

National Stock Exchange of India Ltd.

September 16, 2026

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National Stock Exchange of India Limited ("NSE" or "the Company") is India's largest stock exchange and, according to the World Federation of Exchanges, the world's largest derivatives exchange by number of contracts traded for seven consecutive years. Incorporated in November 1992 and recognised as a stock exchange by the Ministry of Finance in April 1993, NSE introduced fully automated, screen-based trading in India in Fiscal 1995. It operates a vertically integrated, multi-asset exchange spanning trading (cash market, equity derivatives, currency, commodity, debt and mutual fund platforms), clearing and settlement (through NSE Clearing Limited and NSE IFSC Clearing Corporation), listing, index services (the Nifty family), market data and connectivity, and an international exchange at GIFT City (NSEIX). As a Market Infrastructure Institution, NSE also acts as a "first level regulator". The Company does not have an identifiable promoter; led by Life Insurance Corporation of India (10.72%).

Key investment positives

- Dominant, entrenched market leadership: largest stock exchange in India by cash market turnover and by equity derivatives (notional) turnover every year since Fiscal 2001. In Fiscal 2026 NSE held 92.99% of cash market turnover, 99.79% of equity futures, 74.71% of equity options premium, 99.48% of currency futures and 100% of currency options. Globally, it accounted for 11.38% of cash equity trades and 51.18% of equity derivative contracts traded. (Source: Redseer Report, World Federation of Exchanges)
- Best-in-class profitability: the highest adjusted operating EBITDA margin (75.48%) among leading listed exchange groups globally in Fiscal 2026, a PAT margin of 55.05% and RoAE of 32.98% on the same basis (Source: Redseer Report). Normalised operating EBITDA margin has held in a tight 76–78% band across FY24–FY26 and was 77.75% in Q1 FY27.
- Riding India's financialisation: Unique Registered Investors grew from 30.87 million (March 2020) to 132.37 million (June 2026), a 26.23% CAGR, yet investor penetration is only 13.45% of the adult population. Cash market turnover is projected to grow at a 14–16% CAGR and equity futures turnover at 16–18% between Fiscal 2026 and Fiscal 2030P. (Source: Redseer Report)
- Vertically integrated ecosystem with growing non-transaction income: NSE Clearing is India's largest clearing corporation (88.42% of cash market cleared value in FY26); Nifty indices anchor 72.53% of India's passive fund AUM (₹8.14 trillion); colocation racks rose from 934 to 1,868 between FY24 and June 2026. Licensing revenue grew at a 24.77% CAGR and data feed revenue at 17.71% over FY24–FY26.
- India's capital formation hub: 219 IPOs in Fiscal 2026 (108 Mainboard and 111 SME), placing NSE among the top two exchange groups globally by new listings; ₹4.78 trillion of equity and ₹20.33 trillion of total funds mobilised on the platform in Fiscal 2026; 3,005 Listed Entities with a market capitalisation of ₹474.08 trillion as of June 30, 2026.
- Debt-free, cash-generative balance sheet with high payout: total equity of ₹352,442.34 million and no borrowings as of June 30, 2026, a Core Settlement Guarantee Fund of ₹133,923.06 million and treasury investments of ₹681,980.37 million. Dividend per share rose from ₹18 (FY24, bonus-adjusted) to ₹35 (FY26), a 39.44% CAGR, implying a payout of about 84% of FY26 EPS.
- Improving near-term momentum: Q1 FY27 revenue from operations rose 13.10% year-on-year to ₹45,604.10 million and PAT rose 6.71% to ₹31,200.84 million, with cash market ADTV up 25.25% and equity options premium ADTV up 15.92%. Operating EBITDA margin expanded to 78.81%.
- Key regulatory overhang largely addressed and priced below recent private deals: the Colocation and Dark Fibre matters were settled with SEBI for ₹14,912.07 million (fully provided in FY26; balance of ₹7,147.37 million paid on July 31, 2026), and the Supreme Court disposed of the Dark Fibre appeals on September 3, 2026. The offer price of ₹1,785 is about 0.91x the weighted average cost of acquisition of shares transacted by selling shareholders in the last one year (₹1,954.51).

