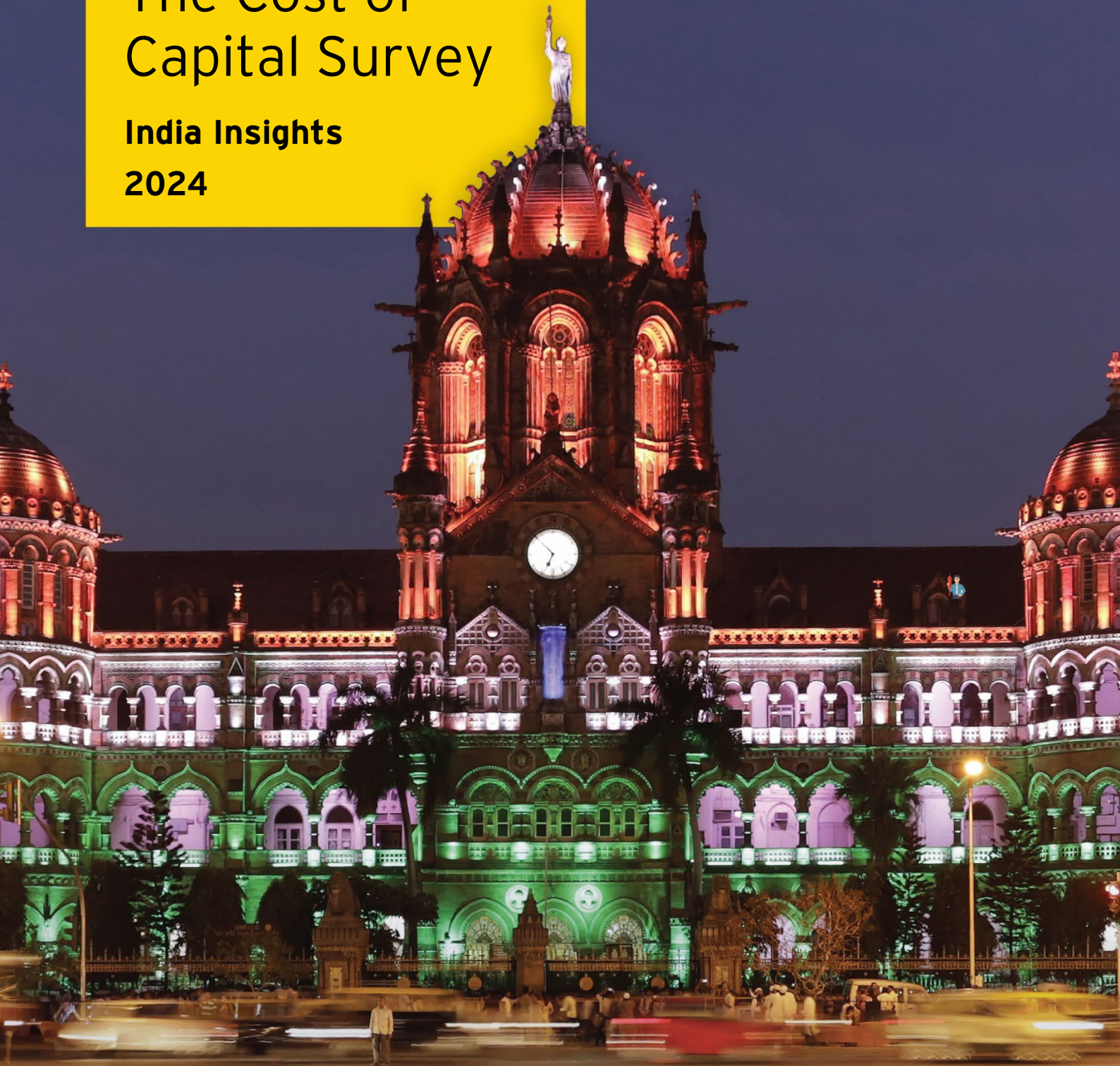


# The Cost of Capital Survey

India Insights

2024





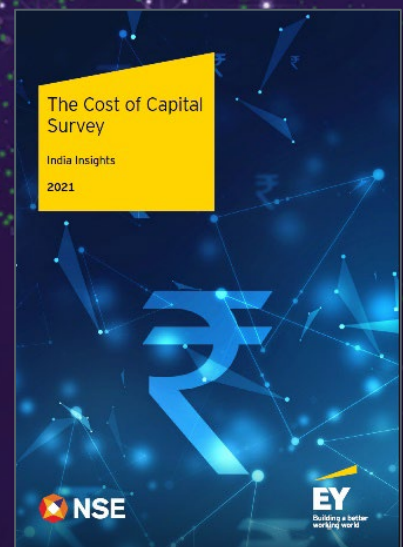
Studying the cost  
of capital over last  
**10 years...**

2014



2017

2021





# Fore word

We are happy to present to you the fourth edition of 'The Cost of Capital Survey of India Inc'. Beginning with our inaugural edition in 2014, and subsequent editions in 2017 and 2021, the survey has aimed to gather industry insights to address the information gap faced by corporate finance teams in determining the appropriate cost of capital for investment assessments.

The benchmarks that these survey editions have provided at regular intervals have become an important reference point for corporates and researchers in estimating important variables regarding the cost of equity and the various parameters that go into valuing companies and estimating organic and inorganic projects. Since the first survey, the Indian economy has undergone significant transformation, climbing from the tenth largest economy in the world in 2014 to its current position as the fifth largest. This upward climb has not been linear, with the economy experiencing periodic shocks, from taper tantrums to demonetization, and from COVID meltdown to geopolitical uncertainty and Fed tightening. It has been interesting to observe how India's cost of capital has reflected these

trends, whether it is in its means of estimation or the adjustments to the cash flows or the discount rates themselves. Further, while the shocks did get reflected in the responses of India Inc. in the various surveys, the overwhelming trend is of corporate India's resilience and adaptability, with cost of equity being progressively less volatile than other fluctuating economic variables like interest rates. The current survey also reinforces this trend.

The 2024 survey *inter alia* determines that the cost of capital has marginally increased over the last three years. While this is directionally aligned with the interest rate movement during the same period, the quantum of increase is much lower, indicating a steady decline in market risk premium.

This survey reflects the views of ~185 respondents from India Inc. Additionally, a dipstick survey of over 20 equity research analysts was also carried out, to see if the views of the corporates and capital markets align. This comparison has led to some interesting results.



We are extremely grateful to our respondents for their valuable time and willingness to share their views on this subject, which is of great importance and interest to not just India Inc. and its investors but also academia and market enthusiasts.

We are hopeful that this study benefits industry and practitioners in their analysis and decision-making processes to improve the quality of their investment evaluation and value-creation activities.



**Navin Vohra**

Partner and National Leader  
Valuation, Modelling and Economics,  
EY



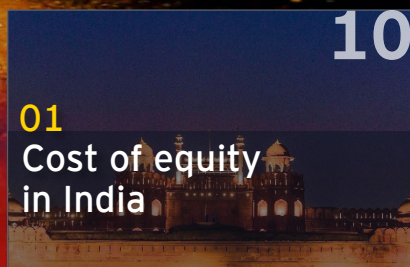
**Dr. Tirthankar Patnaik**

Chief Economist,  
National Stock Exchange of  
India Limited



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## Key findings



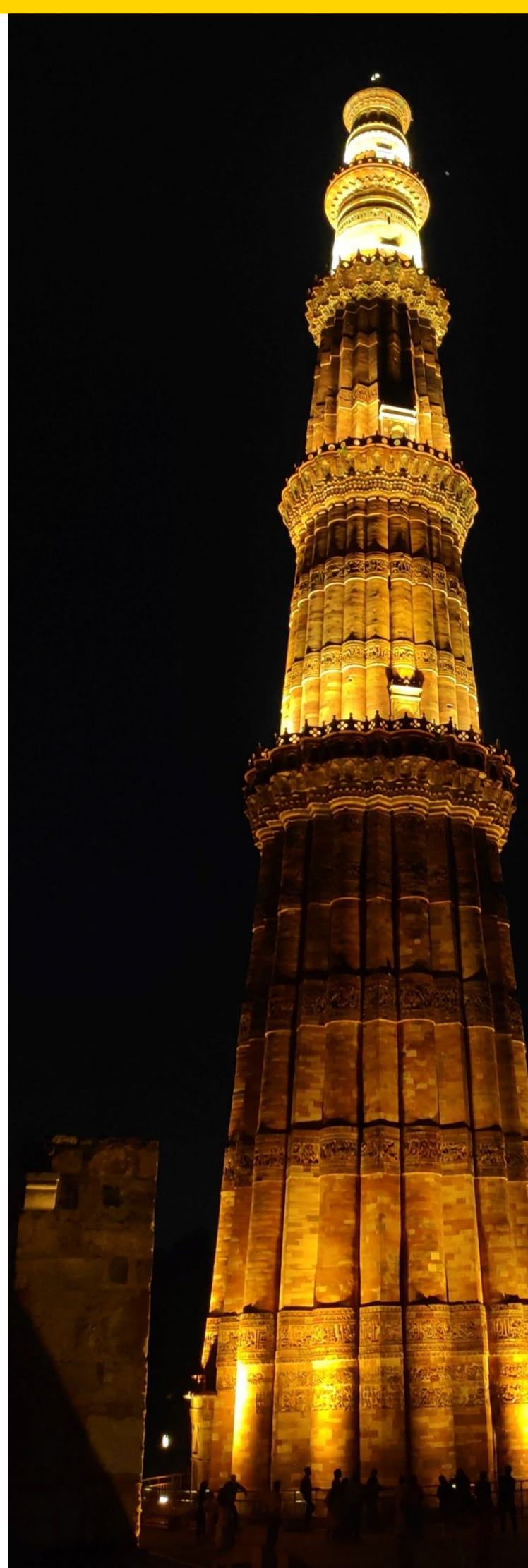
# Executive summary

The India Cost of Capital Survey 2024 aims to study the cost of capital that companies and analysts use for capital allocation and strategic decision-making. It attempts to find out how views have changed over the years and map on certain parameters, their movement over the past ten years to identify, wherever possible, trends in management decision-making with respect to investment evaluations and strategic partnerships.

This study is based on the views of ~185 corporate respondents spread across various sectors and company sizes. The study also covers responses from over 20 equity research analysts from various stock broking houses across India.

**Some of the key findings of the survey are listed below:**

- ▶ India Inc.'s average cost of equity is 14.2%, having increased marginally by 40 basis points since our last survey, whereas long-term bond yields in the same period increased by nearly 100 basis points. The equity market risk premium has steadily shrunk over the last three surveys.
- ▶ A dipstick survey of over 20 equity research analysts indicated that they use an average cost of equity of 12% only. There could be many reasons for this differential, including the different profile of companies analyzed by analysts as against that represented in this survey: typically, listed companies are larger, mature and less risky than non-listed companies, and analysts restrict their coverage to listed companies.
- ▶ The sectors with highest cost of equity are e-commerce, real estate and IT/ITES while power and utilities, chemicals, and Media & Entertainment make up the lower end of the spectrum.
- ▶ Media & Entertainment, power and utilities and real estate sectors have seen the maximum reduction in cost of capital over the ten years history of this survey whereas IT/ITES and FMCG have been among the few sectors to show an increase.







