

Rating	Issue Opens	Issue Closes	Listing Date	Price Band (INR)	Issue Size (INR Mn)
SUBSCRIBE FOR LONG TERM	17th Sept, 2026	21st Sept, 2026	24th Sept, 2026	1,700 to 1,785	2,25,616

The Toll Booth on India's Wealth Highway...

National Stock Exchange of India Ltd (NSE) combines trading, clearing, listing, indices and market data on one platform. It has been India's largest exchange by cash market and equity derivatives turnover since FY2001 and accounted for 51.18% of global equity derivatives contracts in FY26. Its scale is the key strength: 132.37mn unique investors, 3,005 listed entities and 1,868 colocation racks support a highly profitable model, with a 76% normalised operating EBITDA margin and no borrowings. The main issue is concentration in derivatives. Transaction charges contribute 79% of revenue and equity options alone contribute 60%, while regulation and taxes have reshaped the segment. The IPO is a pure offer for sale of 126.44mn shares at INR 1,700 to INR 1,785. At the upper band, the stock is valued at 42.9x FY26 EPS and 40.6x trailing normalised EPS. We recommend SUBSCRIBE FOR LONG TERM. The valuation is not inexpensive, so the case depends more on earnings growth than on a higher multiple.

- Owning the toll road, not the traffic:** India's investing ecosystem has many winners across brokers, AMCs and platforms, but most of that activity ultimately flows through the exchange. NSE has a 92.99% share of the cash market and 99.79% of equity futures, while its unique investor base has grown at a 26% CAGR to 132 million. The key strength is not just its market share, but the liquidity advantage it has built over time. More traders bring better liquidity, which attracts more traders. NSE Clearing, the Nifty brand and its technology platform further strengthen this ecosystem. Since the cost of handling an additional trade is very low, this operating model supports strong profitability, with profit at INR 10,302 crore on revenue of INR 16,601 crore. In simple terms, NSE offers exposure to India's growing participation in financial markets without having to pick which broker or platform will emerge as the winner.
- FY26 is the reset year, and that creates an opportunity:** The key concern around NSE is regulation, and FY26 showed how quickly changes can affect earnings. Revenue declined 3.1% after the F&O curbs. Reported PAT fell 15.5%, mainly due to the settlement provision, while normalised PBT fell 5.3%. However, these changes have also reset earnings from the earlier peak driven by high speculative activity. Going ahead, growth can come from areas that are not the focus of the F&O restrictions, including deeper cash-market participation, SIP-led flows, new listings, index and data licensing, and GIFT City. The bigger risk to monitor is competition. Equity options generate 60% of revenue, and NSE's share of NSE plus BSE premium turnover fell from 78.7% to 68.5% in a year. BSE has already demonstrated that market share can shift when changes to the expiry calendar alter liquidity patterns.
- Valuation: Expensive to trade, reasonable to own.** At the upper price band, NSE's implied value is about INR 4.42 lakh crore, equivalent to around 42.9x trailing earnings, which sit below the FY25 peak. This is a premium to most listed financial companies, but the valuation reflects NSE's near-monopoly position, low capex requirements, high payout potential and long-term growth opportunity. The selling shareholders also reduced the OFS from 14.9 crore shares to 12.64 crore shares, suggesting that the price leaves limited room for sellers to exit at attractive valuations. Overall, the investment case is better viewed as owning a long-term compounder rather than trading the listing. The key risks to the thesis would be NSE's options share falling below around 65%.

Outlook: NSE's long-term outlook remains constructive. The listing could see strong investor interest given the reduced OFS. Over the next one to two years, FY26 appears to be the earnings trough, with profit recovery supported by cash-market activity, new investors, listings, and data and index licensing. The key risk is BSE gaining options market share, while over the longer term NSE remains a financialisation play with low capital needs and strong cash generation.

Valuation: At INR 1,785, NSE's market capitalisation is INR 4,417,875mn. We value the stock at 40x to 45x TTM normalised EPS of INR 43.95, giving a fair value range of INR 1,758 to INR 1,978 and a midpoint of INR 1,868. The upper band is therefore within our valuation range, but does not leave a large margin for execution risk.

Offer Details

Particulars	IPO Details
No. of shares under IPO (Mn)	126.44
Fresh issue	Nil
Offer for sale (Mn shares)	126.44
Employee reservation (Mn shares)	0.43
Employee discount (INR per share)	170
Price band (INR)	1,700 to 1,785
Lot size (shares)	8
Face value (INR per share)	1
Post issue M.Cap (INR Mn)	4,417,875
Proceeds to NSE	Nil

Issue	% of net offer
QIB	Not more than 50%
NII	Not less than 15%
Retail	Not less than 35%

Shareholding (%)	Pre Issue	Post Issue
Promoter	Nil	Nil
LIC (not selling)	10.72	10.72
Aranda Investments	4.54	4.09
Stock Holding Corp. of India	4.44	4.19
SBI Capital Markets	4.33	3.98
State Bank of India	3.23	2.58
Offer for sale (% of equity)		5.11

Role	Name
Lead BRLM	Kotak Mahindra Capital Co. Ltd
Other BRLMs	JM Financial, Morgan Stanley, Citi, HSBC, J.P. Morgan and 14 others
Registrar	MUFG Intime India Pvt. Ltd.

Indicative Timetable	Date
Anchor investor bidding	16th Sept, 2026
Offer opening date	17th Sept, 2026
Offer closing date	21st Sept, 2026
Basis of allotment	22nd Sept, 2026
Refunds and credit to demat	23rd Sept, 2026
Listing on BSE	24th Sept, 2026

Source: RHP, Deven Choksey Research

Macro backdrop

India's macro environment remains supportive of long-term capital market growth. Nominal GDP has increased from USD 0.47trn in FY2001 to USD 3.92trn in FY2026, with the RHP projecting 9.61% annual growth to USD 6.79trn by FY2032. Near-term growth also remains healthy, with the RBI raising its FY27 real GDP growth forecast to 6.7%. For NSE, however, GDP growth is only part of the story. The more important driver is how quickly household savings move from traditional assets into market-linked financial products.

