as the basis for investment products, including index funds and ETFs (excluding gold and silver). Growth in this stream is structurally tied to the expansion of passive investing within the mutual fund industry. On the supply side, exchanges have broadened the suite of investable indices across market capitalisations, sectors, and themes, with licensing structures ensuring revenues scale directly as AUM expands. On the demand side, mutual fund AUM has grown at a CAGR of 18.60% from INR 31.43trn in FY21 to INR 73.73trn in FY26, with the share of index funds and ETF (excluding gold and silver) at 15.22% as of Mar'26, as per AMFI. This growth has been supported by the cost efficiency of passive strategies, regulatory mandates for retirement and institutional allocations, and growing investor preference for transparent benchmarks. Based on these dynamics, AUM of index funds and ETFs (excluding gold and silver) is projected to reach INR 23-27trn by FY30 as per the company, implying a CAGR of ~25-30%, and should grow in line with the mutual fund industry as penetration matures.

Listing services

Listing services represent a stable and recurring revenue stream, derived from new listings and annual fees paid by listed firms. Fee slabs are set by each exchange within SEBI's regulatory framework, typically linked to aggregate paid-up equity capital, ensuring flexibility for exchanges while maintaining transparency for issuers. Revenue growth is structurally tied to market capitalisation expansion: new listings broaden the fee-paying base while existing firms contribute to recurring revenues. A further upside lever lies in fee recalibration. Despite Indian exchanges ranking among the top two globally by number of IPO listings in FY26, listing fees remain considerably lower relative to comparable global peers, resulting in listing income that is modest relative to the scale of market activity. As India's capital markets mature, there is a reasonable case for progressive recalibration, with listing income potentially evolving into a larger

revenue stream over time. Listing services revenues are projected to grow at a 15-20% CAGR over FY26-30E as per the company.

Clearing and settlement services

Clearing corporations act as central counterparties, guaranteeing settlement and maintaining market integrity through margining, collateral management, and default handling. Revenues from this stream are directly linked to market turnover. Revenue growth is driven primarily by projections in the equity derivatives turnover and cash market volume. Looking ahead, clearing and settlement revenues are projected to grow at a CAGR of 15-17% over FY26-30E as per the company.

Opportunities beyond domestic markets

The development of the IFSC at GIFT City extends the addressable market beyond India's onshore ecosystem. Operating under the IFSCA framework, exchanges at GIFT City facilitate trading and clearing across global indices, India-linked derivatives, commodity derivatives, and debt listings in foreign currencies, targeting non-resident investors. As activity scales across banking, capital markets, and fund management at the IFSC, it positions GIFT City as an incremental growth layer for exchange-led services including trading, clearing, index licensing, and market data.

Competitive landscape

NSE has built and sustained a clear leadership position in India’s capital markets, emerging as the primary platform for equities, derivatives, and other asset classes. Its leadership is reinforced by deep liquidity, advanced technology, and a fully integrated model that spans trading, clearing, settlement, and data services. This scale creates a self-reinforcing cycle, attracting more participants and further strengthening market depth. NSE ranks among the leading listed stock exchange groups globally, particularly in equity derivatives, and is recognised for its reliable infrastructure and operational resilience. Financially, it combines strong revenue growth with high profitability and lean cost structures.

Market infrastructure landscape in India

Exchanges are central to the functioning of capital markets, providing a regulated environment for trading financial instruments such as equities, derivatives, debt, and commodities. They facilitate efficient capital allocation, investor participation, and price discovery while operating under the regulatory framework of the SEBI. As of Mar’26, India’s equity and equity derivatives markets are mainly served by three stock exchanges, namely NSE, BSE, and Metropolitan Stock Exchange of India (MSEI). Most of the trading activity takes place on NSE and BSE because of their liquidity, technology, and product offerings. In the commodity derivatives space, four exchanges are recognised at the national level by SEBI: NSE, BSE, Multi Commodity Exchange of India Limited (MCX), and National Commodity & Derivatives Exchange Limited (NCDEX). These offer platforms for trading in a wide range of goods and raw materials. Over time, this market has grown stronger, backed by better regulation, improved risk controls, and institutional participation. This growth has helped create more transparent and efficient price discovery for commodities across the country. NCDEX, received an in-principle approval from SEBI in Jul’25 to launch cash equities and equity derivatives trading.

Exhibit 34: NSE is the leading exchange in India in terms of turnover across asset classes (bn)

Exchange	NSE	BSE
Cash market	2,60,626.17	19,636.47
Single stock options (Premium)	17,770.91	0.1
Single stock futures	3,20,362.41	8.73
Equity index options (Premium)	1,24,653.62	48,221.01
Equity index futures	73,462.33	836.52
Exchange-traded currency futures	8,818.40	<0.01
Exchange-traded currency options (Premium)	0.22	0
Commodity futures	132.86	0
Commodity options (Premium)	101.19	0
Interest rate futures	193.79	0
Corporate bonds	18,140.11	3,038.43
Other asset classes (direct or through associates)	Power, Commodities, Receivables, Electricity futures	Power, Commodities
Number of listed entities (*Mar'26*)	2,978	5,663
Market capitalisation (*as of Mar'26, INR trn*)	411.25	412.41
Total income (INR bn)	187.13	51.48
Profit after tax (INR bn)	103.02	24.87

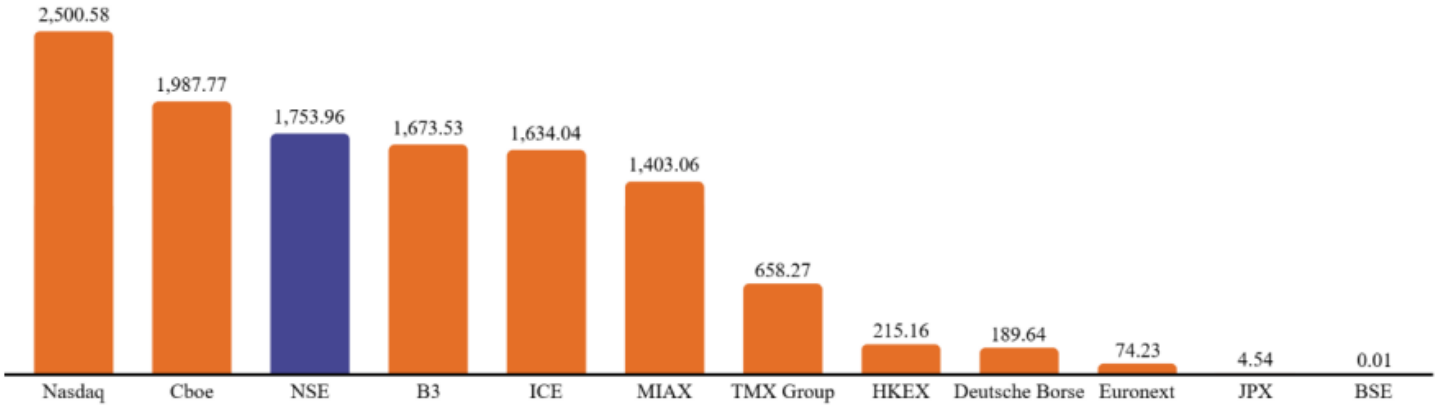
Source: Company data, I-Sec research, all figures correspond to FY26

Global comparison

Against leading listed stock exchanges globally, NSE has sustained strong performance across product breadth, financial profile, and operating execution. Financially, NSE maintains robust profitability with steady revenue growth supported by low non-volume linked expenses and disciplined cost control. Operationally, its resilient technology stack, tight latency/uptime standards, and efficient cost-to-income profile underpin stable liquidity and market depth. Taken together, these attributes position NSE as a leading exchange franchise on the global stage.

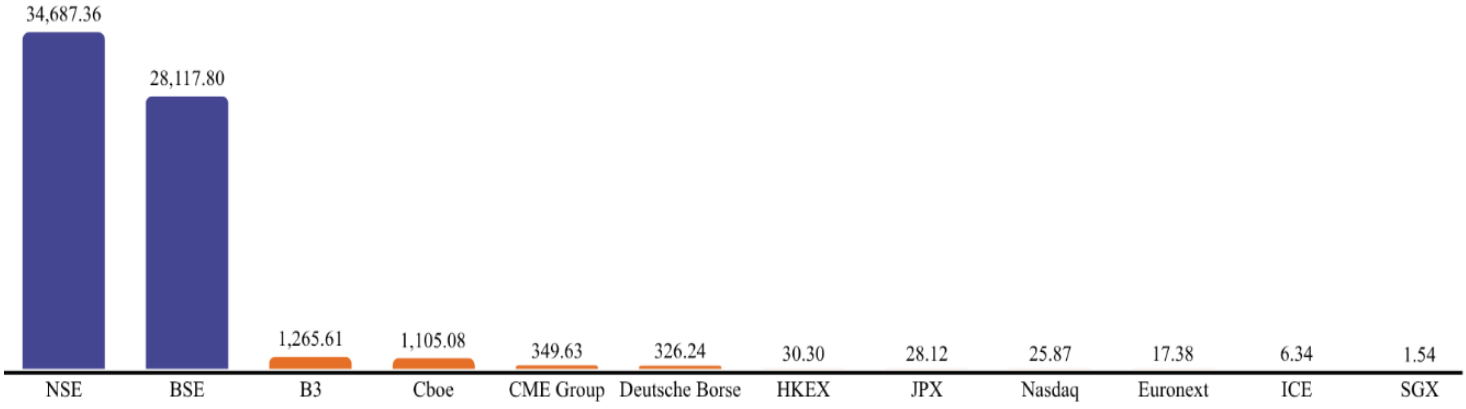
According to the World Federation of Exchanges and Futures Industry Association data, compared to leading listed stock exchange groups globally, NSE ranked among the top three exchanges in terms of number of trades in cash equities and ranked first in contracts traded in equity derivatives over FY20-26.

Exhibit 35: Number of contracts traded (mn) in single stock options on Indian exchanges is comparable to leading listed stock exchange groups globally in FY26



Source: I-Sec research, Company data

Exhibit 36: Number of contracts traded (mn) in equity index options on Indian exchanges is comparable to leading listed stock exchange groups globally in FY26

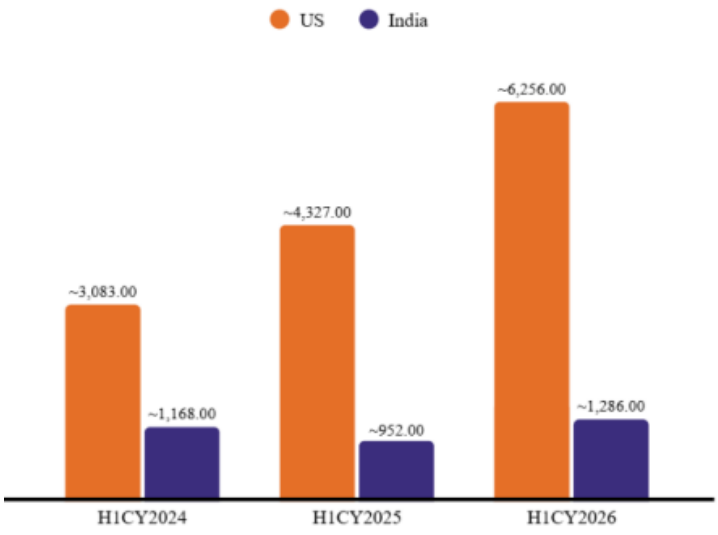


Source: I-Sec research, Company data

- NSE's average daily option contracts traded stood at 180mn in Oct'26, up 19.3% vs. 151mn in Sep'26. NSE's Q2FY27 average daily option contracts traded stand at 138mn, down 16% vs. Q1FY27 average of 164mn.
- BSE's average daily option contracts traded stood at 169mn in Oct'26, up 54.8% vs. Sep'26 (109mn). BSE's Q2FY27 average daily option contracts traded stand at 119mn, down 23.5% from Q1FY27 average of 156mn.
- Systemic (BSE + NSE) average daily option contracts traded in Oct'26 (348mn) were up 34.2% compared to 260mn in Sep'26. This metric for Q2FY27 (257mn) is down 19.7% from Q1FY27 average of 320mn.

Exhibit 37: In comparison to the US, India is far behind in terms of premium turnover

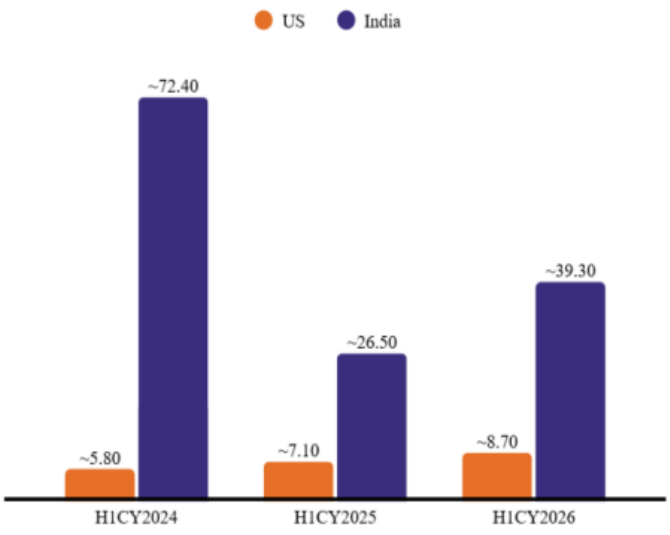
Total options premium turnover - India vs US
(H1CY24, H1CY25, H1CY26 in USD bn)



Source: Company data, I-Sec research

Exhibit 38: In comparison to the US, India is far ahead in terms of options' contracts

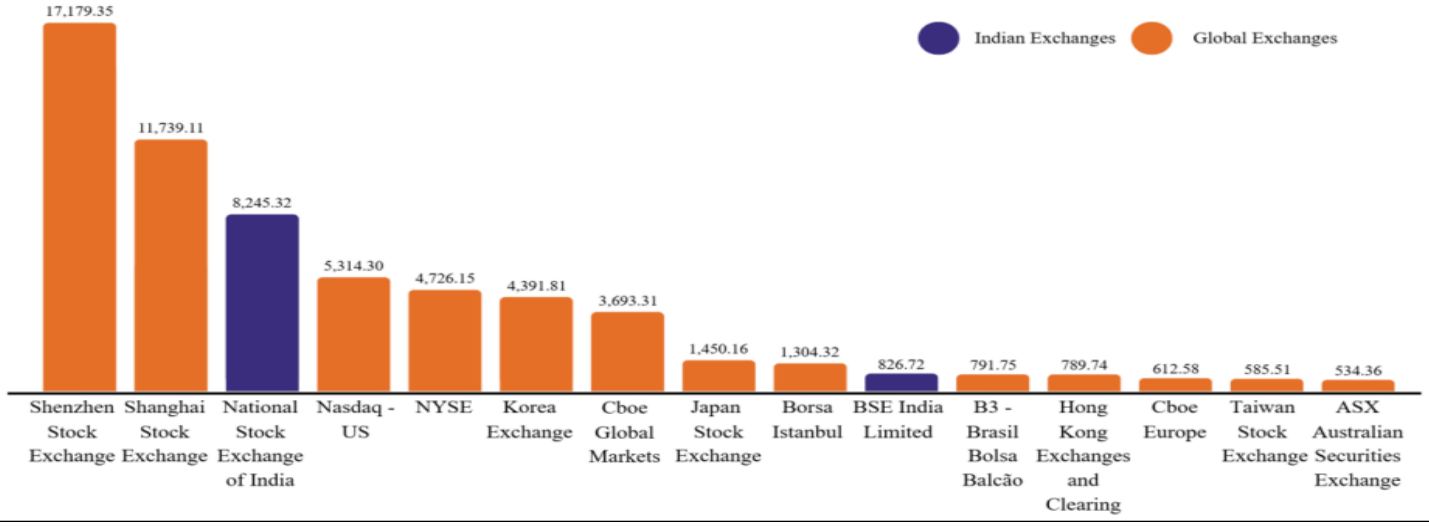
Total options contracts traded - India vs US
(H1CY24, H1CY25, H1CY26 in USD bn)



Source: Company data, I-Sec research

Exhibit 39: NSE is ranked in top 15 global exchanges by number of trades in cash equities

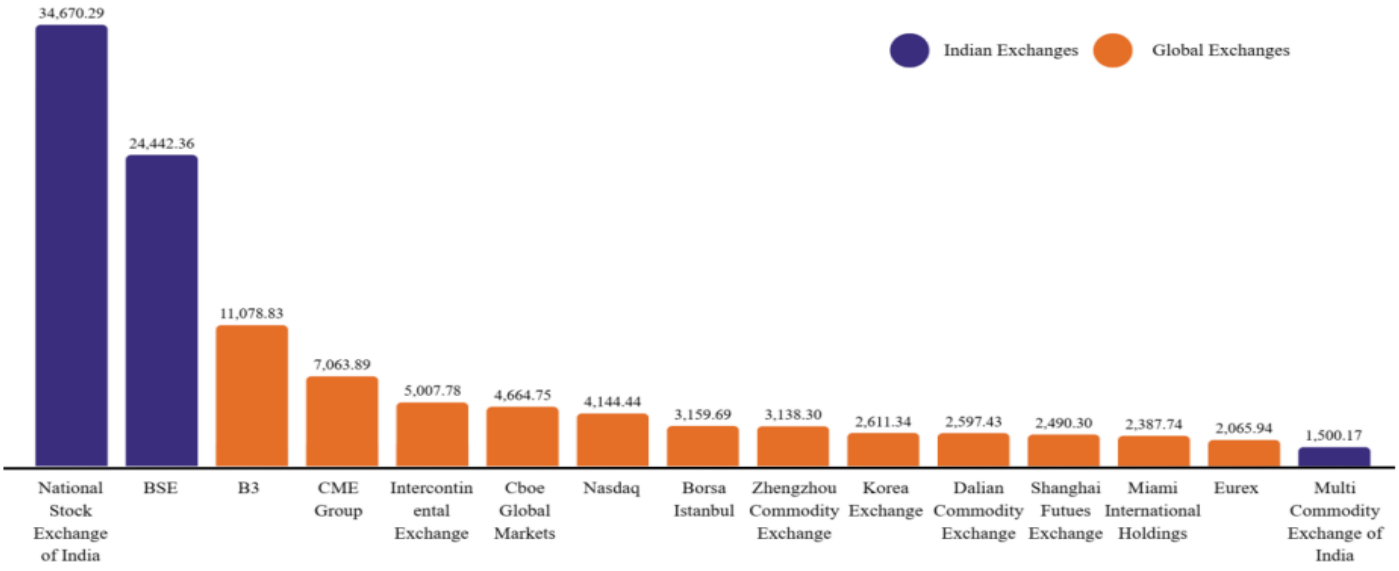
Top 15 players by number of trades in cash equities (CY25, in mn)



Source: Company data, I-Sec research

Exhibit 40: NSE is ranked in top 15 global exchanges by number of trades in derivatives

Top 15 players by number of trades in derivatives (CY25, in mn)



Source: Company data, I-Sec research

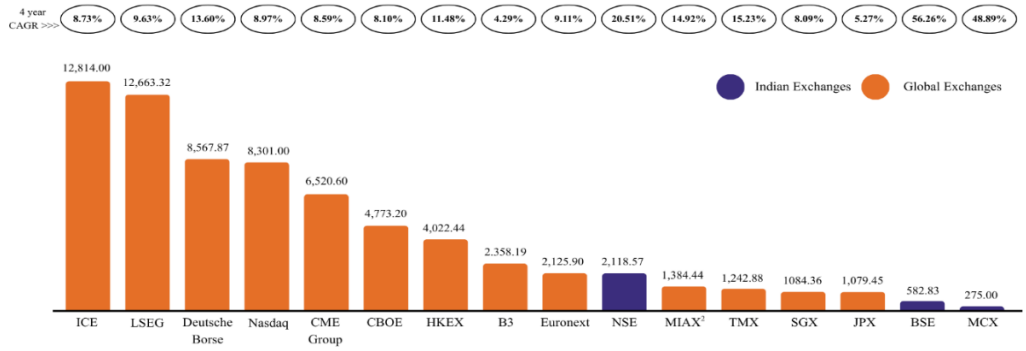
Exhibit 41: In FY26, NSE led global equity derivatives trading

Product category	Number of contracts traded (in mn)	CAGR (FY24-26, in %)	Share in Global (in %)
Equity Derivatives	36,964.36	-37.69%	51.18%
Single stock futures	482.48	21.77%	7.75%
Single stock options	1,753.96	24.17%	8.96%
Equity index futures	41.06	-30.84%	0.55%
Equity index options	34,686.86	-39.14%	89.02%
Product category	**Number of trades (in mn)**	**CAGR (FY24-26, in %)**	**Share in Global (in %)**
Cash Equity	7,954.68	8.54%	11.38%

Source: Company data, I-Sec research

Exhibit 42: NSE ranks in the top three exchanges compared to leading listed stock exchange groups globally in terms of total income CAGR and is the largest in India in terms of total income

