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IPO Note



National Securities Depository Limited (NSDL)

Date : 29th July 2025

National Securities Depository Limited (NSDL)

About the Company

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, through the Company, it pioneered the dematerialization of securities in India in November 1996. As of March 31, 2025, it 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 (Source: CRISIL Report).

Further, as of March 31, 2025, the company had a network of 65,391 depository participants' service centres as compared to 18,918 such centres with CDSL. As a depository, it provides a robust depository framework that enables market participants to participate in the financial and securities markets in India. It also plays a central role in developing products and services that will continue to address the growing needs of the financial services industry in India. Using innovative and flexible technology systems, NSDL works to support investors, brokers, issuers and other market participants in the Indian capital markets and aims at ensuring the safety and soundness of Indian securities market by developing settlement solutions that increase efficiency, minimize risk and reduce costs.

Its depository facilitates securities to be held in digital form by investors through accounts known as "Demat Accounts" held with it through depository participants. This includes securities held in dematerialized form with various asset classes namely equities (listed equity and unlisted equity), preference shares, warrants, funds (mutual funds, REITs, InvITs and AIFs), debt instruments (corporate debt, commercial paper, certificate of deposit, pass through certificate, security receipts, government securities, sovereign gold bonds, municipal debt, treasury bill) and electronic gold receipts.

As part of its depository business, NSDL operates a centralized digital book-keeping system that facilitates the holders of securities to hold and transfer their securities in electronic form and enables settlement solutions in an efficient and cost-effective manner. It also facilitates and maintains complete records of the ownership of securities held in dematerialized form with it on behalf of the issuer entity.

Outlook

NSDL is engaged as a pioneer in depository services in India and is an ice breaker for the demat process. The company is expanding its horizon with more value-added services and options. On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 1099.81 cr. / Rs. 234.81 cr. (FY23), Rs. 1365.71 cr. / Rs. 275.45 cr. (FY24), Rs. 1535.19 cr. / Rs. 343.12 cr. (FY25). For the last three fiscals, the company has posted an average EPS of Rs. 15.13 and an average RoNW of 16.75%. If we attribute FY25 annualized earnings then the asking price is at a P/E of 46.62. Based on FY24 earnings, the P/E stands at 58.10.

Issue Details:

Price Band (Rs)	Rs 760– Rs 800
Issue Size (OFS)	4011.60 Cr (upper band)
Lot Size	18
Issue Opens	July 30, 2025
Issue Closes	August 01, 2025
Lead Manager	ICICI Securities, Axis Capital, HSBC Securities, IDBI Capital, Motilal Oswal Investment Advisors Limited , SBI Capital
Registrar	MUFG Intime India Private Limited
Tentative Listing Date	August 06, 2025
Listing on	BSE

Indicative Timetable

Finalization of Basis of allotment	August 04, 2025
Refund/ Unblocking of ASBA	August 05, 2025
Credit of Equity Shares to DP A/C	August 05, 2025

Issue Breakup

QIB	Not more than 50% of the Net Offer
RETAIL	Not less than 35% of the Net Offer
NII	Not less than 15% of the Net Offer
TOTAL	100%

Shareholding

The entire shareholding of the company is held by public shareholders, meaning that 100% of the company's equity is owned by individuals and institutional investors who are not part of the Promoter or Promoter Group. As a result, the company operates without any promoter holding, reflecting a fully public-owned structure.

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Objective of The Issue

The Company NSDL IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

- ❑ Achieve the benefits of listing the Equity Shares on BSE

Business Overview

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Further, as of March 31, 2025, the company had a network of 65,391 depository participants' service centres as compared to 18,918 such centres with CDSL. As a depository, it provides a robust depository framework that enables market participants to participate in the financial and securities markets in India. It also plays a central role in developing products and services that will continue to address the growing needs of the financial services industry in India. Using innovative and flexible technology systems, NSDL works to support investors, brokers, issuers and other market participants in the Indian capital markets and aims at ensuring the safety and soundness of Indian securities market by developing settlement solutions that increase efficiency, minimize risk and reduce costs.

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As part of its depository business, NSDL operates a centralized digital book-keeping system that facilitates the holders of securities to hold and transfer their securities in electronic form and enables settlement solutions in an efficient and cost-effective manner. It also facilitates and maintains complete records of the ownership of securities held in dematerialized form with it on behalf of the issuer entity. NSDL's core depository services provide it with a steady source of recurring revenue, primarily through annual custody fees that it charges issuers of securities and annual maintenance fees it charges depository participants in relation to corporate accounts serviced through its depository platform.