- ▶ While the general view was that the cost of capital has broadly remained the same or increased over the last three years, the future expectations were more divergent.
- ▶ The quantum of adjustment to discount rate for subjective company-specific factors remained at ~2%, in line with previous surveys with the size of the company being one of the primary reasons for applying such an adjustment.
- ▶ The typical forecast horizon for preparing Discounted Cash Flows (DCF) by the industry participants is five years, which is consistent with previous surveys.
- ▶ In estimating the terminal value for DCF-based valuations, the survey showed a clear preference among respondents for the Gordon Growth Model over its alternative, the Exit Multiple method.
- ▶ Consistent with previous surveys, most respondents that invest within and outside India concurred that they would apply a slightly higher discount rate when investing in India than when investing abroad.
- ▶ Having a 10-year record of India Inc.'s cost of equity, we also measured the actual return on equity that companies have earned in this period. Companies in FMCG, IT/ITES, and the pharmaceuticals, life sciences and healthcare earned higher than their cost of equity; those in real estate, power and utilities and capital goods did not.
- ▶ Nearly 53% of all the respondents agreed that the current business environment was favorable for their organization while about one-third of the respondents agreed that a favorable business environment has translated to easier capital raising for them. Around 11% of the respondents viewed the business as well as capital raising environment as unfavorable for them.

The detailed findings of the survey are outlined below:



# Key findings



## 01 \_\_\_\_\_

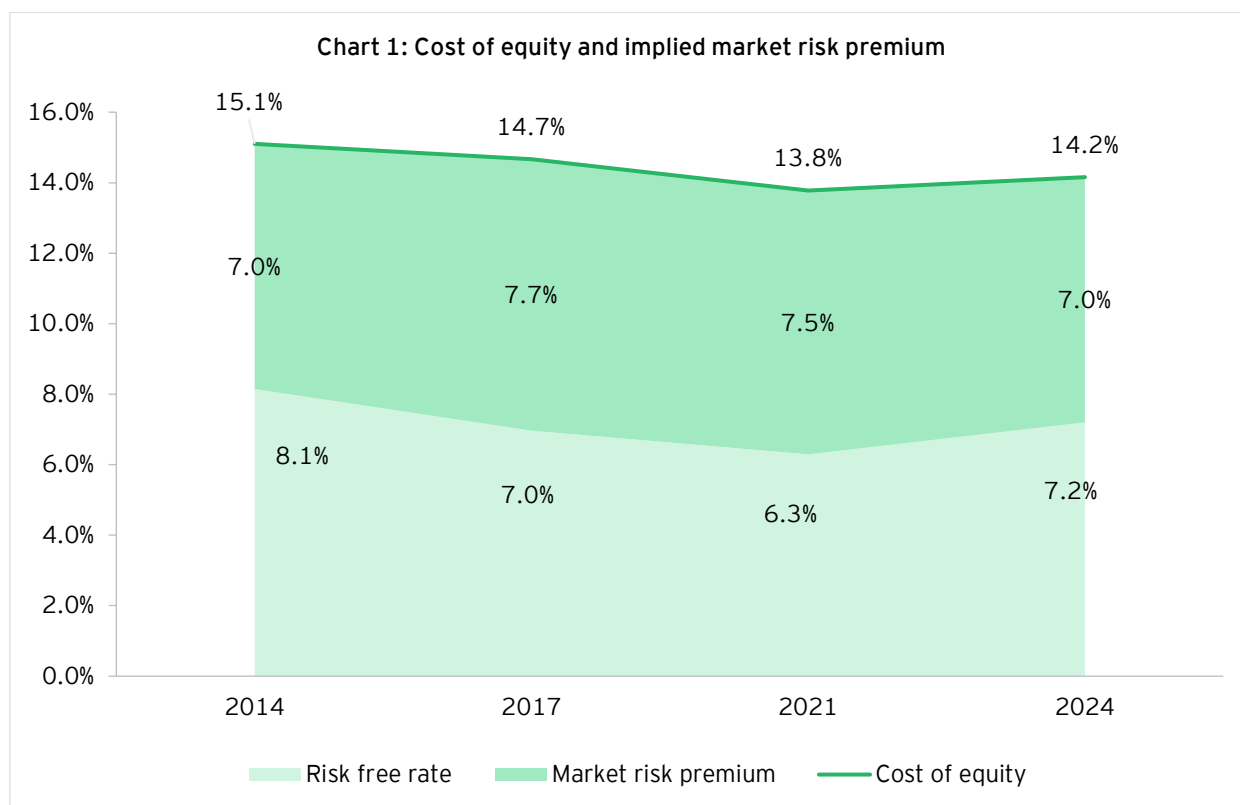
### Cost of equity in India



The average cost of equity as estimated by our survey respondents is 14.2%, moving up by 40 basis points since the last survey in 2021.

India's cost of equity over the past decade has been relatively firm, with a lower volatility than that of the risk-free rate in the economy (Chart 1).

Further, the *market risk premium*, measured as the difference between cost of equity and risk-free rate, after expanding in 2017, has steadily shrunk over the last three surveys, implying increasing maturity of the Indian economy and stock markets.

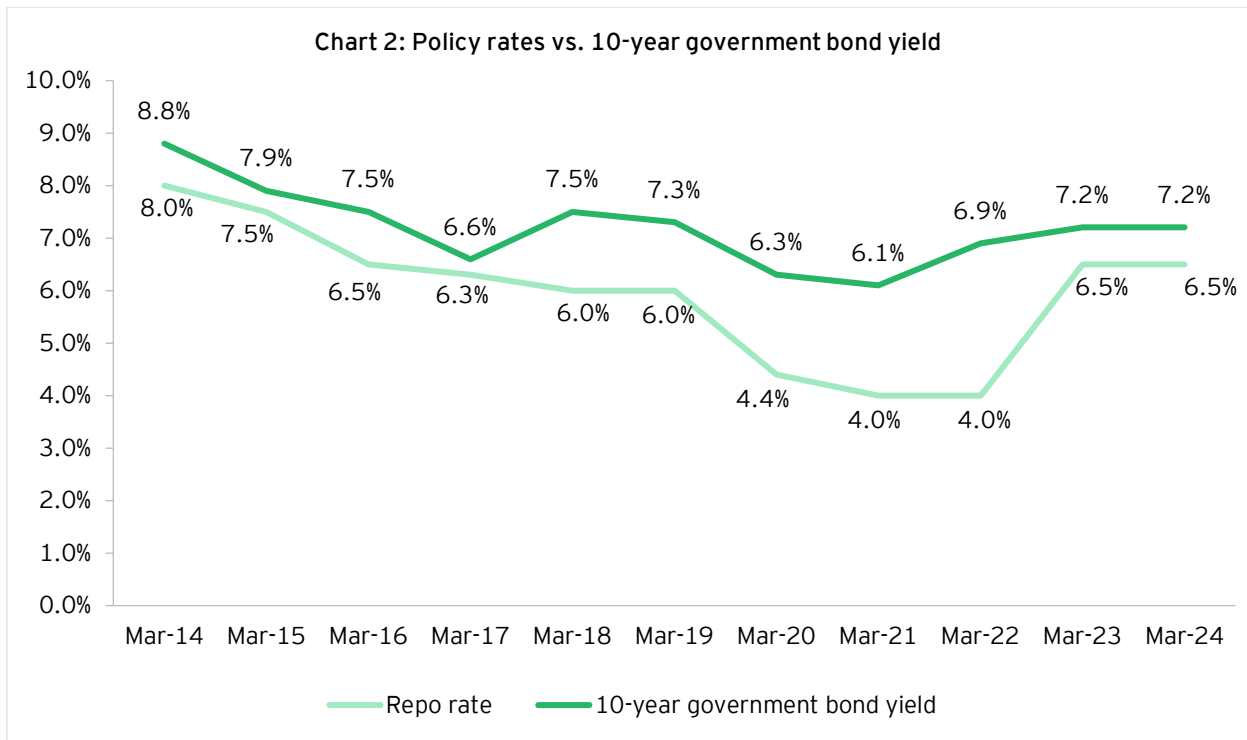


In the last three years since our previous study, the global economic backdrop has been convoluted with a shaky, post-pandemic recovery, elevated geopolitical risk, high inflation followed by aggressive monetary policy tightening and amplified volatility in the financial markets, that have made businesses reassess their growth and investment strategies. Amidst the global headwinds, the Indian economy has exhibited resilience, led by targeted fiscal measures and continued anti-inflationary monetary policy. In response to high inflation, averaging 5.9% during the last three years, the RBI hiked policy repo rate by 250 bps from 4% in February 2021 to 6.5% now, which in turn has led to an increase in the average cost of equity during the corresponding period. However, the increase in cost of equity has been muted vis-à-vis the increase in the risk-free rate, which rose by 90 bps during the period under review.

Notwithstanding heightened uncertainty, strong domestic macroeconomic fundamentals, improved corporate earnings post COVID-19, certainty in government policies with sustained emphasis on

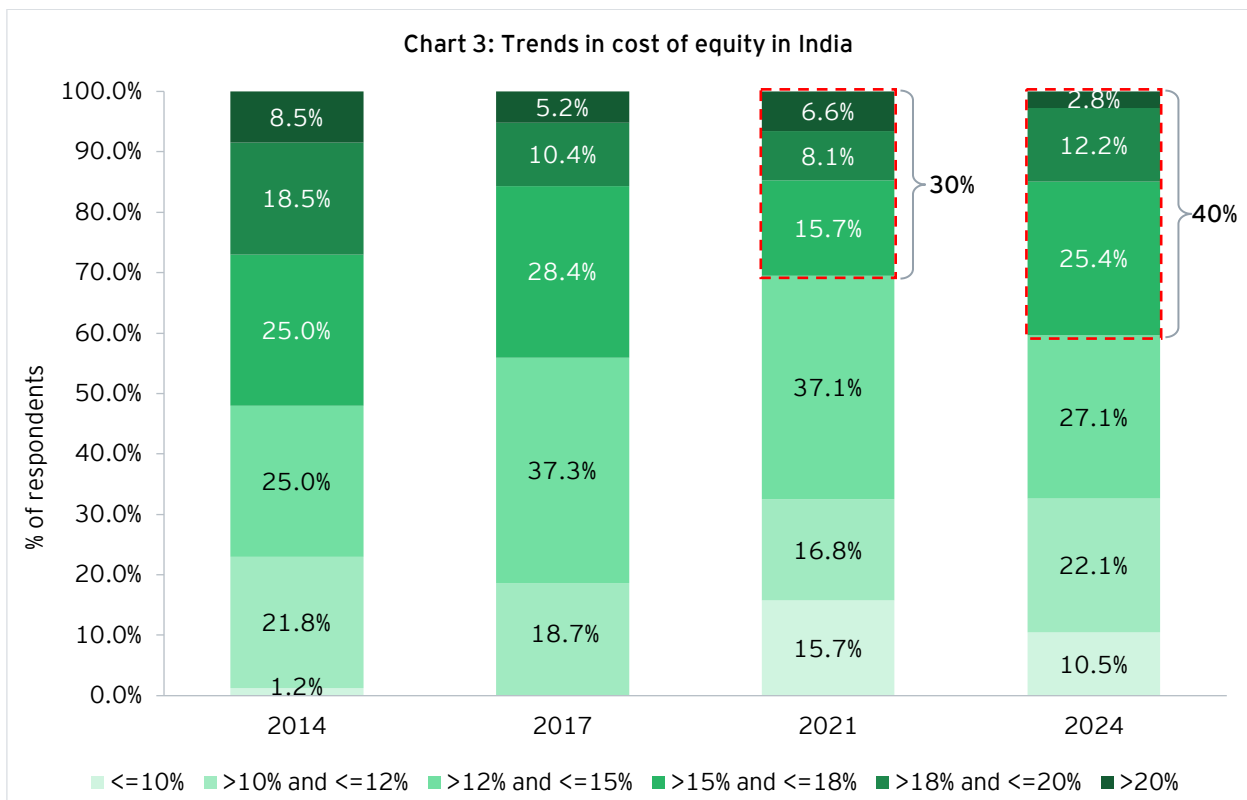
capital expenditure while maintaining fiscal prudence, and moderate impact of global headwinds on the Indian economy have been key factors for the fall in the implied market risk premium during the last three years.

