

# IPO Note: National Securities Depository Ltd.

Industry: Financial Services

Date: July 29, 2025

Issue Snapshot		Issue Break up		
Company Name	National Securities Depository Ltd.	QIB ex Anchor	20%	1,00,12,000
Issue Opens	July 30, 2025 to August 01, 2025	Anchor Investor	30%	1,50,18,000
Price Band	Rs. 760 – Rs. 800	HNI<Rs. 10 Lakhs	5%	25,03,000
Bid Lot	22 Equity Shares and in multiples thereof.	HNI>Rs. 10 Lakhs	10%	50,06,000
The Offer	Public issue of 5,01,45,001 Equity shares of Face value Rs. 2 each, (Comprising of Offer for Sale by Selling Shareholder).	RII	35%	1,75,21,000
Issue Size	Rs. 3,811.0 – 4,011.6 Crores	<b>Total Public</b>	<b>100%</b>	<b>5,00,60,001</b>
IPO Process	100% Book Building	Employee Reservation		85,000
Face Value	Rs. 2.00	<b>Total</b>		<b>5,01,45,001</b>
Exchanges	NSE & BSE			
BRLM	ICICI Securities Ltd., Axis Capital Ltd., HSBC Securities and Capital Markets (India) Pvt. Ltd., IDBI Capital Markets & Securities Ltd., Motilal Oswal Investment Advisors Ltd., SBI Capital Markets Ltd.	Equity Share Pre Issue (Nos. Cr.)		20.0
Registrar	MUFG Intime India Pvt. Ltd.	OFS Share (Nos. Cr.)		5.0
		Equity Share Post Issue (Nos. Cr.)		20.0
		Market Cap (Rs. Cr.)		16,000.0
		Stake Sale by OFS		25.1%

## Objects of the Offer

### Offer for Sale

The Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. (up to 22,220,000 equity shares by IDBI Bank Limited, up to 18,000,001 equity shares by National Stock Exchange of India Limited, up to 500,000 equity shares by Union Bank Of India, up to 4,000,000 equity shares by State Bank of India, up to 2,010,000 equity shares by HDFC Bank Limited and up to 3,415,000 equity shares by Administrator of The Specified Undertaking of The Unit Trust of India)

## Company Highlights

- National Securities Depository Ltd. (NSDL) is a SEBI registered market infrastructure institution (MII) offering a wide range of products and services to the financial and securities markets in India. Following the introduction of the Depositories Act in 1996, it pioneered the dematerialization of securities in India in November 1996. As of March 31, 2025, the company is the largest depository in India in terms of number of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody. Further, as of March 31, 2025, it has network of 65,391 depository participants' service centres as compared to 18,918 such centres with CDSL.
- As a depository, the company provide a robust depository framework that enables market participants to participate in the financial and securities markets in India. It also play a central role in developing products and services that will continue to address the growing needs of the financial services industry in India. Its depository facilitates securities to be held in digital form by investors through accounts known as "Demat Accounts" held with the company through depository participants. As part of its depository business, the company operate a centralized digital book-keeping system that facilitates the holders of securities to hold and transfer the securities in electronic form and enables settlement solutions in an efficient and cost-effective manner. It also facilitate and maintain complete records of the ownership of securities held in dematerialised form with the company on behalf of the issuer entity.
- NSDL core depository services provide a steady source of recurring revenue, primarily through annual custody fees that it charge issuers of securities and annual maintenance fees it charge depository participants in relation to corporate accounts serviced through its depository platform. The company also charge transaction fees to depository participants and issuers of securities for transactions effected through its depository systems. As part of its commitment to the capital markets community in India, it has leveraged its technological infrastructure to cater to the diverse needs of the securities market in India and introduced several additional products, e-services and ancillary value-added services and initiatives directly and through its subsidiaries, NSDL Database Management (NDML) and NSDL Payments Bank (NPBL).

