

CAPITAL MARKETS · LEAD

India’s second-largest IPO closes on Monday — with the retail book still short

Ten years after the co-location allegations shut the door, the National Stock Exchange is finally selling. Institutions have covered their portions; retail has not. Allotment falls on Tuesday, listing on Thursday.

The National Stock Exchange’s offer for sale closes on Monday, 21 September, ending a book that opened on Thursday and that the market has waited the better part of a decade to see. At ₹22,561.57 crore it is the second-largest public issue in Indian history, behind only Hyundai Motor India’s ₹27,870 crore in 2024.

The structure matters as much as the size. This is a pure offer for sale of up to 126,436,650 equity shares of ₹1 each, so not a rupee of the proceeds reaches the exchange. Selling shareholders include the State Bank of India, the Canada Pension Plan Investment Board, Aranda Investments (Mauritius) and MS Strategic (Mauritius). The band is ₹1,700 to ₹1,785, which puts the exchange at roughly ₹4.42 lakh crore at the top end. Employees have a ₹70 crore reservation and a ₹170 per share discount.

By the close of the third day the book stood at 1.16 times. Qualified institutional buyers were at 1.53 times and non-institutional investors at 1.68 times, but the retail portion sat at 0.72 — undersubscribed going into the final session. For an issue of this profile, that gap

between institutional conviction and retail appetite is the number worth watching on Monday evening.

A single line in SEBI’s no-objection certificate does the real work: list before 30 January 2027, or come back and ask again.

The path here has been long. NSE first filed draft papers in December 2016. The listing was shelved amid the co-location and dark-fibre allegations, and stayed shelved. SEBI issued a fresh no-objection certificate in early 2026, the exchange filed a new draft red herring prospectus in mid-June, and the observation letter — the regulator’s go-ahead — followed on 4 September. Attached to the NOC is a condition that deserves more attention than it has had: the listing must complete before 30 January 2027, failing which NSE must seek fresh approval.

The business being sold is, by any measure, infrastructure. As at 31 March 2026 the exchange

reported 129.09 million unique investors, 253.66 million investor accounts, 1,325 trading members and 2,978 listed companies, with listed market capitalisation of ₹411.25 trillion. On 24 March 2026 its systems handled 21.89 billion peak order messages and 201 million trades in a single session.

The prospectus is candid about the corresponding risk. A financial disincentive of ₹6.04 crore was levied on and paid by the exchange in May 2026 for a technical glitch dated 25 April 2024, with roughly ₹1.00 crore in aggregate for earlier glitches in March 2022 and December 2023. Where the product is continuity of the market itself, an outage is not an operational footnote; it is the risk.

Basis of allotment is expected on Tuesday, 22 September, with refunds and credit of shares on Wednesday and listing on Thursday, 24 September. The shares will list on the BSE — an exchange cannot list on itself.

BANKING · FPI ONBOARDING

RBI opens the NRI certified-copy route to foreign portfolio investors

In six Amendment Directions dated 18 September, the Reserve Bank extended to Foreign Portfolio Investors a documentation concession that until now belonged only to non-resident Indians and persons of Indian origin.

Paragraph 5(1)(v) of each set of KYC Directions, 2025 has been substituted. Where offline Aadhaar verification cannot be carried out, a bank may now accept an original certified copy from an FPI, certified by an authorised official of an overseas branch of an Indian scheduled commercial bank, a branch of

RBI/2026-27/257 TO /262 · DOR.AML · 18 SEPTEMBER 2026

COMPANY LAW · MCA

The compliance amnesty closed on 15 September, and this time it was not renewed

The Companies Compliance Facilitation Scheme, 2026 lapsed on Tuesday. Introduced by General Circular 01/2026 of 24 February to let companies clear pending statutory filings at sharply reduced additional fees, it ran first to 15 July, was pushed to 31 August by General Circular 03/2026, and was given a final fortnight to 15 September by General Circular 04/2026 of 31 August.

No further extension has issued. Overdue MCA-21 filings now attract additional fees at the ordinary rates, and the familiar consequences return with them — Section 164(2) disqualification exposure for directors of defaulting

companies, and registrar-initiated strike-off.

For companies that missed the window, the choice narrows to three: regularise at full cost, seek dormant status under Form MSC-1, or exit through voluntary strike-off in Form STK-2. Each requires a different evidentiary base, and delay worsens all three.

The fortnight granted on 31 August was the third extension of a scheme that has run, in one form or another, since February. Three extensions and then silence is itself a message about how the Ministry intends to treat the next request.

MCA GENERAL CIRCULAR 04/2026 · SCHEME CLOSED 15 SEPTEMBER 2026

INSOLVENCY · SUPREME COURT

Provident fund and gratuity stay outside the waterfall; penalty question goes up

A Division Bench of Justices J.B. Pardiwala and K. Vinod Chandran has reaffirmed that provident fund and gratuity dues accruing up to the commencement of insolvency do not form part of the liquidation estate and cannot be run through the Section 53 waterfall. The successful resolution applicant remains liable to pay them, along with interest under Section 7Q of the EPF and Miscellaneous Provisions Act.

The Court doubted the coordinate Bench’s reasoning in *Horticulture*

KERALA INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION V CENTRAL BOARD OF TRUSTEES, 2026 INSC 990

PROCEDURE · SUPREME COURT

A tribunal’s broken portal cannot be allowed to run the limitation clock

The Regional Provident Fund Commissioner tried to e-file an appeal against the resolution plan approved for Rolta India on 28 and 29 January 2026. The NCLAT portal failed to deliver the one-time passwords. The appeal went in on 30 January — one day past the outer 45-day limit in Section 61(2) of the IBC — and was dismissed as time-barred.