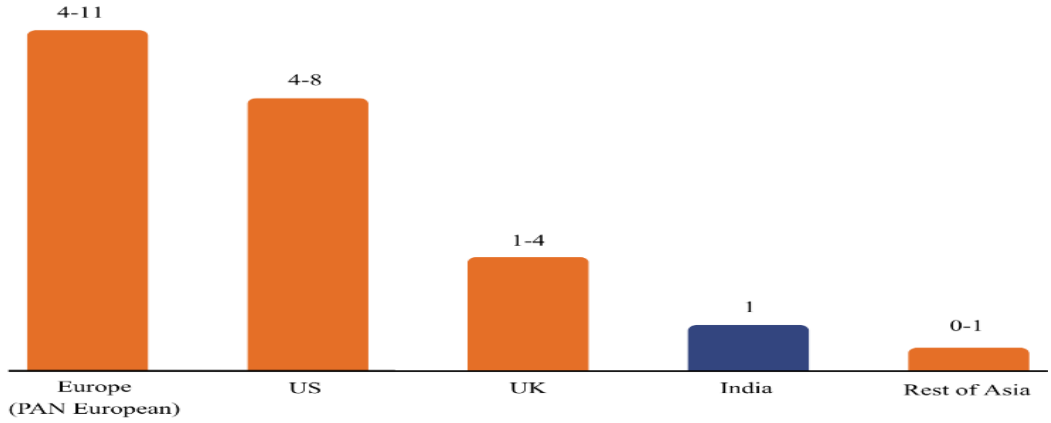
Total income
(FY26, in USD mn)



Source: Company data, I-Sec research

Exhibit 43: Global exchanges have relied heavily on M&A activities

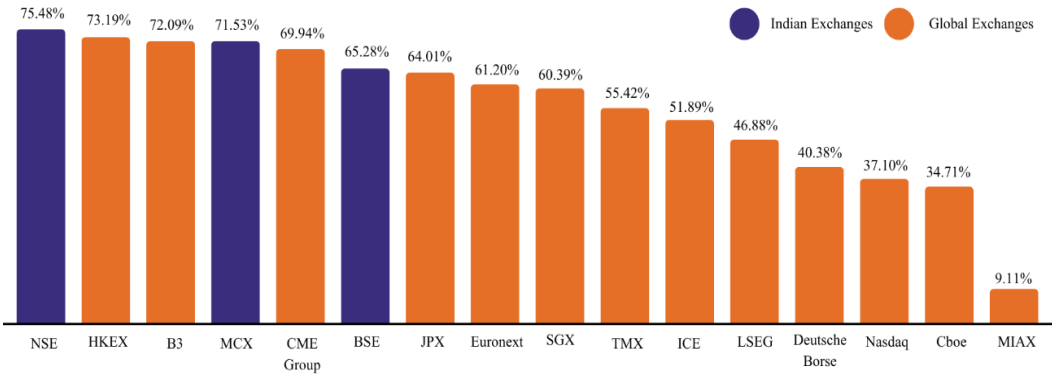
Average number of mergers/acquisitions by exchanges of countries/regions
(FY20-26, in number)



Source: Company data, I-Sec research

Exhibit 44: NSE has the highest adjusted operating EBITDA margin compared to leading listed stock exchanges globally

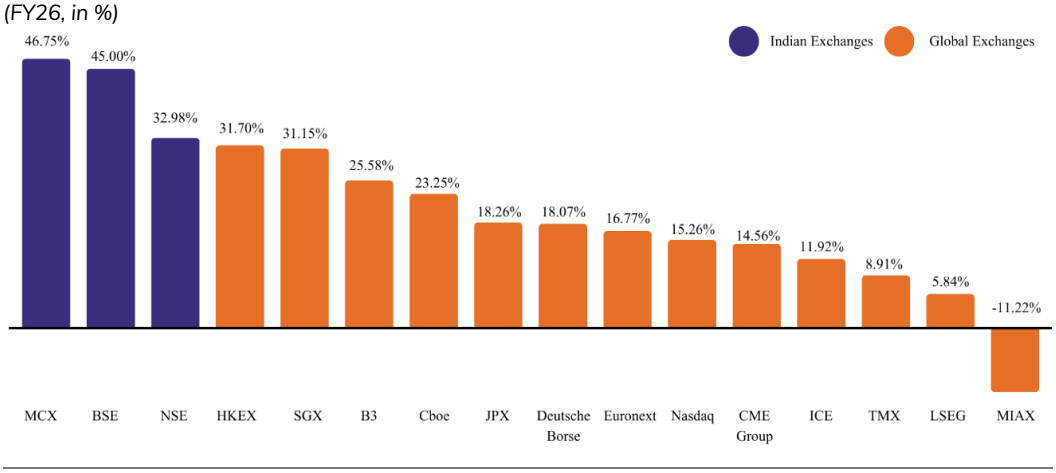
Adjusted operating EBITDA margin
(FY26, in %)



Source: Company data, I-Sec research

Exhibit 45: NSE ranks among top three leading listed stock exchange groups globally in terms of return on average equity

RoAE - NSE vs leading listed stock exchanges globally
(FY26, in %)



Source: Company data, I-Sec research

Exhibit 46: Global valuation

Name	Country	Year-end	CMP (INR)	USD mn Mkt Cap	Fwd P/E (x)					Fwd ROAE (%)				
					FY24	FY25	FY26	FY27E	FY28E	FY24	FY25	FY26	FY27E	FY28E
HKEX	HONG KONG	12/2025	384	62,096	28.6	29.0	24.7	23.8	22.1	24.8	31.7	33.7	33.8	35.0
Japan Exchange Group Inc	JAPAN	03/2026	2,170	13,965	35.2	26.0	28.5	20.8	20.5	19.0	18.3	23.7	27.4	28.4
ASX Ltd	AUSTRALIA	06/2026	67	9,149	26.9	24.6	25.4	25.5	24.3	12.3	12.7	12.2	12.4	14.9
Singapore Exchange Ltd	SINGAPORE	06/2026	21	17,351	24.6	30.7	26.8	25.0	23.5	30.6	33.0	32.0	30.7	32.6
Bursa Malaysia Bhd	MALAYSIA	12/2025	8	1,628	23.4	27.2	23.4	22.7	22.1	36.6	29.9	34.7	34.8	34.5
Multi Commodity Exchange of India	**INDIA**	**03/2026**	**3,592**	**9,765**	**3,796.0**	**189.4**	**74.6**	**53.5**	**48.0**	**5.8**	**34.3**	**56.3**	**51.7**	**40.9**
BSE Ltd	**INDIA**	**03/2026**	**3,897**	**16,945**	**531.7**	**91.0**	**43.4**	**27.2**	**24.8**	**6.1**	**17.1**	**22.4**	**24.0**	**20.0**
NZX Ltd	NEW ZEALAND	12/2025	2	286	19.0	24.0	20.7	18.2	16.7	21.1	17.8	20.0	22.0	23.3
B3 SA - Brasil Bolsa Balcao	BRAZIL	12/2025	14	13,120	12.3	15.7	12.0	10.9	10.5	23.7	25.6	33.7	34.0	37.1
Dubai Financial Market PJSC	UAE	12/2025	1	2,864	31.9	13.6	15.5	15.3	15.1	4.5	10.7	7.0	7.1	7.2
Bolsa Mexicana de Valores SAB	MEXICO	12/2025	38	1,132	11.5	12.9	12.5	11.6	10.9	22.3	21.2	20.7	20.8	21.3
JSE Ltd	SOUTH AFRICA	12/2025	15,418	795	10.7	10.8	11.3	10.4	10.0	20.2	22.0	21.6	22.7	22.1
Deutsche Boerse AG	GERMANY	12/2025	322	66,198	21.0	20.5	24.6	22.9	20.5	19.1	18.1	19.8	19.3	18.8
Euronext NV	NETHERLANDS	12/2025	163	18,505	19.2	20.2	19.2	17.8	16.2	14.3	14.6	18.0	18.3	18.7
Warsaw Stock Exchange	POLAND	12/2025	99	1,059	11.4	14.0	16.9	15.3	15.0	14.1	17.8	20.5	21.0	19.3
CME Group Inc	UNITED STATES	12/2025	309	1,10,634	24.1	25.5	24.9	23.3	21.7	13.1	14.6	16.0	17.1	17.9
Intercontinental Exchange Inc	UNITED STATES	12/2025	176	98,560	28.3	27.9	21.5	19.8	17.7	10.3	11.7	15.2	14.7	15.6
Nasdaq Inc	UNITED STATES	12/2025	110	61,057	36.5	31.8	26.6	23.2	20.3	10.2	15.3	18.6	20.0	21.2
Cboe Global Markets Inc	UNITED STATES	12/2025	365	38,061	24.4	24.8	25.2	23.4	21.7	18.4	23.2	27.0	24.9	24.1
TMX Group Ltd	CANADA	12/2025	63	12,129	28.0	30.6	24.6	22.5	19.6	11.1	8.9	13.7	14.3	15.4

Source: Bloomberg, I-Sec research

Regulatory scenario in India

India's capital market regulatory architecture is anchored in two complementary legislative pillars. The Companies Act, 2013, enacted by Parliament and administered by the Ministry of Corporate Affairs, establishes the foundational corporate governance framework applicable to all companies, listed and unlisted, covering incorporation, board composition, audit standards, related-party transactions, and shareholder rights. For listed entities, this framework is further reinforced and operationalised through SEBI's regulations and circulars, which translate these broad governance principles into specific, continuously updated obligations for market participants. Together, these two pillars ensure that India's capital markets function within a robust, multi-layered governance structure.

Investor protection

Protecting investors is at the core of SEBI's mandate. Over the years, SEBI has introduced a range of regulations and circulars to safeguard client assets, enforce fair conduct, and improve grievance redressal.

Key regulations protecting investor interests include:

- **SEBI (Stockbrokers and Sub-Brokers) Regulations, 1992 (since repealed and replaced by the SEBI (Stockbrokers) Regulations, 2026):** The 1992 regulations mandated compulsory registration and conduct standards for all brokers and sub-brokers, reducing malpractice at the point of retail entry, ensured proper record-keeping, and formalised broker-investor relationships. By professionalising a fragmented brokerage ecosystem, the regulation brought accountability to investor access channels.
- **SEBI (Mutual Funds) Regulations, 1996 (since repealed and replaced by the SEBI (Mutual Funds) Regulations, 2026):** The 1996 regulations created a governance framework for trustees and asset management companies, including disclosure requirements, investment restrictions, and accountability standards. They safeguarded individual investors' pooled savings and laid the foundation for the rapid growth of India's mutual fund industry into a multi-trillion-rupee segment.
- **KYC Registration Agency (KRA) Regulations, 2011:** To streamline investor onboarding and reduce fraud, SEBI created a centralised KYC repository accessible across intermediaries. This reduced duplication of verification, enhanced investor convenience, and provided regulators with better monitoring tools. The framework has since evolved with Aadhaar-based and digital KYC processes, keeping pace with technological advancements.

Market regulation

SEBI regulates how companies raise capital, how trades are executed, and how settlements are completed. Exchanges play a central role in implementing these regulations by ensuring transparent listing, fair trading, and reliable clearing and settlement.

Key acts to regulate the securities market include:

- **Securities Contracts Act, 1956 (SCRA) and Securities Contracts Rules, 1957 (SCRR):** The SCRA, along with the SCRR, provided statutory recognition to stock exchanges in India at a time when markets were largely informal and fragmented. These regulations laid down criteria for recognition, disclosure, and conduct, setting the foundation for corporatisation and eventual demutualisation of exchanges. By defining exchanges as legal entities with clear obligations, the framework professionalised governance and introduced transparency into what was previously a loosely organised system.
- **SEBI Act, 1992**: The SEBI Act created SEBI as a statutory regulator with comprehensive powers to oversee securities markets, intermediaries, and

investors. Prior to this, regulations were fragmented across multiple agencies, limiting effectiveness. The Act consolidated oversight under one body, enabling SEBI to frame regulations, conduct investigations, and enforce penalties. This centralisation was pivotal in building investor confidence and bringing Indian markets in line with global regulatory practices.

In addition, SEBI notified the following regulations:

- **Securities Contracts (Stock Exchanges and Clearing Corporations, or SECC) Regulations, 2012 (amended 2018):** The SECC regulations addressed ownership structures, capital requirements, and governance standards for MIIs, including exchanges, clearing corporations, and depositories. By imposing ownership caps and separating trading members from management, the regulations ensured independence and minimised conflicts of interest. The amendments in 2018 further tightened governance and financial requirements, strengthening MIIs as systemically important entities capable of handling surging transaction volumes.
- **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations):** The LODR regulations form the backbone of India's continuous disclosure and corporate governance framework for listed companies. They mandate timely disclosure of material events, enhance transparency in related-party transactions, strengthen board composition and independent director norms, and streamline quarterly reporting requirements, ensuring investors receive reliable, comparable, and timely information.
- **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR" Regulations):** The ICDR regulations consolidated and streamlined earlier rules governing IPOs and rights issues. They set eligibility criteria for issuers, standardised pricing and disclosure requirements, and introduced safeguards to protect individual investors. The regulation enhanced transparency around fundraising and strengthened investor trust in primary markets, supporting the growth of India's IPO pipeline in recent years.

Exhibit 47: Recent developments in regulations

Regulation	Implementation Date	Summary of the Regulation
50:50 Margin Requirement Between Cash and Securities	2 May 2022 (after deferral)	Restricted the use of margins received through pledged securities. At least 50% of the required margin had to be maintained in cash or cash equivalents, with the balance permitted through eligible securities.
Increase in Securities Transaction Tax (STT)	Mar'22; Oct'24; Apr'26	STT rates on futures and options transactions were increased in successive Union Budget announcements, raising transaction costs for derivatives traders.
Increase in Contract Size for Index Derivatives	Jan-25	Increased the minimum contract value for index derivatives, with revised lot sizes for major indices including Nifty, Bank Nifty, Midcap Nifty, Fin Nifty, Sensex, and Bankex.
Rationalisation of Weekly Index Derivatives	From 20 Nov'24; fully reflected by Dec'24	Restricted exchanges to one benchmark index with weekly expiries per exchange, reducing the number of weekly index derivative products. NSE retained Nifty and BSE retained Sensex as their respective weekly expiry indices.
Additional Tail-Risk Coverage on Options Expiry Day	20-Nov-24	Introduced an additional 2% Extreme Loss Margin (ELM) on short options positions on expiry day, increasing the margin requirement for traders carrying such positions.
Upfront Collection of Options Premium	01-Feb-25	Made upfront collection of the option premium from options buyers mandatory at the client level through the trading member or clearing member.
Removal of Calendar Spread Benefit on Expiry Day	01-Feb-25	Removed the margin benefit available for offsetting positions across different expiries on options expiry days, increasing margin requirements for certain calendar spread strategies.
Intraday Monitoring of Position Limits	01-Apr-25	Required exchanges and clearing corporations to monitor position limits during the trading day, with at least four position snapshots, instead of relying only on end-of-day monitoring.
RBI Rules on Credit Facilities to Capital Market Intermediaries	01-Apr-26	Tightened rules governing bank credit to capital-market intermediaries, including brokers and clearing members. The rules standardised permitted credit facilities, collateral requirements, and restrictions on the use of funds.
Closing Auction Session (CAS) for F&O Stocks	3 Aug 2026	Introduced a closing auction mechanism for stocks in the F&O segment to determine the closing price. The slide describes a phased process involving a transition period, order entry, and matching, followed by confirmation of the closing price.

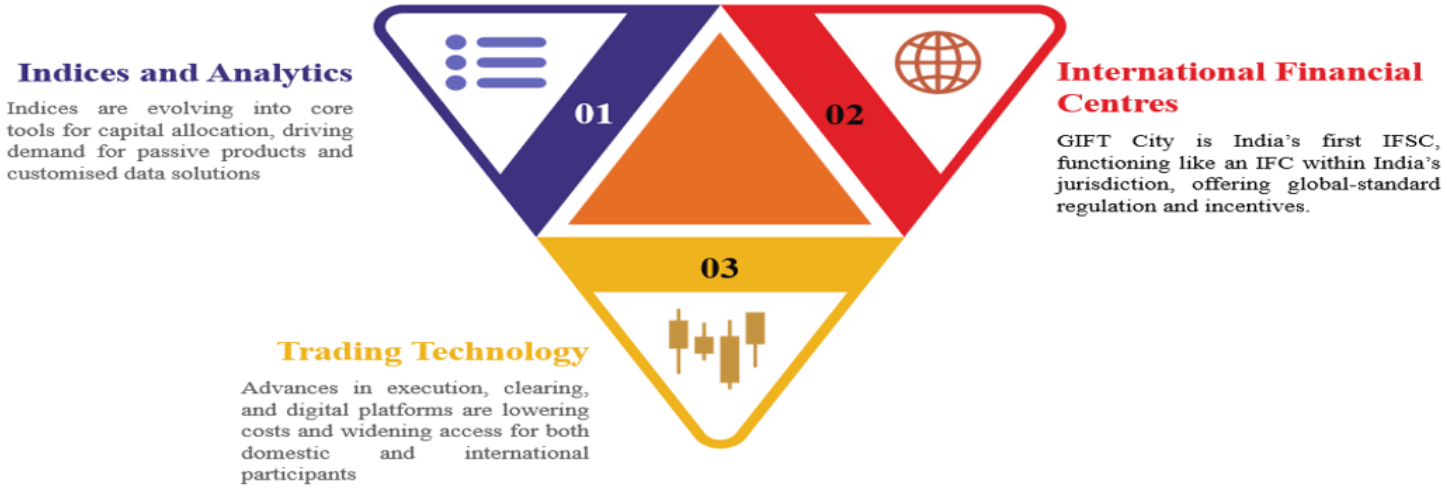
Source: Company data, I-Sec research

Emerging opportunities

India's capital markets are entering a new phase of growth shaped by three emerging opportunities across indices and data analytics, setting up of international financial centre, i.e., GIFT City, and technological advancements.

As India's economy expands in scale and formalisation, its capital markets are expected to deepen alongside it. Sustained GDP growth has historically been associated with rising household incomes, expansion of the middle class, and higher financial savings. As incomes increase, a greater share of incremental savings is allocated toward formal financial instruments, including equities and mutual funds. This supports a reinforcing cycle in which broader participation leads to deeper capital mobilisation, improved capital allocation, and greater wealth creation, which in turn supports enterprise growth, employment generation, and further income expansion.

Exhibit 48: Three key opportunities are emerging for Indian exchanges, which should drive the next wave of growth



Source: Company data, I-Sec research

Market data, indices, and data analytics

Indices and data analytics are now central to how capital markets function, serving as the foundation for investment products that direct large flows of capital. Investors and asset managers use indices to design strategies, while analytics tools support portfolio construction, performance tracking, and risk control.

The clearest outcome of this shift is the rise of passive investing in India. Passive products that track indices include index funds, equity and debt ETFs, and gold and silver ETFs. As per AMFI, total mutual fund AUM grew at a CAGR of 18.60% from INR 31.43trn in Mar'21 to INR 73.73trn as on Mar'26 and INR 82.22trn as on Jun'26, with other schemes AUM (including index funds, ETFs (including gold and silver), other ETFs and fund of funds investing overseas) growing faster at a CAGR of 34.42%, from INR 3.22trn to INR 14.12trn over the Mar'21-26 period. Passive funds' (including index funds), ETFs (including gold and silver and fund of funds investing overseas in passive funds) share of industry AUM was 18.74% in FY26 and 18.15% as of Jun'26. Index funds were the fastest-growing segment, with AUM increasing at a CAGR of 74.19% from INR 0.19trn to INR 3.07trn over Mar'21-26 and INR 3.37trn as of Jun'26, as per AMFI. This was supported by a surge in scheme launches from 208 in Mar'24 to 360 in Mar'26 and 371 as of Jun'26. With momentum in both AUM growth and product proliferation, passive funds are set to constitute an increasingly larger share of the industry in the coming years as per the company.

International Financial Centres (IFCs)

IFCs enable countries to capture cross-border capital flows that might otherwise gravitate to offshore hubs. GIFT City, designated as India's first IFSC under the IFSCA Act, 2019, replicates conditions found in global centres such as Singapore and Dubai through globally aligned regulation, unified IFSCA supervision, competitive tax incentives, and liberalised foreign currency transaction rules.

As a result, GIFT City has evolved into a multi-asset, multi-service offshore hub for banking, capital markets, fund management, and sustainable finance. As of March 2026, the IFSC had 1,213 registered entities, with banking assets crossing USD 110bn and cumulative banking transactions reaching USD 176bn in Q4FY26, as per IFSCA. It also reports that within capital markets, exchanges at GIFT recorded an average monthly turnover of USD 112bn in Q4FY26 and an aggregate open interest of USD 14bn in the derivatives segment as of Mar'26, supported by USD 2.28bn in cumulative debt listings, while the fund management ecosystem expanded to 217 registered entities operating 360 schemes, mobilising cumulative commitments of USD 30bn as of Mar'26. In addition, ESG-labelled debt listings reached USD 616mn in Q4FY26, reflecting growing activity in sustainable finance. These developments position GIFT City as a neutral onshore platform where issuers can raise funds in foreign currencies, global investors can access Indian instruments with fewer frictions, and domestic institutions can operate under international standards, deepening India's integration with the global financial system.

Disruptive trading platforms and technologies

Advances in trading technology are reshaping Indian market infrastructure. Algorithmic strategies, electronic platforms, and high-frequency execution tools have increased transaction speed and precision, while improvements in clearing and settlement are reducing counterparty risk. Alongside this, developments in clearing and settlement systems are ensuring smoother post-trade processes and reducing counterparty risk. Lower costs and greater reliability have broadened participation, with digital onboarding and mobile-based trading reducing access barriers for domestic investors and improved infrastructure strengthening confidence among international participants.