- As on March 31, 2025, the company had over 39.45 million active demat accounts held with 294 depository participants registered with the company, and its accounts holders were located in more than 99.34% of pin codes in India and 194 countries across the world. During the FY25, the company witnessed a net increase of 33,758 issuers to 79,773 issuers registered with the company as compared to 46,015 issuers as at March 31, 2024. Furthermore, the average number of Demat Accounts opened with the company per day for FY25 was 15,320.
- As on March 31, 2025, the company serviced 99.99% of the value of equity, debt and other securities held by foreign portfolio investors in dematerialized form in India. The company also held assets in custody aggregating to Rs. 70,167.65 billion for individuals (including NRIs) and Hindu Undivided Family (HUFs) accounts, which constituted 67.90% of the total value of such assets under custody in dematerialized across depositories as of March 31, 2025. Similarly, as of March 31, 2025, the company held assets in custody in relation to non-residents Indians aggregating to Rs. 4,676.01 billion, constituting 85.56% of the total value of such assets held by non-residents Indians under custody in dematerialized form across depositories. It also had a market share of 96.98% of the dematerialized value of debt securities in custody aggregating to Rs. 52,195.07 billion, as on March 31, 2025.

## View

- NSDL is India's first and leading depository and are the largest depository in India in terms of number of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody as of March 31, 2025. As the first and leading depository in the country, the company introduced the concept of dematerialization of securities, revolutionizing the securities landscape in India.
- The Demat Accounts in India have grown at 21.94% CAGR from 21.7 million in FY14 to 192.4 million in FY25. Further, the Demat Account penetration in India is 13.4% in the FY25 and 10.6% in FY24, and presents a huge opportunity to depositories for growth in the overall business considering India's population is more than 1.44 billion as of CY24. The number of companies having their securities in demat form have seen an increase from 17,835 FY17 to 79,773 in FY25 seeing a growth at 20.6% CAGR for NSDL and 9,887 to 35,922 from FY17 to FY25 growing at an approximately 17.5% CAGR for CDSL.
- Additionally, as per MCA notification in September 2018 (effective October 2, 2018), issuance of all securities and transfer of all securities by unlisted public companies shall be in dematerialised form only. On October 27, 2023, the MCA mandated compulsory dematerialisation of securities by private companies (other than small companies). Therefore, there is immense scope for depositories to increase number of companies on their platforms for dematerialization.
- As a securities depository, enhancement of its IT infrastructure is a critical aspect of its business as it serves as the foundation for future growth and expansion plans, while ensuring the safety and reliability of India's securities market ecosystem. It place a strong emphasis on operational resilience, strong information security systems and strengthening its IT infrastructure systems to withstand and promptly recover from unforeseen disruptions. Its primary objective is to mitigate the impact of any potential issues, ensuring uninterrupted operations and business continuity, even in the event of unforeseen circumstances.
- As part of its growth strategy for NDML, the company aim to continue to diversify its offerings through the introduction of new products and services, thereby serving the evolving needs of its customers. Some of the proposed strategic initiatives for its existing business verticals under NDML are KYC Registration Agency, Insurance Repository, Payment Aggregator Business, Registrar and Transfer Agent and National Skills Registry.
- The company continue to scale its payments bank business to include a number of ancillary products and services such as zero-balance accounts, digital payment cards, online bill payments and recharges, mutual funds and other investment services and insurance products. Some of its proposed initiatives for the growth of this business are Financial Inclusion, Digital Banking, Merchant Acquisition, Cash Management Services and Third Party Product Distribution.
- NSDL has demonstrated solid revenue growth, supported by a focus on operational efficiency and low costs. Revenue from operations grew at a CAGR of 17.9% from Rs. 1022 crore in FY23 to Rs. 1420 crore in FY25. Operating EBITDA increased at a CAGR of 21.2% from Rs. 256 crore in FY23 to Rs. 376 crore in FY25, while Profit After Tax rose at a CAGR of 20.9% to Rs. 343 crore in FY25. Operating EBITDA margins remained at ~25%, with PAT margins remained at ~23%.
- In terms of the valuations, on the higher price band, NSDL demands P/E multiple of 46.6x post issue FY25 EPS.

