

Recommendation: Subscribe for long term
Industry: Depositories Clearing Houses and Other Intermediaries

Price Band: ₹ 760 - 800
Post Implied Market Cap: ₹15,200 – 16,000 Cr

Key Data

Issue Size (₹ Cr)	3,810 - 4,011
Fresh (₹)	0
OFS (₹)	4,011
No of shares offered	-
Face Value (₹ /share)	2
Bid Lot	18

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	4/8/2025
Refunds/Unblocking ASBA Fund	5/8/2025
Credit of equity shares to DP A/c	5/8/2025
Trading commences	6/8/2025

Shareholding (No. of shares)

Pre-Issue	20,00,00,000
Post Issue (Lower price band)	20,00,00,000
Post Issue (Higher price band)	20,00,00,000

Shareholding Pattern

Promoters	72.70%
Pre Issue	47.62%
Post Issue	

Public - Others:

Pre Issue	27.30%
Post Issue	52.38%

Issue Breakup

QIB	50%
NIB	15%
Retail	35%

Other Details

BRLMs: Axis Capital, ICICI Securities, HSBC Securities, IDBI Capital, Motilal Oswal, SBI Capital Markets

Registrar: MUFG Intime India Pvt Ltd.

Listing: BSE & NSE

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About the Company

National Securities Depository Ltd (NSDL), a SEBI-registered Market Infrastructure Institution (MII), pioneered securities dematerialisation in India in 1996. With a primary focus on institutional business, NSDL plays a pivotal role in the Indian capital markets by providing secure, efficient, and paperless depository services to a wide range of market participants. As of March 31, 2025, NSDL is the largest depository in the country by Number of issuers, Active instruments, Demat settlement value and Assets under custody. NSDL manages securities worth approximately ₹400 lakh crore in dematerialised form, covering a wide range of financial instruments including equities, debt instruments, mutual funds, and more. It operates through a vast network of 65,391 depository participant (DP) service centres, significantly higher than CDSL's 18,918 centres. The company is professionally managed and does not have any identifiable promoter as per the SEBI ICDR Regulations and the Companies Act, 2013.

Investment Rationales

1) India's first and leading depository operating a wide range of technology-driven businesses: NSDL is India's first and largest depository, having pioneered the dematerialisation of securities in 1996. As of March 31, 2025, it leads in terms of number of issuers (79,773), active instruments, demat settlement value, and assets under custody. It operates through 294 Depository Participants and an extensive network of 65,391 service centres, serving over 3.95 crore active demat accounts. NSDL's account holders are present in over 99.34% of Indian PIN codes and 194 countries globally. As of September 2014, NSDL held ₹5,00,000 billion in assets under custody. Notably, 0.24 crore accounts are common between NSDL and CDSL as of December 31, 2024.

2) Strong focus on technology-led product innovation: NSDL has been a technology pioneer, introducing SMS alerts for investors in 2007 and offering value-added services like Speed-e (electronic transaction submission), STeADY (trade info exchange), and IDeAS (online account access). It has also launched a blockchain-based platform for real-time monitoring of debenture covenants, a tax documentation service for dividends, a digital commercial paper issuance system (2021), and a centralized data processing framework for multi-type data management.

3) Robust IT infrastructure, risk management frameworks and cyber-security measures focused on ensuring the safety and integrity of the depository system: NSDL has implemented a robust risk management and cybersecurity framework aligned with global CPMI-IOSCO standards. It operates a 24x7 Security Operations Centre and uses the MITRE ATT&CK® framework to counter cyber threats. Key upgrades between Jan 2024–Feb 2025 include database modernization, patch management, enhanced backup, and real-time APM solutions. NSDL employs advanced safeguards like encryption, firewalls, IPS, and WAF. It also introduced CUSPAs for client security segregation and TRaDeS SMS alerts for real-time transaction updates—used by 3.80 crore investors as of March 31, 2025, up from 3.43 crore in 2024.

4) Stable revenue base with a significant proportion of recurring revenue: NSDL earns stable, recurring revenue primarily from annual and custody fees, which are less dependent on market cycles than transaction charges. These core depository services, along with other recurring offerings, provide consistent income and strengthen its business model stability.

5) Diversified Asset Classes held in Demat Accounts and Well-diversified Business Verticals: NSDL holds a dominant position in the depository market, with 85.06% of securities by number and 86.81% by value as of March 31, 2025. It manages a wide range of asset classes including equities, debt instruments, mutual funds, gold receipts, and more. Notably, 67.90% of the total demat asset value held by individuals and HUFs is under NSDL's custody, enabling it to offer additional services like pledging, margin pledges, and loans against securities.

Risk

- 1) Higher dependency on institutional activity
- 2) Regulatory risk.

MView

We believe the National Securities and Depository Ltd (NSDL) IPO presents a compelling opportunity to invest in the backbone of India's capital markets. We think as the country's first and largest depository, NSDL plays a critical role in the financial ecosystem with unmatched scale—serving over 3.95 crore demat accounts through 294 Depository Participants and 65,391 service centres across 99.34% of Indian PIN codes and 194 countries. We also think its stable, recurring revenue model—driven by annual and custody fees—offers resilience across market cycles, while value-added services boost user engagement. With a diverse asset base under custody, NSDL is well-positioned to monetise through pledging, margin financing, and related services. By looking at the financials, the company has demonstrated consistent performance, with revenue from operations growing by 24.1% in FY24 and 11.98% in FY25, while net profit increased 17.3% in FY24 and 24.6% in FY25. On valuation parse at the upper price band of ₹800/-, the issue is asking for a market cap of ₹16000 cr. Based on FY 2025 earnings and fully-diluted post-IPO paid-up capital, the company is asking for a PE of 46.6x which seems fully priced by looking at its recent financials. However, compared to its peer CDSL, which trades at 64x, NSDL's valuation reflects a discount, aligned with its more measured growth profile and deeper institutional focus. Given its dominant position, strong financial foundation and systemic importance to India's capital markets, we recommend investors seeking steady growth and exposure to a high-barrier business to "SUBSCRIBE" the NSDL IPO from a long-term investment perspective.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	As at March' 31		
	2025	2024	2023
Equity Share Capital	40	40	40
Reserves as stated	1965.3	1644.1	1388.8
Net worth	2005.3	1684.1	14.28.8
Revenue from Operations	1420.1	1268.2	1021.9
Revenue Growth (%)	11.9%	24.1%	-
EBITDA	492.9	381.13	328.6
Net Profit for the period	343.1	275.4	234.8
Net Profit (%) as stated	22.3%	20.1%	21.3%
EPS-Basic - Diluted (₹)	17.1	13.7	11.7
ROE (%)	17.1%	16.3%	16.4%
Net Asset Value (₹)	100.2	84.2	71.4

Source: Company RHP

COMPARISON WITH INDUSTRY LISTED PEERS ₹ (in Cr)

Companies	Face value (₹)	Mcap (₹ Cr)	Revenue from ops (₹ cr)	EPS (₹) Diluted	P/B (x)	P/E (x)	RoNW (%)	NAV (₹ per share)
National Securities and Depository Ltd	2	16000	1535.1	17.1	7.9	46.6	17.1%	100.2
Central Depository Services (India) Ltd	10	32040	1199.2	25.2	18.2	64.8	29.9%	84.2

Date as on 31st March 2025, Cline Mcap, PE, PB calculated as on 29-07-2025

National Securities and Depository Ltd, EPS/PE, P/B, NAV calculated on annualised basis post money



MSEARCH

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Msearch's Recommendation (Absolute Performance)

Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months

Sell : < -20% within the next 12 Months

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