



Company Overview

National Stock Exchange of India Limited (NSE) is India's leading market infrastructure institution, operating a vertically integrated, multi-asset class exchange platform covering trading, clearing, settlement, listing, index licensing and market data services. Incorporated in 1992, NSE offers a broad range of products across cash equities, equity futures and options, currency derivatives, commodity derivatives, wholesale debt, interest rate futures and mutual fund distribution. Transaction charges remain the primary revenue stream, contributing 79.4% of operational revenue in Q1FY26, while other businesses include listing fees, colocation, data connectivity, online data feeds and terminals, clearing and index licensing. Its flagship Nifty franchise further extends its presence across the investment ecosystem through benchmark indices and related financial products. NSE has established a dominant position across major market segments, with 93.1% market share in cash equities, 99.7% in equity futures, 68.5% in equity options premium turnover and 100% in currency derivatives in Q1FY26. As of June 30, 2026, the exchange had 132.37 million unique registered investors, 261.36 million registered investor accounts, 1,328 trading members and 3,005 listed entities, representing an aggregate market capitalisation of Rs. 474.1 trillion. Its network extends across more than 99% of Indian postal codes, supported by over 200,000 trading terminals across 1,400+ cities and towns and 30+ points of presence. The exchange is also supported by seven data centres, including a primary data centre in Mumbai and a fully mirrored disaster recovery site in Chennai. The company's operations are supported by a vertically integrated ecosystem of subsidiaries and associates. NSE Clearing Limited (NCL) provides clearing and settlement services, while NSE Indices Limited manages the Nifty index franchise and a broad suite of benchmark indices. NSE Data & Analytics Limited and Cogencis provide market data, analytics and financial information services, while NSE International Exchange (NSEIX) and NSEIX Global Access expand NSE's international presence through GIFT City. NSE also has strategic interests in entities including NSDL, Indian Gas Exchange, Power Exchange India and RXIL, further extending its participation across the financial-market infrastructure ecosystem. Technology remains central to NSE's operations, with its proprietary NEAT platform processing an average of 12.5 billion messages daily. NSE is also expanding its technology infrastructure through additional colocation capacity and deploying Generative AI across areas such as surveillance, compliance and operational processes. Its growth initiatives extend beyond traditional financial markets, with expansion into electricity futures, electronic gold receipts, natural gas derivatives and the proposed National Coal Exchange, while its GIFT City operations seek to capture increasing international participation in Indian market-linked products.

Objects of the issue

The entire offer comprises an Offer for Sale (OFS), with no proceeds accruing to NSE. The offer proceeds will be received by the participating selling shareholders.

Investment Rationale

Unmatched market leadership creates a self-reinforcing liquidity moat

NSE's strongest competitive advantage lies in the depth and breadth of liquidity it has built across India's capital markets, making its leadership increasingly self-reinforcing. With market shares of 93.05% in cash equities, 99.72% in equity futures and 68.48% in equity options premium turnover in Q1FY26, NSE already operates at a scale that is difficult for competing exchanges to replicate. Its platform connects 132.37 million unique registered investors, 1,328 trading members and 3,005 listed entities, creating a large and diverse liquidity pool. This scale matters beyond market share: deeper liquidity improves execution, attracts more institutional and retail participation, and in turn encourages issuers and intermediaries to remain on the platform, strengthening the network effect. The growing participation base further supports capital formation, with NSE facilitating Rs. 20.33 trillion of total fund mobilisation in FY26. Importantly, the franchise is also extending beyond domestic trading, with NSEIX holding a 99.62% share of equity derivatives volumes at GIFT IFSC, while the Nifty ecosystem strengthens NSE's reach into passive investing and index-linked products. We believe this combination of market leadership, liquidity, participant scale and expanding ecosystem reach gives NSE a durable competitive moat and provides a strong foundation to compound volumes as India's capital markets deepen.