Another determinant of implied market risk premium is the *'country risk premium'*, which has largely been stable during the last decade for India, along with some recent positive developments on outlook upgrades. India's sovereign ratings have remained unchanged at BBB- as per Standard and Poor's and the Fitch Ratings, while the Moody's have assigned a rating of Baa3 during the period under review. That said, the outlook, which was downgraded from 'stable' to 'negative' by the Fitch Ratings in June 2020, has been upgraded back to 'stable' in June 2022, with no change in outlook since then. In May 2024, the S&P Global upgraded India's sovereign rating outlook from 'stable' to 'positive' after 14 years, reflecting the country's solid growth performance and promising economic outlook.



There has been a notable decline in the percentage of respondents having a discount rate bracket of 12-15% from ~37% in 2017 and 2021 to 27% in 2024 (Chart 3). The uptick in the overall cost of equity observed in the latest survey vis-à-vis the previous one has been primarily on account of a notable shift in the share of respondents in the above 15% discount rate bracket from ~30% in 2021 to ~40% in

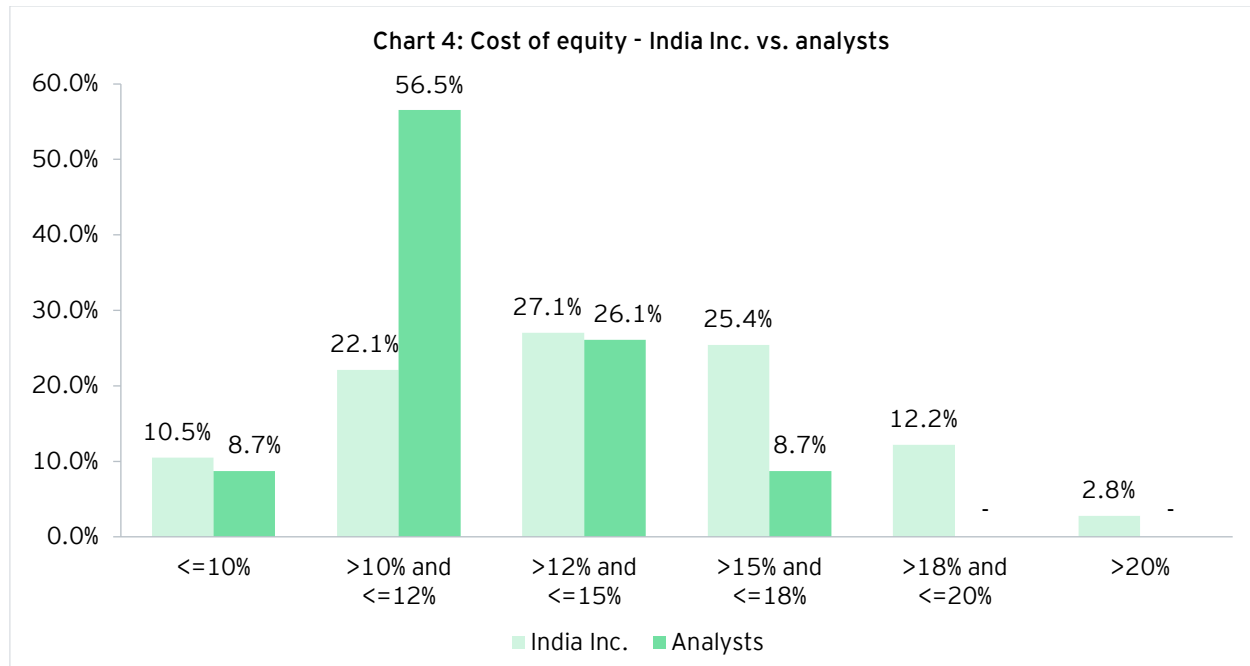
2024. Another category of 10-12% discount rate has seen around six percentage points increase in the share of respondents, reflecting a move largely from the lowest discount rate bracket (<10%). The share of respondents in the lower end of the scale (<=12%) has increased from ~22% in 2014 to ~32% in 2021 and 2024, in line with the overall fall in the cost of equity.



## India Inc. vs. equity analysts

In order to assess whether broking analysts have a different view on cost of equity, a dipstick study was carried out among select broking analysts (over 20). Surprisingly, the equity discount rate suggested by analysts was 12%, a full 200 basis points lower than the industry. None of the analysts surveyed opted for an equity discount rate greater than 18%. There

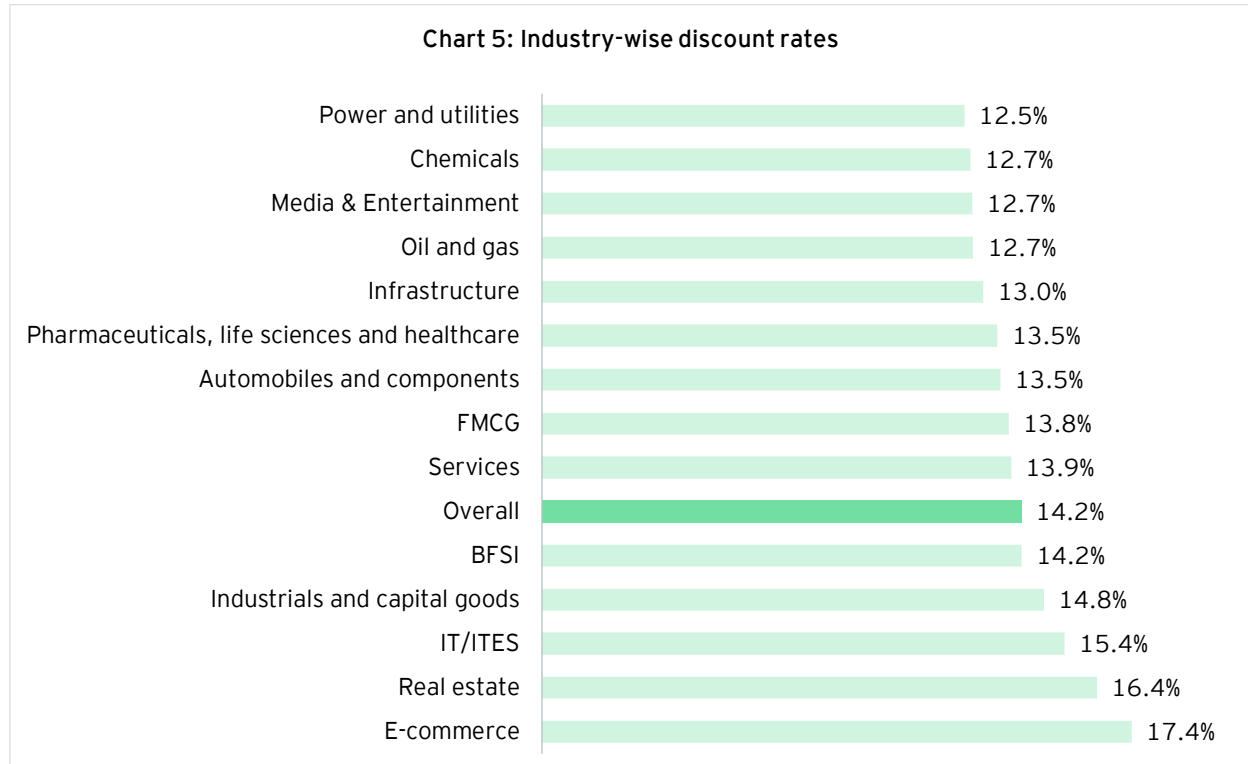
could be many reasons for this differential, including the different profile of companies analyzed by broking analysts as against that represented in this survey: typically, listed companies are larger, mature and less risky than non-listed companies, and analysts restrict their coverage to listed companies.



## Industry-wise analysis

Moving on to industry-wise analysis of discount rates<sup>1</sup>, not surprisingly, e-commerce respondents had the highest cost of equity. This was followed by real estate, IT/ITES, and the industrials and capital

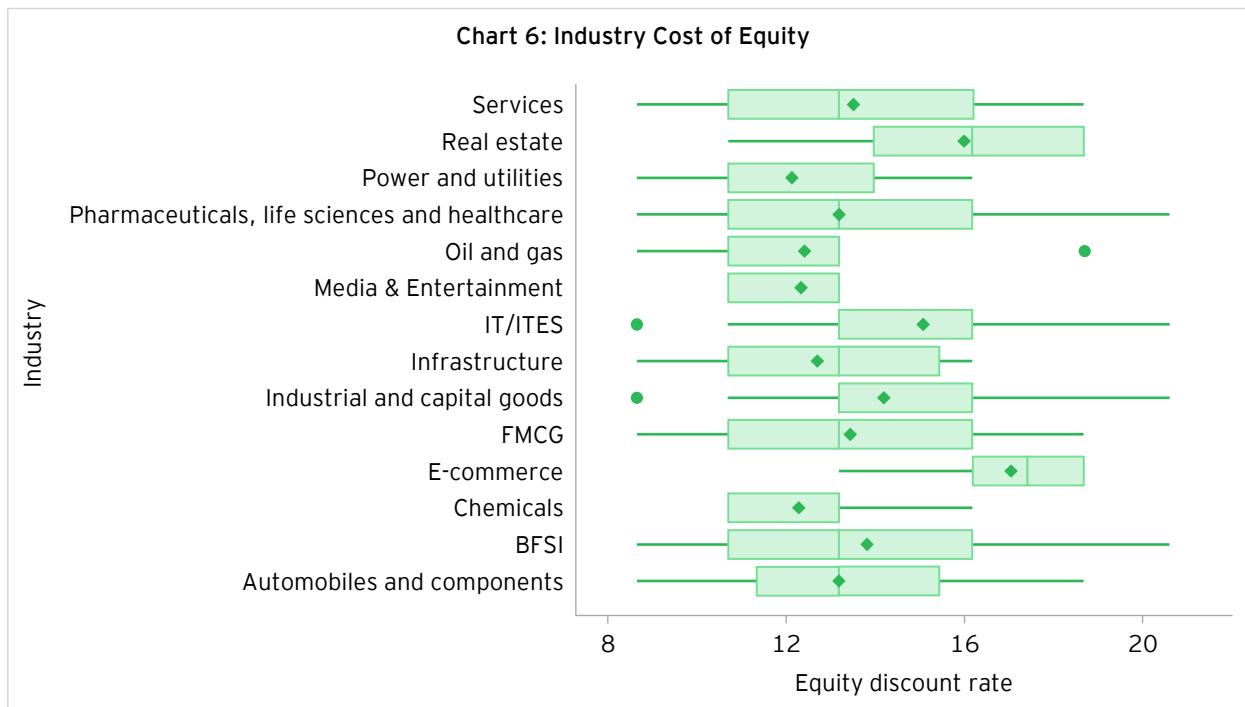
goods sectors. The three sectors at the lower end of the cost of equity range were power and utilities, chemicals, and Media & Entertainment.