Technology is also expanding the range of instruments traded efficiently, from cash equities and derivatives to fixed income and commodities, creating the foundation for larger market volumes. Beyond domestic application, India's capital market technology ecosystem carries significant export potential. The successful deployment of scalable, low-cost trading infrastructure, real-time settlement systems, and digital onboarding frameworks has positioned India as a model for emerging and frontier markets seeking to modernise their own market structures. Indian exchanges and technology providers are increasingly well-placed to license platforms, share expertise, and partner with overseas exchanges, creating a nascent but meaningful avenue for technology-led revenue diversification. Beyond these three core opportunities, two further avenues warrant consideration. Strategic investments in international exchanges through minority stakes, technology partnerships, or co-listing arrangements could extend Indian exchanges' global footprint. Similarly, data monetisation beyond index licensing, encompassing proprietary analytics and API-based data services, represents an emerging frontier, though the commercial infrastructure for such products is still developing domestically.

Key threats and challenges in the exchange industry

- **Technology risks:** The global financial services and capital markets landscape is undergoing rapid and transformative technological change, driven by emerging technologies such as artificial intelligence, machine learning, distributed ledger technology, cloud computing, tokenisation, etc., and at times, before a regulatory framework had been put in place. With trading fully electronic, technological robustness is critical. Software malfunctions, connectivity failures, and order-matching errors can affect market integrity at scale. Landmark episodes in global markets illustrate this vulnerability: the May 2010 'Flash Crash' in US equity and derivatives markets, the Knight Capital Group incident in August 2012 wherein the inadvertent reactivation of a deprecated order routing algorithm resulted in significant financial losses, fat-finger order entry errors that triggered sudden price dislocations in European and Asian markets, and settlement failures and order-routing latency events reported periodically across exchanges globally. These events underscore that even mature, well-regulated market infrastructure remains prone to operational and technological stress.
- **Cybersecurity risks:** Exchanges face exposure to ransomware, data breaches, and denial-of-service attacks. The 2020 DDoS attack that halted the New Zealand Stock Exchange and the 2011 NASDAQ platform breach illustrate that even advanced financial infrastructures remain vulnerable to sophisticated attacks.
- **Reversal of the liquidity super cycle:** A decade of high liquidity has directed household savings towards financial assets. Should inflationary pressures, interest rate volatility, or macroeconomic stress materialise, there is a risk of reversion towards physical assets such as gold and real estate, historically preferred by Indian households.
- **Market infrastructure resilience and capacity constraints:** Faster settlement cycles compress operational timelines across trading, clearing, and depositories. India's transition to T+1 and ongoing T+0 pilots reduce counterparty risk but raise throughput and interoperability demands. Any capacity mismatch can create bottlenecks and settlement risk, reinforcing the need for ongoing infrastructure upgrades. Similar volume-driven interruptions have been observed in other markets when traffic exceeded infrastructure thresholds, reinforcing the need for ongoing capacity upgrades and real-time risk tooling.
- **External shocks and global disruptions:** Geopolitical and policy events can swiftly reshape capital flows and trading activity. The Russia-Ukraine conflict, the August 2025 US tariff changes on Indian imports, and the escalation of conflict involving Iran in early 2026 have each demonstrated India's exposure to externally driven market dislocations through commodity price volatility, currency pressure, and risk-off sentiment.
- **Monetary and fiscal policy changes:** RBI's cumulative 210 basis point repo rate increase between May'22 and Feb'23 compressed equity valuations, moderated margin funding, and dampened risk appetite among leveraged participants, with elevated funding costs shifting flows towards fixed income.
- **Regulatory recalibrations:** SEBI's May'25 framework restricted exchanges to either Tuesday or Thursday expiry days. Following SEBI approval, NSE implemented Tuesday expiries and BSE implemented Thursday expiries for contracts expiring on or after September 1, 2025. This may influence the distribution of trading volumes between exchanges. SEBI's Oct'24 derivatives framework restricted each exchange to offering weekly expiry contracts on only one benchmark index, effective November 20, 2024. These structural shifts, combined with increased STT rates on

equity derivatives effective Apr'26, may moderate speculative turnover and could disproportionately affect exchanges with significant exposure to derivatives activity. Additional measures included tighter position limit monitoring, refined methodologies for measuring open interest and effective exposures, enhanced intraday surveillance mechanisms, and recalibration of risk management and margin frameworks for index derivatives. While they enhance investor protection and systemic resilience, these measures have moderated speculative turnover and may continue to weigh on derivatives volumes in the near term as per the company.

National Stock Exchange: An overview

NSE has been the largest stock exchange in India in terms of total turnover in cash market and notional turnover in equity derivatives from FY01 to FY26. It is the largest multi-asset class exchange among listed stock exchanges globally in terms of number of trades in cash equities and contracts traded in equity derivatives for FY26. NSE had a global market share of 11% in number of trades in cash equities and 51% in contracts traded in equity derivatives.

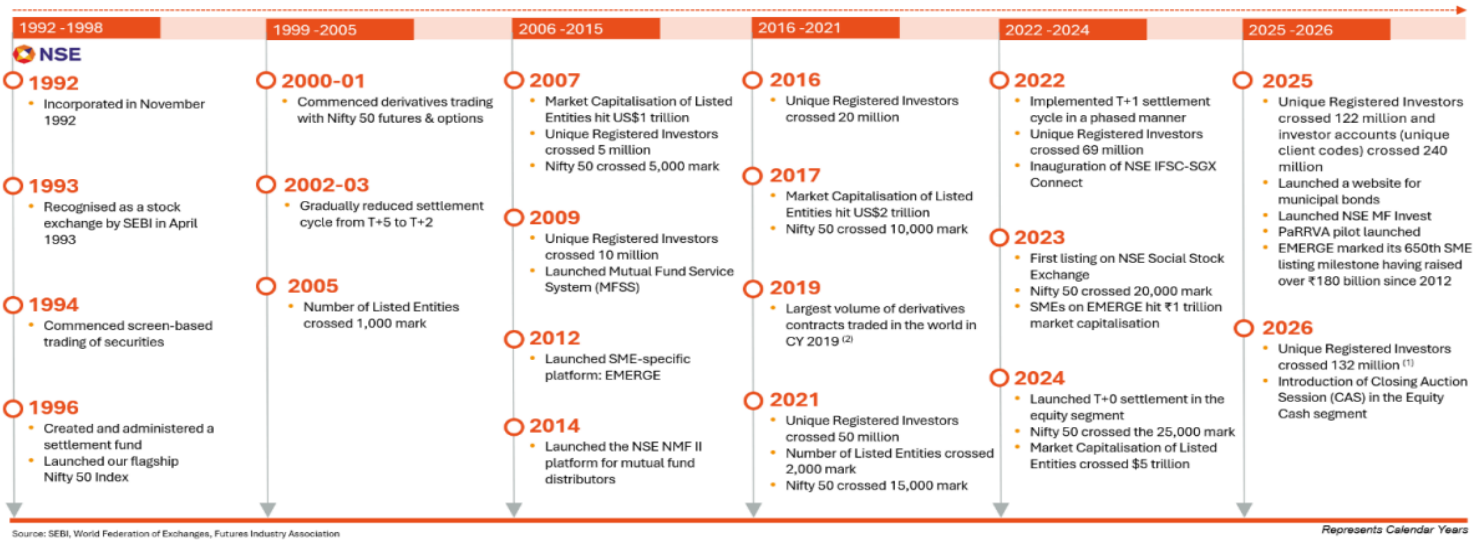
Exhibit 49: Key business metrics



Source: Company data, I-Sec research, Note: All figures are on jun'26 except new listings through IPO for FY26

The company operates a vertically integrated exchange, where it offers a simple, integrated platform for trading, clearing, listing, and other services such as data feed services, data terminal services, and licensing services. It provides a comprehensive, one-stop platform to manage regulatory compliance, risk monitoring, and post-trade settlement. It also offers a diversified range of products that serve the investment, trading, and hedging needs of market participants. It facilitates trading for market participants across multiple asset classes including cash market, debt instruments, futures and options, commodity derivatives, currency derivatives, interest rate derivatives, exchange traded funds, and mutual funds. Its operations are supported by proprietary technology infrastructure that is resilient and secure, supporting high-speed and high-frequency transactions while ensuring seamless market operations, comprehensive market data dissemination, and allows for rapid implementation of regulatory directives.

Exhibit 50: NSE's journey



Source: Company data, I-Sec research, data as of Jun'26

Establishment of key products and market institutions

The company introduces new offerings to meet the evolving needs of market participants. Its product portfolio spans cash equities, equity derivatives, exchange-traded currency derivatives, commodity derivatives, debt instruments among others, and it continues to expand its offerings across asset classes. For instance, it also introduced EGRs on the platform and expanded its commodity derivatives offering to include new products such as 10-gram gold futures contracts, Brent crude oil futures, electricity futures, EGRs, and Indian natural gas futures. It also recently announced collaboration with S&P Global Energy to launch derivatives on Platts benchmarks, followed by the launch of Dated Brent Crude Oil (Platts) Futures. It maintains leading market share positions in India across key asset classes, with market share of 92.99% in cash market (based on total turnover), 99.79% in equity futures (based on notional turnover), 74.71% in equity options (based on premium turnover), 99.48% in exchange-traded currency futures (based on total industry notional turnover), 100% for currency options (based on total industry premium turnover), and 85.65% in listed and unlisted corporate bonds (executed on **OTC**, request for quote (**RFQ**), and anonymous platforms, and settled through clearing corporations in India) in FY26.

It operates a vertically integrated and multi-asset class exchange that enables participants to trade, hedge, and manage risk across cash equities, equity derivatives, exchange-traded currency derivatives, commodities, and fixed income within a single platform, supported by a unified membership, technology, and risk management framework. This “one-stop shop” structure eliminates fragmentation and operational complexity, while cross-segment margin fungibility allows capital deployed in one segment to be efficiently utilised against exposures in another. As a result, market participants benefit from optimised capital usage, lower margin and funding requirements, improved liquidity deployment, and a more cost-efficient trading environment, reinforcing its positioning as a capital-efficient and comprehensive financial ecosystem.

it has also established key market institutions to create a holistic ecosystem and serve as a one-stop platform for trading, listing, and settlement. Its non-trading businesses provide complementary revenue sources and serve market participants' diverse needs, as described below:

- **Clearing and settlement:** It established NSE Clearing Limited (**NCL**) in August 1995 for offering clearing and settlement services in India. NSE Clearing is the largest clearing corporation in India in terms of cleared value and with a market share of 86.63% in the cash market, 91.20% in equity derivatives, 74.44% in currency derivatives, and 84.17% in interest rate futures as of Jun’26. NSE Clearing has consistently been rated AAA by CRISIL since 2008 and maintained a Core Settlement Guarantee Fund (**Core SGF**) of INR 133,619mn on a standalone basis as of Jun’26. Since NCL’s incorporation in 1995, there have been no settlement or clearing failures on its platform. NCL has gradually transitioned from T+5 settlement cycle in 2001 to a T+1 settlement cycle in 2022.
- **Indices:** It commenced offering index services in May’98 through an erstwhile subsidiary and currently provides these services through NSE Indices Limited (**NSE Indices**). NSE Indices develops and manages a wide range of indices, including the flagship Nifty 50, with 435 indices spanning sectors, themes, and strategies as of Jun’26, ensuring transparent and rules-based index construction aligned with global standards. The total assets under management (**AUM**) in index funds and exchange-traded funds (**ETFs**) (excluding gold and silver) in India stood at ~ INR 12.33trn in Jun’26, of which the Total AUM of India Passive Funds Linked to Nifty Indices was INR 8.95trn, or 72.59%. Additionally, of the 662 index fund and

exchange-traded fund schemes (excluding gold and silver) in India as of Jun'26, 509 schemes or 76.89%, tracked Nifty Indices. Their key indices include Nifty 50, Nifty BANK (Bank Nifty), Nifty Next 50, Nifty 100, Nifty Midcap 150, Nifty Financial Services (FIN Nifty), and Nifty Smallcap 250.

- **Data analytics, news, and market updates:** It established NSE Data and Analytics Limited (**NSE DAL**) in June 2000 to offer data analytics services, providing comprehensive real-time market data, benchmark data, fixed income valuations, and analytical tools to institutional investors, asset managers, and regulators. Through its subsidiary NSE Cogencis Information Services Limited (**NSE Cogencis**), it offers data, news, and analytics via its "Cogencis Workstation" platform, which serves users across equities, fixed income, forex, commodities, and derivative markets with reliable information, advanced analytics, and integrated data feed solutions.

    - **Foreign currency denominated trading:** It established NSE International Exchange (**NSEIX**) as a subsidiary company in Gift City in Nov'16, through its subsidiary NSE IFSC Limited (**NSE IFSC**), in India's GIFT City to enable Indian and foreign entities to trade in foreign currency-denominated securities and financial products, and access international financial markets, allowing trading for 21 hours a day. As of Jun'26, NSEIX held a market share of ~99.62% in terms of number of contracts traded in the equity derivatives segment among exchanges at GIFT International Financial Services Centre. NSE IFSC Clearing Corporation Limited (**NSEICC**) incorporated in Dec'06, serves as the clearing arm of NSEIX, implementing best practices including client-level asset segregation, real-time risk management, and robust counterparty guarantees. NSEICC holds a credit rating of CARE AAA/Stable as per CARE Ratings, as of Jun'26.

    - **Others:** It has expanded into complementary businesses, including mutual fund registry services, back-end exchange support services for its platform, depository services, e-corporate governance, mobile trading solutions, and commodity (including crude oil, gas, and electricity), power, and receivables exchanges and coal exchange. For example, National Securities Depository Limited (**NSDL**), in which it owns a minority stake, was established in 1996 to offer dematerialisation of securities, rematerialisation, and settlement services.

Wide range of business offerings across multiple asset classes

NSE offers a diversified range of offerings across multiple asset classes, including equity, fixed income, and derivative securities. It has a fully integrated business model comprising trading, clearing, and settlement services, and others such as indices, and market data feeds offerings. It has an active treasury management function that invests its own funds and deposits from market participants. It also supports the surveillance initiatives undertaken by the Integrated Surveillance Department of SEBI and oversees compliance by its trading and clearing members and listed companies with the rules and regulations of the exchange. Key aspects of its integrated business model, revenue, primary lines of business, and other incomes are summarised below:

Cash market

Cash market includes equities, equity convertible securities, ETFs, REITs, InvITs, sovereign gold bonds, and government securities. As of Jun'26, it was the largest exchange in India in terms of total turnover in cash market. The total turnover of the cash market in FY26 was INR 260.63trn compared with INR 281.28trn in FY25. The table below sets forth details regarding its total turnover and ADTV in its cash markets for the years indicated:

Exhibit 51: Total turnover and ADTV in cash markets

	FY26		FY25		FY24	
	Total Turnover	ADTV	Total Turnover	ADTV	Total Turnover	ADTV
Cash Market (INR mn)	260,626,167.38	1,055,166.67	281,278,482.42	1,129,632.46	201,034,376.97	817,212.91

Source: Company data

Exhibit 52: Share of client participation in NSE cash market segment (%)

Client Category %	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Corporates	3.7	3.6	3.5	3.7	3.6	3.5	3.9	3.7	3.9	3.9	3.9	4.4	4.3
DIIs	14.2	14.4	14.4	15.8	13.8	13.6	14.8	13.4	11.9	13.7	13.9	12.7	13.4
Foreign Investors	14.9	12.8	17.2	12.8	13.2	13.5	14.4	11.8	14.2	13.4	12.3	14.1	13.7
Individuals	34.5	34.8	32.5	33.8	32.5	33.1	29.6	33.8	32.8	32.7	33.0	33.5	32.2
Prop	29.9	31.7	29.9	30.9	34.3	33.6	34.9	34.6	34.3	33.0	33.4	31.7	32.2
Others	2.8	2.7	2.5	2.9	2.6	2.6	2.4	2.7	2.9	3.3	3.5	3.6	4.1

Source: I-Sec research, NSE Pulse

Future and Options

- Stock futures and stock options. Stock futures and stock options (based on premium turnover) accounted for 63.06% of its equity derivative trading turnover during FY26. It selects stocks for new futures and options contracts from among the top 500 stocks listed on its exchange in terms of average daily market capitalisation and ADTV in the last six months on a rolling basis. Stock future contracts were available on 211 securities listed on its exchange as of Jun'26. ADTV of stock futures was INR 1,297bn for FY26 compared with INR 1,507bn for FY25 and INR 1327bn in Q1FY27. Stock options contracts were available on 211 securities listed on its exchange as of Jun'26. ADTV of stock options (premium value) was INR 72bn for FY26 compared with INR 79bn for FY25 and Q1FY27. It refrains from introducing options on any stock whose price may be affected by trades of relatively small order sizes.
- Index futures and index options. Index futures and index options were available on five Nifty Indices as of Jun'26, namely Nifty 50, Nifty Bank, Nifty Financial, Nifty MidCap Select, and Nifty Next 50. The ADTV for index futures was INR 297bn during FY26 compared with INR 351bn during FY25 and INR 235bn in Q1FY27, and the ADTV for index options (based on premium turnover) was INR 505bn during FY26 compared with INR 545bn during FY25 and INR 564bn in Q1FY27.

Exhibit 53: Share of client participation in equity options segment (premium turnover) of NSE (%)

Client Category %	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Corporates	2.0	2.1	2.0	2.0	2.1	2.2	2.6	2.4	2.2	2.1	2.3	2.4	2.7
DIIs	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Foreign Investors	6.2	6.9	6.8	6.5	7.4	6.9	7.6	6.6	6.6	6.6	6.2	6.1	6.8
Individuals	39.1	38.6	39.5	40.0	37.9	38.0	36.1	38.6	38.6	39.3	39.5	40.3	39.3
Prop	50.5	50.2	49.3	49.3	50.5	50.6	50.5	48.7	49.0	48.0	47.9	47.3	46.8
Others	2.0	2.1	2.3	2.1	1.9	2.1	3.0	3.5	3.4	3.8	3.9	3.7	4.2

Source: I-Sec research, NSE Pulse

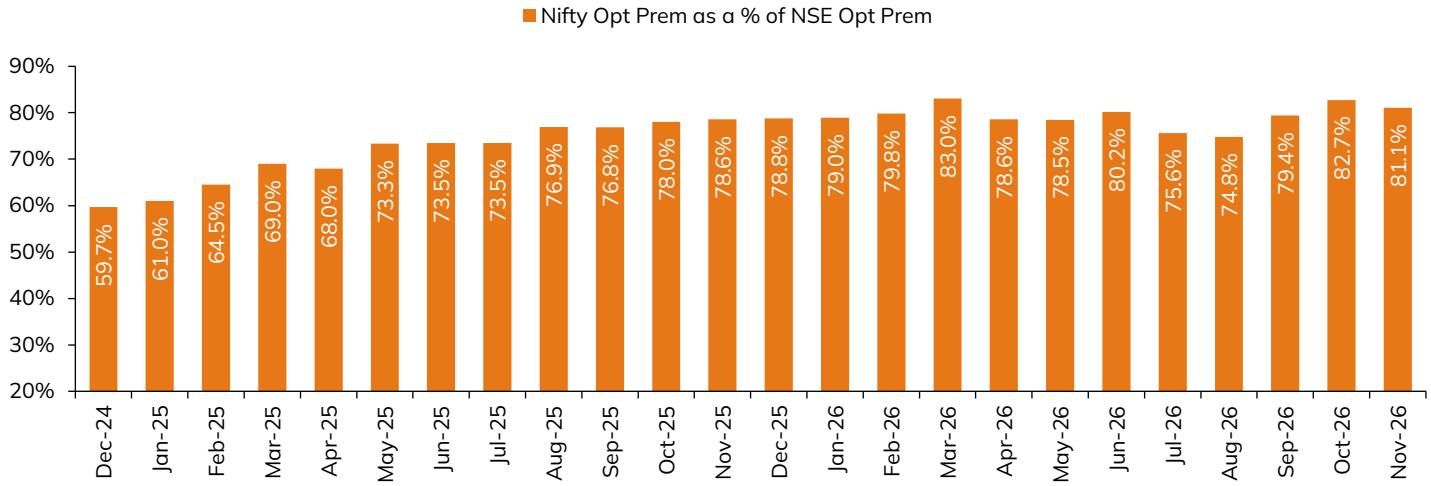
Exhibit 54: Share of client participation in index options (premium turnover) of NSE (%)

Client Category %	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Corporates	1.9	2.0	1.9	1.9	2.0	2.1	2.6	2.3	2.1	2.0	2.2	2.4	2.7
DIIs	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2
Foreign Investors	6.4	7.1	7.1	6.8	7.8	7.2	7.9	6.9	6.8	6.7	6.5	6.4	6.8
Individuals	40.4	40.2	41.1	41.5	39.6	39.6	37.1	40.4	40.5	40.8	41.8	42.4	41.0
Prop	49.1	48.5	47.5	47.6	48.6	48.8	49.1	46.4	46.8	46.3	45.1	44.5	44.8
Others	2.0	2.1	2.4	2.1	1.9	2.1	3.2	3.8	3.7	4.0	4.3	4.1	4.6

Source: I-Sec research, NSE Pulse

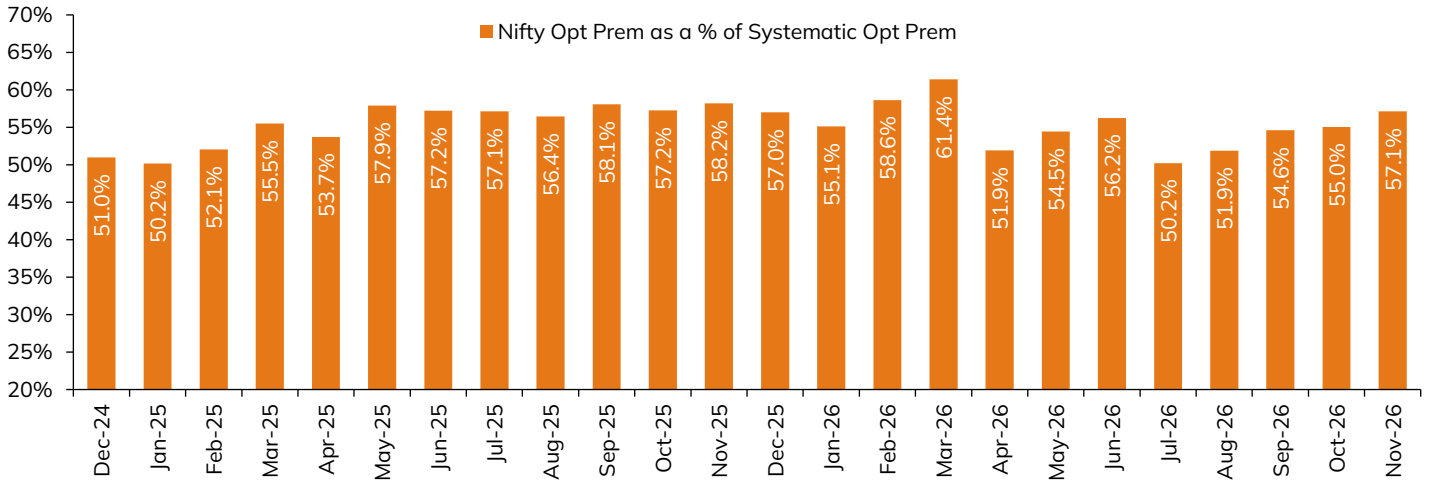
Nifty options premium has remained relatively stable at around 80% of NSE's total options premium and ~55-60% systematic options premium over the period, indicating a largely consistent contribution to overall options activity.