Key watch-outs

- High dependence on equity options: transaction charges formed 78.65% of FY26 revenue from operations, with the options business alone contributing 60.22% (60.17% in Q1 FY27).
- Steady erosion of equity options market share: NSE's share of options premium turnover fell from 96.86% (FY24) to 87.43% (FY25), 74.71% (FY26) and 68.48% (Q1 FY27), after SEBI restricted each exchange to one weekly index expiry and NSE and BSE moved to Tuesday and Thursday expiries respectively. BSE's options premium ADTV reached ₹296.15 billion in Q1 FY27, versus ₹21.33 billion in FY24.
- Regulatory tightening on F&O is already visible in the numbers: SEBI's phased derivatives measures (larger contract sizes, upfront premium collection, expiry-day margins) and higher STT from April 1, 2026 (futures 0.02%→0.05%; options premium 0.10%→0.15%) contributed to a 3.15% decline in FY26 revenue from operations and a 12.29% fall in PAT from continuing operations. Equity options notional ADTV fell from ₹323.57 trillion (FY24) to ₹258.28 trillion (FY26).
- A long regulatory and litigation record: SEBI settlement fees of ₹14,315.57 million in FY26 and ₹6,701.84 million in FY25 (the latter for the TAP matter); contingent liabilities including the MSEI/CCI competition matter (₹9,124.90 million, 2.61% of net worth) and income tax disputes (₹6,654.22 million). SEBI's no-objection requires listing to be completed before January 30, 2027.
- Public-utility mandate constrains commercial freedom: as an MII, NSE must prioritise regulatory and risk functions, cannot offer volume discounts or preferential pricing, and Public Interest Directors are appointed without shareholder approval. Ownership is capped at 5% per holder (15% for specified institutions), with aggregate foreign holding capped at 49% — limiting any control premium.
- Rising cost base and technology risk: technology expenses grew from ₹7,861.71 million (5.32% of revenue, FY24) to ₹13,145.75 million (7.92%, FY26); other expenses excluding SEBI settlement fees rose 20.66% in FY26. As a Critical Information Infrastructure, NSE faces heightened cyber risk and disclosed a distributed denial-of-service attack in 2025 along with a history of system glitches, including the February 2021 trading halt.

Valuation and Outlook: At the offer price of ₹1,785, NSE's market capitalisation is about ₹4,41,788 crore, or 42.9x FY26 EPS of ₹41.62, 13.8x FY26 book value of ₹129.75 per share (12.5x June 2026 book value) and 26.6x FY26 revenue from operations. BSE, the only listed peer, trading at 55x FY26 EPS and 20.7x FY26 book value. NSE is therefore priced at about a 23% P/E discount and a 33% P/B discount to BSE, even though it earned 4.1x BSE's FY26 profit and 3.4x its revenue with a market capitalisation only 3.2x as large. On FY27E basis, NSE is at 35.4x against 39.5x for BSE. The key counterpoint is growth: BSE's FY26 profit rose 88% while NSE's fell 15%, so BSE's premium reflects its options market share gains. NSE's FY26 dividend of ₹35 implies a 2.0% yield, against about 0.3% for BSE. Adjusting for treasury investments strengthens NSE's relative valuation, widening its discount to BSE from about 23% to 30% on FY26 P/E and from about 11% to 20% on operating-EBITDA multiples.

NSE is a rare, near-monopoly compounder in Indian capital markets: a debt-free, high-payout franchise with RoE of about 33%, normalised operating margins above 75%, and a structural runway from under-penetrated investor participation, index-linked passive investing, and new markets such as electricity, natural gas and coal. The key debate is near-term growth: revenue grew at only a 5.98% CAGR over FY24–FY26 as F&O regulation and options share loss to BSE offset strength elsewhere, and reported FY26 earnings were affected by one-offs (a ₹13,912.07 million SEBI settlement provision, partly offset by a ₹12,009.41 million gain on the NSDL stake sale). At the price band, the valuation is not cheap in absolute terms, but it appears reasonable against BSE and the quality of the franchise. The IPO suits long-term investors who can look through derivatives-driven volatility in earnings; the small float (about 5.1% of equity) and the scarcity of listed exchange assets could also support demand.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROA
FY24	147800	125%	114535	67%	84065	33.6	37.4	-
FY25	171407	16.0	147072	74%	116058	49.2	44.9	-
FY26	166013	-3.1	133767	67%	101795	41.6	33.0	-

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Issue Snapshot

Issue Open	17-Sep-26
Issue Close	21-Sep-26
Price Band	1700-1785
Issue Size (Shares)	12,64,36,650
Market Cap (mln)	44,17,875

Particulars

Fresh issue (mln)	NIL
Offer for Sale (mln)	225689
QIB	50%
Non-institutionals	15%
Retail	35%

Capital Structure

Pre Issue Equity	2,47,50,00,000
Post Issue Equity	2,47,50,00,000
Bid Lot	8
Minimum Bid amount @1700	13,600
Maximum Bid amount @1785	14,280

Share Holding Pattern

	Pre Issue	Post Issue
Non-promoter / non-public	32.5%	-
Public	67.5%	100.0%

Particulars

Face Value	INR 1
Book Value	INR 129.75
EPS, Diluted	INR 41.62

Objects of the Issue

(Rs mn)