<sup>1</sup> The industry-wise discount rates only show sectors with a minimum representation of 5 respondents.

Chart 6<sup>2</sup> examines the dispersion and skewness of the equity discount rate at the industry level. Industries like BFSI, FMCG, pharmaceuticals, life sciences and healthcare, and services have the highest dispersion. Conversely, e-commerce has one of the lowest dispersions, while the median of the industry is among the highest. The responses in the

IT/ITES industry are positively skewed (i.e., a large share of respondents is clustered towards the higher end of the inter-quartile range/scale). Oil and gas and chemicals have the lowest dispersion along with negative skewness, implying that a large share of respondents is clustered towards the lower end of the scale.



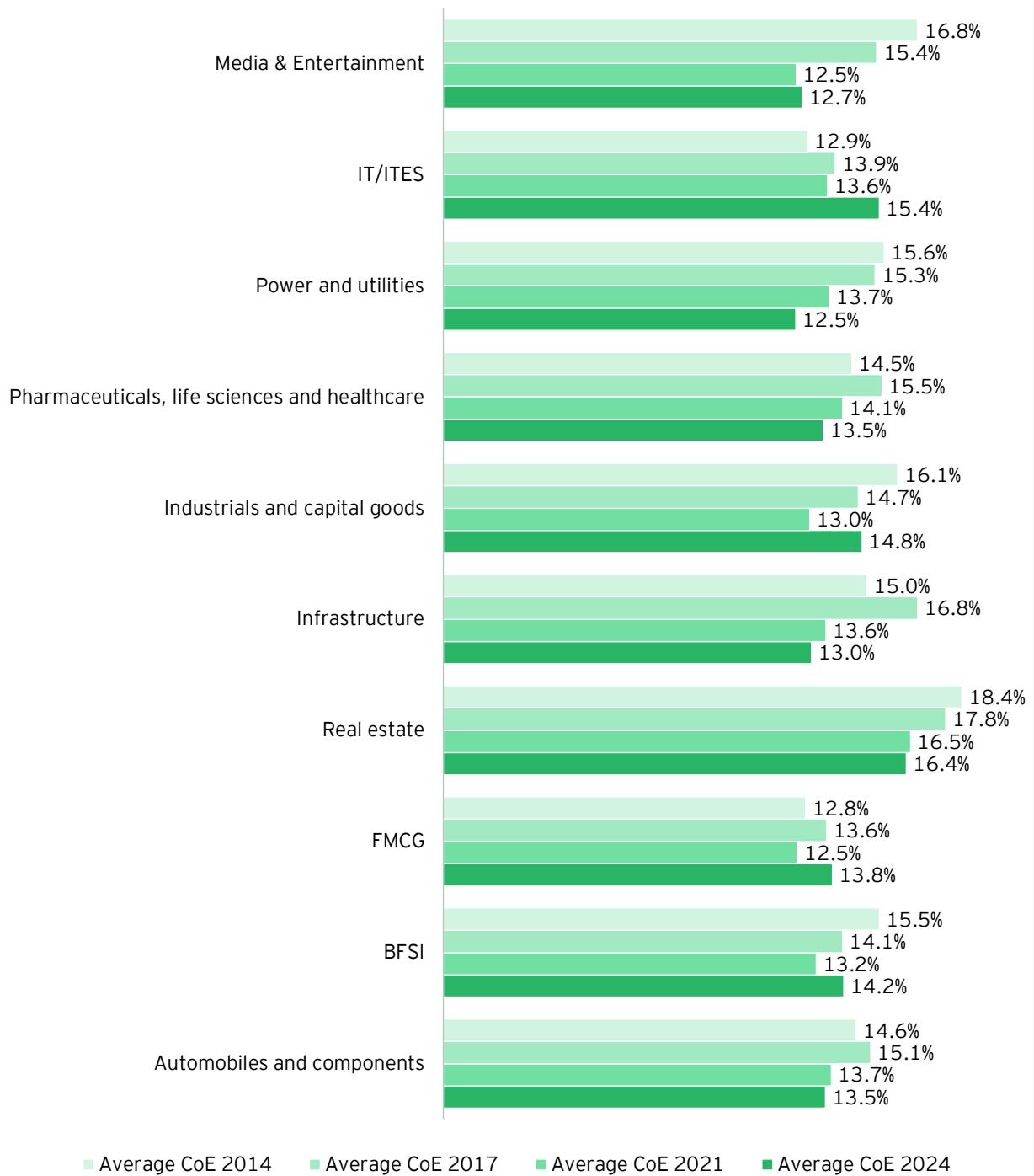
The movement in the cost of equity for some sectors across the last four editions of the survey is depicted in Chart 7 below. Power and utilities, and real estate are the only two sectors which have witnessed a sustained decline in the discount rates in each of the previous three surveys with a cumulative fall of 3.1 percentage points and 2 percentage points, respectively. In the current survey, the IT/ITES

sector witnessed the largest gain in the discount rate of 1.8 percentage points. This, to some extent, can be ascribed to rapid digital transformation and disruptive innovations in the sub-fields of artificial intelligence and cloud computing, which have enhanced capabilities, efficiency, and productivity of the sector.

<sup>2</sup> The shape of the boxplot shows how the data is distributed, and it also shows any outliers. The line splitting the box represents the median while the diamond-shaped marker represents the mean. The box limits indicate the range of the central 50% of the data. The left edge of the box represents the lower quartile; it shows the value at which the first 25% of the data falls up to. The right edge of the box represents the upper quartile; it shows that 25% of the data lies to the right of the upper quartile value. The single dots on the graph show the outliers.



Chart 7: Cost of equity over the years



# Historical and future trends in cost of equity

With global and domestic interest rates rising since the last survey, most respondents noted that their cost of equity had either remained the same or increased. This is in line with the expectations during the 2021 survey, when almost 80% of the respondents had expected them to remain constant or increase.

When it comes to predicting the future movement in equity discount rates, the views of broking analysts and corporates diverge. Only one in ten broking analysts expects the cost of equity to increase over the next three years; as against this, about one in two corporates expect an increase in equity discount rates.

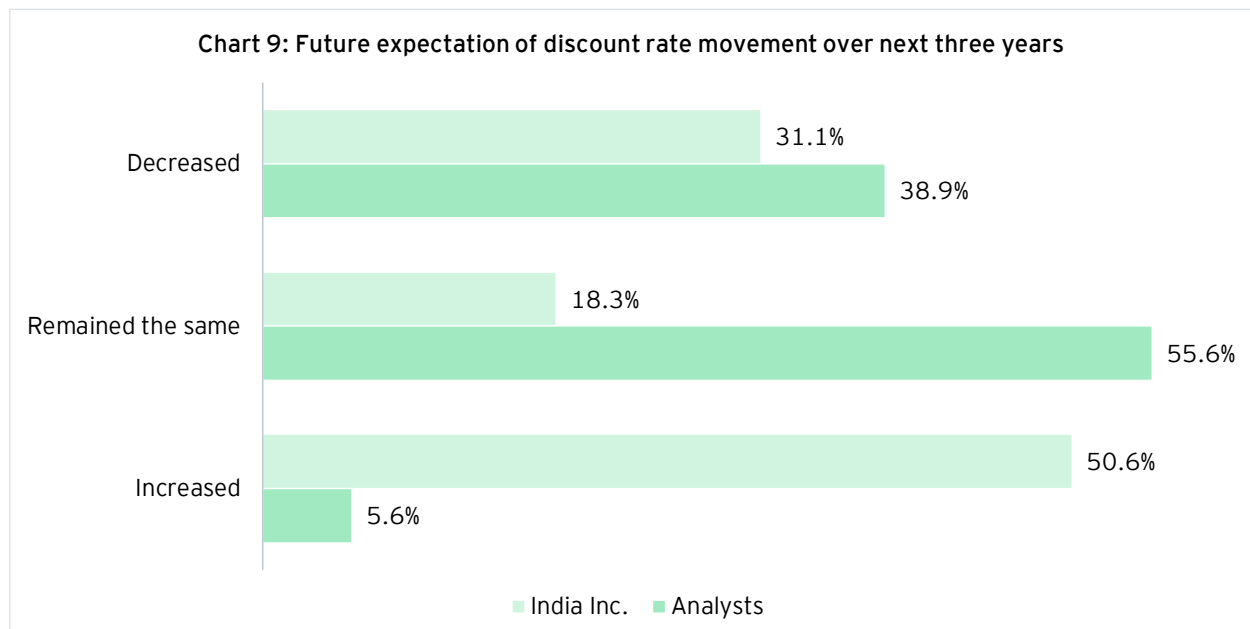
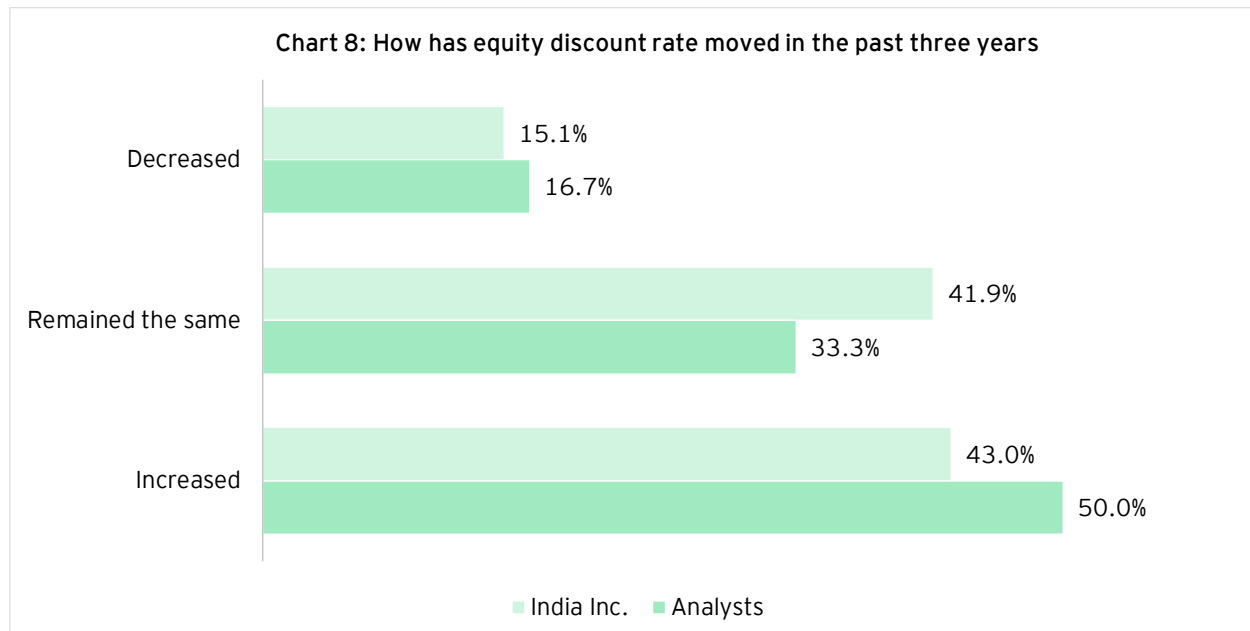
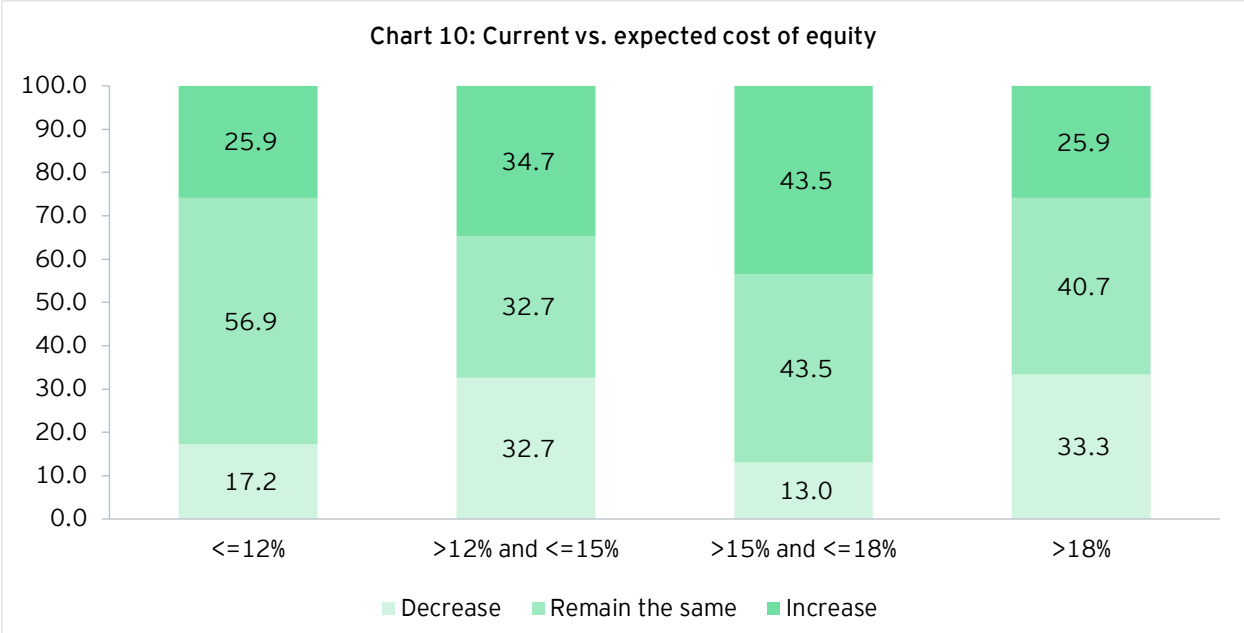