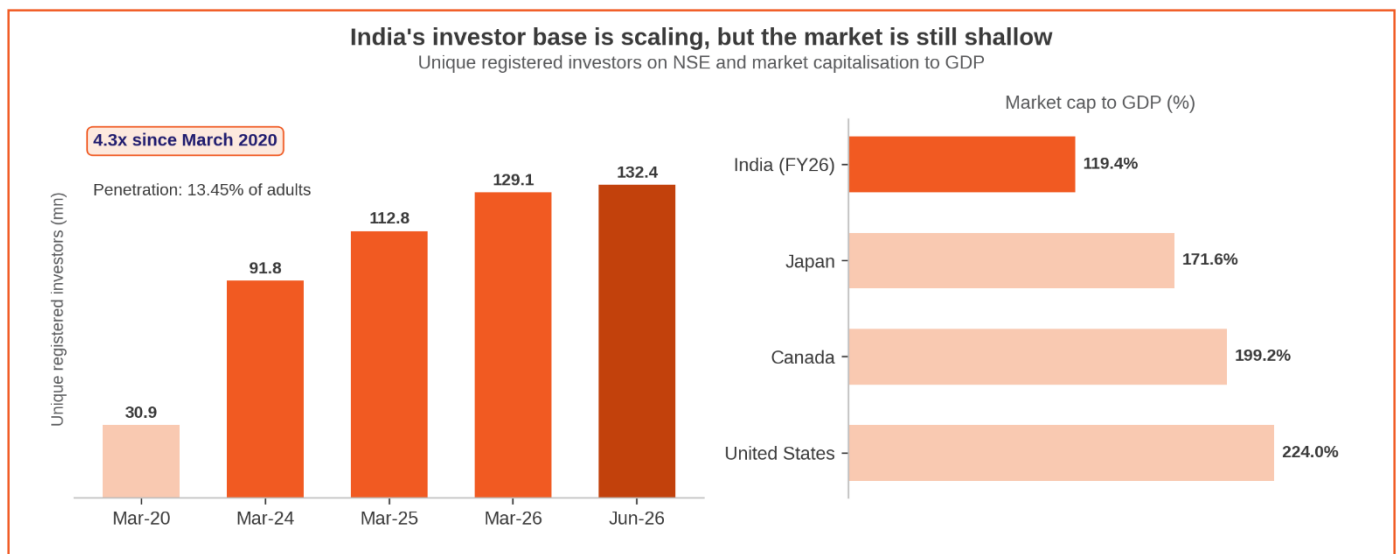
The interest rate cycle has also become more stable, with the RBI holding the repo rate at 5.25% in August 2026 after a series of rate cuts. A stable rate environment is broadly neutral for market activity, although it remains relevant for NSE's treasury income, which contributed 19.5% of trailing normalised PBT. The external environment is less supportive, with the rupee trading at around INR 95.71 per US dollar in September 2026. A weaker rupee can reduce dollar returns for foreign investors, making the growing pool of domestic savings increasingly important for market liquidity and participation.

The strongest structural tailwind is the increasing financialisation of household savings. SIP contributions reached a record INR 322.97bn in August 2026, active SIP accounts crossed 100mn and equity mutual funds recorded their 66th consecutive month of net inflows. NSE's investor base has expanded rapidly, from 30.87mn unique investors in March 2020 to 129.09mn in March 2026 and 132.37mn by June 2026. Participation is also spreading beyond the major cities, with NSE investors present across more than 99% of Indian postal codes. Despite this growth, penetration remains relatively low, with stock market investors representing only 13.45% of India's adult population.

Capital raising and passive investing provide additional support. NSE recorded 108 mainboard and 111 SME IPOs in FY26, while total fund mobilisation reached INR 20.33trn. Nifty-linked passive funds held INR 8.14trn, or 72.53% of India's passive assets excluding gold and silver, rising to INR 8.95trn by June 2026. These trends support greater activity across trading, clearing and index products over time.

The key takeaway is that India's economic growth, rising household participation, IPO activity and increasing adoption of index products provide a strong structural backdrop for NSE. However, this growth does not automatically translate into higher exchange revenue. FY26 demonstrated this clearly: unique investors grew 14.4%, while revenue from operations declined 3.1% due to changes in derivatives regulations, higher STT and exchange pricing. Therefore, while the macro environment supports continued market deepening, regulation remains the key factor determining how much of this growth ultimately flows through to NSE's earnings.

Participation drives the opportunity, but policy and market activity determine how much NSE earns from it.



Source: RHP, RBI, Deven Choksey Research

Industry analysis

Exchanges earn a toll on market activity

Exchanges earn mainly from market activity, with additional revenue from listing, connectivity and data. NSE is still heavily transaction driven: transaction charges were 78.7% of revenue in FY26. Data, index and technology businesses are more recurring at global exchanges, which partly explains their more stable valuations.

Policy has reset the derivatives market

Regulation has materially changed the derivatives market. Since October 2024, SEBI has tightened expiry rules, contract sizes and margin requirements. STT was also raised from April 2026. NSE's options notional ADTV fell 20.2% between FY24 and FY26.

Premium, not notional, drives revenue

For NSE, premium turnover matters more than notional turnover because the exchange charges on options premium. revenue per unit of premium turnover rose 12.2% (6.2% in FY26 alone). This helped options revenue grow 4.7% over the same period. With pricing now uniform, future growth needs to come mainly from volumes.

Capital formation is a second growth engine

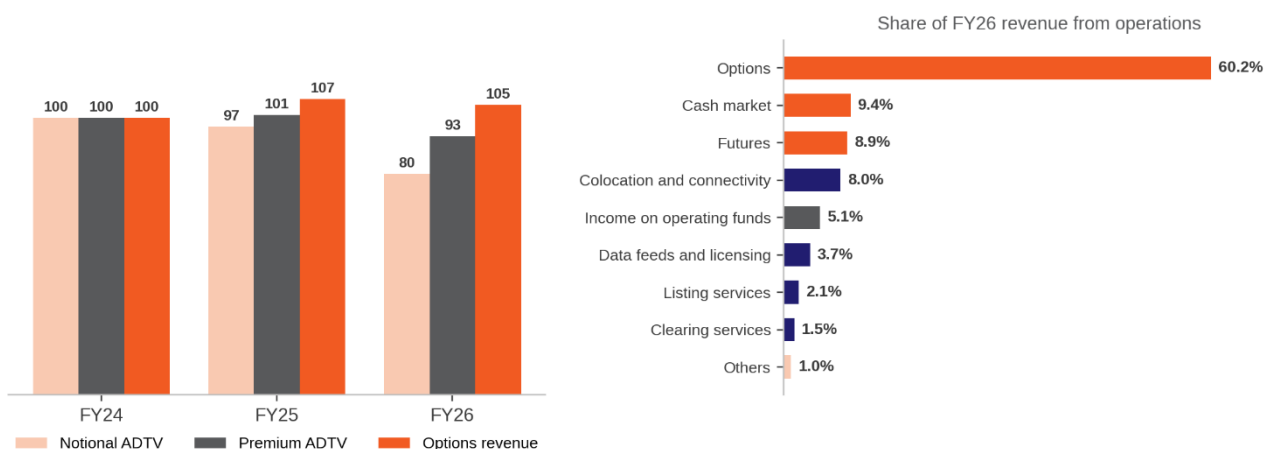
Primary markets are a useful second revenue stream. NSE hosted 108 mainboard and 111 SME IPOs in FY26 and facilitated INR 20.33trn of fund raising. Listing revenue grew 12.3% to INR 3,524mn, although it remains a small part of the overall business.