Justices Dipankar Datta and Sheel Nagu set that aside. Section 61(2) still admits of no condonation beyond 45 days, they held, but limitation runs only while the tribunal is open and capable of

receiving papers. The Registry’s own report confirmed the bona fide attempts.

Applying *actus curiae neminem gravabit*, the Court directed that the first bona fide attempt be treated as the date of presentation and the period of non-functionality excluded. The appeal stands restored to the NCLAT, which must now decide whether sufficient cause exists for the delay beyond the first 30 days.

The relief turned on proof. It was the Registry’s own report, filed on the tribunal’s direction, that recorded the failed attempts from 28 January onward.

REGIONAL PROVIDENT FUND COMMISSIONER-II V MAMTA BINANI, 2026 INSC 1003

IN BRIEF

TAX AUDIT — NO RELIEF YET

As at 19 September the CBDT had issued no order extending the Section 44AB deadline. The report for AY 2026–27 remains due on 30 September; transfer-pricing cases on 31 October. Representations from CA associations, including Jalandhar’s of 6 September, are requests and nothing more.

FRAUDULENT TRADING

Removing hypothecated machinery from a corporate debtor during insolvency can amount to fraudulent trading, the NCLAT held this week.

ELIGIBILITY UNDER SECTION 29A

The mere pendency of criminal proceedings does not disqualify a resolution applicant — NCLAT.

GUARANTEES SURVIVE AWARDS

Joint and several liability recorded in an arbitral award does not extinguish a personal guarantee, NCLAT Delhi ruled. NCLT Chandigarh separately allowed a CIRP withdrawal in Kay Bee Cotgin, holding the amended Section 12A applies prospectively.

CLEAN SLATE HOLDS

A welfare-oriented rehabilitation policy cannot preserve claims already extinguished under an approved resolution plan — Madhya Pradesh High Court. Separately, the Calcutta High Court quashed an income-tax reassessment against McNally Bharat on the same principle.

MEDIATION IN INSOLVENCY

NCLT Delhi directed the maker of Bira beer to mediate with creditors on settlement.

A QUIET WEEK AT SEBI

No new circular issued between 10 and 19 September. The last was 9 September, on client position limits in the commodity derivatives segment.

DATES THAT MATTER

Mon 21 Sep	NSE offer for sale closes
Tue 22 Sep	NSE basis of allotment expected
Thu 24 Sep	NSE lists on BSE and NSE
Wed 30 Sep	Tax audit report, AY 2026–27 (Forms 3CA/3CB with 3CD)
Wed 30 Sep	SEBI observation letters covered by the one-time relaxation lapse
Fri 2 Oct	Exchanges closed — next equity market holiday
Sat 31 Oct	Audit-case income tax return; Form 3CEB in transfer-pricing cases

BY THE NUMBERS

Nifty 50, week to 18 September	23,346
	–0.22% on the week
Sensex	74,295
	–0.65% on the week
Bank Nifty	56,359
	–0.44% on the week
Consecutive weekly falls for the Nifty — the longest run since 2020	6 weeks
NSE issue size — India’s second-largest IPO	₹22,562 crore
NSE book at close of day three	1.16× retail 0.72×

THE ANSV TAKE

Three of this week’s four significant developments turn on process rather than substance — and in each, the party that lost was the one that treated procedure as administration.

The NSE book is the obvious story, but the instructive detail is the expiry date buried in SEBI’s no-objection certificate. A consent with a shelf life is not an approval; it is an option that decays. Most deal files carry at least one of these — a CCI clearance, an RBI no-objection, a shareholder authority under Section 42 — and most are diarised by the associate who obtained them and by nobody else.

The Supreme Court’s reference on Section 14B is more immediately commercial than it looks. Provident fund and gratuity are now firmly outside the estate, and that liability sits on the successful resolution applicant at face value. Bidders who model those dues at a haircut are mispricing the plan, and the damages component remains open until the larger Bench speaks.

Set against that, *Mamta Binani* is a quiet piece of relief. As tribunal filing moves entirely online, the failure modes move with it, and the Court has now said plainly that limitation runs only while the registry can actually receive papers. But the relief was evidential: it worked because the NCLAT Registry’s own report recorded the attempts. Had nobody generated that record, the appeal would have died on a one-day delay.

And the closing of CCFS-2026 without renewal is a signal in itself. Three extensions, then none. Firms that advised clients to wait for a fourth now have a conversation to have, and a narrowing set of options to have it about.

What we would be doing about it on Monday morning

THIS WEEK’S CHECKLIST

- ☐ Pull every regulatory consent on live deal files and diarise its expiry — not just the conditions precedent.
- ☐ Reissue FPI onboarding templates to reflect the overseas certification route; stop asking clients to send originals to India.
- ☐ Reprice PF and gratuity at full value in resolution plans under negotiation, with Section 7Q interest, and carry Section 14B damages as a contingency.
- ☐ For clients who missed CCFS-2026, decide now between full-fee regularisation, MSC-1 dormancy and STK-2 strike-off.
- ☐ On every tribunal e-filing, capture screenshots, error codes, ticket numbers and timestamps the same day, and write to the registry.
- ☐ Work the tax audit to 30 September. A representation is not an extension.