1. Offer for Sale	225689
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2. INDUSTRY OVERVIEW — INDIAN CAPITAL MARKETS AND STOCK EXCHANGES

2.1 Macro backdrop

India is the fastest-growing G20 economy, with real GDP growth of 7.60% in Fiscal 2026. According to the IMF's April 2026 World Economic Outlook, nominal GDP expanded from US\$0.47 trillion in Fiscal 2001 to US\$3.92 trillion in Fiscal 2026 and is projected to grow at 9.61% a year to US\$6.79 trillion by Fiscal 2032P, when India is expected to become the world's third-largest economy. Macro stability has improved alongside growth: CPI inflation averaged 5.07% between Fiscal 2021 and Fiscal 2026, the current account deficit was about 0.60% of GDP in Fiscal 2026, and the fiscal deficit narrowed from about 9.20% of GDP in Fiscal 2021 to about 4.40% in Fiscal 2026 (RE), with 4.30% budgeted for Fiscal 2027. One of the "Big 3" agencies upgraded India's sovereign rating to BBB in August 2025. The West Asia crisis remains an external headwind through higher oil import costs and potential disruption to Gulf remittances. The demographic and income base for capital market participation continues to widen. India's median age was 28.83 years in CY2025, and gross national income per capita rose from ₹144,512 in Fiscal 2021 to ₹240,147 in Fiscal 2026. Households earning above ₹0.80 million are projected to rise from 34.38% of the population in Fiscal 2026 to 42.74% by Fiscal 2031P, while household gross savings reached 21.70% of GDP in Fiscal 2025.

2.2 Financialisation of savings: rapid growth from a low base

Participation in Indian capital markets has expanded rapidly but remains shallow. Demat accounts grew from 55.13 million in March 2021 to 224.51 million in March 2026, and SIP contributions nearly quadrupled over the same period. Mutual fund AUM reached ₹73.73 trillion in March 2026 (an 18.60% CAGR since March 2021) and ₹82.22 trillion in June 2026, with cities beyond the top 30 lifting their share to 19.31%. Yet the 139 million-plus unique investors represent only 13.45% of India's adult population, and the corporate bond market is about 17.10% of GDP, well below China (about 38.40%), the US (about 38.20%) and South Korea (about 75.70%). Over 30 years to June 2026, the Nifty 50 delivered annualised returns of 10.73% in rupee terms, and India is now the fourth-largest equity market globally.

Participation indicators

Indicator	Earlier	Latest	Change
Demat accounts (million)	55.13 (Mar-21)	224.51 (Mar-26)	32.43% CAGR
NSE Unique Registered Investors (million)	39.89 (Mar-21)	129.09 (Mar-26)	26.5% CAGR
SIP contributions (₹ billion)	960.80 (FY21)	3,495.89 (FY26)	29.5% CAGR
Mutual fund AUM (₹ trillion)	—	73.73 (Mar-26)	18.60% CAGR since Mar-21
Investor penetration (% of adults)	—	13.45% (Mar-26)	—
Corporate bonds outstanding (% of GDP)	—	~17.10% (FY26)	vs ~38% for US and China

Source: RHP

Turnover outlook by segment (Fiscal 2026 to Fiscal 2030P)

Segment	FY26 (₹ trillion)	FY30P (₹ trillion)	Projected CAGR
Cash market turnover	280.26	473–507	14–16%
Equity futures turnover	394.67	715–765	16–18%
Equity options premium turnover	190.65	269–289	9–11%
Corporate bonds turnover	21.18	35–41	13–18%
Currency and commodity futures turnover	175.29	307–363	15–20%
Currency and commodity options premium turnover	16.83	35–41	20–25%

Source: RHP

2.3 Market structure and competition

India's exchange industry is highly concentrated. NSE and BSE are the two multi-asset exchanges; MCX operates primarily in commodity derivatives and is smaller in scale, so could not be treated as a direct peer. NSE's share of cash and equity futures turnover has been stable above 92% and 99% respectively, but equity options — the industry's largest revenue pool — have become genuinely contested since SEBI's expiry-day rationalisation in 2024–2025.