Data and indices offer diversification

Data, indices and colocation are smaller today but are growing faster than the core. Data feed and terminal revenue grew at a 17.7% CAGR between FY24 and FY26, while index and data licensing grew 24.8%. Colocation racks doubled to 1,868. These businesses add more recurring revenue but are not yet large enough to offset a major derivatives slowdown.

Turnover fell, realisation did the work

Equity options on NSE (FY24 = 100) and FY26 revenue mix



Source: RHP, Deven Choksey Research

Competitive structure

Dominant across most segments

NSE is dominant across most segments. It held 92.99% of Indian cash market turnover and 99.79% of equity futures turnover in FY26. It also accounted for 51.18% of global equity derivatives contracts and has been the world's largest equity derivatives exchange by contracts for seven consecutive years.

Competition is strongest in its largest revenue pool

Equity options are the main competitive battleground and contribute 60% of NSE's revenue. NSE's share of combined NSE and BSE premium turnover fell to 68.5% in Q1FY27 from 78.7% in Q1FY26. BSE's premium turnover nearly doubled in the latest quarter, showing that competition is becoming more relevant in NSE's largest revenue pool.

Price is not the main lever

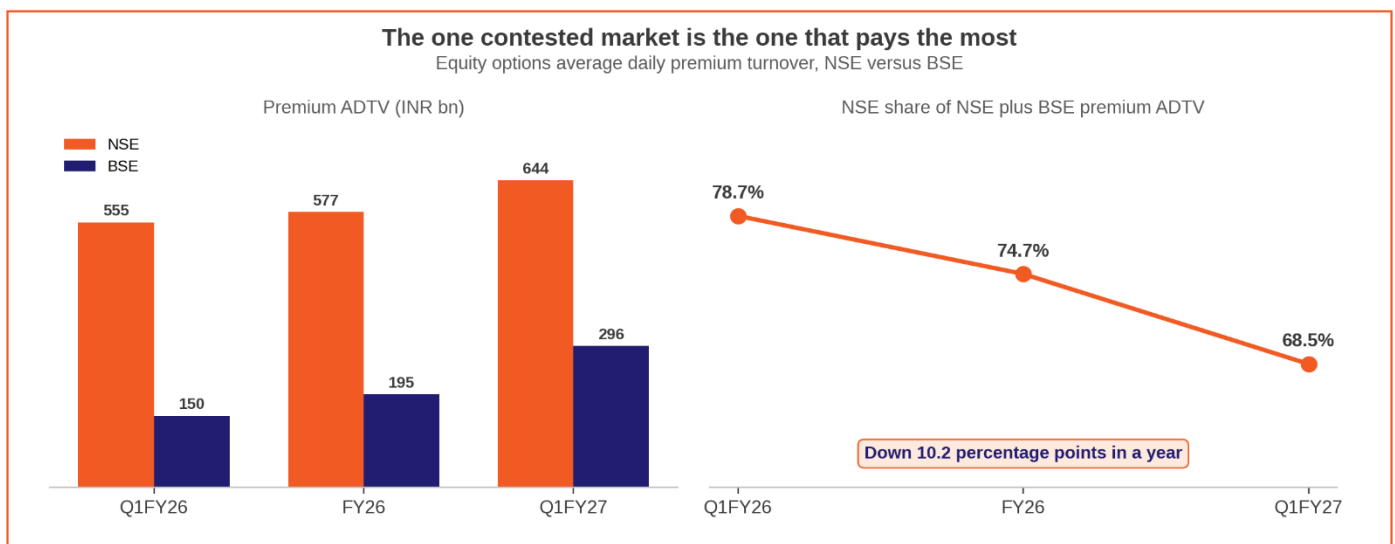
Since March 1, 2026, NSE charges INR 3,553 per crore of premium per side against INR 3,250 at BSE, about 9% more. The gap is only about 0.3 bps of premium, roughly 2% of the STT on a sold option. The share shift owes more to separate weekly expiry days than to pricing.

Liquidity is the barrier, regulation sets the rules

Liquidity remains NSE's biggest advantage in cash and futures. Higher liquidity brings tighter spreads and more orders, which in turn attracts more liquidity. BSE is still targeting a double-digit cash market share, while SEBI's new closing auction session is another market structure change to watch.

Pricing power is regulated

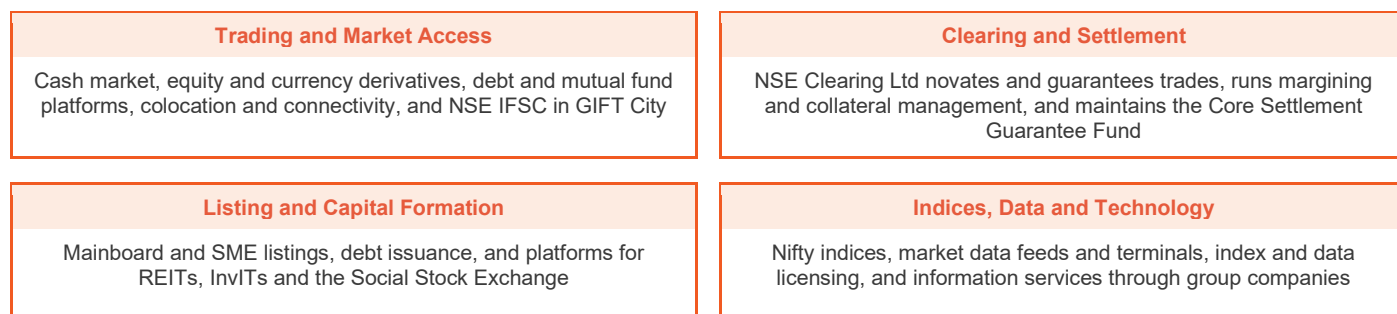
Pricing is regulated. NSE must charge uniformly across members, so it cannot use selective pricing to defend market share. The top ten trading members contributed 47% of revenue in Q1FY27, making broker behaviour an important monitorable.



