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NSE IPO: Shares of the National Stock Exchange of India made a lacklustre market debut on Thursday at 0.84 per cent premium on the BSE. The shares listed at ₹1,800 on the exchange.

The [initial public offering](#) (IPO) of the NSE closed for subscription on Monday, September 21, with the ₹22,562-crore issue receiving bids for 50.58 crore shares against 8.86 crore shares on offer, translating into an overall [subscription of 5.71 times](#).

However, the headline subscription figure masks a sharp divergence between institutional and retail demand. While qualified institutional buyers (QIBs) subscribed to 12.68 times their reserved portion and non-institutional investors (NIIs) bid 6.55 times, the retail portion received bids for 6.13 crore shares against 4.41 crore shares reserved, resulting in

a comparatively modest 1.39-times subscription.

The [NSE IPO](#) was India's second-largest public issue after Hyundai Motor India's ₹27,858.75-crore IPO in 2024. NSE had set a price band of ₹1,700-1,785 per share, with a lot size of eight shares, meaning a retail investor needed at least ₹14,280 at the upper end of the price band.

Why did retail investors remain relatively cautious?

One of the key features of the NSE issue was its sheer size. At roughly ₹22,562 crore, the IPO required a substantial amount of capital even though the minimum retail application was ₹14,280, analysts noted. The issue was also entirely an offer for sale (OFS), meaning the proceeds go to existing shareholders selling their stakes rather than to NSE as fresh capital.

Another factor was the changing expectations around listing gains, analysts said. Market data showed NSE's grey-market premium weakening sharply during the IPO period. The premium had fallen to around 2 per cent from a peak of about 20 per cent during the bidding, potentially reducing the attraction for investors focused on short-term listing gains.

Santosh Meena, head of research at Swastika Investmart pointed that retail investors appear to be taking a more selective approach to the NSE IPO amid a crowded primary market, where multiple issues are competing for the same pool of capital.

"The relatively modest grey market premium has also reduced expectations of immediate listing gains. At the same time, the IPO is entirely an Offer for Sale, meaning there is no fresh capital being raised for NSE," he said.

Meena added that concerns around regulatory changes affecting F&O activity, which remains an important part of NSE's business, may also be encouraging some investors to remain cautious. "Given the ₹22,561.57 crore issue size, the subscription requirement is also substantial, making the retail response look relatively muted compared with smaller IPOs," he said.

How NSE's retail demand compares with India's other mega IPOs

The relatively modest 1.39-times retail subscription becomes more apparent when compared with some of India's largest IPOs.

Based on data provided by Prime Database, Coal India saw its retail portion subscribed

2.21 times, while LG Electronics India recorded retail subscription of 3.39 times. LIC, another mega IPO, saw retail subscription of 1.61 times. In comparison, NSE's 1.39-times retail subscription was lower than all three.

Several other large issues, however, also recorded relatively subdued retail demand. HDB Financial Services saw retail subscription of 1.43 times, while Paytm recorded 1.27 times. Tata Capital and Swiggy each recorded retail subscription of 1.06 times

“The biggest concern for investors is the gap between the NSE IPO price and its earlier unlisted market price. The upper price band of ₹1,785 is around 26 per cent below the unlisted peak of ₹2,400 seen in June 2025. Also, pre-IPO shareholders face a six-month lock-in after listing, which may reduce their willingness to participate further,” he said.

Tiwari noted that for fresh investors, the lower IPO price may not necessarily look attractive. Instead, it could suggest that the earlier unlisted valuation was too high. The grey market also shows limited enthusiasm, with the GMP falling to only about 4-5 per cent above the upper price band, he said.

Tiwari also flagged NSE's earnings trajectory, valuation and its exposure to the derivatives market as factors investors could be weighing.

“NSE's earnings performance is another concern. FY26 PAT declined to ₹10,302 crore from ₹12,188 crore, while the operating Ebitda margin fell to 66.9 per cent from 73.8 per cent. At around 42 times earnings, the valuation also remains demanding, especially as NSE's share of industry options premium declined from 78.6 per cent to 68.5 per cent.

The IPO is entirely an offer for sale. With other large IPOs potentially coming to market, retail investors may prefer to wait as retail IPO demand in India is largely a listing-gain trade, and a 3 per cent cushion does not justify blocking funds, he said. "Once the valuation and price discovery become clearer, we may see retail participation for a longer term as the fundamentals are strong like any other large-cap stocks,” he said.