

ABOUT THE COMPANY: Incorporated in 2012, NSDL is a SEBI-registered Market Infrastructure Institution (MII) and a key securities depository in India. It facilitates dematerialization, settlements, corporate actions, and investor services like e-voting and CAS. Its subsidiaries include NDML for e-governance/KYC and NPBL for digital banking. As of March 31, 2025, NSDL manages 39.45 million demat accounts across 99% of PIN codes and 186 countries.

KEY BUSINESS INSIGHTS: National Securities Depository Ltd. (NSDL), incorporated in 2012, is India's first and largest securities depository, playing a pivotal role in the dematerialization of securities post the Depositories Act, 1996. As of March 31, 2025, it leads the industry in terms of issuers, active instruments, settlement value market share, and assets under custody. NSDL operates through a robust digital infrastructure offering depository services across equity, debt, mutual funds, REITs, InvITs, AIFs, SGBs, T-bills, and EGRs. Its deep market presence includes 65,391 service centres covering over 99% of Indian PIN codes and clients from 186 countries. It derives stable revenues via annual custody and maintenance charges, alongside transaction-based fees. Through its subsidiaries NDML and NPBL, it has diversified into e-governance, SEZ automation, regulatory platforms, digital banking, and third-party financial services. NSDL has consistently posted healthy profits with a 50% dividend payout in FY23 and FY24, showcasing strong financial discipline and shareholder focus.

VIEW: NSDL forms a critical backbone of India's capital market infrastructure with wide network penetration and regulatory significance. Its annuity-like revenue model, diversified service suite, and leadership in depository operations offer scalability and resilience. The IPO is priced at a P/E of 46.62x and P/B of 7.98x, which appears attractive compared to CDSL's P/E of 60.43x and P/B of 18.08x, especially considering NSDL's superior assets under custody and service reach. With rising demat penetration and increasing financialization of the economy, NSDL is well-positioned for long-term growth.

We recommend a **SUBSCRIBE** rating for investors with a medium to long-term investment horizon.



ISSUE DETAILS	
Price Band (in ₹ per share)	760.00-800.00
Issue size (in ₹ Crore)	4,011.60
Fresh Issue (in ₹ Crore)	NA
Offer for Sale (in ₹ Crore)	4,011.60
Issue Open Date	30-07-25
Issue Close Date	01-08-25
Tentative Date of Allotment	04-08-25
Tentative Date of Listing	06-08-25
Total Number of Shares (in lakhs)	501.54-501.54
Face Value (in ₹)	2.00
Exchanges to be Listed on	BSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	18	₹14,400
Retail (Max)	13	234	₹1,87,200
S-HNI (Min)	14	252	₹2,01,600
S-HNI (Max)	69	1242	₹9,93,600
B-HNI (Min)	70	1260	₹10,08,000

BRLMs: ICICI Securities Limited, Axis Capital Limited, HSBC Securities and Capital Markets (India) Private Limited, IDBI Capital Markets & Securities Limited, Motilal Oswal Investment Advisors Limited, SBI Capital Markets Limited

BRIEF FINANCIALS

PARTICULARS (Rs. Cr) *	FY25	FY24	FY23
Share Capital	40.00	40.00	40.00
Net Worth	2005.34	1684.09	1428.66
Revenue	1420.14	1268.24	1021.98
EBITDA	492.94	381.13	328.60
EBITDA Margin (%)	34.71	30.05	32.15
Profit/(Loss) After Tax	343.12	275.44	234.81
Adjusted EPS (in Rs.)	17.16	13.77	11.74
Net Asset Value (in Rs.)	100.27	84.20	71.44
Total borrowings	-	-	-
P/E [#]	46.62	NA	NA
P/B [#]	7.98	NA	NA

*Restated consolidated financials; #Calculated at upper price band.

OBJECTS OF THE OFFER

OBJECTS OF THE ISSUE

- carry out the Offer for Sale of up to 50,145,001 Equity Shares of face value of ₹ 2 each aggregating to o ₹ million by the Selling Share-holders
- achieve the benefits of listing the Equity Shares on BSE.