Issue Details

Offer Period	17th Sept 2026 - 21st Sept 2026
Price Band	Rs. 1,700 - Rs. 1,785
Bid Lot	8
Listing	BSE & NSE
Issue Size (no. of shares in crores)	12.6
Issue Size (Rs. in crores)	22,562
Face Value (Rs.)	1

Issue Structure

QIB	50%
NII	35%
Retail	15%

BRLM	Kotak, Morgan Stanley, HSBC, Anand Rath, Axis, Equirus, ICICI, IIFL, Nuvama, 360 ONE, JM, Citi, J.P. Morgan, Avendus, DAM, HDFC, IDBI, Motilal Oswal, Pantomath, MUFG.
------	--

Registrar	MUFG Intime Ltd.
-----------	------------------

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter	0.00%	0.00%
Public	100.00%	100.00%
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

National Stock Exchange of India Ltd. (NSE)

Scalable business model with multiple avenues for growth and monetisation

NSE benefits from an asset-light, technology-led business model where incremental volumes and new products can be added at relatively low marginal cost, allowing strong operating leverage as the platform scales. This is reflected in its 78.8% Operating EBITDA margin in Q1FY26, while its proprietary NEAT infrastructure provides the capacity to handle rising transaction volumes without a proportionate increase in costs. The same technology and market infrastructure can also be leveraged across multiple products, creating several avenues for growth beyond the core equity franchise. NSE is expanding colocation capacity, while entering newer segments such as electricity futures, natural gas derivatives, electronic gold receipts and the proposed National Coal Exchange, providing opportunities to monetise its existing infrastructure across traditionally fragmented markets. At the same time, the company is building higher-margin, relatively non-transactional revenue streams through market data, analytics and index licensing, supported by the strong Nifty franchise. Its international operations through NSEIX at GIFT City, alongside products such as GIFT Nifty and ODTE options, provide an additional avenue to capture offshore liquidity. The company is also integrating Generative AI into surveillance, compliance and operational processes, which can improve scalability and efficiency as the business expands. Overall, NSE has multiple growth levers across volumes, new products, data and indices, international markets and technology-led services, allowing it to broaden its monetisation base while continuing to benefit from the operating leverage inherent in its exchange model.

Valuation

National Stock Exchange of India Limited (NSE) is a dominant market infrastructure franchise with leading market shares across key asset classes, a vertically integrated ecosystem spanning trading, clearing, indices and data, and a highly scalable technology-led business model. Its strong liquidity and network effects are supported by 132 million unique registered investors, while its Nifty franchise, GIFT City operations and expansion into new asset classes provide additional avenues for monetisation. Financial performance remains strong, with revenue from operations increasing from Rs. 14,780 crores in FY24 to Rs. 16,601 crores in FY26, implying a 6.0% CAGR over FY24-FY26, while PAT increased from Rs. 8,306 crores to Rs. 10,302 crores, translating into a 11.4% CAGR over FY24-FY26. The business continues to exhibit strong operating leverage, with an adjusted Operating EBITDA margin of 67.6% and RoNW of 33.2% in FY26. NSE also reported Rs. 3,120 crores of PAT in Q1FY27, with an Operating EBITDA margin of 77.9%, highlighting the continued strength of the franchise. Against BSE, its only listed domestic comparable, NSE is being offered at 47.3x TTM earnings, versus 48.9x for BSE, despite NSE having substantially greater scale, market share and absolute profitability. The relatively comparable valuation is supported by NSE's superior franchise strength, higher operating leverage and broader ecosystem, although moderation in equity options activity remains a key near-term sensitivity. **At the upper price band, the issue is valued at 47.3x TTM earnings. Given NSE's dominant market position, strong profitability, scalable business model and multiple long-term monetisation opportunities, we assign a "SUBSCRIBE" rating to the issue.**

Risks

- ⇒ NSE remains highly dependent on transaction volumes, with transaction charges contributing 79.44% of revenue from operations in Q1 FY27, including 60.17% from equity options. Any sustained moderation in trading activity or loss of market share could adversely impact revenue and profitability.
- ⇒ NSE operates in a highly regulated industry and has faced regulatory observations, enforcement actions, penalties and adjudication proceedings. Further regulatory actions or adverse outcomes could result in financial liabilities, reputational damage and impact its business and cash flows.
- ⇒ NSE's operations are critically dependent on its IT infrastructure and trading systems. Any technical failure, system disruption or cybersecurity breach could interrupt trading, attract regulatory action or financial disincentives, and affect market participant confidence.
- ⇒ The top ten trading members contributed 47.00% of revenue from operations in Q1 FY27, creating concentration risk. Any disruption involving key members, alongside counterparty and settlement risks in its clearing operations, could adversely affect business performance.