Chart 10 depicts the share of the respondents based on the current equity discount rate vis-à-vis their expected equity discount rate in the next 2-3 years. A large share of the respondents in each category of the current equity discount rate expects the discount

rates to remain the same in the next two to three years. Interestingly, one-thirds of the respondents in the highest equity discount rate category are expecting equity discount rates to increase further in the next two to three years.





# 02

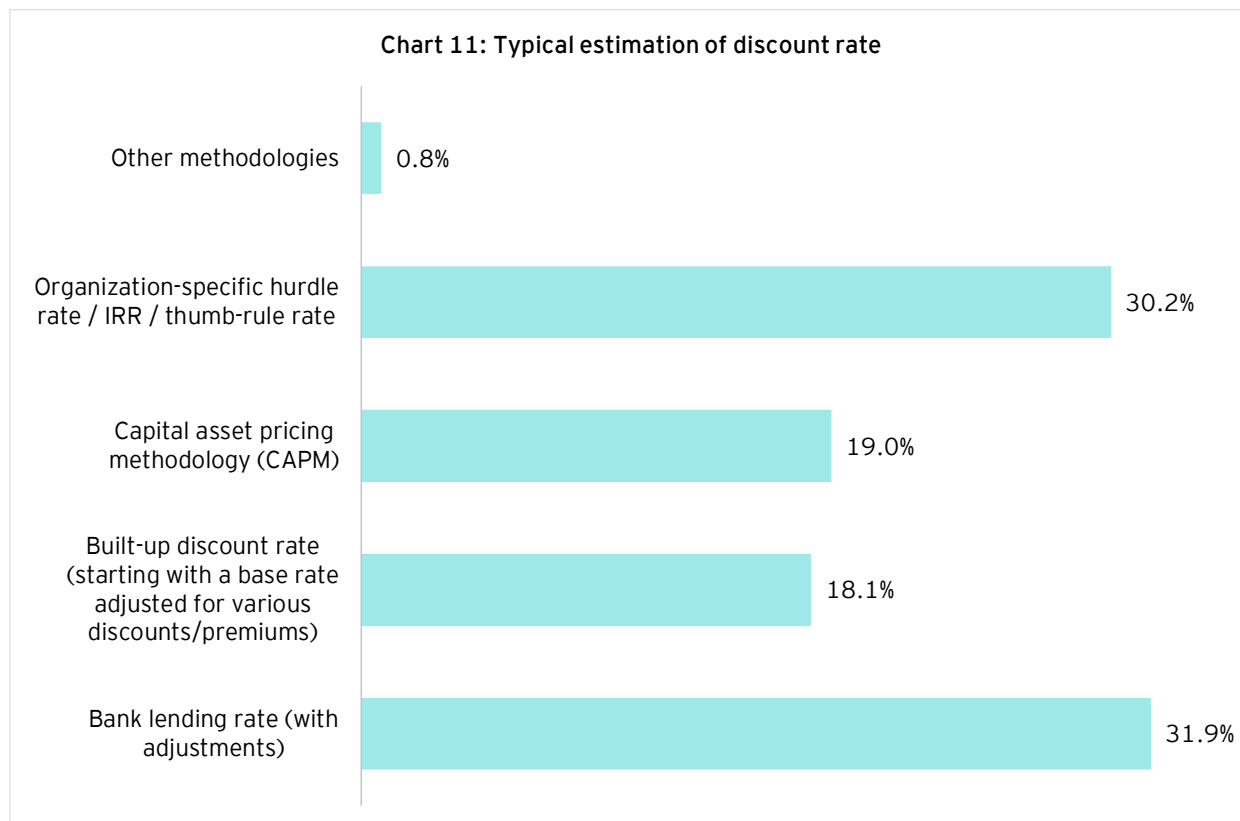
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## Factors affecting **discount rate estimation**



# Basis of estimating cost of equity

## How does India Inc. decide its cost of capital?<sup>3</sup>



One of the surprising findings of the Cost of Capital survey over the last three editions is that the Capital Asset Pricing Model (CAPM), one of the most robust approaches to estimating cost of equity, is not the

default method for estimating cost of equity by corporates. In the current survey, CAPM accounted for only 19% of the overall responses.

## What company-specific factors are used to adjust the cost of equity?

As per CAPM, the risks that companies face can broadly be put into two buckets – systematic risks and unsystematic risks. Systematic risks are dependent on the risk of the overall market/industry and cannot be eliminated by diversification. However, unsystematic risks are specific to the company and can be eliminated by diversification.

While systematic risks are represented by beta, which is part of discount rate estimation as per CAPM, unsystematic risks are represented by alpha. There

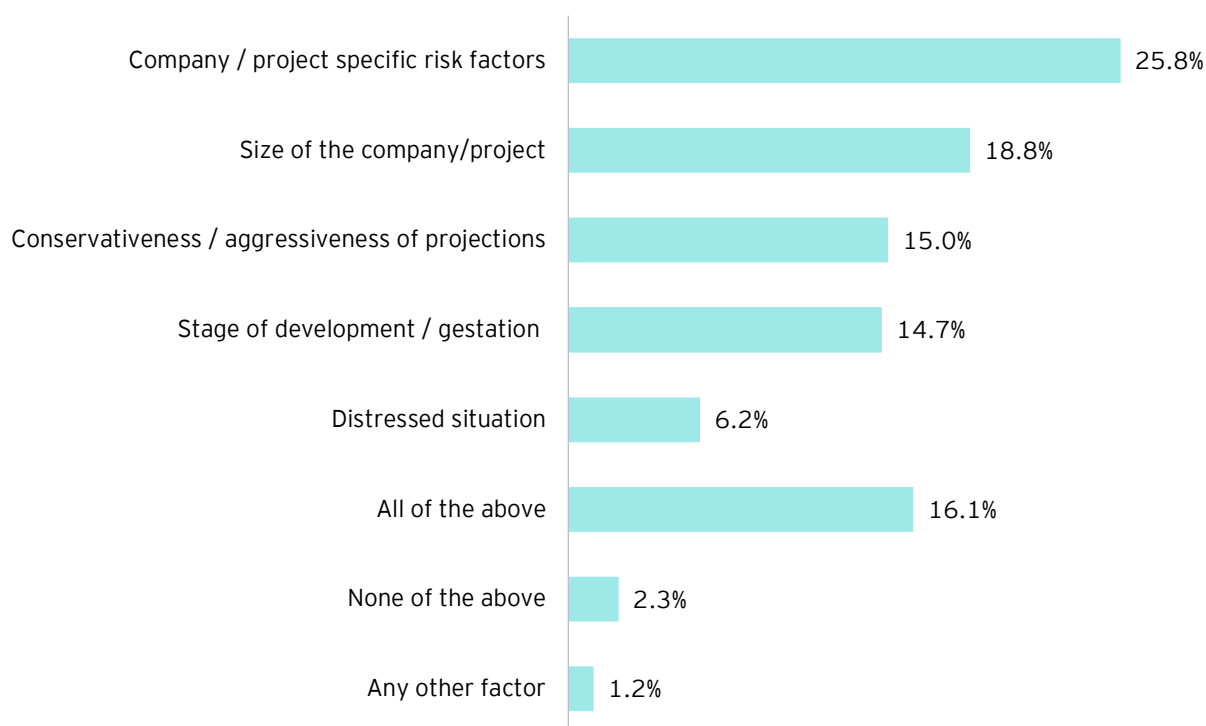
are various factors that could necessitate an alpha adjustment to the cost of capital.

In line with previous editions of the survey, company / project-specific risks were the most important factor necessitating alpha adjustments. This was followed by the size of the company, which was a notable outcome signifying that companies may consider higher alpha adjustment for smaller companies that are yet to prove their capabilities (Chart 12<sup>4</sup>).