Exhibit 55: Nifty options premium as a percentage of NSE options premium



Source: Company data, I-Sec research

Exhibit 56: Nifty options premium as a percentage of systematic options premium



Source: Company data, I-Sec research

- NSEIX futures and NSEIX options. It has a strategic partnership with SGX by way of a collaboration agreement dated 22 Sept'20, to establish a trading and clearing link called **NSEIX – SGX Connect** in GIFT IFSC (**Connect**) in respect of Nifty products: GIFT Nifty 50, GIFT Nifty Bank, GIFT Nifty Financial Services, and GIFT Nifty IT.

Mutual fund systems

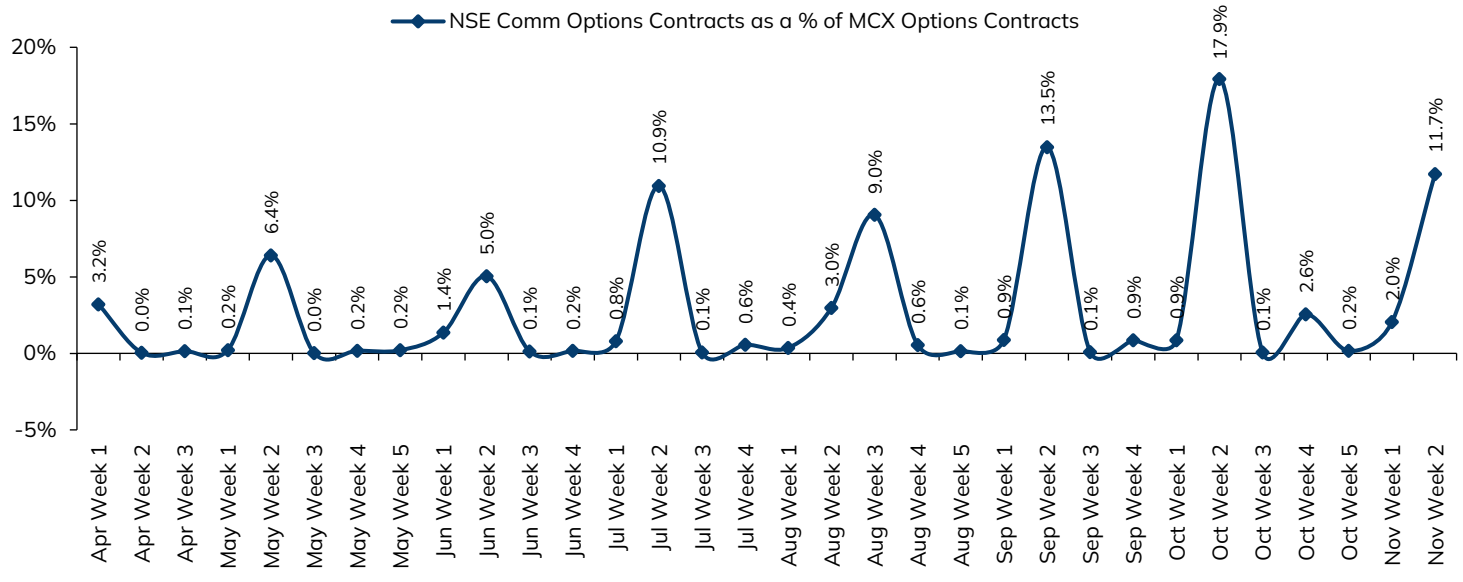
In FY25, it launched NSE MF Invest, its web-based reporting and trading platform for transactions in mutual fund units, which is accessible by non-member mutual fund distributors and independent financial advisors. As of Jun'26, there were 26,563 schemes from 51 mutual funds listed on its NSE MF Invest platform, and it had 31,282 mutual fund distributors on NSE MF Invest. Revenue from NSE MF Invest platform increased to INR 324mn in FY26 from INR 202mn in FY25 and INR 112mn in FY24.

Commodity derivatives

It commenced trading in commodity derivatives with the launch of bullion futures in Oct'18. Its commodity derivatives market provides trading in futures and options, with instruments available across three key categories: bullion (including 10-gram gold futures contracts and silver), energy (including brent crude oil futures, electricity futures, and Indian natural gas futures), and base metals (including copper, aluminium, zinc, lead, and nickel). Its ADTV in commodity derivatives was INR 911mn during FY26 compared with INR 189mn during FY25.

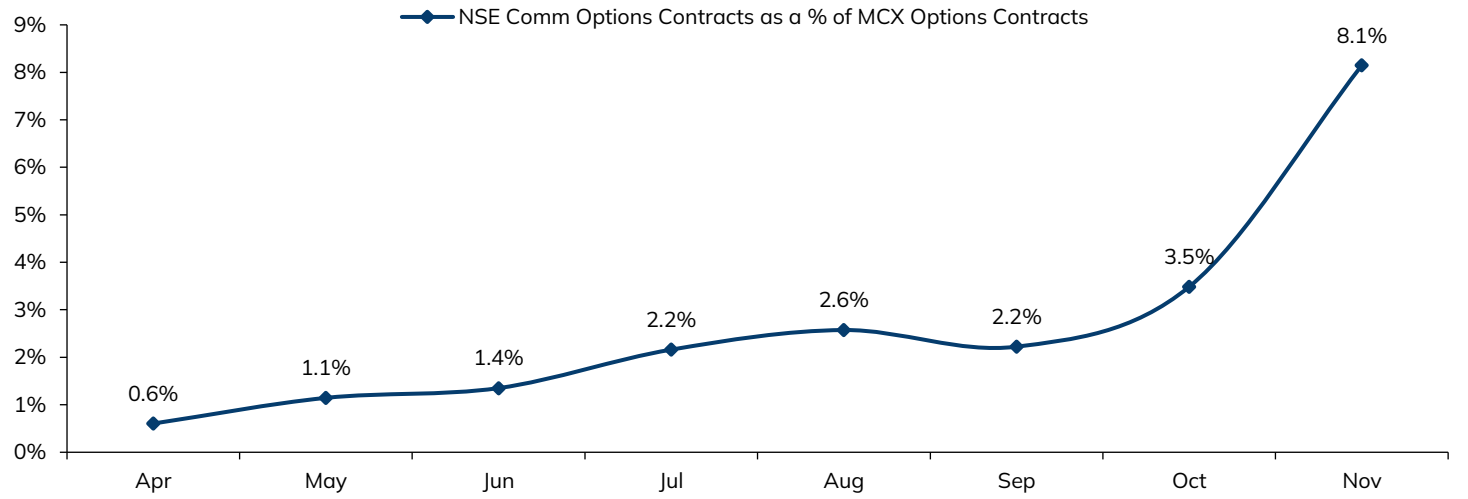
NSE's commodity options activity has been steadily increasing relative to MCX, with its share rising from 0.6% in Apr'26 to 8.1% in Nov'26. The weekly trend, however, remains volatile with sharp spikes (17.9% in Oct'26 and 13.5% in Sep'26, indicating intermittent surges in trading activity. The sharp increase in Nov'26 suggests growing traction in NSE's commodity options segment.

Exhibit 57: NSE commodity options contracts as a percentage of MCX options contracts – weekly trend



Source: Company data, I-Sec research

Exhibit 58: NSE commodity options contracts as a percentage of MCX options contracts – monthly trend in FY26



Source: Company data, I-Sec research, Nov'26 data is till 14th Nov only

Exchange-traded currency derivatives

Its ADTV in currency futures was INR 37bn during FY26 compared with INR 57bn during FY25. In currency options, the ADTV was INR 0.92mn during FY26 compared with INR 15.53mn during FY25. Currency futures and options represented 1.66% of total derivatives turnover on its exchange during FY26. It had a market share of 99.48% in exchange-traded currency futures (based on total industry turnover) and 100.00% for exchange-traded currency options (based on total industry premium turnover).

Wholesale debt market

It introduced India's first formal, screen-based exchange platform for debt trading with the launch of the wholesale debt market in 1994. Furthermore, its first dedicated debt platform was launched in 2013. In an endeavour to centralise trading in all debt instruments on a single platform, the same was subsequently merged under the new debt segment in 2015. It had a market share of 85.65% in listed and unlisted corporate bonds (executed on OTC, RFQ, and anonymous platforms and settled through clearing corporations in India) in FY26. It also offers trading in publicly offered and privately placed debt securities and debt securities issued by the GoI.

Interest rate futures

It has offered trading in interest rate futures since 2014. Its customers primarily use interest rate futures to hedge against interest rate risk. It offers interest rate futures contracts on the 6-year, 10-year and 13-year GoI bonds and 91-Day Treasury Bill, futures on notional 91-day GoI Treasury bills. Its average daily turnover in interest rate futures was INR 804mn for FY26 compared with INR 1,044mn for FY25. It had 100% market share of the industry's total value traded in interest rate futures in FY26 and Q1FY27.

Listing services

It provides a listing platform for listed entities issuing securities in India and generates revenue from book building fees, initial listing fees, processing fees, and annual listing fees paid by issuers. Of the 111 and 10 listings (mainboard IPOs, InvITs, and REITs) that chose to list on both NSE and BSE in FY26 and Q1FY27, respectively, 78 and seven listed entities selected NSE as their designated stock exchange, representing a total market share of 70.27% and 70% in FY26 and Q1FY27, respectively. For larger offerings with issue sizes exceeding INR 10bn, the total market share is 90.24% in FY26.

Index & data services

Index services

The company owns and manages indices under its NIFTY brand through its subsidiary, NSE Indices Limited. Its equity indices are based on products traded on its exchange and are organised into five categories: broad market indices, sectoral indices, thematic indices, fixed income indices, and strategy indices. It also develops and licences NIFTY-branded indices for introduction of financial products. Its NIFTY family of indices is tracked by 274 index funds and 235 ETFs in India, and 33 ETFs and index funds internationally as of Jun'26.

Index licensing & data subscription

NSE licences its NIFTY indices to stock exchanges, financial institutions, asset managers, brokers, investors, and other enterprises that monitor the equity capital markets. Its index licensing customers use its indices for purposes such as benchmarking of fund portfolios and developing index funds, ETFs, structured products, annuities, and other insurance products and guaranteed funds. Its equity and fixed income indices have been recognised as compliant with the principles of International Organization of Securities Commissions (**IOSCO**) for financial benchmarks.

Customised indices and other index services

It develops and maintains customised indices based on specifications provided by its customers for an annual fee. Customised indices may be freshly constructed according to a customer's requirements, or its existing NIFTY indices may be modified to suit a customer's needs. It also assists international stock exchanges in creating and maintaining indices and offer index research products. The Association of Mutual Funds in India has authorised NSE Indices Limited to establish and maintain the official list of industry classifications for Indian listed companies, which is used in disclosure requirements applicable to the Indian mutual fund industry.

Clearing and settlement

NCL is responsible for clearing and settlement of trades executed on Indian stock exchanges and deposit and collateral management and risk management functions. NCL provides clearing and settlement services for all the cash and derivative products listed on stock exchanges in India. Of this, clearing and settlement charges paid by other stock exchanges to NCL are included as revenue from clearing and settlement services in revenue from operations of the Company.

NSE IX Global Access Platform

In FY26, NSEIX established a wholly owned subsidiary, NSEIXGA, which was the first entity in GIFT City to be granted a Global Access Platform licence under the regulatory framework of the IFSCA. In Feb'26, NSEIX GA soft-launched its platform, enabling Indian resident investors, non-resident Indians, persons of Indian origin, overseas citizens of India, persons resident outside India, and IFSC-based entities to invest in global markets through a single integrated digital account. The platform offers investment options, digital onboarding, and a mobile application designed for an efficient and intuitive investment experience. As of Jun'26, the platform facilitated investments in the US markets.

Technology infrastructure, employee talent are well indexed to scale

As of Jun'26, its infrastructure comprised seven data centres with points of presence across 30+ locations supporting over 14,000 physical and virtual servers across all NSE entities, including more than 8,000 servers in production and DR sites and over 6,000 servers in development, testing, and UAT. The infrastructure houses 2,694 FRE racks, ~60 petabytes of enterprise storage capacity, and power backup exceeding 14 MW connecting over 200,000 trading terminals across 1,400 cities and towns. Of the 2,694 FRE racks, 1,868 FRE racks are member colocation racks, with a capacity to host more than 12,000 member servers, and 826 FRE racks are dedicated to its internal operations. As of Jun'26, its platform processed an average of 12 to 14 billion messages daily, with 21.89bn peak order messages processed in a single day on 24 Mar'26, when 201 million trades were executed.

NSE: Technology-related expenses as a percentage of net revenue have nearly doubled, increasing from 4.8% in Q1FY25 to 9.5% in Q2FY27. In comparison, employee costs have remained relatively stable at 3.3–5.4%. This indicates that technology spending is consuming an increasing share of revenue, potentially reflecting higher investments in technology infrastructure and capacity.

Employee costs as a percentage of net revenue have stabilised at 3–5% after declining from 12.3% in FY20, while technology expenses increased sharply to 8.7% in H1FY27 from 1.7% in FY26.

Management guidance: Technology expenses are expected to grow at a mid-teens rate, with continued investments in technology infrastructure. Growth in employee costs is expected to moderate as the impact of the new labour codes gets absorbed.

Employees

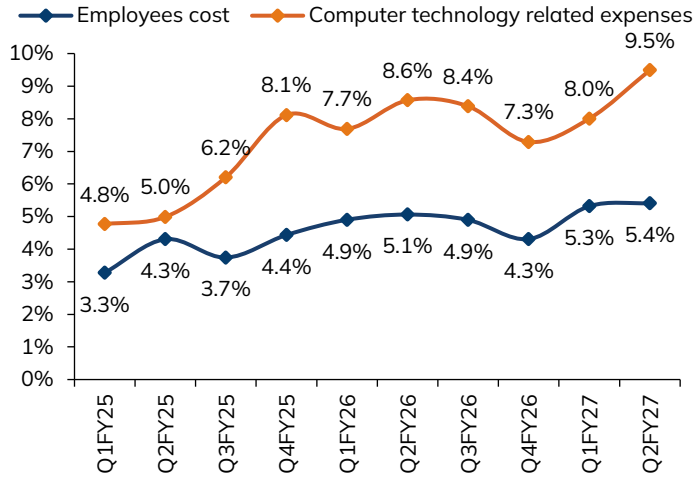
As of Jun'26, NSE had 2,008 full-time employees. The following table sets forth the number of the subsidiaries' full-time employees by function for the fiscals indicated:

Exhibit 59: Full-time employees by function

Function	Q1FY27	FY26	FY25	FY24
Management	15	14	13	14
Technology	357	358	322	216
Regulatory (Legal and Compliance), Inspection, and Surveillance	58	58	47	37
Risk Management	81	81	81	74
Operations	210	210	210	203
Business Development and Products	70	72	70	70
Human Resources, Premises, and Administration	24	23	18	13
Secretarial	11	10	9	8
Finance and Accounts	80	81	66	67
Total	**906**	**907**	**836**	**702**

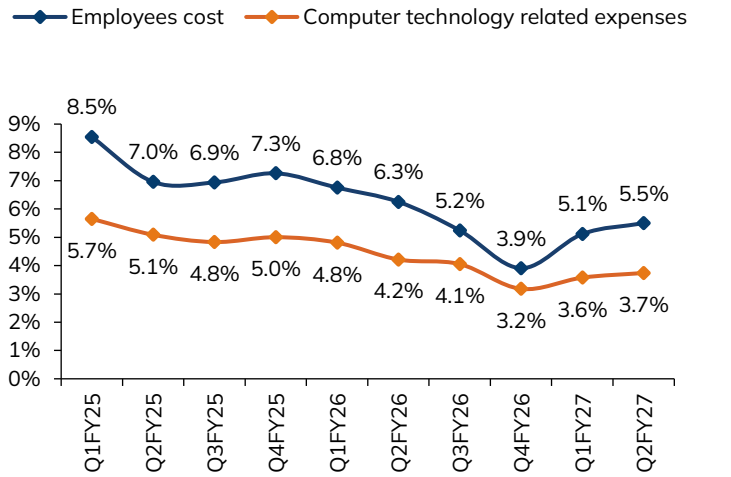
Source: Company data

Exhibit 60: NSE's employee cost and tech cost as a percentage of net revenue – quarterly trend



Source: Company data, I-Sec research

Exhibit 61: BSE's employee cost and tech cost as a percentage of net revenue – quarterly trend



Source: Company data, I-Sec research

Regulatory, Surveillance, and Investigation

NSE discharges regulatory functions pursuant to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and circulars issued by SEBI from time to time. These functions include implementing rules governing exchanges related to surveillance, member registration, listing, compliance, inspection, enforcement, arbitration, and investor protection, as required under applicable securities regulations. It also implements its own rules to support the regulatory functions.

Surveillance and investigation

NSE's investigation and surveillance department supports SEBI's investigation and enforcement functions by monitoring and reporting trading activity on its exchange for compliance with SEBI regulations. NSE also conducts its own investigations and enforcement actions pursuant to bylaws and rules. Its surveillance system provides real-time monitoring, automated alerts of abnormal trading activity, and analysis of surveillance data. As part of its preventive surveillance operations, NSE monitors social media traffic and investigates and verifies suspicious content.

Investor Protection Fund

NSE maintains an Investor Protection Fund Trust (IPFT) to compensate investors in the event of defaults by its members. Its defaulters' committee generally makes investor compensation recommendations when deposits from the defaulting member are less than the amount of an investor's claim. The fund is administered through a registered trust and managed by the trustees of the trust. As of Jun'26, NSE IPFT had a total corpus of INR 29bn,

Customers

In its listing business, customers are companies offering securities across industries. In its trading business, its customers are its members, which it classifies as proprietary traders, corporate clients, institutional investors (domestic and foreign), and retail investors. Its index customers are primarily international stock exchanges, financial institutions, asset managers, brokers, and other enterprises that monitor India's equity capital markets. Its data feed business customers include data aggregators and redistributors, researchers, asset management companies, and media and software companies.

Marketing & Business Development

NSE's marketing strategy is designed to attract new issuers and investors to its exchange. It aims to improve product awareness, promote Indian capital markets, build its brand image, enhance investor confidence, and promote investor education through its marketing initiatives. Its marketing efforts include organising events and seminars and engaging in radio, internet, and television advertising. NSE's business development efforts are focused on cross-selling, upselling, and developing product offerings in its trading and non-trading businesses through directed outreach efforts to its existing and prospective trading members.

Corporate Social Responsibility

Through the NSE Foundation (the **Foundation**), it drives inclusive and sustainable development across identified CSR focus areas including primary education, elder care, sanitation and safe drinking water, health and nutrition, environmental sustainability, skill development, and entrepreneurship. It recognises that the economic and social well-being of communities is intrinsically linked with environmental sustainability, and accordingly, its CSR approach adopts an integrated social, economic, and environmental perspective to create sustainable and inclusive impact. It partners on CSR initiatives with partner organisations that are committed towards the community development objectives. Its CSR team coordinates its CSR initiatives on a periodic basis, and it has commissioned third-party agencies for the monitoring and evaluation of its CSR initiatives.