Source: RHP,, Deven Choksey Research

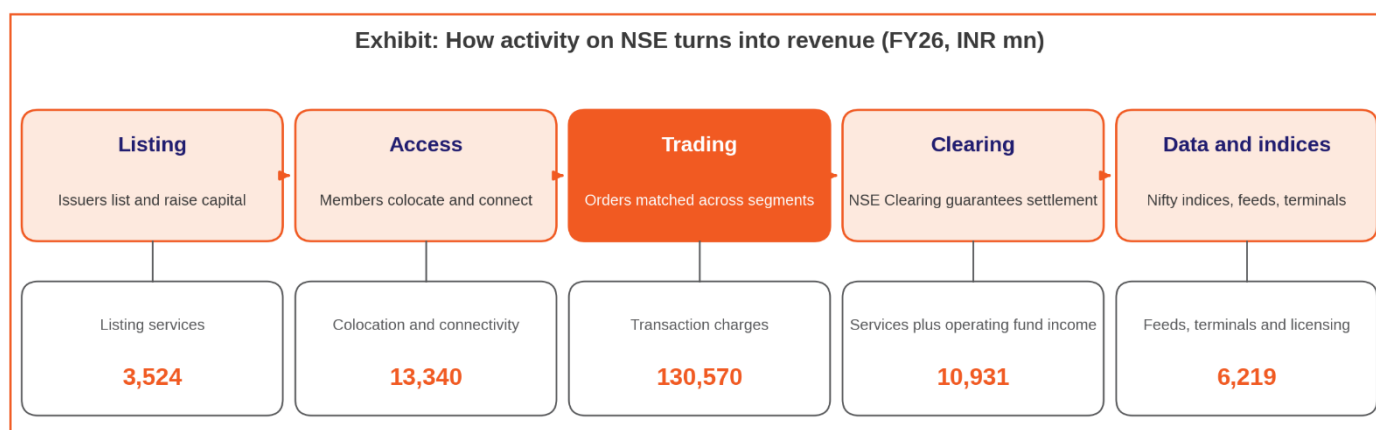
Business overview

National Stock Exchange of India Ltd, incorporated in 1992, operates a vertically integrated exchange covering trading, clearing, listing, indices, colocation and market data. It is professionally managed and has no identifiable promoter. Trading remains the largest part of the business, with INR 150,437mn of segment revenue in FY26, followed by clearing at INR 17,624mn and other businesses at INR 6,445mn before inter-segment eliminations.



NSE's businesses are closely linked. Listings bring securities to the market, trading creates transaction revenue, clearing supports settlement, and the resulting market activity feeds its data and index businesses. Trading remains the economic core, generating INR 130,570mn of revenue in FY26.

NSE also has responsibilities that go beyond those of a normal exchange. It supervises members and listed companies while earning revenue from the same ecosystem. This supports trust in the platform, but also brings regulatory, technology and compliance responsibilities. The legacy colocation matter is a good example of how these obligations can affect the business.



Source: RHP, Deven Choksey Research

Trading and market access

Trading is the core of NSE's economics. FY26 transaction charges were INR 130,570mn, with equity options contributing 76.6% of the total. In Q1FY27, cash market activity was strong and options premium turnover recovered, while equity futures were softer after the STT increase. The key point is that NSE's liquidity remains its main competitive advantage. Colocation racks reached 1,868 and rack charges grew 29.6% YoY, although connectivity revenue fell 10.4% and remains a monitorable.

Moat: Deep liquidity, a large investor base and member investment in NSE infrastructure make the platform difficult to displace.

Clearing and settlement

NSE Clearing sits between buyers and sellers, manages margins and guarantees settlement. Its Core Settlement Guarantee Fund stood at INR 133,923mn in June 2026. Clearing revenue was INR 2,515mn in FY26, while income on operating funds was INR 8,417mn. This means clearing also has some sensitivity to interest rates.

Moat: Regulatory recognition, risk capital and the guarantee fund create a high entry barrier for a new clearing platform.

Listing and capital formation

NSE had 3,005 entities listed on its platforms in June 2026, including 565 SME companies. It hosted 108 mainboard and 111 SME IPOs in FY26 and facilitated INR 20.33trn of fund raising. Listing revenue was INR 3,524mn, only 2.1% of total revenue. Listing is therefore more important strategically than financially today.

Moat: Issuers value NSE's large investor base and liquidity, which reinforces the trading franchise.

Indices, data and technology

Nifty-linked passive assets reached INR 8.95trn in June 2026. Data feed and terminal revenue grew 40.6% YoY in Q1FY27, making it the fastest growing revenue line in the latest quarter. The platform processes 12 to 14 billion messages a day.

Moat: Nifty benchmarks, proprietary market data and proximity to the trading platform support these businesses. One point to note is that NSE's shares will list on BSE, so the stock itself is unlikely to qualify for NSE-owned Nifty indices based on our reading of the rules.

The common moat: liquidity, benchmarks and regulatory license

- NSE's biggest advantage is not simply its technology. Technology can be replicated, but building the same liquidity, investor base, benchmarks and member ecosystem takes years. This is what has kept NSE India's largest exchange since FY2001.
- The different parts of the platform reinforce each other. Strong trading liquidity supports clearing and index products, while the Nifty franchise attracts passive assets and new listings bring more securities to the platform. This creates a network effect that is difficult for a new entrant to replicate.
- The ecosystem also creates switching costs. Members have invested in NSE's infrastructure, asset managers use Nifty benchmarks and issuers value the depth of the investor base. The result is a highly profitable business, with a 76.2% normalised operating EBITDA margin in FY26, 33.2% return on average net worth and no borrowings.
- The moat is strong, but regulation can change where liquidity sits. The introduction of separate weekly expiry days helped BSE build a competing pool of options liquidity, and NSE's share of combined premium turnover fell during the year. NSE's core franchise remains strong, but its options growth is more exposed to regulatory changes.

Layer	Source of advantage	Evidence	Durability
Cash and futures	Liquidity network effect	92.99% of cash and 99.79% of futures turnover, FY26	High
Equity options	Benchmark liquidity, shaped by expiry rules	68.5% of NSE plus BSE premium ADTV, Q1FY27 (our estimate)	Medium, rule dependent
Clearing	Regulatory recognition and risk capital	Core SGF of INR 133,923mn, June 2026	High
Indices	Benchmark intellectual property	Nifty linked passive AUM of INR 8.95trn	High
Listing	Investor reach	3,005 listed entities; 108 mainboard IPOs in FY26	Medium to high
Data and colocation	Proprietary data and proximity to the matching engine	1,868 racks; feed revenue up 40.6% YoY in Q1FY27	Rising

Source: RHP, Deven Choksey Research

Key operating metrics

Metric	FY24	FY25	FY26
Cash market ADTV (INR bn)	817.2	1,129.6	1,055.2
Equity futures ADTV (INR bn)	1,340.0	1,859.0	1,594.4
Equity options premium ADTV (INR bn)	617.8	624.5	576.6
Equity options notional ADTV (INR trn)	323.6	312.8	258.3
Options revenue per INR 100 of premium ADTV (annualised, INR)	15.5	16.3	17.3
Unique registered investors (mn)	91.75	112.81	129.09
Colocation racks (number)	934	1,300	1,680
Passive AUM linked to Nifty indices (INR trn)	6.30	7.63	8.14
Top ten trading members, share of revenue (%)	45.26	n.a.	n.a.