NSE market share by segment

Segment	FY24	FY25	FY26	Q1 FY27
Cash market (total turnover)	92.50%	93.57%	92.99%	93.05%
Equity futures (total turnover)	99.94%	99.89%	99.79%	99.72%
Equity options (premium turnover)	96.86%	87.43%	74.71%	68.48%
NCL share of cash market cleared value	—	—	88.42%	86.63%
NCL share of equity derivatives cleared value	—	—	91.04%	91.20%

Source: RHP

NSE vs BSE: key metrics

Metric	NSE FY26	BSE FY26	NSE Q1 FY27	BSE Q1 FY27
Revenue from operations (₹ mn)	166,013	48,339	45,604	15,660
Transaction charges (₹ mn)	130,570	37,950	36,226	13,277
Listing services (₹ mn)	3,524	5,190	783	1,007
Profit for the period (₹ mn)	103,020	24,872	31,200	8,726
Operating EBITDA margin	66.8%	64%	78.8%	67%
PAT margin	50.9%	48%	58%	51%
Cash market ADTV (₹ bn)	1,055	79	1,359	99
Equity futures ADTV (₹ bn)	1,594.43	3.42	1,530.79	4.23
Equity options premium ADTV (₹ bn)	576.6	195.2	643.5	296.2
Listed entities (#)	2,978	5,955	3,005	6,012
Mainboard / SME IPOs (#)	108 / 111	109 / 146	8 / 14	8 / 24
Passive AUM linked to own indices (₹ tn)	8.14	2.50	8.95	2.60

Source: RHP

2.4 The exchange business model

Exchanges earn a mix of volume-linked and recurring revenue, with a largely fixed technology cost base that creates strong operating leverage as volumes rise. The main streams are:

- **Transaction charges:** fees levied on trading members per trade or on turnover/premium across cash, futures, options and other segments — the dominant revenue line, and the most sensitive to market activity and regulation.
- **Listing services:** initial listing, processing and book-building fees plus recurring annual listing fees from issuers.
- **Data centre and connectivity:** colocation rack rentals and connectivity charges paid by brokers, institutions and high-frequency traders for low-latency access.
- **Data feed, terminal and index licensing:** real-time and historical data distribution, and licence fees or royalties from index funds, ETFs and derivatives linked to proprietary indices.
- **Clearing and settlement:** fees earned by clearing corporations, which also operate the settlement guarantee framework and manage margins and collateral.
- **Treasury income:** returns on the exchange's own surplus funds and on operating funds, reported partly within revenue and partly as other income.

Clearing corporations maintain a Core Settlement Guarantee Fund, readily available to meet settlement obligations if a clearing member defaults, while the Investor Protection Fund Trust compensates investors for trading member defaults. Contributions to these funds are a recurring call on exchange profits, particularly when regulators revise minimum corpus requirements.

2.5 Regulatory landscape

Exchanges are regulated by SEBI under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations"). Recent regulatory changes have reshaped the derivatives market and the economics of the business:

- Ownership limits: public shareholders must hold at least 51%; trading members and associates are capped at 49%; individual holdings are capped at 5% (15% for specified public financial institutions, insurers, banks, depositories and exchanges); holders above 2% must be "fit and proper"; and aggregate foreign holding is capped at 49%.
- July 2024 — "True to Label" circular: uniform charge structure for all members, ending the practice of brokers retaining the gap between client charges and exchange charges. NSE says its redesigned pricing closely replicated existing realisation rates.
- October 2024 — Core SGF: clearing corporations with at least 40% clearing share must maintain a minimum corpus of ₹105,000 million for equity derivatives, which NSE Clearing achieved by December 31, 2024.
- November 2024 onwards — equity index derivatives framework: one weekly expiry per exchange, larger minimum contract sizes, upfront collection of option premiums, additional expiry-day margins on short options and intraday position-limit monitoring. From September 2025, NSE contracts expire on Tuesdays and BSE contracts on Thursdays.
- April 1, 2026 — STT increase on equity derivatives: futures from 0.02% to 0.05%, options premium from 0.10% to 0.15%, and option exercise from 0.125% to 0.15%.
- RBI currency derivatives framework: exchange-traded rupee derivatives restricted to hedging purposes, with documentation and position-limit requirements — one reason for lower currency derivatives volumes.
- July 2026 — RBI directions on credit to capital market intermediaries: bank credit facilities to brokers and clearing members, including intraday facilities, must generally be fully secured.
- August 2026 — closing auction session introduced in the equity cash segment for derivative-eligible stocks, with a revised pre-open session effective September 7, 2026.
- Clearing interoperability: allows participants to clear trades through competing clearing corporations, which increases fee competition in post-trade services.

2.6 Global benchmarking

Indian exchanges sit at the efficient end of the global cost spectrum, helped by single-market operations, a unified electronic platform, highly standardised products and India-based cost structures. In Fiscal 2026, NSE's non-volume-linked expenses were 22.73% of revenue from operations. Global exchanges have also relied far more on M&A for growth, whereas NSE's revenue growth has been largely organic.

