

NSE IPO

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- NSE is the largest platform for derivatives trade globally and enjoys a tag of “Premier” Exchange of India.
- It struggled for nearly a decade for its maiden IPO, but has finally cleared major hurdles.
- It maintains its lead with new trading platforms with novel ideas.
- It witnessed a minor setback for FY26 in its top and bottom lines, following geopolitical tension.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors can park funds for medium to long term rewards.
- As NSE has cleared major hurdles, this long waited mega IPO is cleared by SEBI. The company originally planned to off-load 111411970 equity shares (22.5% of its total paid up equity capital at that time, via Offer for Sale (OFS) as indicated in its DRHP dated December 28, 2016. As per revised DRHP dated June 17, 2026, it planned to off-load 148905525 equity shares, but when we got RHP, it indicates 126436650 equity shares on offer with a price band of Rs. 1700 – Rs. 1785 per share having a Face Value of Re. 1. NSE struggled for nearly a decade to get floating of its IPO from regulator SEBI. The issue size stands lowered to around Rs. 22562 cr.
- What is note worthy here is Mr Ashish Chauhan, who during his tenure with BSE turned instrumental in bringing the IPO of oldest bourse BSE (The Bombay Stock Exchange), and now as MD of NSE, he is involved in bringing IPO of this premier exchange. Thus, he has to his credit both bourses maiden floats.

About the Company

National Stock Exchange of India Ltd. (NSE), its journey began in November 1992 with a vision to integrate stock trading across India. Over the years, it believes it has played a pivotal role in transforming the capital markets in India by democratizing access and enabling efficient capital flows through a transparent, technology-driven ecosystem. This transformation is reflected in the expansion of its Unique Registered Investors base which has grown at a CAGR of 26.23% from 30.87 million as of March 31, 2020 to 132.37 million as of June 30, 2026, while the aggregate Market Capitalisation of Listed Entities⁴ on its platform (Mainboard and EMERGE) grew at a CAGR of 25.89% during the same period.

NSE has been the largest stock exchange in India in terms of total turnover in cash market and total turnover in equity derivatives (based on notional turnover for equity options) from Fiscal 2011 to Fiscal 2026 and the three months period ended June 30, 2026, and has also been the largest stock exchange in India in terms of total turnover in exchange-traded currency derivatives (based on

notional turnover for currency options) from Fiscal 2009 to Fiscal 2026 and three months period ended June 30, 2026, according to the Redseer Report. According to World Federation of Exchanges, compared to the leading listed stock exchange groups 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 Fiscal 2026 and the three months period ended June 30, 2026, with a global market share of 11.38% in number of trades in cash equities and 51.18% in contracts traded in equity derivatives in Fiscal 2026, and a global market share of 10.68% in number of trades in cash equities and 50.22% in contracts traded in equity derivatives in the three months period ended June 30, 2026. It is a “first level regulator” in India, and in that role are committed to providing equal, unrestricted, transparent and fair access to the stock market to all market participants, including investors, issuers and intermediaries, while maintaining orderly and efficient market functioning and safeguarding investor interests.

NSE operates a vertically integrated stock 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. The company offers a diversified range of products across multiple asset classes, including cash market, futures, options, mutual funds platform, commodity derivatives, exchange-traded currency derivatives, wholesale debt market and interest rate futures, among others. 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.

NSE introduced new offerings to meet the evolving needs of market participants. Its product portfolio spans cash market, futures, options, mutual funds platform, commodity derivatives, exchange-traded currency derivatives, wholesale debt market and interest rate futures, among others, and it continues to expand offerings across asset classes. It introduced electronic gold receipts on its platform as well as expanded commodity derivatives offering to include new products such as 10-gram gold futures contracts, Dated Brent crude oil (Platts) futures, electricity futures and Indian natural gas futures. It has 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. NSE also entered into collaboration with Indian Gas Exchange Limited (IGX), followed by the launch of Indian natural gas Futures.

As of Fiscal 2026 and three months period ended June 2026, it maintains leading market share positions in India across key asset classes, with market share of 92.99% and 93.05%, respectively, in cash market (based on total turnover), 99.79% and 99.72%, respectively, in equity futures (based on total turnover), 74.71% and 68.48%, respectively, in equity options (based on premium turnover), 99.48% and 100.00%, respectively, in exchange-traded currency futures (based on total turnover),

100.00% and 100.00% for exchange-traded currency options (based on total premium turnover), according to the Redseer Report. Further, it had a market share of 85.65% and 81.15%, respectively, in value of trades in listed and unlisted corporate bonds (executed on over-the-counter (“OTC”), request for quote (“RFQ”) and anonymous platform and settled through clearing corporations in India) in Fiscal 2026 and three months period ended June 2026, according to the Redseer Report. NSE, on a standalone basis had 2008 employees on its payroll, and its subsidiaries had 906 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 126436650 equity shares of Re. 1 each (worth Rs. 22568.94 cr.at the upper cap). This is a pure secondary offer by way of Offer for Sale (OFS). The company has announced a price band of Rs. 1700 – Rs. 1785 per equity shares. The issue opens for subscription on September 17, 2026, and will close on September 21, 2026. The minimum application to be made is for 8 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on only on BSE. The issue constitutes 5.11% of the post-IPO paid-up equity capital. This secondary issue is purely for providing exit to some of its stakeholders and unlock listing gains benefit as well as turn it more visible and transparent.