FINANCIAL STATEMENTS

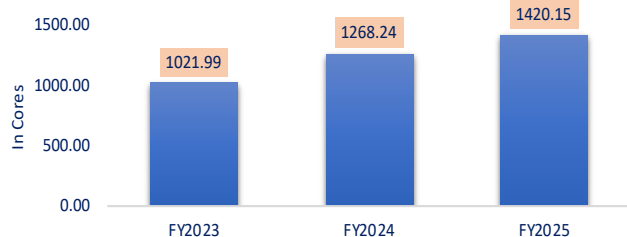
Profit & Loss Statement			
Particulars (In Crores)	FY2023	FY2024	FY2025
INCOME			
Revenue from operations	1021.99	1268.24	1420.15
Other Income	77.83	97.46	115.04
Total Income	1,099.81	1,365.71	1,535.19
YoY Growth (%)	-	24.10%	11.98%
Contribution to investor protection fund	9.89	11.48	15.42
Employee benefit expenses	109.81	123.20	138.53
Employee benefit expenses-% of Revenue	10.74%	9.71%	9.75%
Other expenses	646.68	848.53	890.69
Other expenses-% of Revenue	63.28%	66.91%	62.72%
EBIDTA (Calculated)	328.60	381.13	492.94
EBIDTA Margin (%)	32.15%	30.05%	34.71%
Depreciation and amortisation expense	21.69	24.12	35.40
EBIT	306.92	357.01	457.54
EBIT Margin (%)	27.91%	26.14%	29.80%
Finance cost	1.87	2.06	4.10
Profit before Share of Profit / (Loss) and Tax	309.88	356.31	451.05
Share of Profit / (Loss) of Associate	-4.84	-1.36	2.40
Profit Before Tax	305.04	354.95	453.44
Tax expenses			
Current tax	72.02	80.31	105.30
Deferred Tax	-1.79	-0.81	5.02
Total tax expenses	70.23	79.51	110.32
Profit for the year	234.81	275.45	343.12
PAT Margin (%)	21.35%	20.17%	22.35%
Earnings per share			
Basic earnings per share (₹)	11.74	13.77	17.16

Cashflow Statement			
Particulars (In Crores)	FY2023	FY2024	FY2025
Net Cash generated from Operating Activities (A)	507.94	112.88	557.85
Net Cash used in Investing Activities (B)	-441.71	-177.56	-502.32
Net Cash used in Financing Activities (C)	-20.00	-20.00	-16.38
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	46.23	-84.68	39.15
Cash and Cash Equivalents at the beginning of the year	144.46	190.69	106.01
Cash and Cash Equivalents at the end of the year	190.69	106.01	145.16

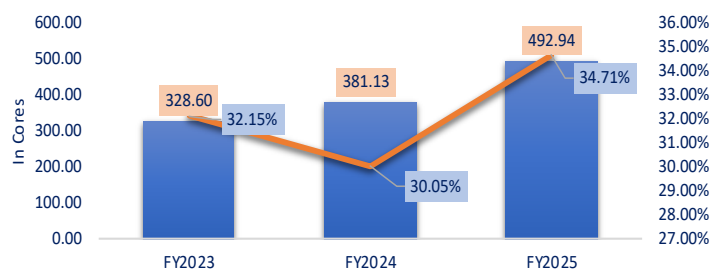
Balance Sheet			
Particulars (In Crores)	FY2023	FY2024	FY2025
Asset			
Non-Current Assets			
Property, plant and equipment	33.82	254.84	267.29
Capital work-in-progress	0.24	0.41	14.82
Intangible assets	18.81	22.33	46.53
Intangible asset under development	4.86	12.5	6.7
Right of use of assets	15.68	11.74	7.77
Financial assets			
i) Non-current investments	1119.01	1220.21	1312.37
ii) Other financial assets	38.96	86.86	63.21
Deferred tax assets (net)	8.3	9.17	4.07
Income tax assets (net)	7.11	7.35	9.65
Other non-current assets	11.2	1.75	2.15
Total Non-Current Assets	1257.99	1627.16	1734.56
Current Assets			
Financial assets			
i) Current investments	332.71	273.29	683.22
ii) Trade receivables	85.63	83.14	129.86
iii) Cash and cash equivalents	190.69	106.01	145.16
iv) Bank balances other than (iii) above	196.29	134.46	229.07
v) Other financial assets	7.1	5.54	10.13
Other current assets	23.07	28.15	52.83
Total Current Assets	835.49	630.59	1250.27
Total Assets	2093.48	2257.75	2984.83
EQUITY AND LIABILITIES			
Equity			
Equity share capital	40.00	40.00	40.00
Other equity	1388.86	1644.09	1965.34
Total Equity	1428.86	1684.09	2005.34
Liabilities			
Non-Current Liabilities			
Financial liabilities			
i) Lease liability	13.53	10.09	5.36
ii) Other financial liabilities	4.85	5.15	5.49
Deferred tax liability (Net)	0.01	0.07	-
Other non-current liabilities	5.84	6.07	5.32
Provisions	0.64	0.69	0.79
Total Non-Current Liabilities	24.87	22.07	16.96
Current Liabilities			
Financial liabilities			
i) Trade payables	61.18	69.64	89.22
ii) Lease liability	3.29	3.54	4.78
iii) Other financial liabilities	470.22	359.57	705.88
Provisions	28.04	30.45	34.36
Current tax liability (net)	8.11	9.68	15.26
Other current liabilities	68.97	78.7	113.04
Total Current Liabilities	639.81	551.58	962.54
Total Liabilities	664.68	573.65	979.5
Total Equity and Liabilities	2093.48	2257.75	2984.83