Source: RHP, Deven Choksey Research

Customers: members, investors and issuers

Member concentration is increasing	NSE had 1,325 trading members in March 2026. The top ten generated 47% of revenue in Q1FY27, up from 45.26% in FY24. The RHP does not name them. Large brokers therefore matter, and a change in how they route orders could affect NSE's market share.
Investors are the end users	NSE had 132.37mn unique registered investors in June 2026. Investor additions are slowing, so activity per investor will become increasingly important for transaction revenue.
Issuers and index users	Listed companies, asset managers and data users give NSE revenue streams beyond trading. These businesses are smaller but more recurring and less directly exposed to derivatives regulation.

Platform and footprint

Domestic infrastructure	NSE's domestic infrastructure includes 1,868 colocation racks, while investors on the platform span more than 99% of India's postal codes.
International	NSE IFSC in GIFT City provides access to foreign currency products for domestic and international participants. The RHP also highlights offshore expansion and global partnerships, although some subsidiaries have reported losses.
Technology resilience	The platform handles 12 to 14 billion messages a day and has recorded very high peak activity. The RHP also discloses a distributed denial of service attack in 2025. Technology resilience is therefore a key operating requirement.
Group structure	The group includes NSE Clearing, NSE Investments, NSE IFSC, NSE Indices, NSE Data and Analytics and Cogencis. Gains from associate sales have boosted reported profit in FY25 and FY26, making normalised earnings the better basis for valuation.

NSE's economics depend on keeping trading activity on its platform. It has 1,325 members and 132.37mn investors, while issuers, asset managers and data users provide additional revenue. The recurring businesses are growing faster, but still account for only about a fifth of revenue.

Regulation, legacy matters and capital buffers

Legacy cases settled in principle

SEBI began proceedings over colocation and dark fibre access in 2017 and 2018. After several years of litigation, NSE applied to settle. SEBI accepted revised settlement terms of INR 14,912mn in principle on July 30, 2026.

Financial impact already provided for

NSE has already provided for the full settlement amount, including INR 13,912mn in FY26. The remaining cash payment is INR 7,147mn after adjusting for the deposit already placed with SEBI. Legacy matters have therefore largely been recognised in the accounts.

Regulatory perimeter remains broad

NSE remains subject to SEBI and IFSCA oversight. Quantifiable outstanding claims total INR 25,843mn, while the RHP also flags material litigation involving NSDL.

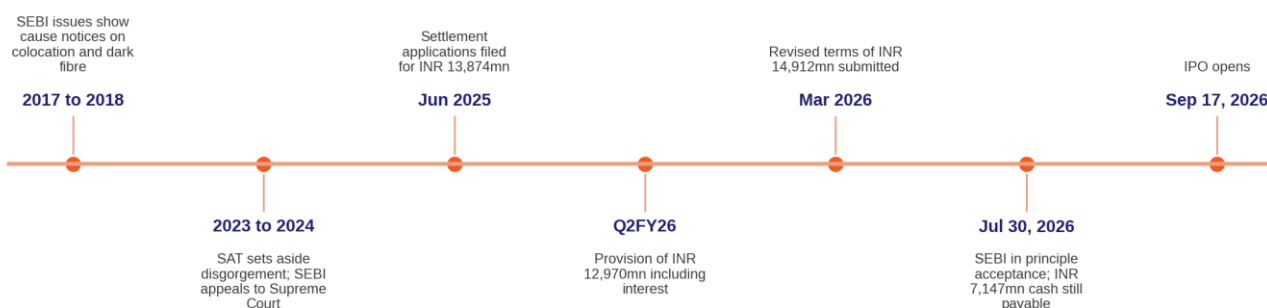
Governance structure

A majority of the Governing Board comprises Public Interest Directors. The board has separate committees for technology, risk and regulatory oversight.

Capital buffers are large, but not all are surplus

Cash, bank balances and investments of INR 681,980mn include INR 260,124mn of member settlement obligations and margin money, so the summary disclosures do not allow a clean estimate of surplus cash. The risk reserve declined from INR 85,330mn to INR 48,050mn in FY26, while NSE paid INR 86,617mn in dividends. Book value of INR 142.40 per share at June 2026 is also stated before the FY26 dividend of INR 35 per share, which accrues to pre-IPO shareholders.

Exhibit: A decade of legacy cases, closed in principle before listing



Source: RHP, SEBI, Deven Choksey Research

Financial performance: looking through the one offs

Revenue: price first, then volume

Revenue from operations grew 16.0% in FY25, declined 3.1% in FY26 as the derivatives framework took effect, and increased 13.1% YoY to INR 45,604mn in Q1FY27. The growth mix changed across periods. In FY26, higher realisation offset lower options premium turnover, while Q1FY27 growth was volume driven, led by a 25.2% increase in cash market ADTV and a 15.9% rise in options premium ADTV.

Margins: reported volatility, stable core

Reported operating EBITDA margin moved from 66.8% in FY24 to 73.8% in FY25 and back to 66.8% in FY26, while the normalised margin disclosed in the RHP remained in the 76.2% to 77.7% range. The reported swings reflect items treated as non-recurring, including higher Core SGF contributions in FY24 of INR 17,410mn and the INR 13,912mn settlement provision and INR 1,264mn labour code charge in FY26. The Q1FY27 reported margin of 78.8% was close to the normalised level of 77.8%.

Costs are rising beneath the surface

FY26 employee costs increased 17.5% while revenue declined 3.1%. Other expenses rose to INR 37,901mn, but excluding the INR 13,912mn settlement provision, they declined 8.6%. Regulatory fees fell from 8.1% to 6.1% of transaction charges between FY24 and FY26. Technology, employee and compliance costs are structural for a market infrastructure institution, limiting operating leverage in a weak volume year.

Normalised growth remains modest

Normalised profit before tax increased from INR 126,755mn in FY24 to INR 145,372mn in the twelve months to June 2026, a 6.3% CAGR over a period that included the full derivatives reset. Reported PAT was more volatile: it increased 46.7% in FY25, helped by gains on sale of associates, declined 15.5% in FY26 and rose 6.7% YoY in Q1FY27. According to the company's release, profit from continuing operations increased about 11% in Q1FY27, as the base quarter included income from discontinued operations.

Treasury remains rate sensitive

Other income of INR 21,121mn in FY26, largely from investments, and income on operating funds of INR 8,417mn make treasury income a meaningful part of NSE's earnings. On a TTM basis, investment and operating fund income equalled 19.5% of normalised profit before tax. A 50 bps decline in the average treasury yield would reduce profit before tax by about INR 3.3bn.