Profitability of leading listed exchange groups (latest fiscal year)

Exchange	Adj. operating EBITDA margin	PAT margin	RoAE
NSE	75.48%	55.05%	32.98%
BSE	65.28%	48.31%	45.00%
MCX	71.53%	54.82%	46.75%
HKEX	73.19%	56.98%	31.70%
B3	72.09%	34.57%	25.58%
CME Group	69.94%	62.45%	14.56%
JPX	64.01%	38.13%	18.26%
Euronext	61.20%	42.53%	16.77%
SGX	60.39%	44.61%	31.15%
TMX	55.42%	27.60%	8.91%
ICE	51.89%	26.30%	11.92%
LSEG	46.88%	15.84%	5.84%
Deutsche Börse	40.38%	28.20%	18.07%
Nasdaq	37.10%	21.53%	15.26%
Cboe	34.71%	23.05%	23.25%

Source: RHP

3. ABOUT THE COMPANY

3.1 Business overview

NSE operates a vertically integrated, multi-asset exchange offering trading, clearing, listing, index, data and connectivity services under a unified membership, technology and risk framework. Cross-segment margin fungibility lets participants use capital deployed in one segment against exposures in another, which reinforces liquidity on the platform. As of June 30, 2026, NSE supported 261.36 million registered investor accounts, 1,328 trading members and 132.37 million Unique Registered Investors spread across over 99% of Indian postal codes. It had 3,005 Listed Entities (including 565 SME companies) with a market capitalisation of ₹474.08 trillion and employed 2,914 people.

The business is run through a set of subsidiaries and associates. **NSE Clearing Limited** (established 1995, rated CRISIL AAA since 2008) is India's largest clearing corporation. **NSE Indices** manages 435 indices, including the Nifty 50. **NSE Data & Analytics** and **NSE Cogencis** provide market data, news and analytics. **NSEIX** at GIFT City (with NSEICC as its clearing arm, rated CARE AAA) held about 99.8% of equity derivatives contracts traded at GIFT IFSC in FY26 and trades about 21 hours a day. **National Coal Exchange of India Limited** was incorporated as a wholly owned subsidiary on June 19, 2026 after SEBI approval. Associates include NSDL (stake reduced from 24% to 15% after its August 2025 listing), Indian Gas Exchange (24.75%) and Market Simplified India (21.06%). NSE has exited NSEIT and its stakes in Protean eGov Technologies and Power Exchange India.

Technology is built and run largely in-house. The platform processed an average of 12.46 billion messages a day between April 2024 and June 2026, with a peak of 21.89 billion order messages on March 24, 2026 (201.00 million trades) and a record 293.85 million trades on June 4, 2024. It can handle about 5 million messages per second with microsecond response times and nanosecond order acknowledgement. Infrastructure comprises seven data centres, including a fully mirrored disaster recovery site (switchover in under 45 minutes) and a near data centre for near-zero data loss, supporting over 200,000 trading terminals across more than 1,400 cities. NSE is designated Critical Information Infrastructure and reported zero data breaches in FY24, FY25, FY26 and Q1 FY27.

3.2 Operating and trading metrics

Particulars	Q1 FY27	Q1 FY26	FY26	FY25	FY24
Unique Registered Investors (mn)	132.37	116.23	129.09	112.81	91.75
Listed Entities (#)	3,005	2,757	2,978	2,719	2,438
Colocation member racks (FRE)	1,868	1,300	1,680	1,300	934
Nifty indices (#)	435	417	425	412	388
ADTV – cash market (₹ bn)	1,359.49	1,085.42	1,055.17	1,129.63	817.21
ADTV – equity futures (₹ bn)	1,530.79	1,684.30	1,594.43	1,859.01	1,340.00
ADTV – equity options premium (₹ bn)	643.52	555.14	576.62	624.49	617.79
ADTV – equity options notional (₹ tn)	249.21	220.89	258.28	312.84	323.57
IPOs – Mainboard / SME (#)	8 / 14	9 / 24	108 / 111	79 / 163	75 / 138
Total equity raised (₹ tn)	1.29	0.96	4.78	4.50	2.43
Total fund mobilisation (₹ tn)	6.19	5.17	20.33	18.68	13.86

Source: RHP

3.3 Revenue mix

Transaction charges remain the core of the business, and within them options dominate. The non-transaction lines — colocation, data, licensing and listing — are smaller but growing faster and are less exposed to derivatives regulation. In FY26, transaction charges fell 4.24% as cash, futures and options ADTV declined, partly offset by a 7.08% improvement in options price realisation. Clearing and settlement revenue fell 21.75% on fewer contracts cleared for other exchanges.