Financials

Income Statement	(Rs in million)		
Particulars	FY25	FY24	FY23
Revenue from Operation	14,201	12,682	10,220
Other income	1,150	975	778
Total Income	15,352	13,657	10,998
Employee Benefit Exp	1,385	1,232	1,098
Depreciation	354	241	217
Finance Cost	41	21	19
Contribution to IEPF	154	115	99
Other expenses	8,907	8,485	6,467
Total expenses	10,841	10,094	7,899
Share of Profit / (Loss) of Associate	24	-14	-48
Profit before tax	4,534	3,550	3,050
Total Tax expenses	1,103	795	702
Profit after tax	3,431	2,754	2,348
Basic EPS	17	14	12

Cash Flow Statement	(Rs in million)		
Particulars	FY25	FY24	FY23
Net Profit before tax	4534	3550	3050
Cash generated from Operating Activity	6599	1919	5849
NET CASH FLOW FROM OPERATING ACTIVITY	5578	1129	5079
NET CASH FLOW FROM INVESTING ACTIVITY	-5023	-1776	-4417
NET CASH FLOW FROM FINANCING ACTIVITY	-164	-200	-200
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT	391	-847	462
Cash and Cash Equivalent at the beginning of the year	1060	1907	1445
Cash and Cash Equivalent at the end of the year	1452	1060	1907

National Securities Depository Limited (NSDL)

Balance Sheet	(Rs in million)		
Particulars	FY25	FY24	FY23
ASSETS			
Non Current Assets			
Property, Plant and Equipment	2,673	2,548	338
Capital WIP	148	4	2
Intangible assets	465	223	188
Intangible assets under development	67	125	49
Right to use assets	78	117	157
Non Current Investment	13,124	12,202	11,190
Other Financial Assets	632	869	390
Deferred tax assets (net)	41	92	83
Income tax assets (net)	97	74	71
Other non-current assets	22	18	112
Total Non Current Assets	17,346	16,272	12,580
Current Assets			
Current Investments	6,832	2,733	3,327
Trade Receivable	1,299	831	856
Cash and cash equivalent	1,452	1,060	1,907
Bank Balance	2,291	1,345	1,963
Other Financial Assets	101	55	71
Other current assets	528	281	231
Total Current Assets	12,503	6,306	8,355
Total Assets	29,848	22,578	20,936
EQUITIES AND LIABILITIES			
Equity Share Capital	400	400	400
Other Equity	19,653	16,441	13,889
Total Equity	20,053	16,841	14,289
Non Current Liabilities			
Lease Liability	54	101	135
Other Financial Liability	55	51	49
Deferred tax liability (Net)	0	1	0
Other non-current liabilities	53	61	58
Provisions	8	7	6
Total Non Current Liabilities	170	221	249
Trade Payable	892	696	612
Lease liability	48	35	33
Other Financial liability	7,059	3,596	4,702
Provisions	344	305	280
Current tax Liability	153	97	81
Other Current Liabilities	1,130	787	689
Total Current liabilities	9,625	5,516	6,397
Total Equities and Liabilities	29,848	22,578	20,936

National Securities Depository Limited (NSDL)

Directors Profile

Vijay Chandok serves as the Managing Director and Chief Executive Officer of the company. He has been associated with Laxmi India Finance since November 28, 2024. Mr. Chandok holds a bachelor's degree in mechanical engineering from Banaras Hindu University, Varanasi, and a master's degree in management studies from Narsee Monjee Institute of Management Studies, Mumbai.

Parveen Kumar Gupta is the Chairman and Public Interest Director of the company and has been on the board since September 6, 2022. He holds a bachelor's degree in commerce from Guru Nanak Dev University, Amritsar, and is an Associate Member of the Institute of Company Secretaries of India as well as a Certified Associate of the Indian Institute of Bankers. Mr. Gupta brings over 40 years of experience in the banking sector.

Madhu Sudan Sahoo has been serving as a Public Interest Director since April 18, 2023. A seasoned expert in economic policy and financial market regulation, he has over four decades of experience. He holds degrees in economics, law, and philosophy from Utkal University, Management Development Institute, and the University of Glasgow, among others. Mr. Sahoo is a Fellow of the Institute of Company Secretaries of India and holds a PhD from the University of Mumbai.

Rajat Moona serves as a Public Interest Director and has been associated with the company since January 9, 2024. He holds a bachelor's degree in electrical engineering from IIT Kanpur and a PhD from the Indian Institute of Science, Bengaluru. With more than 33 years of experience in research and academia, Dr. Moona is currently a Director and Professor at IIT Gandhinagar and has previously served as Director of IIT Bhilai.

Sripriya Kumar is a Public Interest Director on the board since May 23, 2024. She holds a bachelor's degree in commerce from the University of Madras and is a member of the Institute of Chartered Accountants of India (ICAI). With over 23 years of experience in accountancy, she serves as an elected member of ICAI's Central Council (Southern Region).