PERFORMANCE THROUGH CHARTS

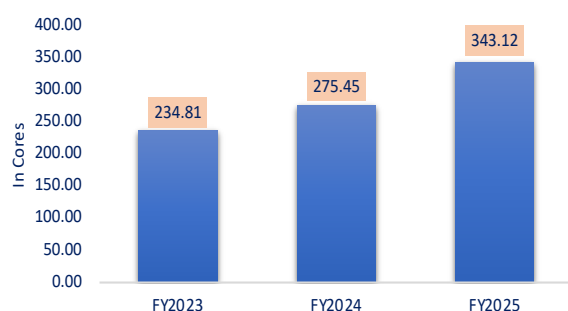
REVENUE HAS GROWN BY 18% CAGR 2 YR



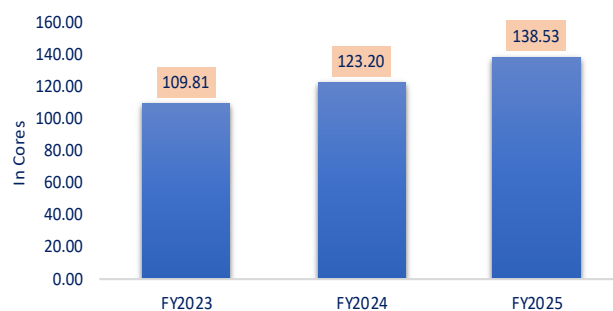
EBITDA HAS GROWN BY 22% CAGR 2 YR



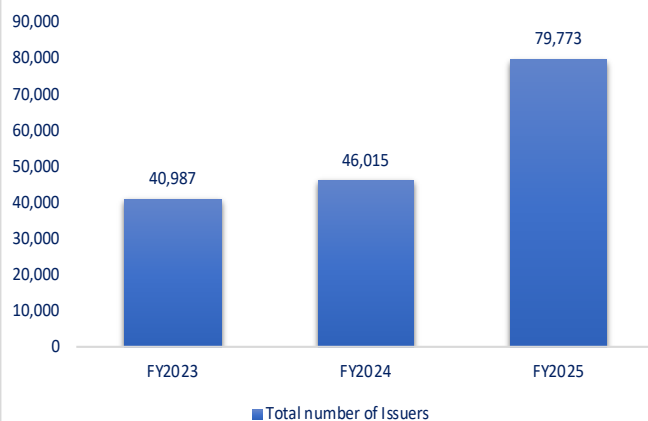
PAT HAS GROWN BY 21% CAGR IN 2 YR



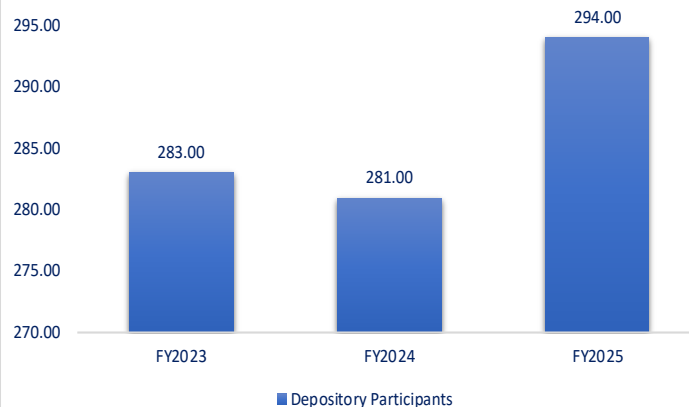
EMPLOYEE BENEFIT EXPENSE IS INCREASING



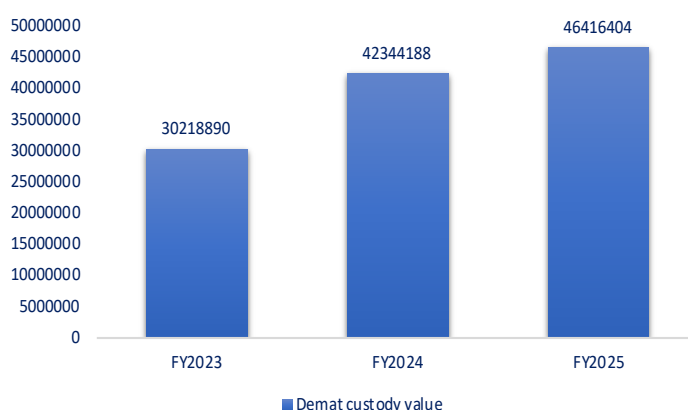
Total number of Issuers



Depository Participants



Demat custody value





INDUSTRY REVIEW

Trend in Demat accounts in India

- The Demat Accounts in India have grown at 21.94% CAGR from Financial Year 2014 till Financial Year 2025. The above data points suggest the increasing awareness and willingness of the people to participate in capital markets for either trading or with long-term outlook. As of March 31, 2025, the total demat accounts stood at 192.4 million accounts.

Share of new age fin-tech brokers or discount brokers to grow to approximately 70-72% by Financial Year 2026 owing to retail participation, bank-based brokers are also considered safe options

- Recently, there has been an emergence of a new kind of Depository Participants known as new age fin-tech brokers or discount brokers, who have revolutionized the Indian capital markets with a low-cost digital business model.
- Leveraging their low operational costs, these new age fin-tech brokers have been able to transfer this benefit to their clients by significantly bringing down the cost of investing. This is achieved by charging minimal brokerage fees and introducing demat accounts with almost zero brokerage fees. As of March 31, 2025, these new age fintech brokers had a market share of approximately 70.00% as compared to 5.00% in Financial Year 2016.
- The increasing financial literacy among India's technologically proficient young population, coupled with the availability of almost zero brokerage services offered by these new age fin-tech brokers through digital platforms, has resulted in a rapid expansion of market share for these new age fin-tech brokers.

