



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS



IPO note:

National Securities Depository Ltd - SUBSCRIBE

NSDL, a SEBI-registered market infrastructure institution, pioneered the dematerialization of securities in India in 1996 following the Depositories Act. As of March 31, 2025, it is the largest depository in the country by issuers, active instruments, demat settlement value, and assets under custody. The company operates a wide network of 65,391 depository participant service centres, significantly higher than CDSL's 18,918 centres.

NSDL provides a robust depository framework that enables market participants to effectively engage in India's financial and securities markets. The company plays a central role in developing innovative products and services to meet the evolving needs of the financial services industry. Leveraging advanced and flexible technology systems, NSDL supports investors, brokers, issuers, and other stakeholders while ensuring the safety and integrity of the Indian securities market by creating settlement solutions that enhance efficiency, minimize risk, and reduce costs.

Through its depository system, NSDL facilitates the holding of securities in digital form via "Demat Accounts" maintained through depository participants. These accounts cover a wide range of asset classes, including equities (listed and unlisted), preference shares, warrants, mutual funds, REITs, InvITs, AIFs, debt instruments (corporate debt, commercial paper, certificates of deposit, pass-through certificates, security receipts, government securities, sovereign gold bonds, municipal debt, treasury bills) and electronic gold receipts.

NSDL operates a centralized digital book-keeping system that enables investors to hold and transfer securities in electronic form, ensuring efficient and cost-effective settlements. It maintains ownership records of dematerialized securities on behalf of issuers and provides services to investors, issuers, depository participants, brokers, custodians, clearing corporations, and other intermediaries within an integrated ecosystem.

The core functions of NSDL include: (i) Maintaining allotment and transfer of ownership records (ii) Facilitating asset servicing (iii) Transaction and other services. The company's core depository services generate a stable stream of recurring revenue, primarily through annual custody fees charged to issuers and annual maintenance fees levied on depository participants for corporate accounts. The company charges a fixed annual fee for each corporate account, prorated by opening date. In addition to core services, NSDL leverages its technology to offer e-services, value-added solutions, and other products through its subsidiaries, NSDL Database Management Limited (NDML) and NSDL Payments Bank Limited (NPBL), reinforcing its role as a key enabler in India's financial markets. NDML focuses on e-governance, KYC and insurance repository services, including SEZ automation and a national skills registry. NPBL, its payments bank launched in 2018, promotes financial inclusion through digital banking, UPI, AePS, prepaid cards, POS solutions, and distribution of third-party products like insurance and mutual funds.

As of March 31, 2025, NSDL had over 39.45 million active demat accounts through 294 registered depository participants, with account holders spread across 99.34% of Indian pin codes and 194 countries globally. The number of registered issuers grew from 46,015 in FY24 to 79,773 in FY25. NSDL also held assets in custody worth Rs. 70,167.65 billion for individuals (including NRIs) and HUFs, representing 67.90% of the total dematerialized assets across depositories.

Investment Recommendation and Rationale: -

NSDL, India's pioneering depository, opens its doors to public investors. Backed by marquee institutions, this Offer for Sale marks a landmark listing in the financial infrastructure space. At the upper price band of Rs. 800, the issue is priced at a P/E multiple of 46.62 its FY25 post IPO EPS of Rs. 17.16. We give a 'SUBSCRIBE' rating to the issue for the following reasons: -

- India's first and foremost depository, with a strong foothold across a broad spectrum of technology-driven services.**
- Robust IT systems, comprehensive risk management, and strong cyber-security protocols ensure operational integrity and investor confidence.**
- Presence across multiple asset classes and well-diversified business segments reduce concentration risk.**
- Experienced and professional senior management team with a track record of strategic execution and governance.**

Issue Opens	30 th July 2025
Issue Closes	1 st August 2025
Type of Issue	Offer for Sale - 5,01,45,001 shares (aggregating up to ₹4,011.60 Cr)
Issue size	Rs. 4,011.60 crores
Price Band	Rs. 760 to Rs. 800 per share
Bid lot/ Bid Size	18 shares/ Rs. 14,400
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	20,00,00,000
Post issue implied market cap	Rs. 16,000 crores
BRLMs	ICICI Securities Ltd, Axis Capital Ltd, HSBC Securities and Capital Markets (India) Private Ltd, IDBI Capital Markets & Securities Ltd*, Motilal Oswal Investment Advisors Ltd and SBI Capital Markets Ltd*
Registrar to the issue	MUFG Intime India Private Limited

*IDBI Bank Limited and State Bank of India are participating as Selling Shareholders in the Offer.