## Key Performance Indicator

	FY23	FY24	FY25
Demat custody value (Rs. Bn)	3,02,189	4,23,442	4,64,164
Individuals & HUF	43,061	65,110	70,168
Non-Individuals	2,59,128	3,58,332	3,93,996
Issuers (Number)	40,987	46,015	79,773
Listed	5,804	5,942	6,287
Unlisted	35,183	40,073	73,486
Total quantity of securities held in demat (In Bn.)	3,224.3	3,773.3	4,758.7
e-Voting			
e-voting Revenue (Rs. Cr.)	32.9	35.6	44.4
e-voting events (Number)	3,951	4,304	4,988
Depository Participants (Number)	283	281	294
DP Service Centres (Number)	59,401	61,665	65,391
Demat Accounts (excluding closed accounts) (in Mn.)	31.5	35.8	39.5
Individuals & HUF (in Mn.)	31.3	35.6	39.3
Non-Individuals (in Mn.)	0.2	0.2	0.2
Demat custody value per demat account (Rs. Cr.)	0.96	1.18	1.18
Individuals & HUF (Rs. Cr.)	0.14	0.18	0.18
Non-Individuals (Rs. Cr.)	172.75	223.96	219.19
Consolidated Operating Revenue (Rs. Cr.)			
Revenue (Rs. Cr.)	1022.0	1268.2	1420.1
Recurring Revenue (Rs. Cr.)	225.0	241.8	279.5
Transaction Revenue (Rs. Cr.)	797.0	1026.4	1140.6
Standalone Operating Revenue (Rs. Cr.)			
Revenue (Rs. Cr.)	409.2	473.1	618.6
Recurring revenue (Rs. Cr.)	211.8	229.7	261.3
Transaction revenue (Rs. Cr.)	197.4	243.4	357.4
Consolidated EBITDA (Rs. Cr.)	328.6	381.1	492.9
Consolidated PAT (Rs. Cr.)	234.8	275.4	343.1
Consolidated Basic and Diluted Earnings per Share (Rs.)	11.7	13.8	17.2
Consolidated Net Worth (Rs. Cr.)	1428.9	1684.1	2005.3
Consolidated Operating Profit Margin (%)	22.9%	20.6%	24.0%
Standalone Operating Profit Margin (%)			
NSDL	48.0%	48.7%	50.2%
NDML	40.2%	37.1%	31.7%
NPBL	1.6%	0.3%	0.5%
Consolidated PAT Margin (%)	21.4%	20.2%	22.4%
Standalone PAT Margin (%)			
NSDL	43.4%	45.2%	44.0%
NDML	37.6%	37.6%	35.0%
NPBL	1.5%	0.2%	0.3%
Consolidated ROE (%)	16.4%	16.4%	17.1%
Standalone ROE (%)			
NSDL	16.6%	17.1%	17.8%
NDML	12.7%	12.8%	12.1%
NPBL	5.6%	1.1%	1.3%

## Financial Statement

(In Rs. Cr)	FY23	FY24	FY25
Share Capital	40.0	40.0	40.0
Net Worth	1428.9	1684.1	2005.3
Long Term Borrowings	0.0	0.0	0.0
Other Long Term Liabilities	24.9	22.1	17.0
Short-term borrowings	0.0	0.0	0.0
Other Current Liabilities	639.7	551.6	962.5
Fixed Assets	73.4	301.8	343.1
Non Current Assets	1242.3	1325.3	1391.5
Current Assets	835.5	630.6	1250.3
Total Assets	2093.5	2257.7	2984.8
Revenue from Operations	1022.0	1268.2	1420.1
Revenue Growth (%)		24.1	12.0
EBITDA	255.6	285.0	375.5
EBITDA Margin (%)	25.0	22.5	26.4
Net Profit	234.8	275.4	343.1
Net Profit Margin (%)	23.0	21.7	24.2
Earnings Per Share (Rs.)	11.7	13.8	17.2
Return on Networth (%)	16.4	16.4	17.1
Net Asset Value per Share (Rs.)	71.4	84.2	100.3

Source: RHP, Ashika Research

## Cash Flow Statement

(In Rs. Cr)	FY23	FY24	FY25
Cash flow from Operations Activities	507.9	112.9	557.8
Cash flow from Investing Activities	(441.7)	(177.6)	(502.3)
Cash flow from Financing Activities	(20.0)	(20.0)	(16.4)
Net increase/(decrease) in cash and cash equivalents	46.2	(84.7)	39.1
Cash and cash equivalents at the beginning of the year	144.5	190.7	106.0
Cash and cash equivalents at the end of the year	190.7	106.0	145.2

Source: RHP

## Comparison with Listed Industry Peers

Co Name	Net Sales (Rs. Cr.)	OPM (%)	D/E (x)	ROCE (%)	RONW (%)	P/E (x)	P/BV (x)	EV/EBIDTA (x)	MCap/Sales (x)	Market Cap (Rs. Cr.)
National Securities Depository Ltd.	1420.1	26.4	0.0	18.6	17.1	46.6	8.0	42.2	11.3	16000.0
Central Depository Services (India) Ltd.	812.3	72.0	0.0	41.5	31.3	67.4	20.2	47.6	32.8	35473.6

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