Exhibit 62: Major events and milestones of the company

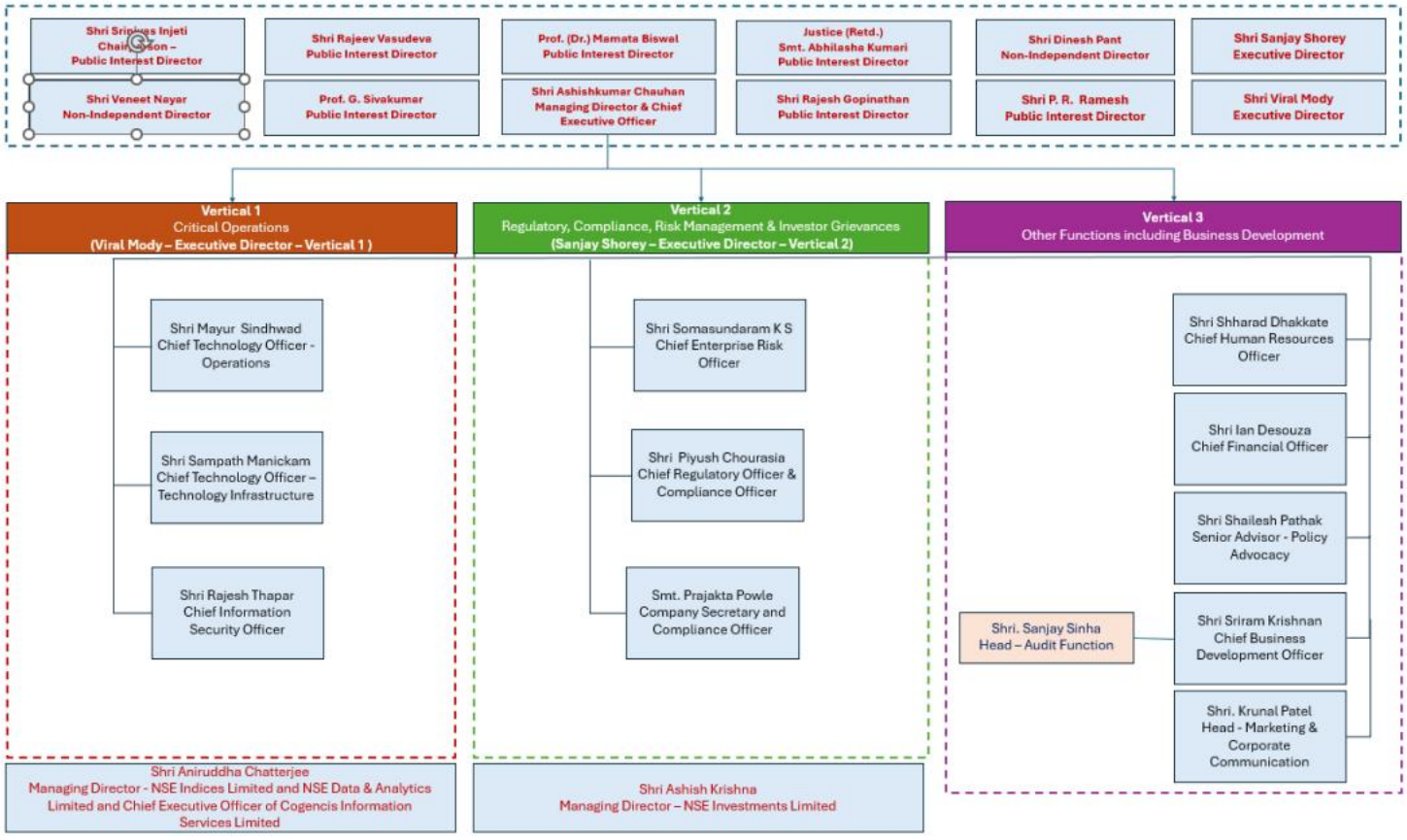
Calendar year	Event
1992	Incorporated as a public limited company under the name of 'National Stock Exchange of India Limited' under the Companies Act, 1956
1993	Recognised as a stock exchange by the Ministry of Finance, Government of India
1994	Commenced screen-based trading of securities
	Launched the wholesale debt market segment
	Launched the equity cash market segment
1995	Established the investor protection fund trust
1996	Created and administered a settlement fund
	Launched Nifty 50 Index, which remains the flagship index until today
	Commenced trading and settlement in dematerialised securities
2000	Commenced internet trading
	Launched an index futures based on the Nifty 50 index
2001	Launched an index option based on the Nifty 50 index
	Launched single stock futures and options on listed securities
2002	Launched exchange-traded funds listings
2005	Launched NIFTY Bank index derivatives
	Number of listed companies crossed the 1,000 mark
2007	Market capitalisation of listed companies touched INR 41.08trn (USD 1trn)
	NSE launched a corporate bond market reporting platform (now known as CBRICS)
	Registered investor base reached 5 million unique investors
	NIFTY 50 crossed the 5,000 mark
2008	Launched trading in currency futures
	Its subsidiary, NSE Clearing Limited, launched the securities lending and borrowing scheme
2009	Launched **MFSS**, the mutual fund service system
	Registered investor base crossed 10 million unique investors
2010	Launched trading in currency options
2012	Launched EMERGE, an SME-specific platform for the listing and trading of securities of SMEs
2013	Launched the debt segment
2014	Launched the NSE NMF II platform for mutual fund distributors
	Launched the NSE Bond Futures (NBF-II) in interest rate futures segment
	Launched trading on India VIX index futures
2016	Launched an electronic book-building platform for private placement of debt securities
	Launched platform for sovereign gold bond issuances
	Registered investor base crossed 20 million unique investors
	Incorporated NSEIX, the international stock exchange in India's first IFSC SEZ at GIFT City, Gandhinagar, Gujarat
2017	Market capitalisation of listed companies on NSE touched INR 129.78trn (USD 2trn)
	NIFTY 50 crossed the 10,000 mark
	NSEIX commenced live trading operations in June 2017
2018	Launched currency derivatives on cross currency pairs
	Launched commodity derivatives segment
	Launched weekly option on Nifty 50
	Launched tri-party repo of corporate debt securities
2019	Launched interest rate options on Government of India bonds
	NSE IX-SGX Connect received regulatory approval
	Largest volume of derivatives contracts traded in the world in the calendar year 2019 based on Futures Industry Association statistics
2020	Launched request for quote platform for execution and settlement of trades
	Introduced trading of weekly futures and options contracts on currency pairs other than USD–INR
	Registered investor base crossed 40 million unique investors
2021	Launched futures and options on Nifty Financial Services Index
	Registered investor base crossed 50 million unique investors
	Number of listed companies crossed the 2,000 mark
2022	Registered investor base crossed 69 million unique investors
	Launched futures and options contracts on Nifty Midcap Select Index
	Inauguration of NSE IX-SGX Connect
	NIFTY 50 crossed the 15,000 mark
2023	First listing on NSE Social Stock Exchange
	NIFTY 50 crossed the 20,000 mark
	SME companies listed on the NSE Emerge platform crossed the INR 1trn market capitalisation mark
	Commodity derivatives launched on WTI Crude Oil and Natural Gas and base metals (aluminium, copper, lead, nickel, zinc)
	Launched AMC Repo Clearing Limited (**ARCL**), a tri-party repo market platform

Calendar year	Event
2024	Launched the beta version of T+0 settlement in the equity segment
	Launched Nifty Next 50 – futures and options
	Second position in cash market trades in the calendar year 2024 and retained the top position as the world's largest derivatives exchange for the sixth consecutive year
	Launched NSE India mobile app and a multilingual website
	NIFTY 50 crossed the 25,000 mark
	Market capitalisation of listed companies on the platforms surpassed INR 416.57trn (USD 5trn) for the first time
2025	Launched electricity futures
	Launched a dedicated website for municipal bonds
	Unique investor base surpassed 110 mn in Jan'25 and Investor Accounts (Unique Client Codes, or UCCs) surpassed 220 mn in Apr'25
	Launched an enhanced NSE MF Invest platform
	Launched the WhatsApp bot and apps for members and companies
	Retained the top position as the exchange with the largest volume of derivatives contracts traded in the world based on Futures Industry Association statistics for the seventh consecutive calendar year
	Became a global leader in capital raising – facilitated 220 IPOs in the CY25, raising INR 1.78trn (USD 19.5bn), amongst the highest in the world
	NSE EMERGE marked its 650th SME listing milestone, having raised over INR 180,000mn since 2012
2026	Unique registered investor base on the exchange crossed 130 million
	Received SEBI approval to invest in National Coal Exchange of India Limited
	Processed 21.89bn peak order messages in a single day and 201 mn trades were executed on March 24, 2026
	Launched brent crude oil (Platts) futures contracts based on platts dated brent benchmark of S&P Global Energy.
	Launched EGRs
	Past Risk and Return Verification Agency (**PaRRVA**) commercially launched
	Collaborated with Indian Gas Exchange Limited (**IGX**) for the launch of natural gas futures based on IGX's benchmark price index

Source: I-Sec research, Company data

Management details

Exhibit 63: Management organisation chart



Source: I-Sec research, Company data

Exhibit 64: Management details

Management	Brief description
Shri Srinivas Injeti	**Shri Srinivas Injeti** is the Chairperson and Public-Interest Director of the company. He holds a bachelor's degree in arts (honours) in economics from Shri Ram College of Commerce, Delhi University, and a master's degree in business administration from the Strathclyde Graduate Business School, Scotland. He is a retired Indian Administrative Services officer (1983 batch). He has over four decades of experience (including 37.5 years as an Indian Administrative Services officer) in corporate regulation, financial services, governance, and public policy. He has served as the union secretary in the Ministry of Corporate Affairs from 2017 to 2020, leading reforms in insolvency law, competition law, and company law.
Shri Ashishkumar Chauhan	**Shri Ashishkumar Chauhan** is the Managing Director and Chief Executive Officer of the company. He holds a bachelor's degree in technology (mechanical engineering) from Indian Institute of Technology, Bombay and a post-graduate diploma in management from Indian Institute of Management, Calcutta. He has previously served as the managing director and CEO of BSE Limited, the president and group chief information officer/information technology of Reliance Industries Limited, the vice president of NSE, and the industrial finance officer of IDBI Bank Limited. He is currently a member on the board of Indian Institute of Management, Calcutta, member of the University Grants Commission, and the Chancellor of the University of Allahabad, among others. He has been awarded the lifetime achievement award from Global Custodian at Singapore in 2023, 50 CIOs in the world by Information Week, US, among others.
Shri Veneet Nayar	**Shri Veneet Nayar** is a Non-Independent Director of the company. He holds a bachelor's degree in technology (mechanical engineering) from the Govind Ballabh Pant Krishi Evam Praudyogik Vishwavidyalaya, Pantnagar and a post graduate diploma in business management, from the Xavier Labour Relations Institute, Jamshedpur. He is the founder and trustee of the Sampark Foundation. He has previously served as the vice chairman and CEO of HCL Technologies Limited. He has authored the book, 'Employees First, Customers Second: Turning Conventional Management Upside Down' and was featured in the 'Heroes of Philanthropy List' of Forbes in 2016 and was bestowed with the 'Global Thinker' award by Foreign Policy in 2016.
Prof. G. Sivakumar	**Prof. G. Sivakumar** is a Public Interest Director of the company. He holds a bachelor's degree in technology (electrical engineering – electronics) from the Indian Institute of Technology, Madras, a master's degree in science (computer science) from the Rensselaer Polytechnic Institute, New York, and a doctorate in philosophy in computer science from the University of Illinois, Chicago. He has previously served as director on the boards of National Securities Depository Limited, the Clearing Corporation of India Limited, and the National Payments Corporation of India.
Shri Rajesh Gopinathan	**Shri Rajesh Gopinathan** is a Public Interest Director of the company. He holds a bachelor's degree in engineering (electrical and electronics engineering) from the Regional Engineering College, Tiruchirappalli and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has previously served as the CEO and managing director at Tata Consultancy Services Limited.
Justice (Retd.) Smt. Abhilasha Kumari	**Justice (Retd.) Smt. Abhilasha Kumari** is a Public Interest Director of the company. She holds a bachelor's degree in arts (honours) from the University of Delhi and a bachelor's degree in law from Faculty of Law, Himachal Pradesh University, Shimla. She was enrolled as an advocate on March 26, 1984, and practised in the High Court of Himachal Pradesh. She has previously served as the legal advisor-cum-standing counsel for Himachal Pradesh Krishi Vishva Vidyalaya, Himachal Pradesh University, Himachal Pradesh Scheduled Castes and Scheduled Tribes Development Corporation, and Himachal Pradesh State Electricity Board. She also served as standing counsel for the Municipal Council, Dalhousie, Municipal Corporation, Shimla, Himachal Pradesh Board of School Education, and Himachal Pradesh Technical Education Board.
Prof. (Dr) Mamata Biswal	**Prof. (Dr) Mamata Biswal** is a Public Interest Director of the company. She holds a bachelor's degree in science (honours), a master's degree in law, and a Ph.D. in Law, each from Utkal University, Odisha. She currently serves as a professor of law at Gujarat National Law University, Gujarat and has held key roles including Dean of Academic Affairs and Dean of Research at Gujarat National Law University, Gujarat. She was awarded the Indian Council of Social Science Research (ICSSR) senior research fellow award in (2016-17). She has previously served, among others, as a visiting scholar of corporate law at the University of Illinois College of Law, Illinois (USA), and as a lecturer at Ganjam Law College, Berhampur.
Shri Rajeev Vasudeva	**Shri Rajeev Vasudeva** is a Public Interest Director of the company. He holds a master's degree in business administration from the University of Michigan, Ann Arbor. He is also an associate member of the Institute of Chartered Accountants of India. He was previously the CEO of Egon Zehnder International, having joined Egon Zehnder in 1995 pursuant to the merger of his consultancy firm with Egon Zehnder. He served as a member of Egon Zehnder's executive committee for over 10 years and was a member of its board of directors. He has also served as chairman of Centum Learning Limited.
Shri Dinesh Pant	**Shri Dinesh Pant** is the Non-Independent Director of the company. He is an associate member of Institution of Engineers India. He has a bachelor's degree in law from the University of Delhi and a master's in business administration with specialisation in marketing management from Indira Gandhi National Open University. He is also a fellow member of Institute of Actuaries, India and Institute and Faculty of Actuaries, UK. He is also a fellow of Insurance Institute of India. He is currently the Managing Director of Life Insurance Corporation of India, a member of the governing board and academic council of the National Insurance Academy, Pune, and a member of the administration committee of Insurance Institute of India, Mumbai.
Shri P. R. Ramesh	**Shri P. R. Ramesh** is a Public Interest Director of the company. He has passed the final examination for bachelor's degree in commerce from Osmania University, Hyderabad and is a member of the Institute of Chartered Accountants of India. He currently leads the Insolvency Research Foundation and serves as a member of the Corporate Governance and Regulatory Affairs Council in the Confederation of Indian Industries. He has served as the chairman of Deloitte India and as a member of the Deloitte Global Board and the Deloitte Asia Pacific Board.
Shri Viral Mody	**Shri Viral Mody** is the Executive Director – Vertical 1 of the company. He holds a bachelor's degree in engineering (computer engineering) from the University of Mumbai. He was previously associated with Tata Consultancy Services Limited, NSEIT Limited as a senior manager, and Wipro Technologies. He oversees the integration of advance systems, to enhance market operations and accelerate digital transformation.
Shri Sanjay Shorey	**Shri Sanjay Shorey** is the Executive Director – Vertical 2 of the company. He holds a bachelor's degree in commerce (honours) and a bachelor's degree in law each from the University of Delhi. He also holds a master's degree in commerce from Himachal Pradesh University, master's degree in business administration from Sikkim Manipal University, and a post graduate diploma in personal management and labour welfare from Himachal Pradesh University.

Source: I-Sec research, Company data

Exhibit 65: NSE commodity historical ADTV trend

INR bn		NSE Futures		
Year	Month	NSE Index Futures ADTV	NSE Stock Futures ADTV	Total
2024	Oct	346	1,520	1,866
2024	Nov	334	1,377	1,711
2024	Dec	302	1,269	1,570
2025	Jan	311	1,339	1,650
2025	Feb	324	1,272	1,596
2025	Mar	309	1,258	1,567
2025	Apr	377	1,400	1,777
2025	May	382	1,301	1,683
2025	Jun	316	1,286	1,602
2025	Jul	239	1,153	1,393
2025	Aug	263	1,210	1,474
2025	Sep	229	1,146	1,374
2025	Oct	280	1,291	1,571
2025	Nov	276	1,313	1,589
2025	Dec	239	1,166	1,405
2026	Jan	291	1,515	1,807
2026	Feb	288	1,409	1,697
2026	Mar	414	1,426	1,840
2026	Apr	261	1,312	1,573
2026	May	232	1,345	1,577
2026	Jun	226	1,222	1,449
2026	Jul	172	1,181	1,353
2026	Aug	137	1,082	1,219
2026	Sep	156	1,000	1,156
2026	Oct	187	1,107	1,295

Source: Company data, I-Sec research

Exhibit 66: NSE and BSE historical ADTV trend

INR bn		Notional Turnover (INR bn)			Premium Turnover (INR bn)			% Premium Turnover		
Year	Month	NSE	BSE	Total	NSE	BSE	Total	NSE	BSE	Total
2024	Jul	3,78,825	1,15,571	4,94,396	686	75	761	0.181%	0.065%	0.154%
2024	Aug	3,75,452	1,23,955	4,99,406	657	76	734	0.175%	0.061%	0.147%
2024	Sep	3,91,730	1,43,559	5,35,289	624	96	720	0.159%	0.067%	0.134%
2024	Oct	3,96,649	1,20,118	5,16,766	700	90	790	0.176%	0.075%	0.153%
2024	Nov	3,33,441	1,06,875	4,40,316	610	82	692	0.183%	0.077%	0.157%
2024	Dec	2,07,704	86,293	2,93,998	525	90	614	0.253%	0.104%	0.209%
2025	Jan	1,90,344	1,06,439	2,96,783	535	115	650	0.281%	0.108%	0.219%
2025	Feb	1,82,878	1,03,117	2,85,995	479	115	594	0.262%	0.111%	0.208%
2025	Mar	2,22,076	1,28,622	3,50,697	510	124	635	0.230%	0.097%	0.181%
2025	Apr	2,27,830	1,38,595	3,66,425	582	155	736	0.255%	0.112%	0.201%
2025	May	2,19,342	1,27,091	3,46,434	596	159	755	0.272%	0.125%	0.218%
2025	Jun	2,16,153	1,28,085	3,44,237	490	139	630	0.227%	0.109%	0.183%
2025	Jul	2,28,058	1,51,657	3,79,714	436	125	561	0.191%	0.082%	0.148%
2025	Aug	2,35,458	1,77,676	4,13,133	473	172	645	0.201%	0.097%	0.156%
2025	Sep	2,68,724	1,65,991	4,34,715	487	157	644	0.181%	0.095%	0.148%
2025	Oct	2,83,735	2,21,012	5,04,747	564	205	769	0.199%	0.093%	0.152%
2025	Nov	2,70,433	2,08,627	4,79,059	546	191	737	0.202%	0.092%	0.154%
2025	Dec	2,70,020	2,00,656	4,70,677	491	188	679	0.182%	0.094%	0.144%
2026	Jan	3,03,950	2,86,582	5,90,532	665	288	952	0.219%	0.100%	0.161%
2026	Feb	2,89,197	2,23,496	5,12,693	701	253	954	0.242%	0.113%	0.186%
2026	Mar	2,89,578	2,24,982	5,14,560	938	330	1,268	0.324%	0.147%	0.246%
2026	Apr	2,15,337	2,69,060	4,84,398	645	331	976	0.299%	0.123%	0.202%
2026	May	2,54,825	2,29,491	4,84,317	672	297	969	0.264%	0.129%	0.200%
2026	Jun	2,76,397	2,14,150	4,90,548	616	262	878	0.223%	0.122%	0.179%
2026	Jul	2,12,946	2,32,196	4,45,142	502	254	756	0.236%	0.109%	0.170%
2026	Aug	1,92,126	1,53,548	3,45,675	423	187	610	0.220%	0.122%	0.176%
2026	Sep	2,24,906	1,63,710	3,88,616	512	232	744	0.228%	0.142%	0.191%
2026	Oct	2,60,368	2,46,931	5,07,299	705	355	1,060	0.271%	0.144%	0.209%

Source: I-Sec research, Company data

Exhibit 67: Number of contracts traded

INR bn		No. of Contracts (mn)		
Year	Month	NSE	BSE	Total
2024	Oct	586	145	731
2024	Nov	512	131	643
2024	Dec	314	107	421
2025	Jan	165	95	260
2025	Feb	112	67	180
2025	Mar	136	85	222
2025	Apr	135	89	225
2025	May	124	78	202
2025	Jun	121	78	199
2025	Jul	124	92	216
2025	Aug	130	110	240
2025	Sep	148	101	248
2025	Oct	152	133	285
2025	Nov	143	123	266
2025	Dec	143	118	261
2026	Jan	186	172	358
2026	Feb	178	134	312
2026	Mar	192	146	338
2026	Apr	142	176	318
2026	May	168	150	318
2026	Jun	182	141	324
2026	Jul	139	150	289
2026	Aug	124	98	223
2026	Sep	151	109	260
2026	Oct	180	169	348