<sup>3</sup> Respondents could select multiple options. The chart has been prepared on overall number of responses rather than overall number of respondents

<sup>4</sup> Respondents could select multiple options. The chart has been prepared on the overall number of responses rather than overall number of respondents

**Chart 12: Typical factors for which equity discount rate is adjusted**

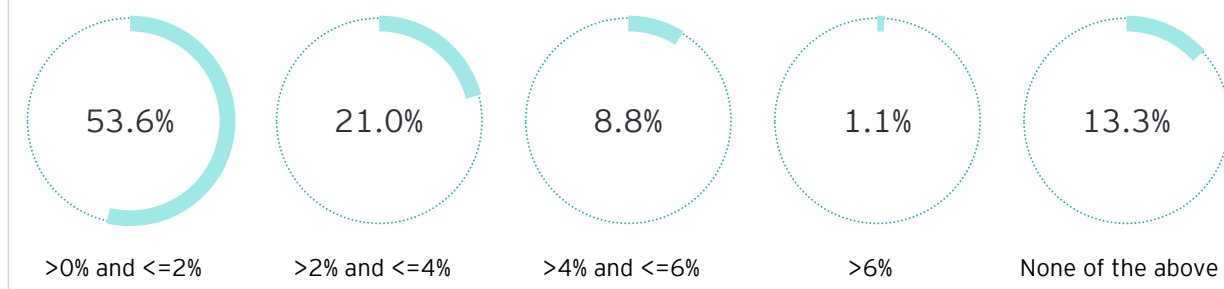


### How much is alpha adjustment?

The average alpha adjustment considered by the respondents was ~2%. While more than half of the respondents stated that they consider alpha adjustment in the range of 0% to 2%, about one-fifth of the respondents considered it to be in the range of 2% to 4%.

About 13% of respondents do not consider any alpha adjustment at all. The respondents in this category were largely clustered in the FMCG, IT/ITES and services sectors.

**Chart 13: Quantum of alpha adjustment usually applied**



# Other considerations in applying the DCF method

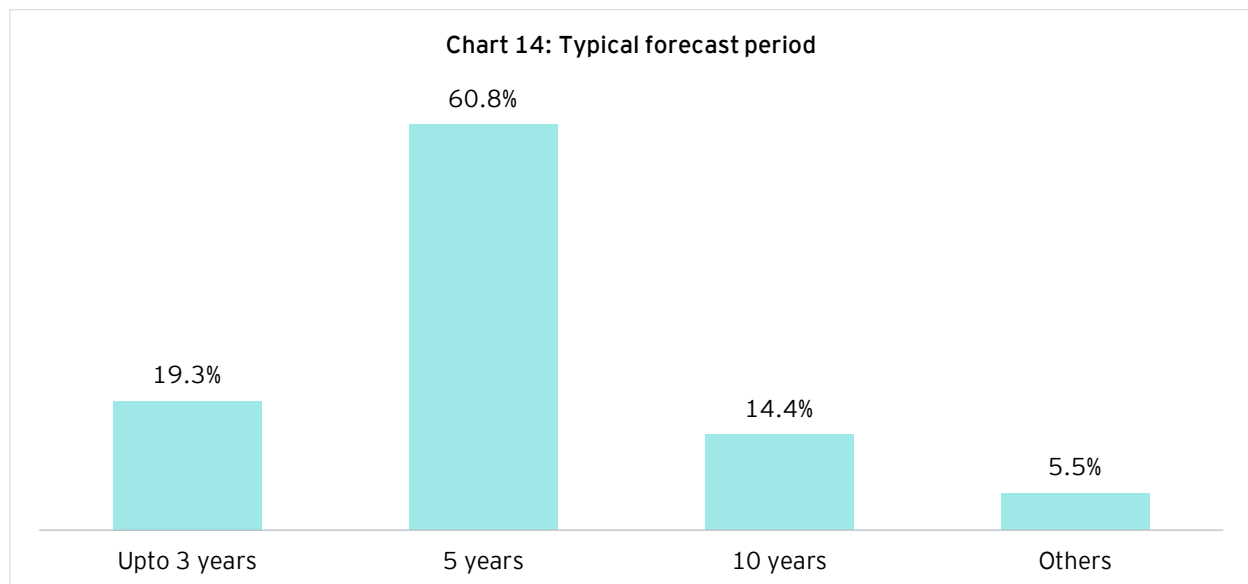
## Typical forecast period and terminal value

Since projecting a business's performance into perpetuity is practically impossible, the discounted cash flows approach to value going-concern companies (i.e., companies theoretically expected to operate under a steady-state forever) typically considers evaluating the cashflows of a limited period, during which detailed forecasts can be prepared, and adds a terminal value adjustment to arrive at the final valuation.

The typical forecast period during which detailed projections are prepared is commonly referred to as the explicit period.

A little more than three-fifths of respondents showed a clear preference for considering an explicit forecast period of five years for DCF analysis before applying the terminal value (Chart 14).

Of the remaining responses, ~20% of participants showed a preference for three years and ~14% of participants showed a preference for 10 years. Nearly 5% of the respondents opted for the "Others" option. These respondents typically evaluate projects that are finite-lived and hence consider the actual remaining project life as the forecast horizon.



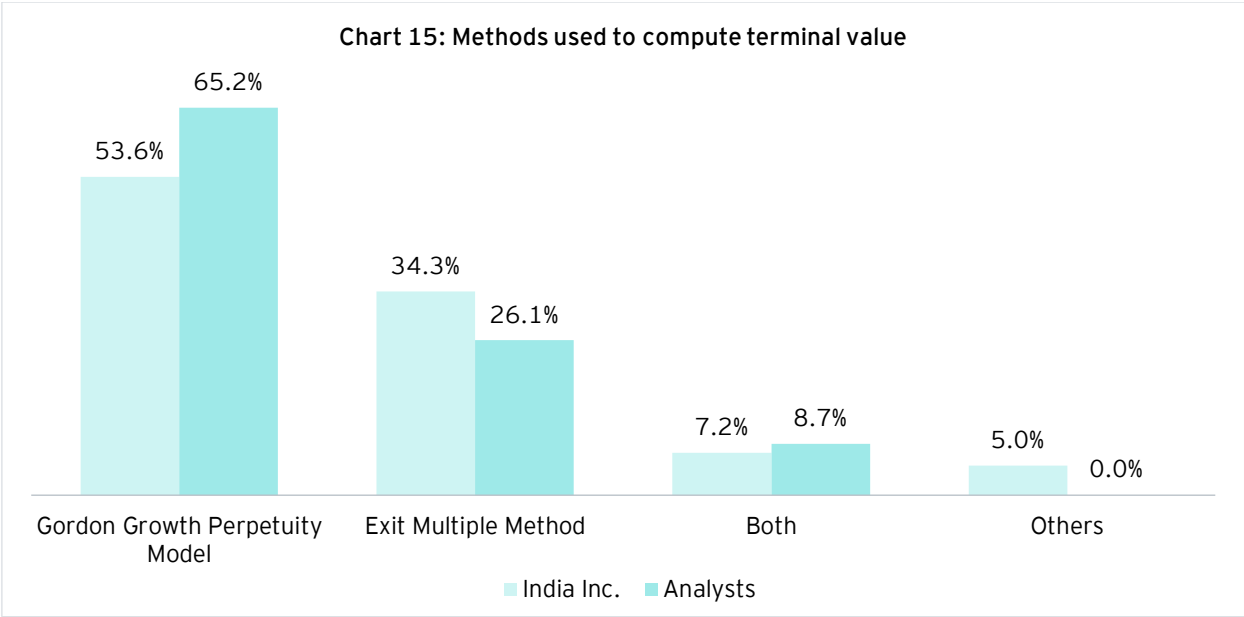
The value of the continuity of a business is factored into the valuation by considering a terminal value at the end of the explicit period, which assumes stable-state perpetual existence of the company. The terminal value typically accounts for a significant proportion of the overall valuation.

While there are several approaches to estimating terminal value, the two most commonly used approaches are the Gordon Growth Perpetuity Model

and the Exit Multiple method. Both the corporate respondents as well as the analysts showed preference for the Gordon Growth Perpetuity Model of estimating terminal value. A small proportion in each case considered both approaches in their estimation of value.

A few respondents considered other approaches like the Option-Pricing Model or Asset Valuation Approach.





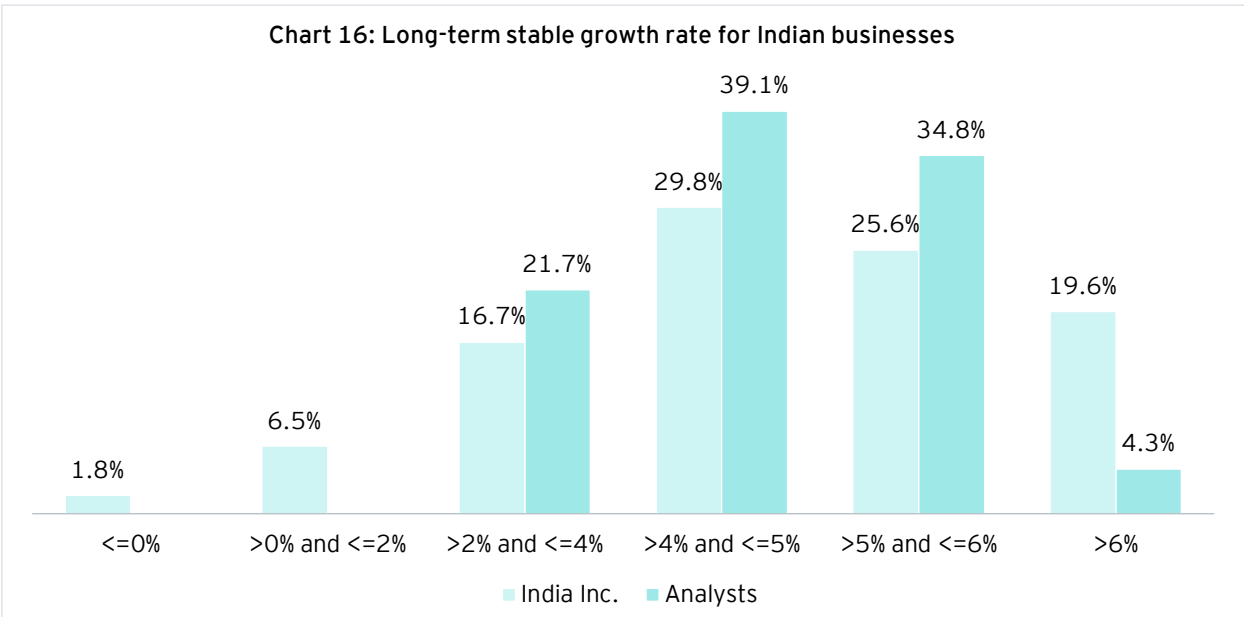
A stronger preference for the Exit Multiple method was noticed in the BFSI, services and real estate sectors, while most other sectors showed a clear preference for the Gordon Growth approach. The real estate sector respondents preferring the 'Exit

Multiple' approach were largely found to be operating in the commercial space, where capitalizing future lease rentals as a proxy for terminal value is a commonly used approach.

### Terminal growth rate

The terminal growth rate is a valuation assumption that estimates the rate at which companies expect to grow annually on an average beyond the explicit forecast period. This is usually considered based on the perceived long-term economic growth of the country in which the business operates.

The average long-term growth rate used for terminal value computation by India Inc. was ~4.4%<sup>5</sup>. The pool of analysts surveyed suggested a similar long-term growth rate at an average of ~4.7%.