Capital markets clocked strong growth with NIFTY 50 clocking 10.5% CAGR from Financial Years 2011 to Financial Year 2025

- The Indian Capital Market is one of the most dynamic and high growth organised markets in the world. It witnessed strong performance during the period Financial Years 2011 to 2025.
- The market capitalization of National Stock Exchange ("NSE") grew at 13.8% CAGR during Financial Year 2011 to Financial Year 2025. The NIFTY 50 index has grown at a CAGR of 10.5% over this period. BSE Sensex has followed a similar growth trajectory to Nifty 50. In case of NSE, the number of companies traded rose from 856 to 3,784 between Financial Year 2005 and Financial Year 2025. Indian equities continued to see strong gains in calendar year 2025. Both domestic and global factors were supportive of foreign capital inflows.

Depository Statistics for NSDL and CDSL witness a steady growth trajectory

- Securities such as common equity shares, preferential shares, mutual fund units, debt instruments, government securities, certificates of deposit, commercial papers and others are available to be held in electronic or dematerialized (demat) form by the investors. The number of companies having their securities in demat form have seen an increase from 17,835 in Financial Year 2017 to 79,773 in Financial Year 2025 seeing a growth at 20.6% CAGR for NSDL and 9,887 to 35,922 from Financial Year 2017 to Financial Year 2025 growing at a ~17.5% CAGR for CDSL.

FPI investments in capital markets

- Sustained capital inflows - portfolio and direct - are a prerequisite for any economy. In particular, the challenge is to create favorable conditions for continuous inflow of foreign capital, to retain and utilise it for productive purposes like infrastructure and other investment needs. The foreign portfolio investor (FPI) regime commenced with effect from June 1, 2014, wherein the existing FII, sub-accounts, and qualified foreign investors (QFIs) were merged to form a new investor class termed as FPI.