Source: Company data, I-Sec research

Exhibit 68: Cash turnover trend

INR bn		Cash Turnover (INR bn)		
Year	Month	NSE	BSE	Total
2024	Jul	1,392	107	1,499
2024	Aug	1,256	100	1,356
2024	Sep	1,219	86	1,305
2024	Oct	1,070	73	1,143
2024	Nov	1,009	63	1,072
2024	Dec	1,041	67	1,107
2025	Jan	962	57	1,019
2025	Feb	917	50	966
2025	Mar	987	56	1,043
2025	Apr	1,003	59	1,063
2025	May	1,111	75	1,186
2025	Jun	1,134	79	1,214
2025	Jul	950	72	1,022
2025	Aug	935	92	1,027
2025	Sep	983	77	1,061
2025	Oct	987	77	1,064
2025	Nov	1,046	83	1,129
2025	Dec	945	71	1,016
2026	Jan	1,196	90	1,285
2026	Feb	1,146	87	1,233
2026	Mar	1,252	94	1,345
2026	Apr	1,347	93	1,440
2026	May	1,416	106	1,522
2026	Jun	1,320	100	1,420
2026	Jul	1,204	99	1,303
2026	Aug	1,197	106	1,303
2026	Sep	1,148	111	1,259
2026	Oct	1,140	103	1,243

Source: Company data, I-Sec research

Exhibit 69: NSE dominates in each segment

INR bn		Market share			
Year	Month	Notional	Premium	Cash	Contracts
2024	Jul	77%	90%	93%	79%
2024	Aug	75%	90%	93%	79%
2024	Sep	73%	87%	93%	77%
2024	Oct	77%	89%	94%	80%
2024	Nov	76%	88%	94%	80%
2024	Dec	71%	85%	94%	75%
2025	Jan	64%	82%	94%	64%
2025	Feb	64%	81%	95%	63%
2025	Mar	63%	80%	95%	62%
2025	Apr	62%	79%	94%	60%
2025	May	63%	79%	94%	61%
2025	Jun	63%	78%	93%	61%
2025	Jul	60%	78%	93%	57%
2025	Aug	57%	73%	91%	54%
2025	Sep	62%	76%	93%	59%
2025	Oct	56%	73%	93%	53%
2025	Nov	56%	74%	93%	54%
2025	Dec	57%	72%	93%	55%
2026	Jan	51%	70%	93%	52%
2026	Feb	56%	73%	93%	57%
2026	Mar	56%	74%	93%	57%
2026	Apr	44%	66%	94%	45%
2026	May	53%	69%	93%	53%
2026	Jun	56%	70%	93%	56%
2026	Jul	48%	66%	92%	48%
2026	Aug	56%	69%	92%	56%
2026	Sep	58%	69%	91%	58%
2026	Oct	51%	67%	92%	52%

Source: Company data, I-Sec research

Competitive strengths

NSE has been the largest stock exchange in India in terms of total turnover in cash market and in equity derivatives from FY01 to FY26. NSE has the largest multi-asset class exchange among listed stock exchanges globally in terms of number of trades in cash equities and contracts traded in equity derivatives for FY26, with a global market share of 11% in number of trades in cash equities and 51% in contracts traded in equity derivatives. As of Jun'26, NSE was the largest derivatives exchange in the world by number of contracts traded for seven consecutive years, according to WFE, driven primarily by the comparatively lower notional value per contract in India relative to global markets.

Capital formation, listing, and platform breadth

Its leadership extends to facilitating capital formation by, and via listing of, Indian companies. NSE operates listing platforms across the Mainboard, the SME board through EMERGE, and the Social Stock Exchange (**SSE**), and has pioneered initiatives such as electronic bidding platform for debt instruments. As of Jun'26, there were 3,005 listed entities of which 565 were SME companies (excluding SME institutional trading platform and companies migrated to mainboard). Further, 195 non-profit organisations were registered on the SSE (of which 91 are active).

The company believes it is well positioned to benefit from the continued evolution of Indian and global capital markets, as the depth of liquidity, breadth of products, and operational scale of the platform create a highly attractive value proposition for existing and new investors while driving strong investor retention. Its sustained growth has enabled it to reinvest in innovation, reduce costs for market participants, and expand its product and data offerings. It remains committed to fostering trust, encouraging broad participation in India's capital markets, and driving the next phase of India's financial evolution.

Well positioned to benefit from India's structural growth tailwinds, which drive strong network effects for NSE

India's rapid economic expansion, rising per capita income, and accelerating financialisation of savings are converging to create a generational opportunity for capital market infrastructure. As individual and institutional participation deepens, supported by digital penetration, regulatory reforms, and a maturing investor base, trading volumes, market liquidity, and product demand are expected to continue to grow. Each new participant strengthens its liquidity pool, which in turn attracts further investors, issuers, and intermediaries, generating powerful and self-reinforcing network effects. These dynamics, combined with its expanding product suite, index ecosystem, and post-trade infrastructure, position it to capture a growing share of India's capital markets growth over the long term.

Favourable demographic and economic trends supporting NSE

India's nominal gross domestic product (**GDP**) has grown from USD 2.61trn to USD 3.92trn over FY21-26, with a real GDP growth rate of 7.60% in FY26, which was the highest among the Group of Twenty (**G20**) economies. Gross national income per capita (current prices) has risen from INR 144,512.00 (USD 1,636.05) in FY21 to INR 240,147.00 (USD 2,718.75) in FY26, expanding the middle and upper-middle-income brackets (households earning INR 0.8mn (USD 9,096.95) and beyond).

Systematic investment plan (SIP) contributions in India have risen from INR 960.8bn in FY21 to INR 3,495.89bn in FY26. In Q2FY27, SIP contributions amounted to INR 967bn. Additionally, demat accounts across Indian depositories have grown from 55.13mn as of Mar'21 to 224.51mn as of Mar'26, reaching 232mn as of Jun'26. Individual investors (including individual domestic investors, non-resident Indians (NRIs), sole

proprietorship firms, and Hindu Undivided Families (HUFs)) contribute 33.40% and 33.10% of the total cash market turnover on NSE in FY26 and Q1FY27, respectively. The number of unique stock market investors in India stood at over 139mn as of Mar'26, implying an investor penetration basis adult population (aged 18+) of 13.45%.

Increasing institutional participation

Institutional participation has grown in tandem with retail engagement, reinforcing market depth, liquidity, and resilience.

- The mutual fund industry in India manages an AUM of ~INR 82.2trn as of Jun'26 and has grown at a CAGR of ~19.6% since Jun'21, with SIPs contributing ~INR 17.7trn of the total industry AUM as of Jun'26.
- SIP minimum ticket sizes of INR 500 per month (and INR 100 for select micro-SIP schemes) promote financial inclusion.

Indian capital markets are becoming robust and resilient

Over 30 years (Jun'1996 to Jun'26), Nifty 50 has posted annualised returns of 10.73% in INR terms (7.12% in USD terms), and Nifty 500 has posted annualised returns of 11.91% in INR terms (8.27% in USD terms), outperforming major developed and emerging market indices. Over the same period, market capitalisation of listed entities on its exchange has grown nearly 107 times. As of Jun'26, India was the fourth largest equity market globally after the US, China (including Hong Kong), and Japan.

Robust IPO market activity strengthening NSE's position

In Q1FY27 and FY26, total fund mobilisation on NSE was INR 6.19trn and INR 20.33trn, respectively, with INR 0.06trn and INR 1.78trn mobilised by fresh listings and offer for sale across the Mainboard and SME board in primary markets, respectively. NSE has been among the top three exchange groups globally in terms of number of new listings through IPO from FY23 to FY26 and was ranked among the top five exchange groups globally in terms of number of new listings through IPO in Q1FY27. India also has a matured regulatory framework governed by rollouts of new regulations and periodic revisions in the existing rules by SEBI. India also has a vibrant entrepreneurial ecosystem in terms of number of Department for Promotion of Industry and Internal Trade recognised startups reaching more than 223,000 as of Mar'26, with more than 50% of these startups coming from tier II and tier III cities.

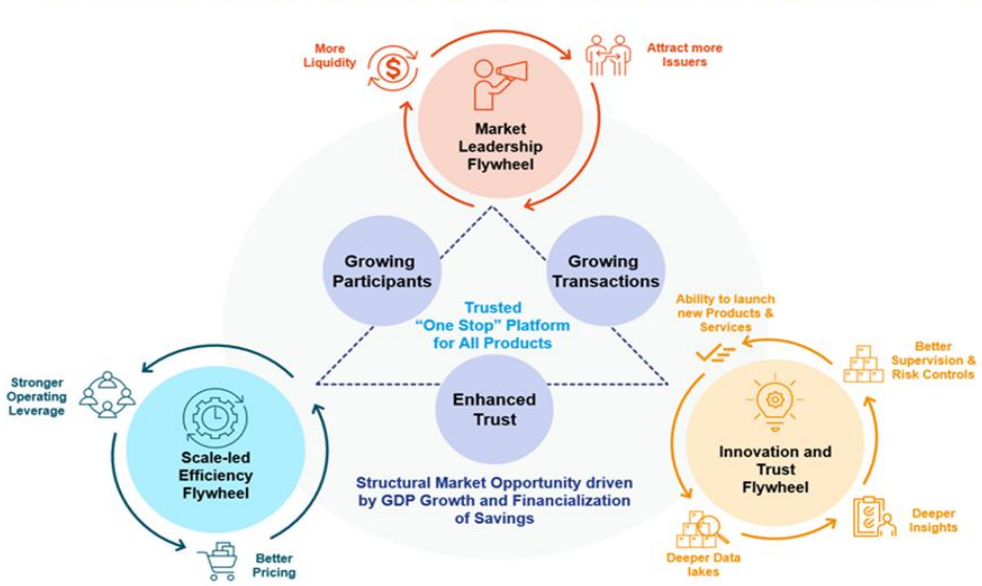
Growing debt markets good for NSE

India's sovereign credit rating has improved, supported by multiple credit rating agencies upgrading India's long-term sovereign credit rating in the year 2025. India has been included in major global bond indices, with phased additions under way across emerging market debt benchmarks making debt instruments more attractive to foreign investors. Gross purchases across debt by foreign portfolio investors (FPIs) in India rose from INR 4.13trn in FY24 to INR 6.43trn in FY26.

Scale-led network effects help in maintaining market leadership

The financialisation of savings has driven a significant increase in participants on its platform. A growing participant base leads to higher trading volumes, enhancing market efficiency and liquidity, thereby making the platform more attractive and improving trust and stickiness. Higher liquidity attracts more issuers, broadening investor choice, while a diversified product portfolio fuels deeper engagement across offerings. Growing volumes generate large datasets that enhance its ability to launch new products, and its scale allows it to operate at lower unit costs. These dynamics create a powerful network effect, reinforcing its leadership and positioning it to benefit sustainably from India's ongoing economic and capital market transformation.

Exhibit 70: Strong network effects



Source: Company data, I-Sec research

Strong brand synonymous with trust

It works closely with Indian regulators such as SEBI and the IFSCA on various policy matters, which further strengthens investor trust and confidence in its operations. In FY1995, it was the first exchange in India, among the ones still operational, to introduce a fully automated, screen-based electronic trading system through the NEAT platform, according to the Redseer Report. This innovation enabled anonymous, order-driven trading and ensured full price-time priority matching, thereby eliminating manual intervention, increasing market integrity, and reducing information asymmetry. This technological foundation continues to underpin its operations and contributes significantly to market transparency.

Role of a market supervisor and first-level regulator

Market Infrastructure Institutions (MIIs) being public utility institutions act as first-level regulators and are entrusted with the responsibility of providing equal, unrestricted, transparent, and fair access to all market participants. As an MII, its role as a first-level regulator and market supervisor is pivotal in maintaining the integrity, transparency, and robustness of the Indian capital markets. By implementing stringent surveillance and compliance mechanisms, it ensures that market activities are conducted in a fair and orderly manner. It monitors trading patterns and market behaviour in real-time to detect and prevent market manipulation, insider trading, and other malpractices. It collaborates closely with regulators to enhance market governance and investor protection, enforcing a comprehensive framework of rules and regulations designed to uphold market discipline. Through its proactive market supervision, it contributes to the stability and resilience of the financial system, fostering investor confidence and promoting sustainable growth in capital markets.

Efficiency in Trading

It provides a robust, high-speed, technology-led platform across equities, debt, commodities, currencies and their derivatives, and exchange-traded funds. Its systems are designed for scale, resilience, and transparency, enabling efficient transactions while ensuring regulatory compliance. It has built a reputation for efficiency by delivering low-latency, high-reliability trading infrastructure, which has processed 21.89bn peak order messages in a day on 24 Mar'26, when 201mn trades were executed. It has also deployed an immediate acknowledgement feature across product

categories, delivering order acknowledgement in nanoseconds. Its infrastructure comprises seven data centres, which support an external network of over 200,000 trading terminals across more than 1,400 cities and towns as of Jun'26, enabling deep market participation and liquidity from retail and institutional investors alike.

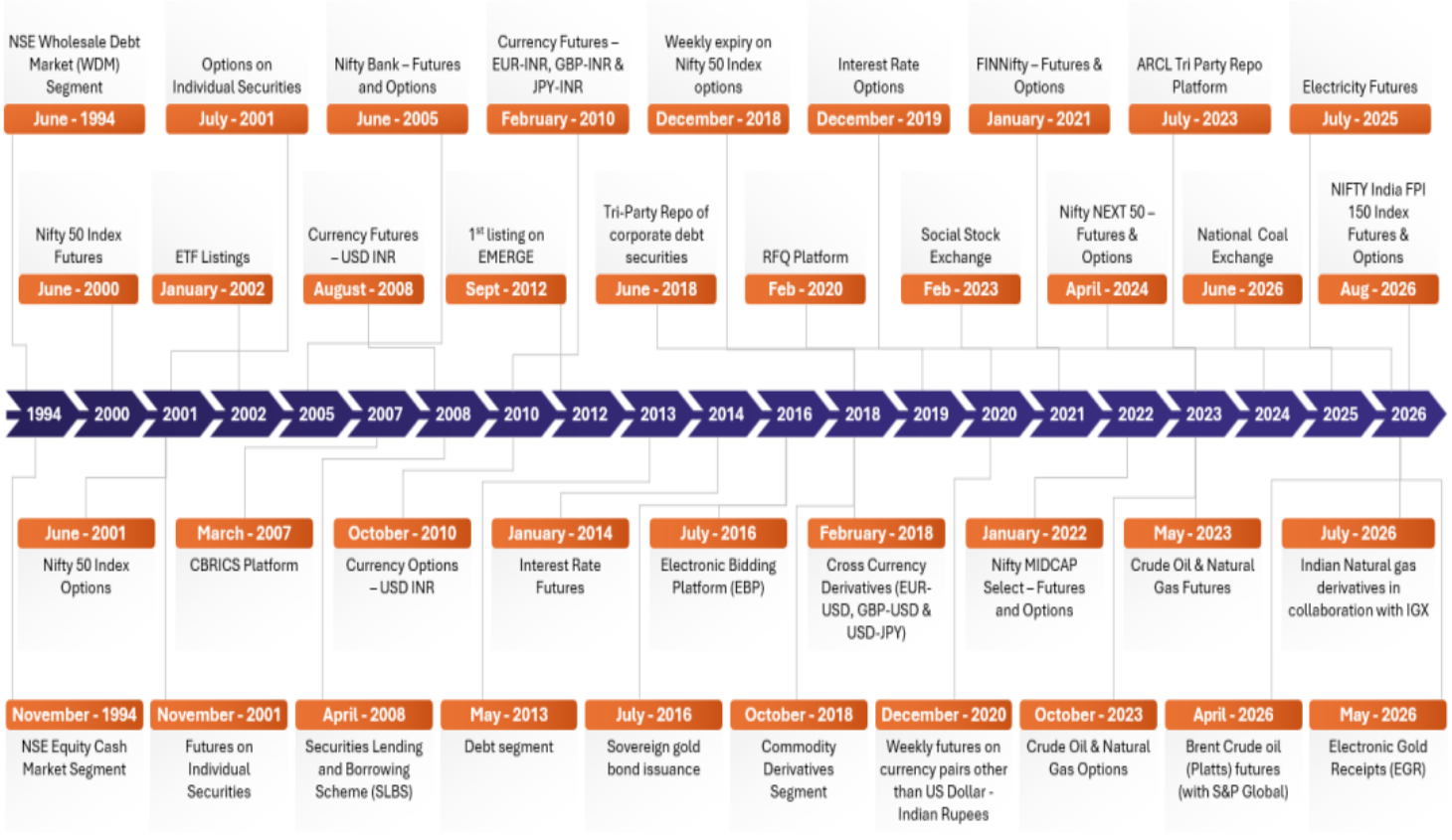
Transparency in operations

Transparency is a core pillar of its operations. It disseminates real-time market data, ensures standardised and timely corporate disclosures, and maintains clear and non-discriminatory access for all stakeholders. It routinely disseminates comprehensive market-related information on its official website to uphold the principles of transparency and accountability. Its goal is to set global standards in transparency and resiliency, while equipping investors with education, awareness, and accessible grievance mechanisms.

Track record of comprehensive and innovative offerings delivered through a vertically integrated business model

In FY1995, NSE was the first stock exchange in India, among the ones still operational, to introduce a fully automated, screen-based electronic trading system through the NEAT platform. NCL was India's first clearing corporation to be established and the first to provide a settlement guarantee mechanism. In May'08, an RBI-SEBI committee laid the framework for exchange-traded currency derivatives and NSE was the first stock exchange in India to launch exchange-traded currency derivatives on 29 Aug'08. NSE had a market share of 71.38% and 53.52% in electricity futures (in number of lots traded) between 14 Jul'25 to Mar'26 and Apr'26 to Jun'26, respectively. NCL was one of the first clearing corporations globally to gradually transition to a T+1 settlement cycle, further introducing a T+0 settlement cycle, strengthening the settlement mechanism.

Exhibit 71: Timeline of selected product and services launches



Source: Company data

Experienced and skilled management

NSE has a dedicated and experienced management team with significant experience in the securities industry, client service, regulatory supervision, and the technology sector. Its expertise underpins its success, resilience, and long-standing market leadership. Its management team comprises individuals from diverse backgrounds and experience, whose depth of expertise enables NSE to interpret market movements and trends. This positions the business to capitalise on emerging opportunities and effectively manage risks, which is crucial for enhancing its ability to adapt to the macroeconomic environment and drive its business forward.

Key Strategies

Continue to act as a catalyst for new capital formation in India across asset classes and attract new issuers and investors

Over the decades, it has facilitated access to capital for issuers of all sizes and provided investors with reliable, efficient, and liquid markets to participate in India's growth story. During Q1FY27 and FY26, NSE enabled the mobilisation of over INR 1.29trn and INR 4.78trn, respectively, in equity capital through new listings, follow-on offerings, and other capital-raising avenues, while providing a robust secondary market, respectively

Continuing to provide a transparent, orderly, and fair access to all market participants, fostering investor confidence and promoting sustainable growth in capital markets

It is committed to providing transparent, orderly, and fair access to all market participants, which it believes is foundational to fostering lasting investor confidence and promoting sustainable growth in India's capital markets. Since inception, its platform has been designed to ensure a level playing field for all categories of participants – from large institutional investors to retail and first-time investors – through robust market surveillance frameworks, real-time risk management systems, and standardised trading protocols that uphold market integrity. It believes the scale of its platform is a direct reflection of the trust market participants place in its transparent and orderly market infrastructure.

It has also worked with SEBI and other MIIs on initiatives such as the “SEBI vs. SCAM” campaign launched in Jul’25 and jointly hosted Samvad 2026, reinforcing its commitment to protecting investors from financial fraud and promoting informed market participation. This is supported by broader digital access, such as mobile trading platform, multilingual digital platform, onboarding processes, and the launch of products such as EGRs that democratise access to new asset classes by enabling investors across the nation to trade with transparency. It believes that by maintaining high standards of governance, operational resilience, and equitable access, it can continue to attract a diverse and growing base of issuers and investors, deepen liquidity across asset classes, and contribute meaningfully to the long-term, sustainable development of India's capital markets ecosystem.

Further commitment to technology infrastructure and continuous modernisation

It believes that its technological edge is fundamental to maintaining trust, transparency, and efficiency in the Indian capital markets. It intends to use its strong in-house development capabilities and continued investment to further augment the resilience and capacity of its platform. Its systems are designed to handle peak loads seamlessly, backed by high-availability data centres and server deployments along with redundant network equipment and links, and a strong DR framework. It is committed to delivering data centre infrastructure that empowers all market participants.

Over the past two years, it has added 746 full rack equivalents (**FREs**) in a phased manner, increasing its cumulative capacity from 934 FREs as of FY24 to 1,680 FREs as of FY26. As of Jun’26, it had 1,868 FREs. It intends to further expand colocation capacity with an aim to add 1,800+ FREs to meet growing demand, subject to market requirements and service enhancements. It has also enabled a high-speed network with points of presence across multiple locations, allowing members to connect to the exchange through third-party service providers. This strategic investment reinforces its role as a global benchmark in trading infrastructure and reflects its vision for inclusive, resilient, and technology-driven capital markets.