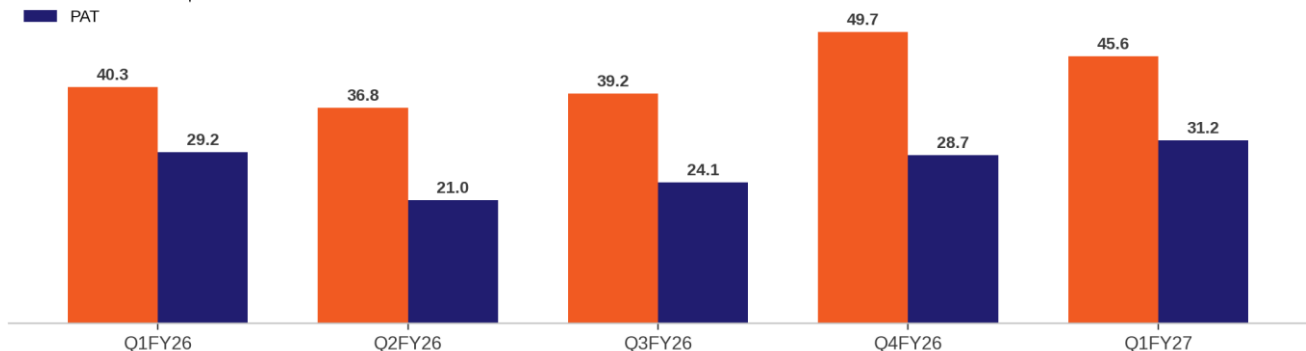
Cash flow needs to be adjusted

Reported operating cash flow is heavily influenced by member money rather than underlying profit. It was INR 40,915mn in FY25, when member settlement and margin balances declined by INR 54,472mn, and INR 238,362mn in FY26, when they increased by INR 142,668mn. Dividends paid rose to INR 86,617mn in FY26, while the FY26 dividend of INR 35 per share represented an 84% payout.

Quarterly revenue and profit (INR bn)

Q2FY26 PAT absorbed the colocation settlement provision; Q1FY27 includes the April 2026 STT increase

Revenue from operations
PAT



Source: RHP, company releases, Deven Choksey Research

SCOT analysis

Strengths	Challenges
• Scale and leadership: 51.18% of global equity derivatives contracts and 92.99% of Indian cash market turnover in FY26. • Exceptional economics: normalised operating EBITDA margin of 76.2% in FY26 and 77.8% in Q1FY27, with no borrowings. • Benchmark assets: Nifty linked passive AUM of INR 8.95trn; data feed revenue up 40.6% YoY in Q1FY27. • Shareholder returns: FY26 dividend of INR 35 per share, an 84% payout. • Risk capital: Core SGF of INR 133,923mn in June 2026.	• Revenue concentration: transaction charges were 79.4% and equity options 60.2% of Q1FY27 revenue. • Member concentration: top ten trading members contributed 47.00% of Q1FY27 revenue. • Cost growth: FY26 employee costs rose 17.5% while revenue fell 3.1%. • Rate sensitivity: investment income equalled 19.5% of TTM normalised PBT. • Governance legacy: a decade of colocation and dark fibre proceedings, only now settled in principle.
Opportunities	Threats
• Penetration: investors are 13.45% of adults; market cap to GDP of 119% against 224% in the US. • Diversification: data, index licensing and colocation are growing faster than transaction revenue. • Capital formation: 108 mainboard IPOs and INR 20.33trn of fund mobilisation through NSE in FY26. • GIFT City: NSE IFSC offers international participants access to foreign currency products.	• Further derivatives curbs or taxes: STT on option premium rose 50% from April 2026. • Options share erosion: NSE's share of NSE plus BSE premium ADTV fell to 68.5% in Q1FY27 (our estimate). • Supply overhang: most pre-IPO shares are locked in for six months, with expiry around March 2027. • Technology and cyber: a distributed denial of service attack in 2025; outages can attract SEBI action.

Three key takeaways:

- NSE has shown that it can protect revenue even when derivatives volumes fall. In FY26, options premium turnover declined 7.7%, but options revenue fell only 1.9% because realisation improved 6.2%. With pricing now uniform and regulated, future growth will depend more on volumes and market share.
- The latest quarter also needs context. Q1FY27 revenue grew 13.1% YoY, but was 8.2% below Q4FY26. Options premium turnover was 15.7% below the previous quarter after the higher STT. Q2FY27 should provide a better read on the post-STT run rate.
- The IPO is also priced below recent private market transactions. At the upper band of INR 1,785, the offer is 8.7% below the weighted average acquisition cost of shares traded in the year before the RHP and below recent unlisted quotes. Existing pre-IPO holders are locked in for six months, making March 2027 an important potential supply event.

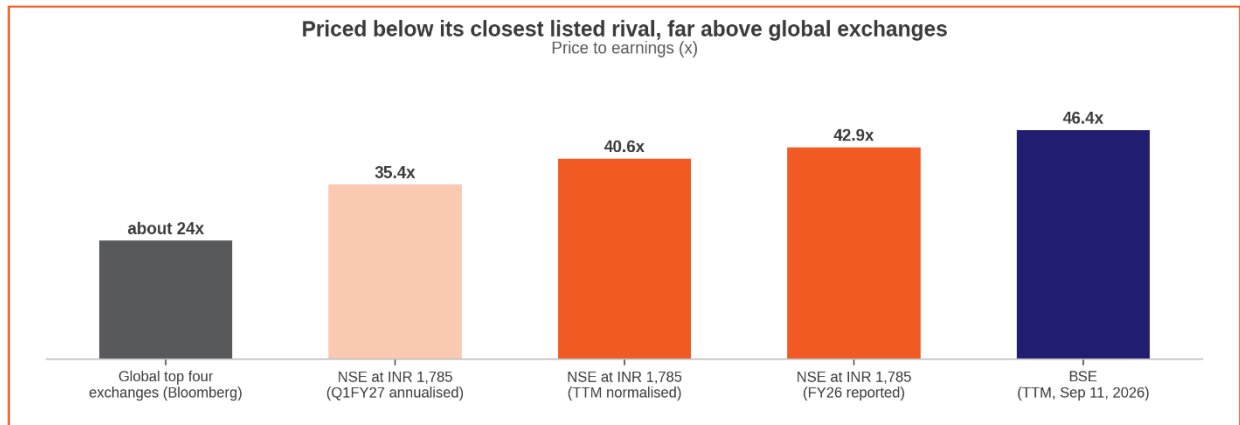
Source: RHP, Deven Choksey Research

Valuation

Peer comparison

BSE is the only listed Indian exchange today and is the most direct domestic comparison. Global exchanges are another reference point, although their businesses generally have a larger share of recurring data, index and technology revenue.