The company has reserved equity shares worth Rs. 70.00 cr. (approx. 392157 shares at the upper cap) for its eligible employees and offering them a discount of Rs. 170 per share. From the rest, it has allocated not more than 50% for QIBs, not less than 15% for HNIs and not less than 35% for Retail investors.

The joint Book Running Lead Managers (BRLMs) to this issue are Kotak Mahindra Capital Co. Ltd., JM Financial Ltd., Morgan Stanley India Co. Pvt. Ltd., Citigroup Global Markets India Pvt. Ltd., HSBC Securities and Capital Markets (India) Pvt. Ltd., J. P. Morgan India Pvt. Ltd., Anand Rathi Advisors Ltd., Avendus Capital Pvt. Ltd., Axis Capital Ltd., DAM Capital Advisors Ltd., Equirus Capital Ltd., HDFC Bank Ltd., ICICI Securities Ltd., ISBI Capital Markets & Securities Ltd., IIFL Capital Services Ltd., Motilal Oswal Investment Advisors Ltd., Nuvama Wealth Management Ltd., Pantomath Capital Advisors Pvt. Ltd., and 360 ONE WAM Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. There is a big team of 19 merchant bankers for marketing of this mega IPO.

After issuing initial equity shares at par value, the company has issued further equity shares at a fixed price of Rs. 3 per share, between June 1999, and July 1999. It has also issued bonus shares in the ratio of 1 for 10 in November 2016, 4 for 1 in November 2024. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.32, Rs. 0.38, Rs. 0.46, Rs. 0.50, Rs. 0.54, Rs. 0.80, Rs. 5.26, Rs. 18.06, Rs. 62.38, Rs. 66.54, Rs. 71.82, Rs. 169.49, Rs. 238.42, Rs. 274.14, Rs. 302.98, Rs. 324.13, Rs. 640.00, Rs. 660.02, Rs. 1030.00, and Rs. 1826.85 per share.

Post-IPO, its current paid-up equity capital of Rs. 247.50 cr. (2475000000 equity shares) will stand same as this is an Offer for Sale. Based on the upper cap of the price band, the company is looking

for a market cap of Rs. 441787.50 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 16352.06 cr. / Rs. 8406.48 cr. (FY24), Rs. 19176.83 cr. / Rs. 11605.75 cr. (FY25), and Rs. 18713.37 cr. / Rs. 10179.53 cr. (FY26). For Q1 of FY27 ended on June 30, 2026, it earned a net profit of Rs. 3121.88 cr. on a total income of Rs. 5252.17 cr. Thus, it marked steady growth in its top and bottom lines for the reported periods. With its plans to add more and more revenue base trading platform creations, it is confident of maintaining its earning ratios. As of June 30, 2026, its overall contingent liabilities stood at Rs. 12226.08 cr.

For the last three fiscals, the company has posted an average EPS of Rs. 42.82 and an average RoNW of 9.25 %. The issue is priced at a P/BV of 12.54 based on its NAV of Rs. 142.40 as of June 30, 2026, as well as on post-IPO basis.

If we attribute FY27 annualized earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 35.38. Based on FY26 earnings, the P/E stands at 43.4. The issue appears fully priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 47.13% (FY24), 55.30% (FY25), 50.98% (FY26), 58.78% (Q1-FY27), and RoCE margins of 45.50%, 52.11%, 42.80%, 11.55% respectively, for the referred periods.

Dividend Policy

The company has paid a dividend of 1800% for FY24, and 3500% for FY25 and FY26. It has already adopted a dividend policy in August 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown BSE Ltd., as its listed peers. It is currently trading at a P/E of 48.8 (as of September 11, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

The nineteen BRLMs associated with this issue has handled 171 IPOs in the last three fiscals and out of which 47 IPOs closed below the issue price on listing date.

Conclusion / Investment Strategy

NSE is the largest platform for derivatives trade globally and enjoys a tag of “Premier” Exchange of India. It struggled for nearly a decade for its maiden IPO, but has finally cleared major hurdles. It maintains its lead with new trading platforms with novel ideas. It witnessed a minor setback for FY26 in its top and bottom lines, following geopolitical tension. It is just diluting 5.11% stake to unlock listing benefits. Based on its recent average financial data, the issue appears fully priced. Well-informed investors can park funds for medium to long term rewards.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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