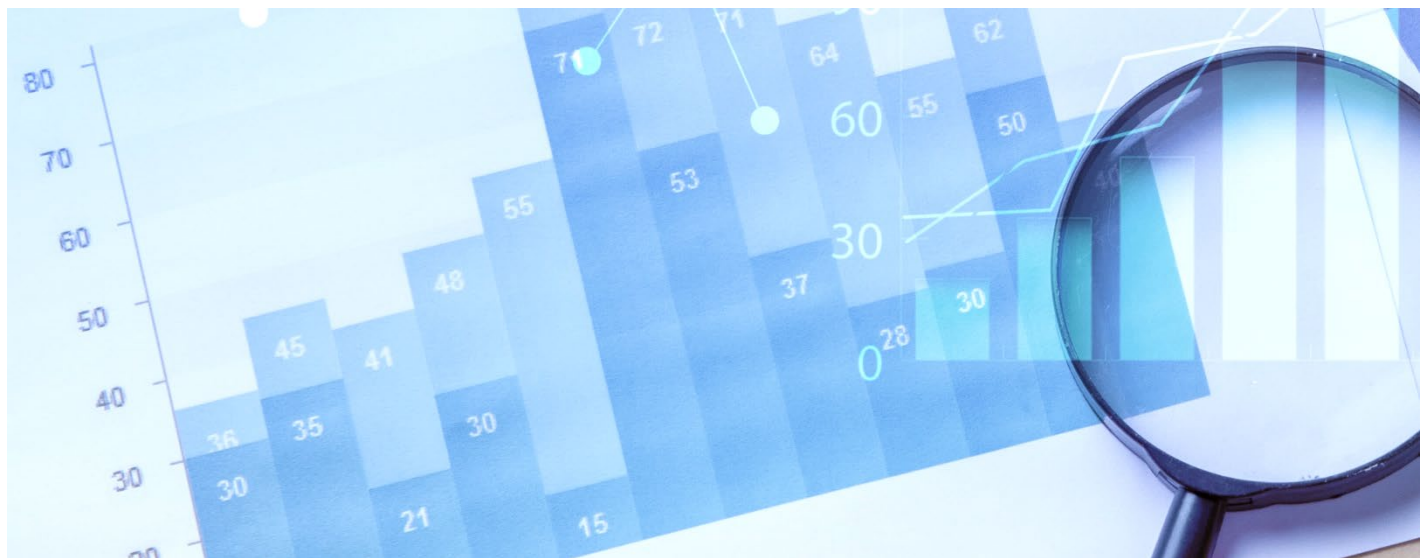
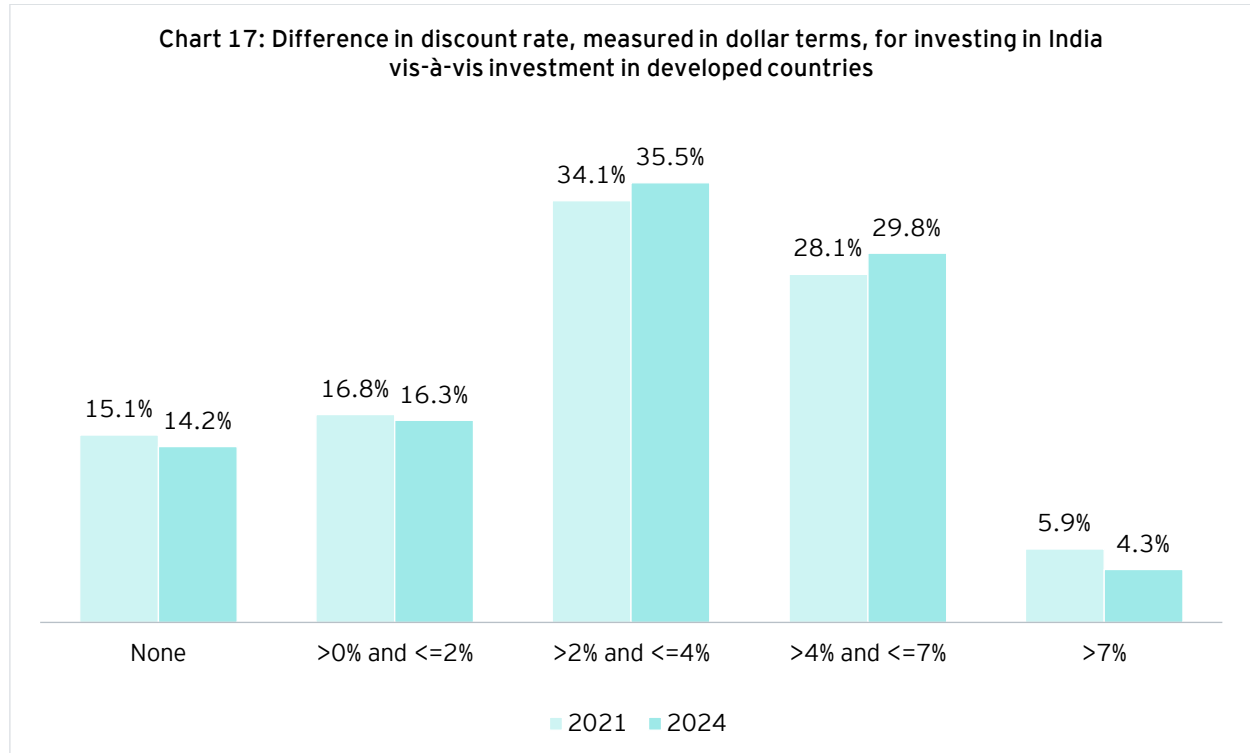
<sup>5</sup> Chart 16 excludes "NA" responses largely attributable to those respondents who likely do not apply any terminal growth rate as they primarily evaluate finite projects

# Cost of capital in international context

## How does India's cost of capital compare with that of developed countries?

Most respondents consider a higher discount rate, in dollar terms, for investing in India vis-à-vis investing in developed countries. This can be explained by India's higher country risk rating relative to the developed countries.

About 14% of the respondents indicated that they do not apply to any premium when considering Indian investments vis-à-vis global investments, pointing towards a threshold return expectation on all investments irrespective of geography<sup>6</sup>.

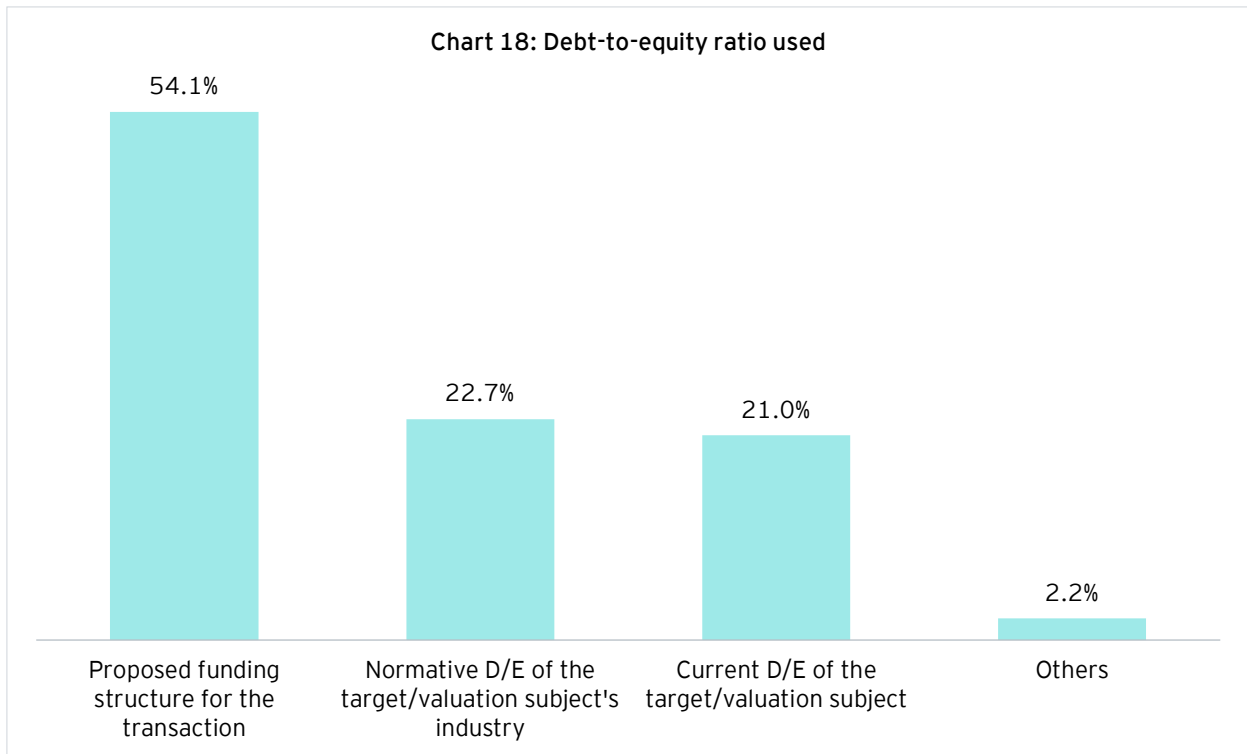


<sup>6</sup> Chart 16 excludes "N.A." responses pertaining to respondents who do not focus on investments outside India

## Factors affecting the debt-to-equity ratio used in discount rate estimation

The weighted average cost of capital used to discount project or enterprise level cash flows is made of primarily three components - debt-equity ratio, cost of debt, and cost of equity. While the cost of debt is usually based on the actual or marginal cost of borrowing, i.e., the rate at which new debt can be raised, the debt-equity ratio for discount rate estimation could theoretically depend on different factors.

Over half of the respondents surveyed use the proposed funding structure specific to the investment under evaluation to estimate their discount rate. The remaining respondents were nearly equally divided between the normative debt-equity ratio applicable to the sector and the current debt-equity ratio of the target under consideration. A very small number of respondents do not use debt-equity ratio at all, being primarily in sectors which do not take debt funding.





# 03

## **Cost of capital vs. return on equity**

for select industries



Theoretically, the cost of equity for a company is the required rate of return on a particular investment or project. Conversely, the return on equity is the gauge of a company's profitability and its efficiency in generating profits. Chart 20 juxtaposes the return on equity and the cost of equity at the industry level across the four surveys. The cost of equity has been captured from each of the surveys, while the return on equity has been derived from the financial results of a similar cohort of 442 companies in respective industries under review. The latter sample pertaining to the return on equity includes both listed and unlisted companies and due to the paucity of data from the listed and unlisted space for FY24, the corresponding value for FY23 has been captured and compared with the cost of equity.

Automobiles and components, IT/ITES, pharmaceuticals, life sciences and healthcare, FMCG and BFSI are the industries which have had a return on equity greater than cost of equity. The COVID year 2021 was an exceptional year for the automobiles and components sector, where the cost of equity was higher primarily because of tepid demand and lower spending on discretionary items. Real estate, power and utilities, and industrials and capital goods are high capital-intensive industries with lower profit margins. Ergo, the cost of equity has been noticeably higher than the return on equity across the time under review.

