



IPO Details:

National Securities Depository Ltd (NSDL) is coming out with an IPO of about Rs. 4,011.60 cr consisting of 5,01,45,001 shares of face value of Rs. 2 each in a price band of Rs. 760 – Rs. 800. The IPO comprises of Offer for Sale of Rs. 4,011.60 cr by the existing investors of the Company. The IPO opens on 30th July' 2025 and closes on 1st August' 2025.

Company Details:

- NSDL, is India's **first**, leading and **largest** depository in terms of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody as of 31st Mar' 25.
- As part of 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.
- Its core depository services provides the Company with a **steady source of recurring revenue**, primarily through **annual custody fees** that it charges to issuers of securities and **annual maintenance fees** it charges to depository participants in relation to corporate accounts serviced through its depository platform.
- Additionally, NSDL has **leveraged its technological infrastructure** to cater to 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 Ltd** and **NSDL Payments Bank Ltd**.

Strength:

- Serves over **3.95 cr** active demat accounts held with **294** depository participants registered with it, and its account holders are located in more than **99.34%** of pin codes in India and 194 countries across the world.
- Caters to securities issued by total of **79,773 issuers** (as of 31st Mar' 25) which is comprised of **6,287** listed issuers, **73,486** unlisted issuers.
- Serviced **99.99%** of the value of equity, debt and other securities held by foreign portfolio investors in the dematerialized form in India as of 31st Mar' 25.
- NSDL held assets in custody aggregating to **Rs. 70,167.65 billion** for individuals (including NRIs) and HUF account and it constituted **67.90%** of the total value of such assets under custody in dematerialized across depositories as of 31st Mar' 25.



Growth Drivers:

- **Steady increase in participation by FIIs, DIIs as well as retail investors** in Indian capital markets through direct equity investing and also through Mutual Funds is expected to further increase the overall volumes in equity markets along with increase in issuers as more companies tap capital markets to raise funds via issuance of equity as well as debt securities.
- **Share of equity investments** in household financial assets of Indian continues to be low at as compared to leading global economies like the USA, UK, Japan, Germany among others, thereby providing long runway for growth for depositories.
- Launch of a **blockchain based-distributed ledger technology platform** for security and covenant monitoring including the monitoring of asset coverage relating to issuance of debentures on real-time basis.

Objectives of Fund Raise:

- As the IPO comprises of Offer for Sale only, no funds from IPO will flow into the Company.

Key Financial Highlights:

National Securities Depository Ltd (Rs. Cr)

Year	Revenue	Operating Profit	Operating Margins (%)	PAT	EPS	RoCE (%)	RoE (%)
FY23	1,021.99	255.62	25.0%	234.81	11.74	21.8%	16.4%
FY24	1,268.24	285.04	22.5%	275.45	13.77	21.3%	16.4%
FY25	1,420.15	375.51	26.4%	343.12	17.16	22.7%	17.1%

- Operating Revenue of the Company has grown from Rs. 1,021.99 cr in FY23 to Rs. 1,420.15 cr in FY25, translating into CAGR of 17.9%.
- Operating margins has inched up from 25.0% in FY23 to 26.4% in FY25 on the back of operating leverage.
- Profits after tax of the Company has inched up from Rs. 234.81 cr in FY23 to Rs. 343.12 cr in FY25, translating into CAGR of 20.9%.



- Capital Efficiency of the business is very strong with RoCE and RoE of the Company at 22.7% and 17.1% in FY25. Reported RoCE and RoE looks optically lower due to consolidation of Payments Bank subsidiary which is still in its nascent stage and whose business characteristics are different from the standalone Depository business.

Valuations:

- At Upper end of the IPO price band of Rs. 800, NSDL will be valued at about Rs. 16,000.00 cr.
- On PE basis, the Company is available at 46.62x its FY25 EPS of Rs. 17.16x while on M-Cap/Operating Cash Flow, NSDL is available at 28.68x its FY25 Operating Cash Flow of Rs. 557.85 cr.
- **Investments can be made in NSDL from long term perspective, considering the long runway of growth for depository business on the back of expectation of further widening of participation by domestic as well foreign investors in the Indian capital markets, increase in fund mobilization by companies through capital markets, duopoly nature of the depository business, increase in value added services like e-voting services, consolidated account statement, digital banking solutions, inclusive banking products, distribution of 3rd party products such as life insurance, health insurance and mutual funds, highly capital efficient business and relative undervaluation vis a vis peer i.e. CDSL.**



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*Long Term Investments could range from 3-5 years.