Financial Summary (in ₹ million, unless otherwise indicated)

Consolidated Financials	2025	2024	2023
Operating Revenue	14,201.46	12,682.44	10,219.88
EBITDA	4,929.43	3,811.33	3,286.04
PAT	3,431.24	2,754.45	2,348.10
EPS	17.16	13.77	11.74
Networth	20,053.41	16,840.97	14,288.61
Operating Profit Margin (%)	23.95%	20.57%	22.89%
PAT Margin (%)	22.35%	20.17%	21.35%
ROE (%)	17.11%	16.36%	16.43%

Operational KPIs	2025	2024	2023
Demat custody value (in ₹ billion)	464,164.04	423,441.88	302,188.90
Issuers (Nos)	79,773	46,015	40,987
Total quantity of securities held in demat (in billion)	4,758.69	3,773.30	3,224.33
Demat Accounts (excluding closed accounts) (in million)	39.45	35.77	31.46
DP Service Centres (Nos)	65,391	61,665	59,401
Depository Participants (Nos)	294	281	283

Source: Red Herring Prospectus (RHP)



Objects of the issue

Offer for Sale of 5,01,45,001 shares (aggregating up to ₹4,011.60 Cr)

Source: Red Herring Prospectus (RHP)

Peer Comparison

Name of the Company	Face value (₹ per equity share)	Total income (in ₹ million)	EPS (₹) (Basic)	EPS (₹) (Diluted)	NAV (₹ per share)	RoNW (%)	Net worth (in ₹ million)	PAT (in ₹ million)
NSDL	2	15,351.87	17.16	17.16	100.27	17.11%	20,053.41	3,431.24
Listed Peer								
CDSL	10	11,992.82	25.20	25.20	84.23	29.90%	17,603.45	5,263.26

Competitive Strengths

1. India's first and leading depository with a strong presence across diverse, technology-driven financial services.
2. Focused on continuous technology-led product innovation to enhance market infrastructure and user experience.
3. Equipped with robust IT infrastructure, risk management systems, and advanced cyber-security measures ensuring safety and integrity of the depository ecosystem.
4. Stable revenue model with a high share of recurring income, providing consistent financial strength.
5. Holds a diversified mix of asset classes in demat accounts and operates across well-diversified business verticals.
6. Led by an experienced senior management team with deep industry expertise.

Source: Red Herring Prospectus (RHP)

Growth Strategies

1. Focus on accelerating growth and deepening market penetration by leveraging core strengths and industry leadership.
2. Continue investing in and upgrading IT infrastructure to enhance operational efficiency, service quality, and system resilience.
3. Diversify service offerings and expand the database management business to tap into new revenue streams.
4. Strategically increase the market share of the payments bank business to strengthen presence in the digital financial ecosystem.

Source: Red Herring Prospectus (RHP)

Key Risks

1. A shift in investor preference away from securities markets may reduce demand for NSDL's services.
2. Failure to innovate or expand service offerings could adversely impact the company's business growth.
3. Any disruption or breach in IT systems may negatively affect its operations, reputation, and financial performance.
4. Non-compliance with regulatory requirements could expose NSDL to penalties or legal proceedings.
5. The company's dependence on its network of depository participants may limit its scalability and impact future growth.

Source: Red Herring Prospectus (RHP)


Disclosure under SEBI Research Analyst Regulations 2014:

Sr.no.	Particulars	Yes/No
1)	Research Analyst or his/her relative's or Ajcon Global Services Limited financial interest in the subject company(ies):	No
2)	Research Analyst or his/her relative or Ajcon Global Services Limited actual/beneficial ownership of 1% or more securities of the subject company (ies) at the end of the month immediately preceding the date of publication of the Research report	No
3)	Research Analyst or his/her relative or Ajcon Global Services Limited has any other material conflict of interest at the time of publication of the Research Report	No
4)	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5)	Ajcon Global Services Limited has received any compensation from the subject company in the past twelve months	No
6)	Ajcon Global Services Limited has received any compensation for investment banking, or merchant banking, or brokerage services from the subject company in the past twelve months	No
7)	Ajcon Global Services Limited has received any compensation for products or services other than investment banking, or merchant banking, or brokerage services from the subject company in the past twelve months	No
8)	Ajcon Global Services Limited has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9)	Ajcon Global Services Limited has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10)	Research Analyst or Ajcon Global Services Limited has been engaged in market making activity for the subject company(ies)	No

Disclaimer

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Ajcon Global Services Limited is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Individuals employed as research analyst by Ajcon Global Services Limited or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above paragraph, We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Limited is a fully integrated stock broking, investment banking, merchant banking, corporate advisory, commodity and currency broking Company. It may therefore have commercial relationship for the above said services with the Company covered in this Report. Ajcon Global Services Limited research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Limited encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Limited or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Ajcon Global Services Limited nor Research Analysts have any material conflict of interest at the time of publication of this report.

Ajcon Global Services Limited or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.

The information and opinions in this report have been prepared by Ajcon Global Services Limited and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Ajcon Global Services Limited. While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Limited is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon



Global Services Limited from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Ajcon Global Services Limited will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Ajcon Global Services Limited accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Ajcon Global Services Limited or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

It is confirmed that or any other Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Ajcon Global Services Limited or its subsidiaries collectively or Directors including their relatives, Research Analysts, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Ajcon Global Services Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor Ajcon Global Services Limited have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on Ajcon Global Services Limited by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I Divya Makwana research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.

For research related queries contact:

Divya Makwana - Research Analyst at research@ajcon.net

CIN: L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

Website: www.ajcononline.com

Registered and Corporate office

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062