Revenue stream (₹ mn)	Q1 FY27	Q1 FY26	FY26	FY25	FY24
Transaction charges – cash market	5,023.20	3,936.80	15,546.43	16,885.49	12,359.10
Transaction charges – futures	3,674.81	3,820.46	14,800.97	17,272.58	12,489.75
Transaction charges – options	27,439.47	23,726.85	99,975.68	101,940.30	95,501.89
Transaction charges – MF and others	89.16	51.89	247.04	259.27	945.63
Total transaction charges	36,226.64	31,536.00	130,570.12	136,357.64	121,296.37
Listing services	783.59	776.42	3,524.36	3,138.21	2,226.18
Data centre – rack charges	593.88	458.17	2,051.75	1,544.02	1,338.14
Data connectivity charges	2,582.94	2,881.31	11,287.91	11,044.81	8,246.97
Data feed and terminal services	1,495.57	1,063.80	4,700.74	4,071.32	3,392.64
Licensing services	441.29	378.01	1,518.45	1,204.98	975.36
Clearing and settlement services	823.58	492.87	2,514.51	3,213.42	1,348.12
Income on investments (operating)	2,339.21	2,408.70	8,416.91	9,572.37	8,120.62
Others	317.40	327.10	1,428.34	1,260.01	855.71
Revenue from operations	45,604.10	40,322.38	166,013.09	171,406.78	147,800.11
Other income	6,917.64	7,662.12	21,120.61	20,361.53	15,720.51
Total income	52,521.74	47,984.50	187,133.70	191,768.31	163,520.62
Options as % of revenue from operations	60.17%	58.84%	60.22%	59.47%	64.62%
Transaction charges as % of revenue from ops	79.44%	78.20%	78.65%	79.55%	82.07%

Source: RHP

3.4 Key strengths

- Market leadership for over two decades, creating a deep, liquid market with self-reinforcing network effects: more participants bring more liquidity, which attracts more issuers and investors.
- Well positioned to benefit from India's structural growth — rising incomes, digital access, SIP-led financialisation and growing institutional participation — across trading, listing, index and data businesses.
- A brand associated with trust, backed by its role as a first level regulator: surveillance, listing compliance, listing investigation, membership supervision and investor grievance redressal, with penalties credited to the investor protection fund rather than to revenue.
- A record of product innovation through a vertically integrated model — India's first fully automated screen-based trading system, India's first clearing corporation with a settlement guarantee mechanism, and one of the first globally to move to T+1 and introduce T+0 settlement.
- A technology platform built for scale and resilience, with in-house development, fault-tolerant architecture, a 4:1 ratio of critical telecom links, and a track record of launching NSEIX on existing systems with minimal modification.
- A rare combination of scale, profitability and cash generation, with a low marginal cost of new products that allows self-funded investment and competitive pricing.
- An experienced management team and a governance framework that separates regulatory functions from commercial operations through information barriers.

3.6 Strategy

- **Act as a catalyst for capital formation.** Continue attracting issuers and investors across asset classes, extending the listing-and-liquidity flywheel into new markets.
- **Keep access transparent, orderly and fair.** Invest in price discovery, order matching, surveillance and investor protection initiatives, including joint campaigns with SEBI and multilingual digital access.
- **Modernise technology continuously.** Add over 1,800 more colocation racks (subject to demand), extend AI and generative AI tools for document review, surveillance and software delivery within an on-premises environment, and expand observability and security tooling.
- **Drive product innovation and diversification.** Recent launches include electricity futures (July 2025), electronic gold receipts, 10-gram gold futures, Nifty India FPI 150 futures and options (August 2026) and new thematic indices.
- **Organise large, unorganised markets.** Build a national coal exchange (SEBI approval April 2026), Indian natural gas futures (July 2026, settled on IGX prices) and Platts-linked Brent crude futures with S&P Global Energy.
- **Build GIFT City and global partnerships.** Grow NSEIX (including Nifty 50 same-day-expiry options), the NSEIX–SGX Connect and NSEIX Global Access for outbound investing, alongside MoUs with exchanges in Cyprus, Colombo and Taiwan.
- **Monetise market data.** Develop tiered real-time, historical and value-added data products as demand from systematic and AI-driven strategies grows.
- **Establish an offshore presence.** Engage sovereign funds, pensions and other global allocators closer to their decision centres and develop custom index solutions for them.

4. EQUITY HISTORY AND CAPITAL STRUCTURE

As of the date of the RHP, the authorised share capital is ₹5,000 million (5,000,000,000 Equity Shares of ₹1 face value each), against issued, subscribed and paid-up capital of ₹2,475 million comprising 2,475,000,000 Equity Shares of ₹1 each. The securities premium account is nil before and after the Offer. Because the Offer is entirely secondary, the post-Offer share count will be unchanged at 2,475,000,000 Equity Shares. The Company has no employee stock option scheme and no outstanding dilutive instruments.