Continue to drive market innovation and business diversification

It aspires to be at the forefront of capital market innovation, continuously expanding its suite of offerings to meet the evolving needs of market participants and support the growth of India's financial ecosystem. Its track record demonstrates its ability to conceptualise, develop, and operationalise market-first solutions in close collaboration with regulators, policymakers, and stakeholders, according to the Redseer Report. It intends to develop new and innovative products to drive trading volumes by attracting new investors to its exchange and expanding the array of offerings available to existing investors. This strategic diversification not only enhances its value proposition to investors but also mitigates risks by spreading them across various asset classes.

Automate and organise large markets in India through launch of new products

It is strategically focused on automating and organising large, traditionally unorganised markets in India by leveraging its core competencies in building trusted, technology-driven marketplaces. Its platform's scalability and asset-light model enable it to introduce new products across asset classes at low marginal cost, thereby extending the benefits of transparent price discovery, standardised contracts, and efficient settlement to sectors that have historically operated without formal exchange infrastructure. In a significant development, it received SEBI's approval in Apr'26 to establish a dedicated unit for a national coal trading exchange. Subsequently, the National Coal Exchange of India Limited was incorporated on 19 Jun'26, as a wholly owned subsidiary of the company. This initiative is intended to create a transparent, electronic platform for the buying and selling of domestically produced coal, introducing standardised contracts, physical delivery mechanisms, and future derivatives designed to improve price efficiency and establish a reliable spot benchmark. India is one of the world's largest consumers of coal, and the company believes that bringing this market onto a regulated exchange platform will enhance transparency, reduce information asymmetry, and promote more efficient resource allocation.

Ensuring continued trust among all stakeholders and fostering a culture of responsible investing and financial inclusion

Trust has been the cornerstone of its journey since inception, and it remains committed to upholding the confidence of the stakeholders in every aspect of operations, from trading and clearing to settlement and market supervision. Its role as a first-level regulator, infrastructure provider, and enabler of efficient markets demands the highest levels of transparency, governance, and operational rigor. It believes that deep, vibrant capital markets must be underpinned by informed and responsible investors, and it remains committed to promoting investor education and awareness as an integral part of its strategy to build trust and widen market participation across all segments of society. It intends to continue to invest in strengthening the end-to-end market infrastructure, including trading platforms, risk management systems, and clearing and settlement frameworks, to ensure resilience, security, and compliance with the best global practices.

Forging global partnerships and collaborations, including building its presence in GIFT City, International Financial Services Centre as a "Gateway to the World"

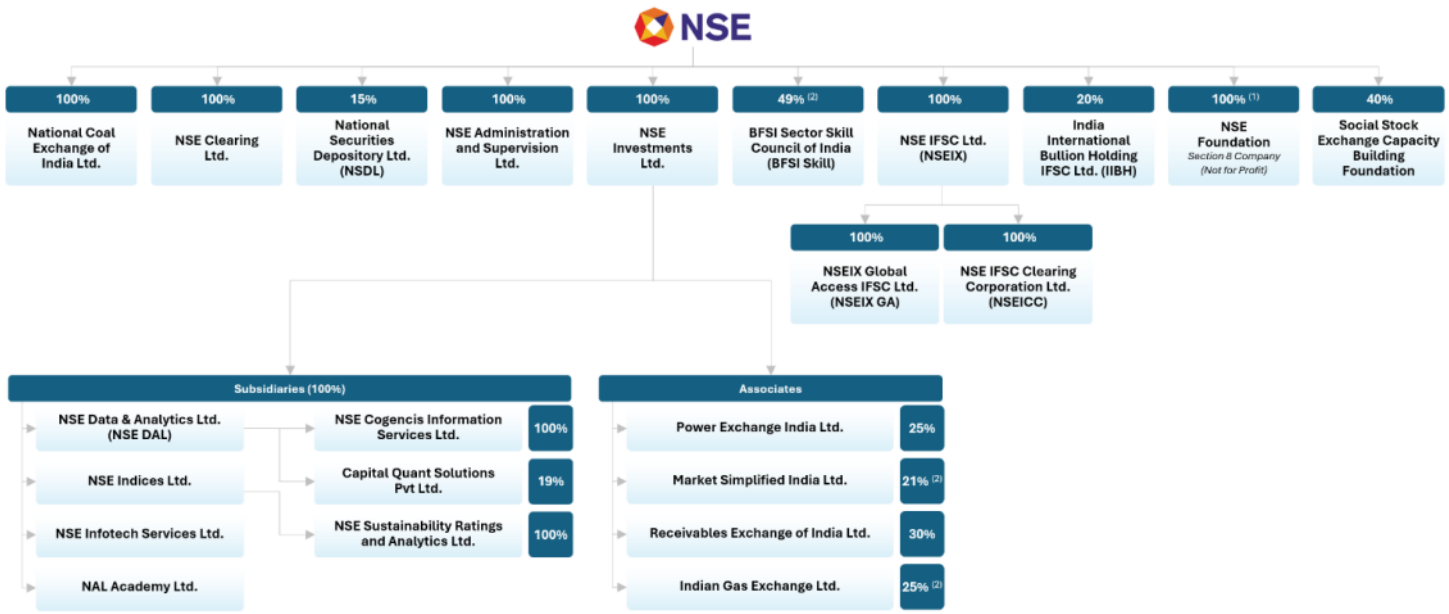
To promote cross-border financial cooperation and help companies worldwide raise funds from global investors in a regulated, fair, efficient and transparent manner, NSEIX was established in Nov'16 in India's GIFT City. It has also established partnerships with exchanges and MIIs internationally, enabling it to share best practices, drive innovation, and expand opportunities for the stakeholders. A key pillar of its international strategy is the development of its presence at India's GIFT City. Through NSE IFSC, its international exchange established in GIFT City's IFSC

jurisdiction and operating as a recognised stock exchange under IFSCA, it is working to position India as a competitive hub for global investors seeking to participate in Indian and international markets. NSEIX provides a regulated platform for inbound and outbound investments and robust hedging.

Building on these initiatives, in FY26, it launched NSEIX Global Access IFSC Limited (**NSEIX GA**) through its subsidiary, NSEIX, providing Indian resident investors, NRIs, Persons of Indian Origin (**PIOs**), Overseas Citizens of India (**OCIs**), Persons Resident Outside India (**PROI**), and IFSC-based entities to seamlessly invest in global markets through a single integrated digital account. With a strong emphasis on technology, NSEIXGA provides cost-effective investment, digital onboarding, and a user-friendly mobile application, ensuring a smooth, efficient, and intuitive investment experience.

Corporate structure

Exhibit 72: Corporate structure



Source: Company data, this was as on Jun'26

Risk factors

Internal Risk Factors

- Any significant decrease in the volume and value of transactions executed on its stock exchange could significantly reduce demand for its products, constrain its growth, and adversely affect its business, financial condition, results of operations, cash flows, and prospects.
- It operates in a highly regulated industry, primarily overseen by SEBI. It is also subject to periodic inspections by SEBI and, pursuant to such inspections, has received observations, show cause notices, and administrative warning, deficiency- and advisory letters in relation to certain non-compliance, and there can be no assurance that further such communications will not be issued in the future.
- The company has been, and continues to be, subject to enforcement actions, penalties, adjudication proceedings, which may or may not get settled by SEBI in respect of alleged violations and non-compliance with applicable SEBI regulations. The outcome of current and potential future proceedings is uncertain and could have a material adverse effect on its business, reputation, financial condition, results of operations, cash flows, and prospects.
- Disruptions, failures, or inadequacies in its IT infrastructure, systems, or software, including those provided by third-party vendors, could adversely affect its business, reputation, and results of operations, and may subject it to regulatory action or the imposition of financial disincentives by SEBI.
- In FY26/25/24, it derived 78.65%, 79.55%, and 82.07% of its revenue from operations from transaction charges of which its options business contributed 60.22%, 59.47% and 64.62% of its revenue from operations, and its futures business contributed 8.92%, 10.08% and 8.45% of its revenue from operations. Any failure to maintain or increase its trading volumes, could result in loss of market share, reduced revenue from operations from its transaction charges, and other adverse effects on its business, results of operations, financial condition, and prospects.
- It is subject to cybersecurity risks and any successful cyberattack could disrupt its operations and adversely affect its business, financial condition, results of operations, and prospects.
- Its clearing corporation operations expose it to financial, operational, counterparty, and systemic risks arising from its relationships with, and dependencies on, clearing members, depositories, and other market infrastructure participants. Any failure could have an adverse impact on its business and financial condition.
- Its businesses require it to acquire, store, and transmit sensitive information, which exposes it to risks of internal and external security breaches, and non-compliance with applicable privacy and data protection laws could result in claims, liabilities, and harm to its results of operations, financial condition, and prospects. If market data disseminated by it contains undetected errors, this could also have a material adverse effect on its business, financial condition, or results of operations.

External Risk Factors

- Changing laws, rules, and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect its business, cash flows, prospects, and results of operations.
- A significant portion of its business and operations is located in India, and it is subject to regulatory, economic, social, and political uncertainties in India, many of which are beyond its control. The securities market in India is influenced by various factors beyond its control. Any disruption in the Indian securities market may adversely affect ots financial conditions and revenue from operations.
- A downgrade in ratings of India, may affect the trading price of the equity shares.
- Financial instability in other countries may cause increased volatility in Indian financial markets.
- Its business and activities may be subject to the Competition Act, 2002 and proceedings may be enforced against it.
- Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare its financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (US GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of the company's financial condition.
- Rights of shareholders of companies under Indian laws may differ with those under the laws of other jurisdictions.
- Holders of equity shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.
- Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the equity shares, independent of their operating results.

Financials and Estimates

NSE has a diversified base of core operating revenue streams. Over FY22-FY26, the consolidated revenue from operations has increased at an 18.9% CAGR to INR 166bn, driven by increased transaction charges and licensing services.

We estimate revenue from operations/EBITDA CAGRs of 14.6%/18.8% over FY26–30, with PAT increasing from INR 103bn in FY26 to INR 186bn in FY30.

Exhibit 73: Revenue breakup and growth trend

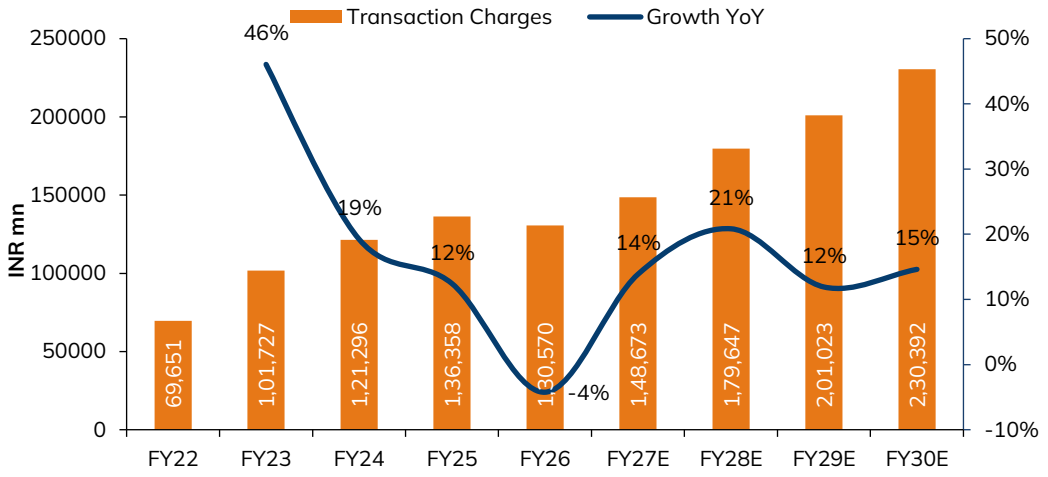
Revenues (INR mn)	FY22	FY23	FY24	FY25	FY26
Transaction Charges	69,651	1,01,727	1,21,296	1,36,358	1,30,570
Listing services	1,837	1,804	2,226	3,138	3,524
Data Feed services	2,255	2,726	3,393	4,071	4,701
Licensing services	1,160	1,501	975	1,205	1,518
Data centre charges	4,326	6,143	8,247	11,045	11,288
Income on investments	2,561	3,278	8,121	9,572	8,417
Income on investments (own funds)	5,607	9,091	15,721	20,362	21,121
Others	1,341	1,384	3,542	6,017	5,995
Total	**88,738**	**1,27,654**	**1,63,521**	**1,91,768**	**1,87,134**
YOY Growth					
Transaction Charges	64.4%	46.1%	19.2%	12.4%	-4.2%
Listing services	26.6%	-1.8%	23.4%	41.0%	12.3%
Data Feed services	69.2%	20.9%	24.5%	20.0%	15.5%
Licensing services	10.3%	29.4%	-35.0%	23.5%	26.0%
Data centre charges	57.9%	42.0%	34.3%	33.9%	2.2%
Income on investments	-7.4%	28.0%	147.8%	17.9%	-12.1%
Income on investments (own funds)	-2.9%	62.2%	72.9%	29.5%	3.7%
Others	-25.1%	3.2%	156.0%	69.9%	-0.4%
Total	**43.1%**	**43.9%**	**28.1%**	**17.3%**	**-2.4%**

Source: I-Sec research, Company data

Key assumptions of revenue drivers ahead

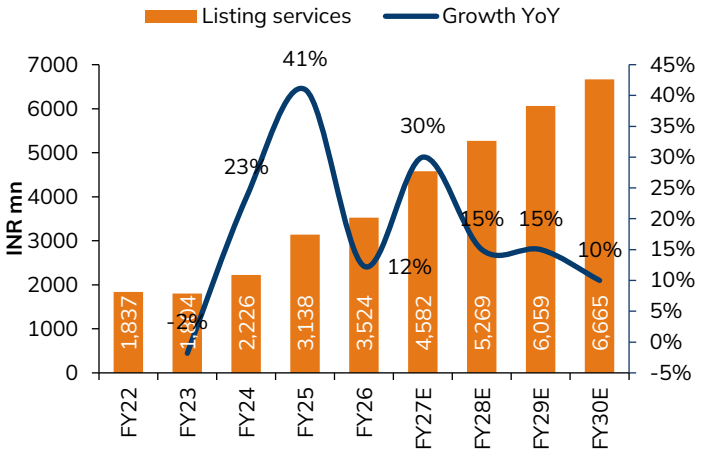
- We estimate cash ADTV to be INR 1,247bn/1,298bn/1,444bn in FY27/28/29E vs. INR 1,055bn/1,140bn in FY26/Oct'26. We factor in total cash segment revenue of INR 18.9bn/19.9bn/22.2bn in FY27/28/29E vs. INR 15.6bn in FY26 and INR 4.7bn in Q2FY27.
- We estimate index options premium ADTV to be INR 582bn/719bn/800bn in FY27/28/29E vs. INR 505bn in FY26 and INR 632bn in Oct'26. We factor total index options revenue of INR 102bn/128bn/142bn in FY27/28/29E vs. INR 88bn/18.8bn in FY26/Q2FY27.
- We estimate total revenue for NSE, including investments and deposit income, to be INR 213bn/252bn/282bn in FY27/28/29E vs. INR 187bn in FY26.
- We estimate EBITDA (including SGF) of INR 146bn/175bn/197bn in FY27/28/29E vs. INR 112bn in FY26, and EBITDA margin of 77.2%/77.8%/78.0% in FY27/28/29E vs. 67.6% in FY26.
- We estimate PAT of INR 122bn /145bn/164bn in FY27/28/29E vs. INR 103 in FY26.