**Chart 19: Industry wise return on equity vs. cost of equity**







# 04

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## **Impact of short- to medium-term uncertainties on strategic decision-making**



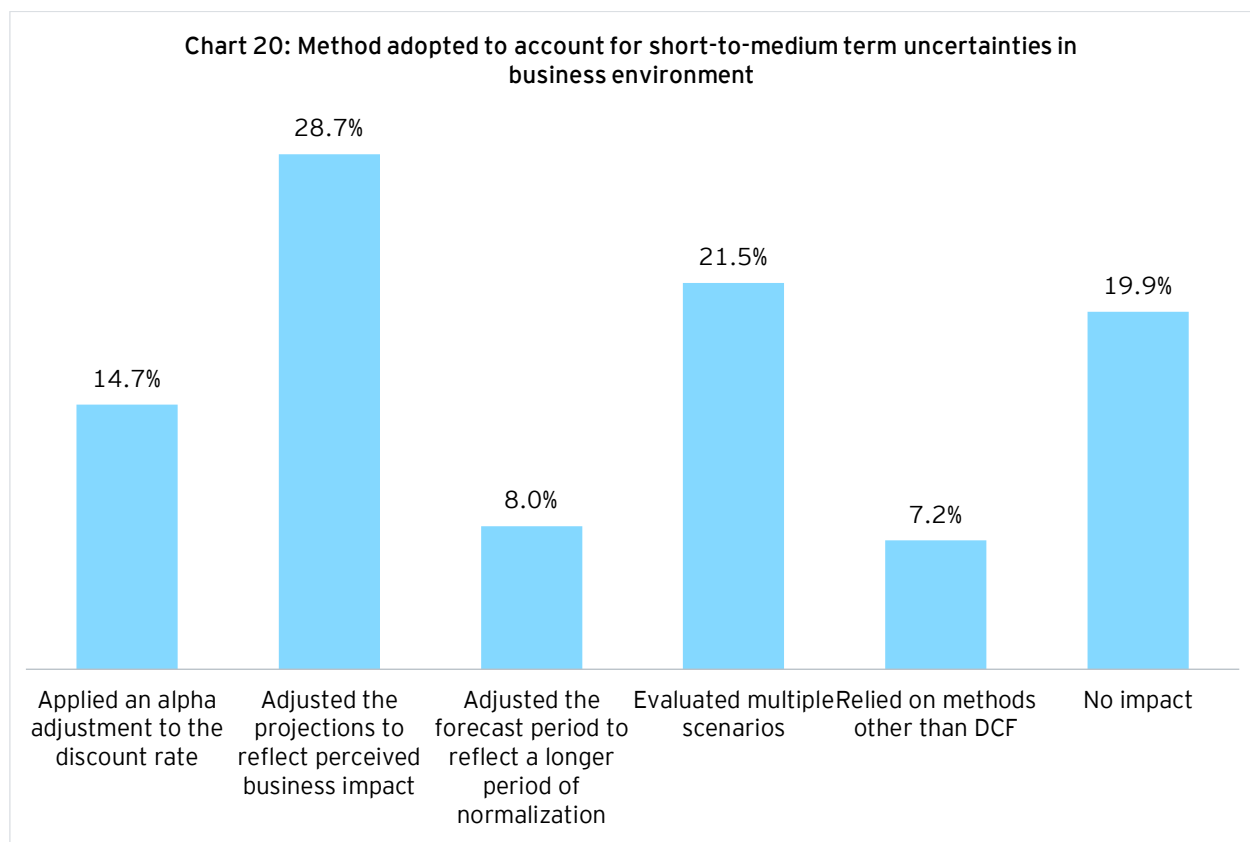


A rise in global or domestic uncertainty makes it difficult for enterprises to frame stable expectations of future economic trends, leading to increased caution with respect to their prospective investment decisions. In this regard, the recent geopolitical instability seen in the changing landscape of international business, threat of wars, a constant overhang of uncertainty, particularly as witnessed in the global interest rate and yield movements, the ripple effect of global markets' volatility on investor sentiments in the Indian subcontinent and various other factors have given rise to prudence and caution in evaluation of new investments. Despite India being a bright spot amidst an overall challenging global environment during the last three years with macroeconomic stability and resilience, the

possibility of the above global spillovers has weighed on business expectations and decision making.

India Inc. has shared that the most common ways to respond to these short to medium-term uncertainties in their investment evaluation is by adjusting their projections to reflect any perceived business impact, followed by the tendency to evaluate multiple scenarios covering upside/downside cases to be prepared for any shocks (Chart 20<sup>7</sup>).

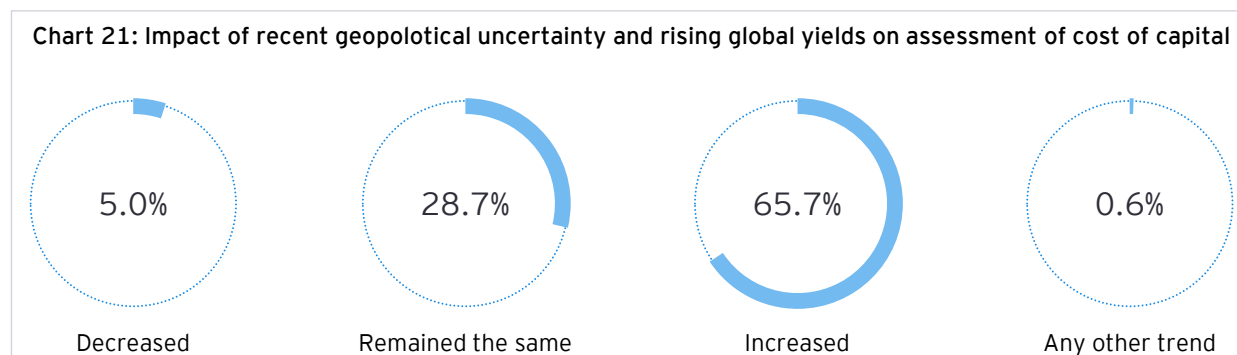
These patterns are similar to the respondents of 2021 survey, where similar adjustments were evaluated on the back of the COVID-19 pandemic. This may be seen as a continuing trend where businesses prefer to be wary than caught off-guard.



<sup>7</sup> Respondents could select multiple options. The chart has been prepared on overall number of responses rather than overall number of respondents

Not surprisingly, when quizzed about the impact of the geopolitical uncertainty and rising global yields on their overall assessment of cost of capital, a sweeping majority of the respondents indicated that it had resulted in a moderate increase in their

estimate of discount rate (refer Chart 21). It was interesting to note that some respondents felt their cost of capital had moderately decreased as a result of these factors. The decrease was seen primarily in the FMCG, IT/ITES and e-commerce sectors.



## Impact of current business environment on ease of capital raising for companies

Through the survey, respondents shared their views on whether the current business environment was overall favorable for their organization and whether it had resulted in easier capital raising for them. More than half of the respondents felt that the overall business environment was positive, while about 30% were neutral. Similarly, more than 40% of the respondents felt the current business environment made capital raising easier for them, while over one-thirds were neutral.

It was interesting to note the correlation in responses to these two questions. About one-third of the respondents agreed that the current business environment was favorable for their organization and translated to easier capital raising for them, while ~11% of them viewed the business as well as capital raising environment as unfavorable for them. About one-fifth of the respondents were overall neutral in both respects.

**Table 1: Favorable business environment vs. favorable capital raising**

Favorable business environment	Ease of capital raising			Grand total
	Disagree	Neutral	Agree	
Disagree	10.5%	3.9%	3.3%	17.7%
Neutral	5.5%	18.2%	5.5%	29.3%
Agree	6.1%	12.2%	34.8%	53.0%
Grand total	22.1%	34.3%	43.6%	100.0%



# About the survey

There are several theories and extensive write-ups on how the cost of capital is computed to arrive at value as per the DCF method. However, it is interesting to find out whether and how these theories are actually applied in the real world. This survey was undertaken with that primary objective and also to see how cost of capital estimation gets impacted by not just India-specific factors but also global factors that may have a leading or lagging effect on the Indian business environment.

This survey is an exhaustive study on the prevailing industry practices of estimating cost of capital for valuing companies and/or projects when making crucial business decisions such as acquiring/divesting, conducting internal restructuring exercises, launching new projects, and assessing project progress. The purpose was to identify the practical aspects/considerations that determine the cost of capital in India and to quantify some of these aspects. Further, the current survey is the fourth edition of a series that was started in 2014 and followed up with subsequent editions in 2017 and 2021. This edition marks 10 years since the first such survey report was undertaken by EY. The periodic study aims to assess changes, if any, in these methodologies and industry practices over the years.

This report is a factual compilation of the results of the survey undertaken. It is therefore a reflection of industry participants' view of cost of capital as an input to their decision-making process and is not to be construed as EY's view or opinion on the subject. Further, this report presents a general view to support high-level benchmarking by companies and is in no way, intended as a substitute for detailed analysis by the management for computing the companies' specific cost of capital which may vary from the average for the industry.





### Profile of respondents:

The principal respondents belonged to functions such as finance, business planning and corporate strategy, and mergers and acquisitions. They represented a mix of Indian enterprises and multinational companies, including listed companies and private companies. We also tried to contact the respondents from the previous edition and approached new respondents for their views.

Additionally, in the 2024 edition, for the first time, we undertook a dipstick survey of over 20 equity research analysts. The respondents in this segment were research analysts covering specific sectors or heads of research at their respective research houses.

### Questionnaire:

The questions were prepared with a choice of answers in a multiple-choice format. For questions where the answer options were not comprehensive, the respondents were also given a comment box to provide their views and comments.

Most of the questions were retained from the previous edition of the survey. We also added a few questions based on input/feedback received from the respondents of the previous survey and a few new ones to provide additional insights into the mindset of decision-makers at organizations when estimating their cost of capital/equity. An additional set of questions was asked to gauge the impact of recent changes in the geopolitical environment and its impact on doing business in India.

### Mode of survey:

The questionnaire was sent out to the respondents in electronic format through the survey link.

In the electronic format, selections were automated from drop-down boxes so that only one answer could be selected (unless multiple choices were consciously allowed) and no question is skipped. Hence, all the percentage figures represent responses to a question and a proportion of the overall respondents **unless otherwise specified**.



# Our offices

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"UB City", Canberra Block  
No. 24, Vittal Mallya Road  
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Langford Town  
Bengaluru - 560 025  
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### Bhubaneswar

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Chandaka SEZ, Bhubaneswar  
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### Chandigarh

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Opp Jaipur Stock Exchange  
Jaipur, Rajasthan - 302018

### Kochi

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Tel: + 91 484 433 4000

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Dadar (W),  
Mumbai - 400 028  
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5<sup>th</sup> Floor, Block B-2  
Nirlon Knowledge Park  
Off. Western Express Highway  
Goregaon (E)  
Mumbai - 400 063  
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3<sup>rd</sup> Floor, Unit No 301  
Building No. 1  
MindSPACE Airoli West (Gigaplex)  
Located at Plot No. IT-5  
MIDC Knowledge Corridor  
Airoli (West)  
Navi Mumbai - 400708  
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10<sup>th</sup> Floor, Smartworks  
M-Agile, Pan Card Club Road  
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## NSE

### National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai - 400 051  
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## Ernst & Young Merchant Banking Services LLP

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National Stock Exchange of India (NSE) is the world's largest derivatives exchange by trading volume (contracts) as per the statistics maintained by Futures Industry Association (FIA) for calendar year 2023. NSE is ranked 3rd in the world in the cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for calendar year 2023. NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading, clearing members and listed companies with the rules and regulations of SEBI and the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. For more information, please visit: [www.nseindia.com](https://www.nseindia.com)

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