Since NSE has no identifiable promoter, there is no minimum promoter contribution or 18-month lock-in. Instead, the entire pre-Offer share capital (other than shares successfully sold in the Offer, and subject to exemptions for eligible VCFs, AIFs and FVCIs) will be locked in for six months from allotment. Anchor investor shares are locked in for 30 days (50%) and 90 days (50%).

4.1 Share capital history

The equity base was built between 1992 and 1999 through subscription, preferential allotments and a rights issue, predominantly to public sector banks, financial institutions and insurers. There have been no cash allotments since July 1999. Subsequent changes reflect two bonus issues and a share split, and there has been no pre-IPO placement.

Date	Shares allotted	Nature of allotment	FV (₹)	Issue price (₹)	Cumulative shares
Nov 27, 1992	7	Subscription to MoA	10	10	7
Aug 9, 1993	10,000,000	Preferential allotment	10	10	10,000,007
Apr 15, 1994	14,999,993	Preferential allotment	10	10	25,000,000
Jun 29, 1999	14,760,000	Rights issue	10	30	39,760,000
Jun 29, 1999	5,000,000	Preferential allotment (ICICI, UTI)	10	30	44,760,000
Jul 15, 1999	240,000	Rights issue (unsubscribed portion, IDBI)	10	30	45,000,000
Nov 24, 2016	4,500,000	Bonus issue (1:10)	10	—	49,500,000
Dec 14, 2016	—	Sub-division from ₹10 to ₹1	1	—	495,000,000
Nov 4, 2024	1,980,000,000	Bonus issue (4:1)	1	—	2,475,000,000

Shareholders holding 1% or more

Shareholder	Equity Shares held	% of pre-Offer capital
Life Insurance Corporation of India	265,275,000	10.72%
Aranda Investments (Mauritius) Pte Ltd	112,463,356	4.54%
Stock Holding Corporation of India Limited	110,000,000	4.44%
SBI Capital Markets Limited	107,250,000	4.33%
Mahagony Limited	92,295,000	3.73%
State Bank of India	79,847,050	3.23%
PI Opportunities Fund I	58,200,000	2.35%
Crown Capital Limited	51,355,465	2.07%
DVI Fund (Mauritius) Limited	45,216,215	1.83%
TIMF Holdings	43,230,357	1.75%
General Insurance Corporation of India	40,700,000	1.64%
Canada Pension Plan Investment Board	39,580,200	1.60%
Radhakishan Shivkishan Damani	39,084,400	1.58%
National Insurance Company Limited	35,200,000	1.42%
The New India Assurance Company Ltd.	35,200,000	1.42%
The Oriental Insurance Company Limited	35,200,000	1.42%
TA Asia Pacific Acquisitions Limited	34,266,085	1.38%
MS Strategic (Mauritius) Limited	29,760,000	1.20%
2726247 Ontario Inc.	27,006,430	1.09%
Rimco (Mauritius) Limited	24,750,000	1.00%
Total	1,305,879,558	52.76%

Source: RHP.

5. VALUATION AND COMPARISON WITH BSE LTD

5.1 Investment and treasury-book adjustment

NSE: With a treasury book of ₹6,47,712.81 million (₹64,771.28 Cr) spread across its 247.50 Crore outstanding shares, cash and treasury assets account for **₹261.70 per share**. At an indicative IPO upper price band around ₹1,785, the treasury book alone backs **~14.6%** of NSE's per-share market value.

BSE: Holding ~₹7,800 Cr in free liquid investments and bank balances against ~40.79 Cr equity shares, its per-share cash/treasury backing stands at **~₹191.20 per share**. Relative to BSE's traded market price (~₹3,400–₹3,700), the treasury component represents **~5% to 5.5%** of its market valuation.

5.2 Net-cash-adjusted NSE vs BSE valuation

Metric (FY26, ₹ crore unless stated)	NSE	BSE	NSE premium / (discount)
Market capitalisation	4,41,788	1,38,028	NSE is 3.2x BSE
Less: treasury / liquid investment book	64,771	7,800	—
Illustrative net-cash-adjusted equity value	3,77,017	1,30,228	NSE is 2.9x BSE
FY26 profit	10,302	2,487	—
Headline FY26 P/E	42.9x	55.5x	(22.7%)
Net-cash-adjusted FY26 P/E	36.6x	52.4x	(30.1%)
FY26 operating EBITDA	11,098	3,079	—
Headline market cap / FY26 operating EBITDA	39.8x	44.8x	(11.2%)
Net-cash-adjusted value / FY26 operating EBITDA	34.0x	42.3x	(19.5%)

On a full treasury-book adjustment, NSE's FY26 P/E declines from 42.9x to 36.6x, while BSE's declines from 55.5x to 52.4x. NSE's discount therefore widens from about 23% on headline P/E to about 30% on a net-cash-adjusted basis. The same exercise lowers NSE's market-cap-to-operating-EBITDA multiple from 39.8x to 34.0x, versus 44.8x to 42.3x for BSE, widening NSE's discount from about 11% to about 20%. This reinforces NSE's relative valuation case because its treasury book represents a materially larger proportion of market value.