COMPETITIVE STRENGTHS OF THE COMPANY

- **India's first and leading depository operating a wide range of technology-driven businesses** They are 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 (Source: CRISIL Report). As the first and leading depository in the country, they introduced the concept of dematerialization of securities, revolutionizing the securities landscape in India (Source: CRISIL Report). They were also one of the initial few depositories globally to directly implement dematerialization, bypassing the traditional two-step process of immobilization and subsequent dematerialization (Source: CRISIL Report).
- **Strong focus on technology-led product innovation** Technology serves as the foundation of their ecosystem. They have consistently invested in technology, enabling the development of a state-of-the-art depository system catering to diverse user groups such as depository participants, issuers, registrars, transfer agents, and clearing corporations. In August 2007, they were the first depository to introduce instant messaging alerts (over SMS) to investors (Source: CRISIL Report). Their comprehensive suite of value-added services includes Speed-e, which facilitates the electronic submission of depository transactions, STeADY (as defined below) for trade information exchange and institutional client contract notes, and IDeAS (as defined below), an online platform for convenient access to depository accounts.
- **Diversified Asset Classes held in Demat Accounts and Well-diversified Business Verticals** They hold a strong position in the depository market with regard to the diversified asset classes held in demat accounts with them. These accounts hold various asset classes, including equities (listed and unlisted), preference shares, warrants, funds (mutual funds, REITs, InvITs and AIFs), debt instruments (corporate debt, commercial paper, certificates of deposit, pass-through certificates, structured obligations, government securities, sovereign gold bonds, municipal debt, treasury bills, state development loans), and electronic gold receipts. As of March 31, 2025, NSDL held approximately 85.06% and 86.81% of total securities in terms of numbers and values, respectively (Source: CRISIL Report).



RISK FACTORS

If there is a shift in investor preferences away from investing and trading in securities to other avenues, it could reduce demand for their services and adversely affect their business, financial condition, and results of operations.

They commenced operations in 1996 as the first securities depository in India and are a market infrastructure institution in the securities market in India. Since the commencement of their operations, they have introduced several additional products and value-added services directly and through their subsidiaries, NSDL Database Management Limited ("NDML") and NSDL Payments Bank Limited ("NPBL"), that include database management services, an insurance repository, payment bank services, a payment aggregator business, a covenant monitoring platform and a comprehensive data platform for dissemination of information on debt instruments. However, till date, the revenue generated from their depository services contribute to a large portion of their revenues.

Their failure to expand their service offerings and market reach through continued innovation and development of new products and services through technology-based solutions or the failure of these new service offerings may have an adverse impact on their business.

Their success depends, in part, on their ability to develop and introduce new products and services to the securities market in India through technology-based solutions that anticipate and keep pace with rapid and continuing changes in technology, industry standards and preferences of investors.

They continue to develop and make significant investments towards acquiring and introducing innovative and novel product and service offerings that they believe will address needs identified by them in the financial and securities markets in India. For instance, they introduced a secure internet service for demat account holders – IDeAS, to view their account balance and transaction history online, a service for clearing members to submit digitally signed instructions to depository participants electronically and a distributed ledger blockchain-based platform for debenture security and covenant monitoring system. CDSL offers a similar service called EASI (Electronic Access to Securities Information) (Source: CRISIL Report).

A large proportion of their Company's business is transaction-based, in particular, delivery-based, and dependent on trading activity in the securities market. External factors beyond their control may affect the trading volumes which could adversely affect their business, cash flows, results of operation and financial condition.

A significant portion of their Company's business is transaction-based and is dependent on external factors beyond their control, such as the level of trading activity in cash segment on major stock exchanges in India, and they rely on market activities to execute transactions and generate revenue.

Furthermore, a decline in trading activity could reduce their transaction fees, which forms a significant portion of their revenue stream. Set forth below are the details of their transaction fees for the Financial Years 2025, 2024 and 2023, also presented as a percentage of their revenue from operations.

They rely on complex information technology networks and systems to operate their business. Any significant system or network disruption due to a technical glitch, breach in the security of their IT systems or otherwise, could have a negative impact on their business, reputation, results of operation and financial condition including levy of financial disincentive by SEBI.

They rely on the efficient and secure operation of complex information technology networks and systems to carry out their business. All information technology systems remain potentially vulnerable to damage or interruption from a variety of sources, including but not limited to software and hardware failure, cyber-attacks, computer viruses and security breaches.

While they have not experienced any cybersecurity incidents on their depository system during the last three Financial Years, their website had once been subjected to a cybersecurity attack in the past. There was no adverse impact on their operations on account of such incident. While risks of such cybersecurity attack have been mitigated, they may still be exposed to such risks in the future.

PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
NSDL	1535.18	2.00	17.16	100.27	17.11	46.62	7.98
CDSL	1199.28	10.00	25.20	84.23	29.90	60.43	18.08

*P/E & P/B ratio based on closing market price as of July28TH 2025, at the upper price and of IPO, financial details consolidated audited results as of FY25.



Canara Bank Securities Ltd.
(A Wholly Owned Subsidiary of Canara Bank)



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Analyst Certification

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