Metric	NSE at INR 1,785	BSE (September 11, 2026)
Revenue from operations, Q1FY27 (INR Mn)	45,604	15,661
Revenue growth YoY, Q1FY27	13.1%	63%
PAT, Q1FY27 (INR Mn)	31,201	8,727
PAT growth YoY, Q1FY27	6.7%	62%
PAT to revenue from operations, Q1FY27	68.4%	55.7%
Revenue from operations, FY26 (INR Mn)	166,013	48,340
PAT, FY26 (INR Mn)	103,021	24,873
PAT, TTM June 2026 (INR Mn)	104,983	28,219
Market capitalisation (INR Mn)	4,417,875	1,309,593
P/E on FY26 earnings (x)	42.9	52.7
P/E on TTM earnings (x)	42.1	46.4
P/E on Q1FY27 annualised earnings (x)	35.4	37.5
Equity options premium ADTV, Q1FY27 (INR bn)	643.5	296.2
Share of combined premium ADTV, Q1FY27	68.5%	31.5%



Reading the multiples

On trailing earnings, NSE trades at a 9.3% discount to BSE and a 5.7% discount on Q1FY27 annualised earnings. However, BSE's latest profit growth was much faster. Global exchange groups trade near 24x earnings, so NSE's 42.9x FY26 multiple represents a substantial premium. That premium reflects NSE's scale, margins and India's market development, but also leaves less room for disappointment.

Source: RHP, Deven Choksey Research

What the multiple requires

At INR 1,785, NSE is valued at 40.6x TTM normalised EPS of INR 43.95. This is a premium valuation and leaves limited room for earnings disappointment. The table below shows the earnings growth needed over three years under different exit multiples and return assumptions.

Target annual return	Exit P/E	Required share price in three years (INR)	Required EPS in three years (INR)	Required EPS CAGR
12%	40x	2,423	60.59	11.3%
12%	35x	2,423	69.24	16.4%
15%	40x	2,628	65.70	14.3%
15%	35x	2,628	75.08	19.5%

Source: Deven Choksey Research

Normalised profit before tax grew at only 6.3% between FY24 and the June 2026 trailing period. At the IPO price, the valuation therefore needs earnings growth to move back into double digits. The non-trading businesses can help, but options volumes and NSE's market share remain the key swing factors. Assumes a regular dividend of INR 25 per share, normalised EPS is the TTM normalised PBT of INR 1,45,372mn taxed at 25.17%.

Scenario analysis and stress test

Scenario	Key assumptions (TTM base)	Normalised PBT (INR Mn)	Change	EPS (INR)	P/E	Value (INR)	vs INR 1,785
Bear	Options revenue down 25%; treasury yield down 50 bps; 94% decremental margin	117,681	(19.0%)	35.58	35x	1,245	(30.2%)
Base	TTM normalised earnings held flat	145,372	0.0%	43.95	42.5x	1,868	4.6%
Bull	Options revenue up 15%; cash market and data up 20%; 94% incremental margin	164,381	13.1%	49.70	45x	2,236	25.3%

Normalised PBT sensitivity

Driver	Change	Impact on normalised PBT (INR Mn)	Share of TTM normalised PBT
Equity options revenue	Down 25%	(24,367)	(16.8%)
NSE share of NSE plus BSE premium ADTV	Down 5 percentage points	(7,114)	(4.9%)
Yield on treasury book	Down 50 bps	(3,324)	(2.3%)
Equity options revenue	Up 15%	14,620	10.1%

The bear case is intended as a stress test, not a forecast. It assumes a 25% fall in options revenue, lower treasury yields and a lower valuation multiple. Under these assumptions, the value falls to INR 1,245. Equity options remain the biggest swing factor for the investment case.

Source: RHP, Deven Choksey Research

Fair value

We value NSE at 40x to 45x TTM normalised EPS of INR 43.95, giving a fair value range of INR 1,758 to INR 1,978 and a midpoint of INR 1,868. The range reflects the strength of the franchise and margins, while also recognising slower recent earnings growth, options share erosion and treasury income sensitivity. At INR 1,785, the stock sits within our range and offers 4.6% upside to the midpoint.

The bear case

The bear case highlights the key risk. Equity options contribute 60% of revenue, and the segment is exposed to regulation and taxes. If options revenue falls another 25% and the valuation settles at 35x, the stress value is INR 1,245. The case therefore depends on earnings growth rather than valuation expansion.

Key monitorables

The key monitorables are NSE's share of combined options premium turnover, premium ADTV after the higher STT, any further SEBI changes, realisation per unit of premium turnover, operating costs, the formal settlement order and the six-month lock-in expiry around March 2027.

Investor positioning

For long term investors, the core question is whether NSE can compound earnings from its strong franchise. The IPO also brings a sizeable supply event, while the listing will create a direct listed comparison with BSE. The investment case should therefore be assessed against both earnings growth and the premium valuation.

Subscribe for long term. The case rests on NSE's strong liquidity and benchmark franchise, India's still-low market penetration, high operating margins and debt-free balance sheet. At the upper band, the valuation is fair rather than cheap, so the key is earnings growth. The main things to watch are options market share, the post-STT trading run rate and growth in data, colocation and listing revenue.

Valuation summary	Value
TTM normalised EPS (INR)	43.95
Target multiple range (x)	40 to 45
Fair value range (INR)	1,758 to 1,978
Fair value midpoint (INR)	1,868
Upside from upper band to midpoint	4.6%
Bear case value (INR)	1,245
Bull case value (INR)	2,236

Source: RHP, Deven Choksey Research

Key risks

Derivatives policy	Equity options account for 60.2% of Q1FY27 revenue. A 25% fall in options revenue would reduce TTM normalised PBT by about INR 24.4bn in our sensitivity, making regulation the largest earnings risk.
Options share erosion	NSE's share of combined NSE and BSE premium turnover fell from 78.7% to 68.5% in a year. A further five percentage point decline would reduce revenue by about INR 7.6bn at the current market size.
Tax on trading	STT on futures and option premium increased from April 2026. Q1FY27 equity futures ADTV declined 9.1% YoY and options premium ADTV fell 15.7% from Q4FY26. Tax changes therefore have a direct impact on activity.
Member concentration	The top ten trading members generated 47% of Q1FY27 revenue. A change in order routing by one or two large brokers could affect market share.
Regulatory enforcement	NSE remains subject to SEBI inspections and enforcement. Quantifiable claims total INR 25,843mn, while INR 7,147mn of settlement cash remains to be paid pending the formal order.
Technology and cyber	The RHP discloses a distributed denial of service attack in 2025. Any major outage could result in regulatory action, member claims and reputational damage.
Treasury income	Investment income is an important part of earnings. A 50 bps fall in average treasury yields would reduce PBT by about INR 3.3bn in our sensitivity.
Lock in overhang	Most pre-IPO shares are subject to a six-month lock-in. The expiry around March 2027 could create additional supply in the market.
Earnings quality	Reported profit includes gains from associate sales and other one-offs. Normalised PBT fell 5.3% in FY26, making normalised earnings more useful for valuation.
Offer structure	The IPO is a pure offer for sale, so NSE receives no proceeds. The RHP's industry data also comes from a report commissioned for the offer and should be read with that context.
Management transitions	Two senior officials in the listing and investor compliance functions are due to leave during offer week. The key point is orderly succession in these roles.