Exhibit 74: Transaction revenue trend



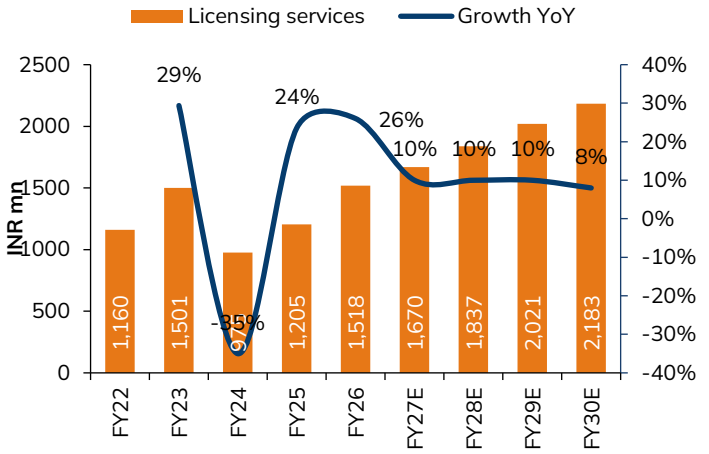
Source: I-Sec research, Company data

Exhibit 75: Listing services revenue trend



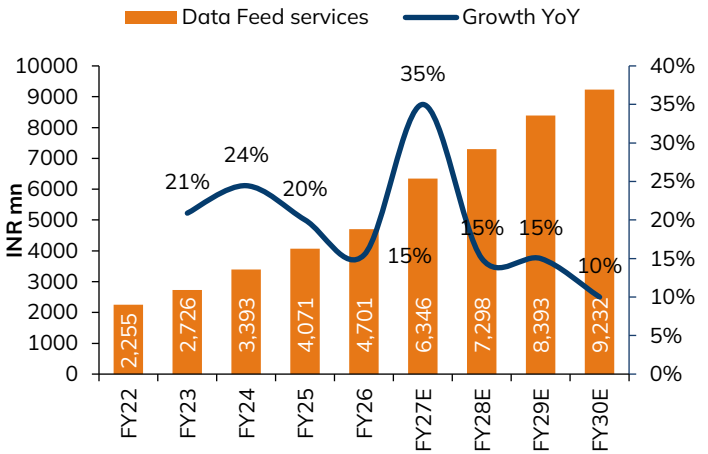
Source: Company data, I-Sec research

Exhibit 76: Licensing services revenue trend



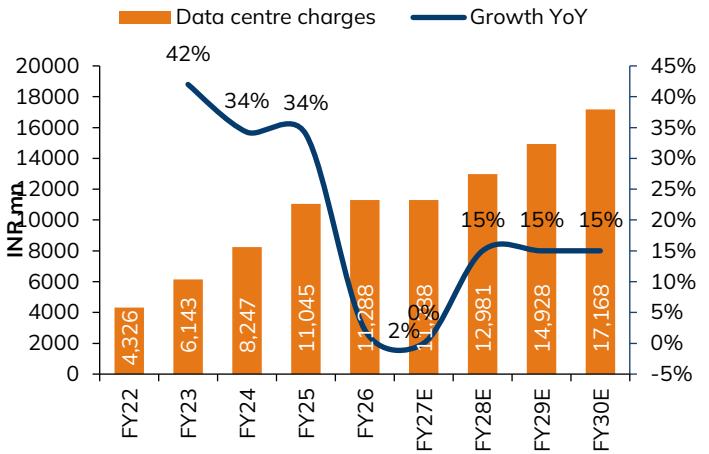
Source: Company data, I-Sec research

Exhibit 77: Data feed revenue trend



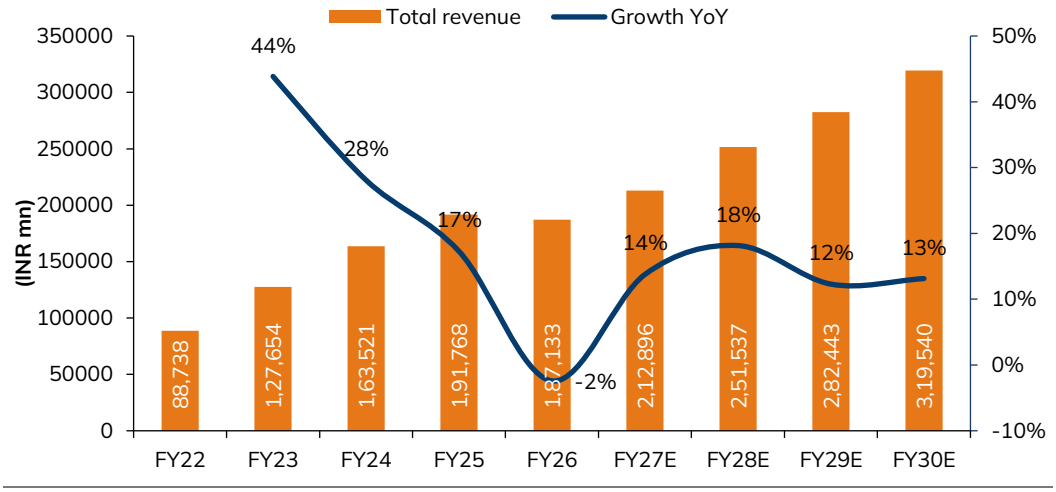
Source: Company data, I-Sec research

Exhibit 78: Data centre revenue trend



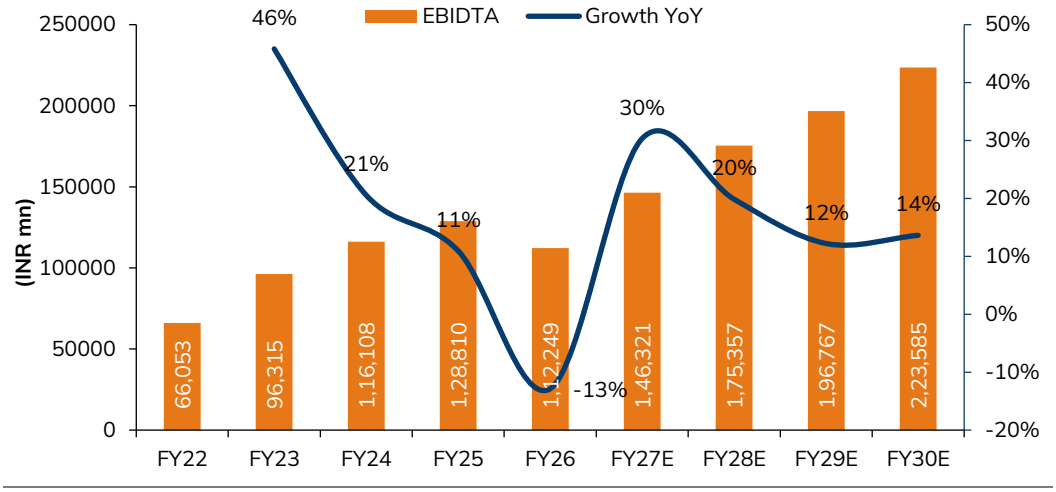
Source: Company data, I-Sec research

Exhibit 79: Total revenue trend



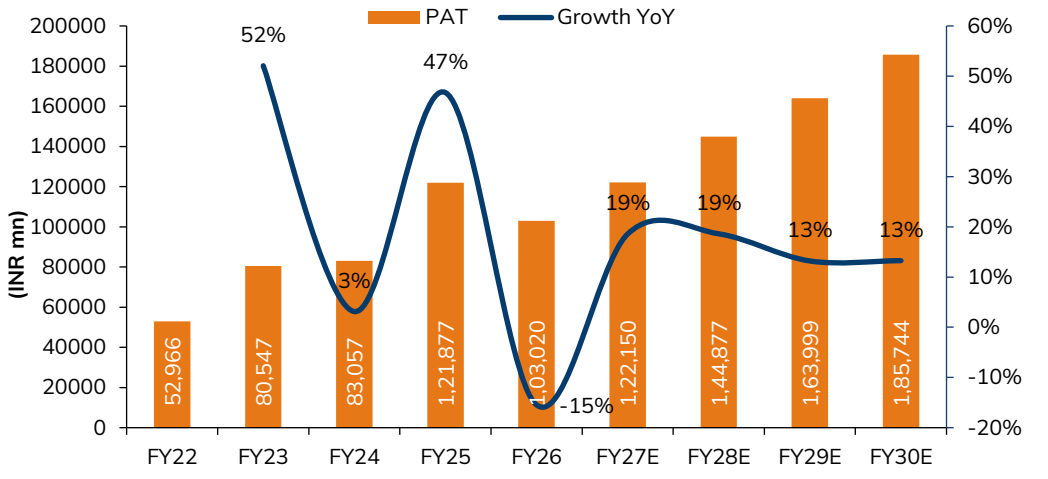
Source: I-Sec research, Company data

Exhibit 80: EBITDA trend



Source: Company data, I-Sec research

Exhibit 81: PAT trend



Source: Company data, I-Sec research

Q2FY27 highlights

Index Options premium ADTV declines

Total index options' notional ADTV fell 16% QoQ to INR 205trn in Q2FY27 vs. INR 244trn in Q1FY27; index options premium ADTV also decreased 27.9% QoQ to INR 408bn in Q2FY27 vs. INR 565bn in Q1FY27. Total Index options revenue for NSE decreased 21.9% QoQ to INR 18.8bn in Q2FY27 vs. INR 24.06bn in Q1FY27. SEBI's regulatory fee for Q2FY27 stood at INR 1,713mn (down 9.1% QoQ).

Cash ADTV decreases QoQ

Cash ADTV for NSE decreased 13% QoQ in Q2FY27 to INR 1,183bn. Revenue from the segment for NSE stood at INR 4,740mn in Q2FY27 vs. INR 5,020mn in Q1FY27, down 5.6% QoQ.

EBITDA/PAT at INR 35.7bn/INR 25.8bn

Operating income stood at INR 40.7bn in Q2FY27 vs. INR 45.6bn in Q1FY27. Employee costs stood at INR 2,201mn in Q2FY27 vs. INR 2,426mn in Q1FY27. Other operating expenses came in at INR 5.9bn in Q2FY27 vs. INR 5.8bn in Q1FY27. EBITDA for Q2FY27 stood at INR 35.7bn. EBITDA margin was 78.3%. Reported PAT for Q2FY27 stood at INR 25.8bn vs INR 31.2bn in Q1FY27.

Key highlights

Robust primary market fundraising

NSE witnessed strong capital-market activity, with INR 7.4trn raised through equity, debt, and business trusts during the quarter, up 64% YoY. A total of 87 companies were listed across the mainboard and SME platforms, raising INR 664bn, up 35% YoY. Average mainboard IPO size increased over 79% QoQ to INR 10.5bn. Additionally, the Electronic Bidding Platform facilitated INR 1.3trn of bond issuances across 76 issuers, more than doubling the amount raised in the corresponding period last year.

Commodity derivatives emerging as a growth driver

Commodity derivatives witnessed significant traction, with commodity futures average daily turnover increasing nearly 38% QoQ to INR 1.4bn, while commodity options premium turnover surged 116% QoQ to INR 2,968mn, reaching eight times its Q2FY26 level. Crude oil options have been a major contributor, with daily premium turnover increasing from approximately INR 220mn in Dec'25 to INR 40bn in Oct'26. Management attributed the growth to increased member participation, improved connectivity, and changes in expiry dates.

Strong market position across segments

NSE maintained its dominant position across Indian capital markets, with market shares of approximately 92% in equity cash, 99.8% in equity futures, and 68% in equity options based on premium turnover. Management highlighted that its adjusted options market share, after accounting for expiry-day holidays, was nearly 70%, and has stabilised around 70–72% over recent quarters. In debt markets, NSE maintained 96% share in RFQ, 80% in CBRICS, and nearly 100% in tri-party repo.

Technology investments and AI adoption

Technology remains a key investment priority, with expenses increasing 22% YoY during the quarter, driven by platform modernisation, cybersecurity, and operational resilience. H1 technology expenditure stood at INR 7.5bn, representing 8.7% of operating revenue. Management indicated that technology expenses could grow in the mid-teens going forward. NSE is also deploying GenAI across compliance, customer support, operational

efficiency, and software engineering, with initial productivity gains already observed. These initiatives are being developed within NSE's own data centre.

Strong balance sheet and subsidiary performance

NSE maintained a robust balance sheet, with net worth of INR 28.9bnand treasury investments of INR 526bn as of Sep'26. Its core settlement guarantee fund stood at INR 137bn, while risk reserves were INR 48bn. Subsidiaries also reported healthy growth: NSE Clearing's H1FY27 PAT increased 11% to INR 5.9bn, NSE Data & Analytics' PAT grew 61% to INR 1.23bn, and NSE Indices' PAT increased 9% to INR 630mn. NSE International Exchange reported a 4.3x increase in H1FY27 PAT to INR 150mn.

New products and long-term growth opportunities

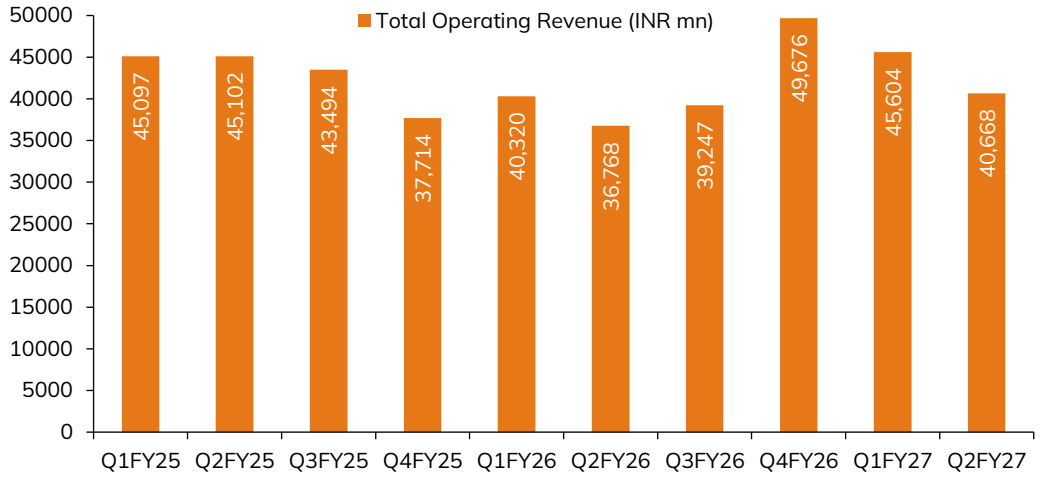
NSE is expanding beyond conventional equity trading through new products and market infrastructure initiatives. EGRs, launched in May'26, are being developed with Augmont as a strategic partner to facilitate conversion between physical gold and exchange-traded instruments. NSE also launched Market LENS, covering over 2,000 stocks, with plans to introduce nearly 10,000 datasets and potentially charge a nominal fee in the future. Additionally, corporate bond index futures have received SEBI approval and are awaiting RBI approval. Management also highlighted opportunities from cash-market reforms, securities lending and borrowing, and longer-dated derivatives.

Exhibit 82: Q2FY27 result review

INR (mn)	Q2FY27	Q2FY26	YoY	Q1FY27	QoQ
Total Operating Revenue	**40,668**	**36,768**	**10.6%**	**45,604**	**-10.8%**
Income From Investments and Deposits	4,877	4,835	0.9%	6,918	-29.5%
Total Revenue	**45,545**	**41,603**	**9.5%**	**52,522**	**-13.3%**
SEBI Regulatory Charge	1,713	1,949	-12.1%	1,883	-9.1%
Employee Cost	2,201	1,861	18.3%	2,426	-9.3%
Other Expenses	5,961	5,140	16.0%	5,786	3.0%
Total Expenses ex options cost	**8,162**	**7,001**	**16.6%**	**8,211**	**-0.6%**
SGF	-	-		50	
EBITDA	**35,670**	**32,654**	**9.2%**	**42,377**	**-15.8%**
Margin %	78.3%	78.5%		80.7%	
Add: Other Income	-	-	0 bps	-	0bps
PBDIT	**35,670**	**32,654**	**9.2%**	**42,377**	**-15.8%**
Depreciation & Amortization	1,739	1,613	7.8%	1,626	7.0%
PBIT	**33,931**	**31,040**	**9.3%**	**40,751**	**-16.7%**
Interest	-	-		-	
PBT Before Exceptionals	33,931	31,040	9.3%	40,751	-16.7%
Exceptional	-	965	-100.0%	686	-100.0%
PBT After Exceptionals	33,931	30,076	12.8%	41,437	-18.1%
Tax	8,486	9,424	-9.9%	10,476	-19.0%
%	25.0%	30.4%	-535 bps	25.7%	-70bps
PAT	**25,445**	**20,652**	**23.2%**	**30,961**	**-17.8%**
Share of Profit/(loss) in associates & JV	**314**	**304**	**3.2%**	**258**	**22.0%**
Profit/Loss from Discontinued Ops	**17**	**29**	**-39.3%**	**-18**	**-196.1%**
Reported PAT after MI	**25,776**	**20,985**	**22.8%**	**31,201**	**-17.4%**

Source: I-Sec research, Company data

Exhibit 83: Revenue from operations decreased QoQ



Source: I-Sec research, Company data

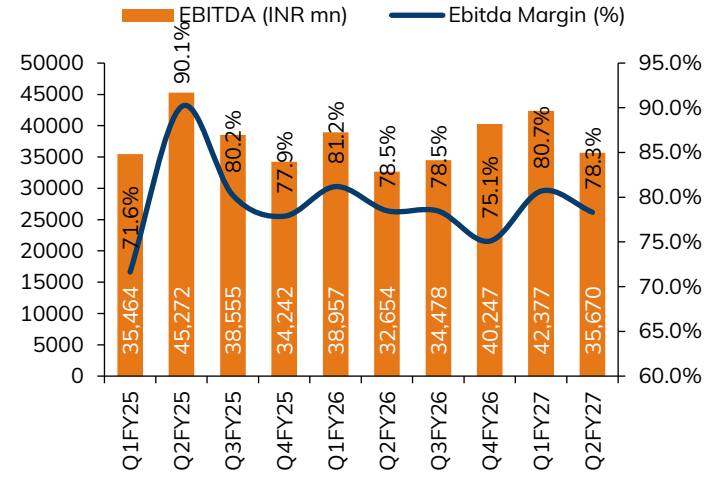
Exhibit 84: Revenue breakup and mix

	Q2FY27	Q2FY26	YoY	Q1FY27	QoQ
Revenue from Operations breakup					
Transaction charges	30,350	27,890	8.8%	36,230	-16.2%
Listing services	1,500	880	70.5%	780	92.3%
Data Centre Rack Charges	600	490	22.4%	590	1.7%
Data Connectivity Charges	2,670	2,930	-8.9%	2,580	3.5%
Data Feed & Terminal services	1,650	1,150	43.5%	1,500	10.0%
Index licensing & Data subscription fees	400	370	8.1%	440	-9.1%
Clearing & Settlement Services	730	550	32.7%	820	-11.0%
Operating investment income	2,370	2,170	9.2%	2,340	1.3%
Other operating income	410	330	24.2%	320	28.1%
Total	**40,680**	**36,760**	**10.7%**	**45,600**	**-10.8%**

Revenue Mix	**Q2FY27**	**Q2FY26**	**YoY**	**Q1FY27**	**QoQ**
Transaction charges	74.6%	75.9%	-126 bps	79.5%	-485 bps
Listing services	3.7%	2.4%	129 bps	1.7%	198 bps
Data Centre Rack Charges	1.5%	1.3%	14 bps	1.3%	18 bps
Data Connectivity Charges	6.6%	8.0%	-141 bps	5.7%	91 bps
Data Feed & Terminal services	4.1%	3.1%	93 bps	3.3%	77 bps
Index licensing & Data subscription fees	1.0%	1.0%	-2 bps	1.0%	2 bps
Clearing & Settlement Services	1.8%	1.5%	30 bps	1.8%	0 bps
Operating investment income	5.8%	5.9%	-8 bps	5.1%	69 bps
Other operating income	1.0%	0.9%	11 bps	0.7%	31 bps

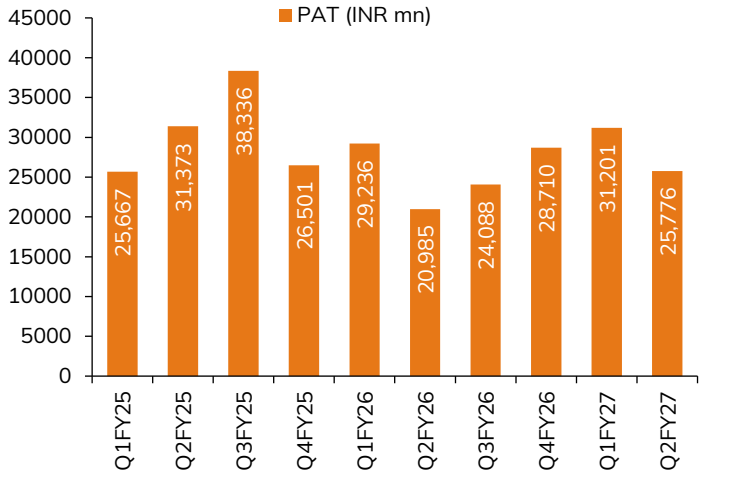
Source: I-Sec research, Company data

Exhibit 85: EBITDA trend



Source: Company data, I-Sec research

Exhibit 86: PAT trend



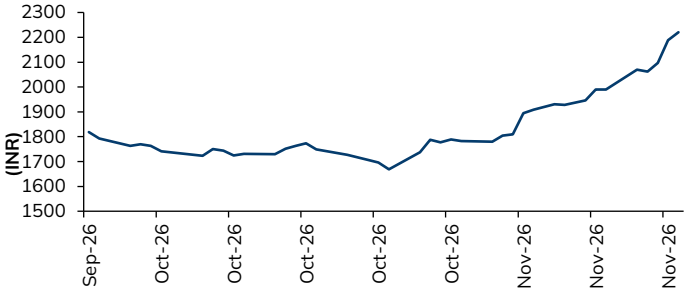
Source: Company data, I-Sec research

Exhibit 87: Shareholding pattern

%	Sep'26
Promoters	0.0
Institutional investors	53.6
MFs and other	0.8
FIs and Banks	8.9
Insurance Cos.	18.6
FIIs	25.4
Others	46.4

Source: Bloomberg, I-Sec research

Exhibit 88: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 89: Profit & Loss

(INR mn, year ending March)

	FY26A	FY27E	FY28E	FY29E
Net Sales	**1,66,013**	**1,89,453**	**2,25,303**	**2,52,170**
Operating Expenses	53,764	43,132	49,945	55,403
EBITDA	1,12,249	1,46,321	1,75,358	1,96,767
EBITDA Margin (%)	**67.6**	**77.2**	**77.8**	**78.0**
Depreciation & Amortization	6,235	6,983	7,682	8,450
EBIT	1,06,014	1,39,337	1,67,676	1,88,317
Interest expenditure	-	-	-	-
Other Non-operating Income	-	-	-	-
Recurring PBT	1,27,134	1,62,781	1,93,909	2,18,591
Profit / (Loss) from Associates	**1,082**	**1,190**	**1,333**	**1,493**
Less: Taxes	**37,161**	**41,021**	**48,865**	**55,085**
PAT	89,974	1,21,760	1,45,044	1,63,506
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	11,965	(800)	(1,500)	(1,000)
Net Income (Reported)	1,03,020	1,22,150	1,44,877	1,63,999
Net Income (Adjusted)	**1,14,995**	**1,23,972**	**1,45,999**	**1,64,747**

Source Company data, I-Sec research

Exhibit 90: Balance sheet

(INR mn, year ending March)

	FY26A	FY27E	FY28E	FY29E
Total Current Assets	5,15,444	5,22,483	5,85,350	6,59,133
of which cash & cash eqv.	4,72,449	4,75,454	5,32,425	6,01,631
Total Current Liabilities & Provisions	4,18,435	4,02,410	4,30,603	4,60,967
Net Current Assets	**97,009**	**1,20,073**	**1,54,746**	**1,98,166**
Investments	2,93,423	2,93,864	2,96,697	2,99,690
Net Fixed Assets	11,928	14,945	17,263	19,313
ROU Assets	-	-	-	-
Capital Work-in-Progress	1,732	1,732	1,732	1,732
Total Intangible Assets	7,213	8,756	8,756	8,756
Other assets	49,634	48,554	48,790	49,028
Deferred Tax Assets	-	-	-	-
Total Assets	**4,60,940**	**4,87,924**	**5,27,985**	**5,76,686**
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	2,424	2,545	2,545	2,545
provisions	-	-	-	-
other Liabilities	1,37,381	1,37,381	1,37,381	1,37,381
Equity Share Capital	2,475	2,475	2,475	2,475
Reserves & Surplus	3,18,660	3,45,523	3,85,584	4,34,285
Total Net Worth	**3,21,135**	**3,47,998**	**3,88,059**	**4,36,760**
Minority Interest	-	-	-	-
Total Liabilities	**4,60,940**	**4,87,924**	**5,27,985**	**5,76,686**

Source Company data, I-Sec research

Exhibit 91: Cashflow statement

(INR mn, year ending March)

	FY26A	FY27E	FY28E	FY29E
Operating Cashflow	**2,38,362**	**85,335**	**1,46,873**	**1,66,194**
Working Capital Changes	1,66,014	(20,355)	20,548	24,020
Capital Commitments	(17,548)	(11,543)	(10,000)	(10,500)
Free Cashflow	**2,20,814**	**73,792**	**1,36,873**	**1,76,694**
Other investing cashflow	**17,089**	**23,003**	**23,401**	**27,281**
Cashflow from Investing Activities	(459)	11,459	13,401	16,781
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(86,617)	(95,288)	(1,04,816)	(1,15,298)
Others	-	-	-	-
Cash flow from Financing Activities	(88,089)	(95,288)	(1,04,816)	(1,15,298)
Chg. in Cash & Bank balance	**1,49,892**	**1,507**	**55,457**	**67,677**

Source Company data, I-Sec research

Exhibit 92: Key ratios

(Year ending March)

	FY26A	FY27E	FY28E	FY29E
Per Share Data (INR)				
Reported EPS	41.6	49.4	58.5	66.3
Cash EPS	39.3	52.5	62.2	70.1
Dividend per share (DPS)	35.0	38.5	42.3	46.6
Growth (%)				
Net Sales	(3.1)	14.1	18.9	11.9
EBITDA	(12.9)	30.4	19.8	12.2
EPS (INR)	(15.5)	18.6	18.6	13.2
Valuation Ratios (x)				
P/E	53.1	44.8	37.7	33.3
P/CEPS	45.1	41.8	35.6	31.6
P/BV	17.0	15.7	14.1	12.5
EV / EBITDA	42.9	32.9	27.1	23.8
P / Sales	32.9	28.9	24.3	21.7
Dividend Yield (%)	1.6	1.7	1.9	2.1
Operating Ratios				
EBITDA Margins (%)	67.6	77.2	77.8	78.0
Effective Tax Rate (%)	29.2	25.2	25.2	25.2
Net Profit Margin (%)	62.1	64.5	64.3	65.0
Profitability Ratios				
RoCE (%)	20.4	25.9	28.8	29.9
RoE (%)	33.0	36.5	39.4	39.8
Receivables Days	54	54	54	54
Payables Days	40	56	51	49

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122