Sanjay Panicker serves as a Non-Independent Director and has been associated with the company since January 1, 2025. He holds a bachelor's degree in mechanical engineering and an MBA from the University of Pune, along with a postgraduate diploma in financial analysis from the Institute of Chartered Financial Analysts of India.

Sriram Krishnan is a Non-Independent Director, associated with the company since August 23, 2023. He holds a bachelor's degree in commerce from Bharathiar University and is qualified as a Chartered Accountant and Cost Accountant. Mr. Krishnan has over 26 years of experience in banking and capital markets. He currently serves as the Chief Business Development Officer at the National Stock Exchange of India Limited (NSE), overseeing strategy and key relationships.

Market Opportunity

❑ The capital markets have played a pivotal role in development of the Indian economy with the amount of total capital raised (equity and debt) increasing from ₹919.5 billion in Financial Year 2019 to ₹2,181.2 billion in Financial Year 2025 (Source: CRISIL Report). This market is expected to grow further with capital raised from the primary market through public and rights issues increasing about 113% y-o-y in Financial Year 2025 and about 42% y-o-y in Financial Year 2024 (Source: CRISIL Report). The Demat Account penetration in India is 13.4% in Financial Year 2025 and 10.6% in the Financial Year 2024, and presents huge opportunity to depositories for growth in the overall business considering India's population is more than 1.44 billion as of calendar year 2024. (Source: CRISIL Report).

Key Risk of the business

- ❑ If there is a shift in investor preferences away from investing and trading in securities to alternative avenues, it may lead to reduced demand for the Company's services, thereby adversely impacting its business, financial condition, and results of operations.
- ❑ A failure on the part of the Company to expand its service offerings and market reach through continuous innovation and the development of new, technology-driven products and services—or the underperformance of such offerings—could negatively affect its business prospects.
- ❑ The Company derives a significant portion of its revenue from transaction-based activities, particularly delivery-based trading in the securities market. External factors beyond the Company's control may influence trading volumes, which could, in turn, have an adverse effect on its business, cash flows, operating results, and financial health.

National Securities Depository Limited (NSDL)

Competitive Strength

- ❑ India's first and leading depository operating a wide range of technology-driven businesses
- ❑ Strong focus on technology-led product innovation
- ❑ Robust IT infrastructure, risk management frameworks and cyber-security measures focused on ensuring the safety and integrity of the depository system
- ❑ Stable revenue base with a significant proportion of recurring revenue
- ❑ Diversified Asset Classes held in Demat Accounts and Well-diversified Business Verticals

Threats

- ❑ The Company relies on complex information technology systems and networks to conduct its operations. Any major disruption, whether due to technical glitches, cybersecurity breaches, or other issues, could negatively impact its business, reputation, operating results, and financial condition. Such disruptions may also result in regulatory penalties, including financial disincentives imposed by SEBI.
- ❑ Operating within a stringent regulatory framework, the Company's inability to fully comply with applicable legal and regulatory requirements could lead to enforcement actions and legal proceedings initiated by the Securities and Exchange Board of India.
- ❑ The Company faces intense competition across its lines of business in a highly regulated environment. A failure to effectively compete with peers could adversely affect its business performance, financial position, cash flows, and overall results of operations.

Shareholding

NSDL IPO is purely Offer for Sale (OFS) where selling shareholders are IDBI bank, National Stock Exchange of India Limited, Union Bank of India, State Bank of India, HDFC Bank Limited and Administrator of the Specified Undertaking of the Unit Trust of India

Name of Shareholder holding more than 1%	Pre Offer Shareholding (%)
IDBI Bank Limited	26.10%
National Stock Exchange of India Limited	24.00%
HDFC Bank Limited	
Administrator of the Specified Undertaking of the Unit Trust of India	7.95%
Deutsche Bank A.G.	6.83%
State Bank of India	5.00%
Citibank N.A.	5.00%
The Hongkong and Shanghai Banking Corporation Limited	3.13%
Union Bank of India	2.81%
Canara Bank	2.30%

Disclaimer

Investments in the securities market are subject to market risk, read all related documents carefully before investing.

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Name : Bajaj Broking Research Team | Email Id : researchdesk@bajajbroking.in

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Research Analyst

Anand Shendge
(DVP Derivative Analyst)

Pabitra Mukherjee
(AVP Technical Analyst)

Nisarg Shah
(Fundamental Analyst)

Vikas Vyas
(Derivative Analyst)

Harsh Parekh
(Technical Analyst)

Raunaq Murarka
(Derivative Analyst)

Shashwat Singh
(Fundamental Analyst)