Source: RHP, Deven Choksey Research

Management



Ashishkumar Chauhan

Managing Director and CEO

- **Background:** Engineering graduate from IIT Bombay and management graduate from IIM Calcutta. He was part of NSE's founding team in the early 1990s and later led BSE as Managing Director and CEO through its 2017 listing, before returning to NSE as Managing Director and CEO in July 2022.
- **Compensation:** INR 158.8mn in FY26, up from INR 112.6mn in FY24, as disclosed in the offer documents.



Srinivas Injeti

Chairperson and Public Interest Director

- **Background:** Retired IAS officer of the 1983 batch with over four decades of experience in corporate regulation, financial services and public policy. He served as Union Secretary in the Ministry of Corporate Affairs from 2017 to 2020 and as founding Chairperson of IFSCA from 2020 to 2023. He was appointed Chairperson of NSE's Governing Board in September 2025 with SEBI's approval.



Ian Desouza

Chief Financial Officer

- **Background:** Chartered accountant with more than two decades of experience in banking and financial services, including as Chief Financial Officer of Bank of Baroda, before joining NSE.

Source: RHP, Deven Choksey Research

Shareholders and the offer

Selling shareholder	Pre offer stake (%)	Shares offered (Mn)	Holding sold (%)	Post offer stake (%)	Offer value at INR 1,785 (INR Mn)	Average cost (INR per share)	Offer price to cost (x)
State Bank of India	3.23	15.97	20.0	2.58	28,505	0.80	2,231
Canada Pension Plan Investment Board	1.60	11.87	30.0	1.12	21,195	324.13	5.5
Aranda Investments (Mauritius) Pte Ltd	4.54	11.25	10.0	4.09	20,075	62.38	29
MS Strategic (Mauritius) Ltd	1.20	11.00	37.0	0.76	19,635	66.54	27
The New India Assurance Co. Ltd	1.42	10.50	29.8	1.00	18,742	0.32	5,578
SBI Capital Markets Ltd	4.33	8.78	8.2	3.98	15,673	0.38	4,697
Bank of Baroda	0.89	7.69	35.0	0.58	13,727	0.54	3,306
Stock Holding Corporation of India Ltd	4.44	6.19	5.6	4.19	11,045	0.46	3,880
General Insurance Corporation of India	1.64	6.19	15.2	1.39	11,045	5.26	339
United India Insurance Co. Ltd	0.78	6.00	30.9	0.54	10,710	0.50	3,570
Top ten selling shareholders	24.09	95.44	16.0	20.23	170,353		
Other selling shareholders		31.00			55,337		
Total offer for sale		126.44			225,689		

Offer value is gross of the employee discount.

The largest sellers are long-standing institutional shareholders, and most are selling only part of their holdings. LIC, NSE's largest shareholder at about 10.72%, is not selling. The top ten sellers are offering 95.44mn shares but will still retain most of their exposure after the IPO. CPPIB is the only large seller whose offer price is less than ten times its acquisition cost.

Profit & Loss statement (INR Mn)

INR Mn	FY24	FY25	FY26
Revenue from operations	147,800	171,407	166,013
<i>Growth YoY (%)</i>	<i>n.a.</i>	<i>16.0</i>	<i>(3.1)</i>
Transaction charges	121,296	136,358	130,570
Equity options	95,502	101,940	99,976
Cash market	12,359	16,885	15,546
Equity futures	12,490	17,273	14,801
Mutual fund platform and other segments	946	259	247
Listing services	2,226	3,138	3,524
Colocation and connectivity	9,585	12,589	13,340
Data feeds, terminals and index licensing	4,368	5,276	6,219
Clearing and settlement services	1,348	3,213	2,515
Income on operating funds	8,121	9,572	8,417
Other operating revenue	856	1,260	1,428
Employee benefits expense	4,604	6,721	7,900
Regulatory fees	9,806	9,626	7,964
Core SGF contribution	17,410	2,341	6
Other expenses	17,283	26,249	37,901
Labour code impact	Nil	Nil	1,264
Total operating expenses	49,102	44,938	55,034
Operating EBITDA	98,698	126,469	110,979
<i>Operating EBITDA margin (%)</i>	<i>66.8</i>	<i>73.8</i>	<i>66.8</i>
Normalised operating EBITDA	114,425	133,171	126,559
<i>Normalised operating EBITDA margin (%)</i>	<i>77.4</i>	<i>77.7</i>	<i>76.2</i>
Depreciation and amortisation	4,396	5,466	6,235
Other income	15,721	20,362	21,121
Associates and gains on sale of associates	1,820	13,383	13,091
Profit before tax	111,843	154,748	138,956
Normalised profit before tax	126,755	149,141	141,207
Tax and discontinued operations (net)	28,785	32,871	35,935
Profit after tax	83,057	121,877	103,021
<i>Growth YoY (%)</i>	<i>n.a.</i>	<i>46.7</i>	<i>(15.5)</i>
EPS (INR)	33.56	49.24	41.62

Source: RHP, Deven Choksey Research

Balance sheet summary (INR Mn)

INR Mn	FY24	FY25	FY26
Net worth	238,331	301,650	318,697
Book value per share (INR)	96.86	122.64	129.75
Cash, bank balances and investments	480,164	486,307	647,713
Member settlement obligations and margin money	213,271	158,799	301,467
Balance net of member money	266,893	327,508	346,246
Core Settlement Guarantee Fund	88,572	120,752	130,792
Investor Protection Fund Trust corpus	19,916	24,590	28,704
Risk reserve	85,330	85,330	48,050
Borrowings	Nil	Nil	Nil

Cash flow summary (INR Mn)

INR Mn	FY24	FY25	FY26
Cash flow from operating activities	297,443	40,915	238,362
Change in member settlement and margin money	n.a.	(54,472)	142,668
Cash flow from investing activities	(84,630)	(54,310)	(459)
Cash flow from financing activities	(39,937)	(45,997)	(88,089)
of which dividends paid	(39,590)	(44,545)	(86,617)
Net change in cash and cash equivalents	172,876	(59,392)	149,815

Key ratios

Ratio	FY24	FY25	FY26
Revenue growth (%)	n.a.	16.0	(3.1)
Normalised PBT growth (%)	n.a.	17.7	(5.3)
Operating EBITDA margin (%)	66.8	73.8	66.8
Normalised operating EBITDA margin (%)	77.4	77.7	76.2
Transaction charges to revenue (%)	82.1	79.6	78.7
Equity options to revenue (%)	64.6	59.5	60.2
Regulatory fees to transaction charges (%)	8.1	7.1	6.1
Effective tax rate, continuing (%)	24.8	25.0	26.7
RoE on average net worth (%), quarters annualised	n.a.	45.1	33.2
P/E at INR 1,785 (x, Q1FY27 annualised)	53.2	36.3	42.9
P/B at INR 1,785 (x)	18.4	14.6	13.8
Options revenue per INR 100 of premium ADTV (annualised, INR)	15.5	16.3	17.3

Source: RHP, Deven Choksey Research

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