National Stock Exchange of India Ltd. (NSE)

Income Statement (Rs. in Crores)

Particular	FY24	FY25	FY26	Q1FY27
Revenue				
Revenue from operations	14,780	17,141	16,601	4,560
Total revenue	14,780	17,141	16,601	4,560
Expenses:				
Employee benefits expenses	460	672	790	243
Regulatory fees	981	963	796	188
Other Expenses	1,728	2,625	3,790	579
Total operating expenses	3,169	4,260	5,376	1,009
EBITDA	11,611	12,881	11,225	3,551
Depreciation & amortization	440	547	624	163
EBIT	11,171	12,334	10,601	3,388
Other Income	1,572	2,036	2,112	692
PBT Before Adjustment	12,743	14,371	12,713	4,080
Share of profit/loss of Associates	101	129	108	26
Profit on sale of investments in associates/subsidiaries	81	1,209	1,201	20
Contribution to Core SGF	1,741	234	1	5
Impact of new Labour Code	0	0	-126	48
PBT from Continuing Operations	11,184	15,475	13,896	4,169
Tax expenses	2,778	3,869	3,716	1,048
PAT from Continuing Operations	8,406	11,606	10,180	3,122
PAT from Discontinuing Operations	-101	582	123	-2
Reported PAT	8,306	12,188	10,302	3,120
EPS	34.0	46.9	41.1	12.6

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1FY27
Cash Flow from operating activities	29,744	4,091	23,836	3,008
Cash flow from/(used in) investing activities	-8,463	-5,431	-46	-6,686
Net cash flows (used in) / from financing activities	-3,994	-4,600	-8,809	-41
Net increase/(decrease) in cash and cash equivalents	17,288	-5,939	14,981	-3,719
Cash and cash equivalents at the beginning of the period	5,975	23,262	17,323	32,312
Exchange difference on translation of foreign currency	0	0	8	0
Cash and cash equivalents at the end of the period	23,262	17,323	32,312	28,593

Source: RHP, BP Equities Research

National Stock Exchange of India Ltd. (NSE)

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1FY27
ASSETS				
Non-current assets				
Property, plant and equipment	1,004	1,120	1,193	1,330
Right of use assets	168	531	421	2,258
Goodwill & other intangible assets (incl. CWIP)	351	306	473	361
Investments in associates	686	616	528	554
Investments (non-current)	14,128	13,883	11,244	9,535
Other non-current assets (incl. tax assets)	5,714	5,788	4,963	4,027
Total non-current assets	22,052	22,244	18,823	18,065
Current assets				
Investments (current)	10,471	16,483	17,570	24,861
Trade receivables	1,865	1,512	2,468	2,249
Cash and cash equivalents*	23,176	17,298	32,261	28,592
Bank balances other than cash and cash equivalents	5,952	10,216	14,984	15,684
Other current assets	1,095	1,475	1,542	1,595
Total current assets	42,559	46,984	68,826	72,982
Assets classified as held for sale	852	238	289	288
Total Assets	65,464	69,467	87,937	91,334
EQUITY and LIABILITIES				
Equity				
Equity share capital	50	248	248	248
Other equity	23,925	30,106	31,866	34,997
Non-controlling interest	-1	0	0	0
Total Equity	23,974	30,353	32,114	35,244
Core Settlement Guarantee Fund	8,857	12,075	13,079	13,392
Liabilities				
Non-Current Liabilities				
Lease liabilities	96	401	310	382
Other non-current liabilities	456	445	591	614
Total Non-Current Liabilities	552	846	901	995
Current Liabilities				
Deposits	3,265	3,703	4,051	4,280
Other financial liabilities (incl. lease liabilities & trade payables)	22,689	17,054	31,516	27,471
Other current liabilities	5,758	5,349	6,262	9,935
Total Current Liabilities	31,712	26,106	41,829	41,686
Liabilities directly associated with assets held for sale	369	86	14	16
TOTAL LIABILITIES	32,633	27,038	42,745	42,698
Total Equity and Liabilities	65,464	69,467	87,937	91,334

*Includes settlement obligations and margin money from members

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392