5.4 Reading the comparison

- **NSE is priced cheaper than BSE on every earnings and book measure.** At ₹1,785, NSE trades at a 23% P/E discount and a 33% P/B discount to BSE, and at lower multiples of revenue and operating EBITDA. It is a larger, more profitable business: 4.1x BSE's FY26 profit for 3.2x its market value.
- **NSE pays a far higher dividend.** A 2.0% yield against about 0.3% for BSE reflects NSE's mature payout (about 84% of FY26 EPS), which gives investors a steadier cash return.
- **BSE's premium is a growth premium.** BSE's revenue grew at an 88% CAGR over FY24–FY26 and its profit rose 88% in FY26, driven by its gains in equity options (from about 3% of premium turnover in FY24 to about 32% in Q1 FY27). NSE's profit fell 15% in FY26 over the same period.
- **The gap narrows on current run-rates.** On annualised June 2026 quarter profit, NSE is at 35.4x and BSE at 39.5x, a 10% discount, because BSE's recent quarters capture its growth. On annualised quarterly revenue, NSE is slightly more expensive (24.2x against 22.0x).
- **NSE carries more stability; BSE carries more momentum.** NSE is dominant in cash (93%) and futures (99.7%), and far larger in index licensing and colocation; BSE is more concentrated in the options battle, which leaves it more exposed if share gains stall or regulation changes again.
- **The key swing factor is options market share.** If NSE stabilises its options share, its discount to BSE looks too wide; if share erosion continues, a lower multiple than BSE's is justified.

Conclusion: At ₹1,785, NSE is valued at a meaningful discount to BSE despite being the larger, higher-margin, higher-yielding and more diversified exchange. The discount is explained by BSE's much faster recent growth and NSE's loss of options share, not by weaker business quality. On a relative basis, the offer price appears reasonable for long-term investors, with upside if NSE's June 2026 quarter recovery continues and its options share steadies. The main risks remain further derivatives regulation, continued share loss to BSE, and NSE's public-utility constraints on pricing.



Income Statement			
Y/E (INR mn)	FY24	FY25	FY26
Gross Sales	147800	171407	166013
Total Income	163521	191768	187134
Total Expenditure	48985	44734	53366
PBIDT	114535	147072	133767
PBIT	111960	154990	139358
PBT	111843	154748	138956
PAT	84065	116058	101795
EPS	33.6	49.2	41.6

Cash Flow			
Y/E (INR mn)	FY24	FY25	FY26
Profit Before Tax	111047	162080	140253
Adjustment	-20257	-44255	-35577
Changes In working Capital	246084	-40383	166014
Cash Flow after changes in Working Capital	336874	77442	270691
Tax Paid	-39431	-36528	-32329
Cash From Operating Activities	297443	40915	238362
Cash Flow from Investing Activities	-84630	-54310	-459
Cash from Financing Activities	-39937	-45997	-88089
Net Cash Inflow / Outflow	172876	-59392	149815
Opening Cash & Cash Equivalents	59747	232622	173230
Closing Cash & Cash Equivalent	232622	173230	323122

Balance Sheet			
Y/E (INR mn)	FY24	FY25	FY26
Sources of Funds			
Equity Paid Up	495.0	2475.0	2475.0
Reserves and Surplus	239249	301058	318660
Net Worth	239744	303533	321135
Total Debt			
Capital Employed	239744	303533	321135
Application of Funds			
Gross Block	36974	45940	50773
Investments	252849	309822	293423
Cash and Bank balance	291286	275142	472449
Net Current Assets	108474	208780	269966
Total Current Liabilities	317119	261063	418292
Total Assets	654640	694666	879374

Key Ratios			
Y/E (INR mln)	FY24	FY25	FY26
Growth Ratio			
Net Sales Growth(%)	124.7%	16.0	-3.1
EBITDA Growth(%)	10.8%	28.4	-9.0
PAT Growth(%)	12.1%	38.1	-12.3
Margin Ratios			
EBITDA	66.8%	73.8%	66.9%
PBT	67.6%	75.4%	69.4%
PAT	47%	55%	51%
Return Ratios			
ROE	37.4	44.9	33.0
ROA	-	-	-
Solvency Ratios			
Debt/Equity(x)	0	0	0
Valuation Ratios			
P/E	-	-	42.9
P/B	-	-	13.8



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