

Rating: Subscribe for Listing Gains

Issue Offer

Offer for sale of 5,01,45,001 shares aggregating up to which makes total issue size of INR 40,116 Mn.

Issue Summary

Price Band (INR)	760-800
Face Value (INR)	2
Implied Market Cap (INR Bn)	160
Market Lot	18
Issue Opens on	July 30, 2025
Issue Close on	Aug 1, 2025
No. of share pre-issue	20,00,00,000
No. of share post issue	20,00,00,000
Listing	NSE / BSE

Issue Break-up (%)

QIB Portion	≤50
NIB Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

ICICI Securities Limited
Axis Capital Limited
Hsbc Securities & Capital Markets Pvt Ltd
Idbi Capital Market Services Limited
Motilal Oswal Investment Advisors Limited
SBI Capital Markets Limited

Registrar

MUFG Intime India Private Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	0%	0%
Public & Others	100%	100%

Objects of the issue

- To achieve the benefits of listing the Equity Shares on Stock Exchanges.
- The company will not receive any proceeds from the Offer and all the Offer Proceeds will be received by the Investors Selling Shareholder.

Abhishek Jain

abhishek.jain@arihantcapital.com

022-67114871

Ronak Osthwal

ronak.osthwal@arihantcapital.com

022-67114865

National Securities Depository Limited is India's first and largest depository, established in 1996 to pioneer securities dematerialization. As of March 2025, NSDL dominates India's depository landscape with the largest market share in issuers, active instruments, settlement volumes, and custody assets valued at INR 510.91 lakh crore. The company operates through an extensive network of 65,391 depository participant service centres, serving 39.45 Mn active demat accounts across 99.34% of Indian pin codes. NSDL delivered strong FY25 financial performance with revenue growth of 12.4% and net profit growth of 24.6%. The company generates recurring revenue through annual custody fees from issuers, maintenance fees from depository participants, and transaction fees, while expanding services through subsidiaries NDML (e-governance solutions) and NPBL (payments bank).

Investment Rationale

Market Leadership in Depository Services: NSDL is India's largest securities depository, servicing 79,773 issuers and holding over INR 118 trillion in assets under custody as of March 31, 2025. Its scale enables cost-efficient operations and network effects: a wide issuer base attracts more investors and counterparties, which in turn further entrenches NSDL's position. This leadership generates steady, recurring custody and transaction fee revenue comprising 43.6 percent of consolidated revenue in FY25 while high barriers to entry protect margins

Diversified Revenue Streams: Beyond its core depository business, NSDL earns revenue from two material subsidiaries: NSDL Payments Bank Limited and NSDL Database Management Limited. In FY25, NPBL contributed 50.7 percent of revenues by offering digital banking, UPI, AePS and micro-ATM services to 2.42 Mn accounts, while NDML accounted for 5.8 percent through KYC registry, SEZ-online and insurance-repository services. This mix cushions overall performance when securities trading or custody volumes fluctuate, and cross-selling opportunities among these verticals drive incremental growth..

Regulatory Moat and High Barriers to Entry: As one of two SEBI-licensed depositories under the Depositories Act, NSDL's core custody and settlement operations benefit from statutory exclusivity, mandatory public-interest director appointments, and extensive compliance obligations. New entrants face multi-year licensing processes, stringent capital and technology requirements, and the need to integrate with existing market participants, making NSDL's business a near-monopoly in its field with long-lasting edge over any rivals.

Valuation & Outlook: NSDL's entrenched market leadership and scale in depository services position it to sustain robust, recurring fee income even as trading volumes ebb and flow. Its diversified revenue mix anchored by the rapid growth of NSDL Payments Bank and the steady contributions of NDML will help smooth overall earnings through market cycles. Regulatory moats under SEBI's framework and the duopolistic structure of India's depository market underpin durable competitive advantages. As India's digital and financial inclusion agenda accelerates, NSDL is well-placed to leverage its broad network of participants and cutting-edge platforms to drive wallet share in digital banking, KYC, insurance repository and e-governance solutions. At the upper band of INR 800, the issue is valued at a P/E ratio of 46.63x, based on a FY25 EPS of INR 17.16. We are recommending a "Subscribe for listing gains" for this issue.

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	Arihant House E-5 Ratlam Kothi Indore - 452003, (M.P.) Tel: (91-731) 3016100 Fax: (91-731) 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Disclaimer: This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800 Fax. 022-42254880

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.