

18 November 2025

India | Equity Research | Initiating Coverage

National Securities Depository

Exchanges

Prominent and steadier play on growth in Indian capital markets

National Securities Depository Ltd. (NSDL) provides depository services to investors, issuers, depository participants, financial institutions, stockbrokers, custodians, clearing corporations and other market intermediaries through an integrated platform. As such, NSDL is a play on broader Indian capital markets, with a mix of recurring/transaction revenue – split 42%/58% as of FY25. Separately, it enjoys a duopoly setup, capital-light, healthy-RoE business model. We initiate coverage with a **HOLD** rating, based on 40x FY28E EPS which is similar to our CDSL's target multiple. The high multiple (notwithstanding the recent sectoral multiple expansion) factors in the long-term relative safe compounding potential with an optionality of market share gain, especially with a new, strong management team and a fresh focus on enhancing digital capability. Positive/negative market momentum may present upside/downside risks.

Well-entrenched position in duopoly depository market; sets up annuity play on capital markets with high FCF/RoE

As of Oct'25, NSDL had an aggregate of 103,916 issuers registered on its system, with an extensive network of 302 Depository Participants (DP) operating through 55,960 service centres across India. These service centres serve over 42.32mn active demat accounts, covering more than 99% of India's pin codes and 218 countries. NSDL's total demat value stood at INR 522trn (86% share) and total demat quantity stood at 5.48trn (85% share). While the demat account market share stood at 20% as of Oct'25, it has scope for improvement which provides earnings growth optionality. As such, NSDL is an annuity play on capital markets (17.3%/22.4% PAT CAGR over last 3/5 years) with healthy FCF yield (2.1% as of FY25) and RoE (18.3% as of FY25).

Higher recurring revenue and high-value clientele make business less cyclical; H1FY26 is an example

As of Oct'25, demat value per investor of NSDL stood at INR 12.3mn vs. INR 0.5mn for CDSL and demat quantity per investor for NSDL stood at 130k vs. 6k for CDSL. This difference is because of the higher presence of institutional and high-value clientele at NSDL compared to CDSL. In the last three years (FY22-25), ~48% of total standalone operating revenue for NSDL was recurring in nature compared to ~41% for CDSL.

Financial Summary

Y/E	March (INR mn)	FY25A	FY26E	FY27E	FY28E
Operating Revenue		14,201	15,025	17,311	19,867
EBITDA		3,755	4,502	5,449	6,613
EBITDA Margin (%)		26.4	30.0	31.5	33.3
Net Profit		3,431	4,011	4,810	5,830
EPS (INR)		17.2	20.1	24.1	29.1
Core EPS (INR)		12.7	15.2	18.6	22.8
P/E (x)		67.1	57.4	47.9	39.5
Core P/E (x)		81.2	67.2	53.4	42.0
Dividend yield (%)		0.2	0.2	0.2	0.2
RoE (%)		18.6	18.3	18.6	18.9

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Market Data

Market Cap (INR)	230bn
Market Cap (USD)	2,599mn
Bloomberg Code	NSDL IN
Reuters Code	NATS.BO
52-week Range (INR)	1,425 / 880
Free Float (%)	18.0
ADTV-3M (mn) (USD)	32.4

Price Performance (%)	3m	6m	12m
Absolute	(2.0)	0.0	0.0
Relative to Sensex	(7.4)	0.0	0.0

ESG Score	2024	2025	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

NSDL also has lower transactional revenue vs. CDSL, which creates less sensitivity to market momentum. Even within transactional revenue, the mix of cash settlement revenue is lower for NSDL (~8% of total revenue in H1FY26) compared to CDSL (~25% in H1FY26). This should likely lead to an outperformance for NSDL in a weaker market cycle compared to CDSL. This is well captured in H1FY26 results, wherein market momentum was muted (systemic demat addition was down 39% and systemic cash volume was down 19% in H1FY26 YoY) and correspondingly NSDL outperformed. Standalone revenue grew ~20.2% YoY for NSDL in H1FY26 vs. 10.8% YoY for CDSL. Standalone transaction revenue (ex-annual issuer charge) for CDSL was down 8% YoY but up 5.4% YoY for NSDL standalone in H1FY26. Annual issuer charges increased ~45% YoY for NSDL/CDSL in H1FY26.

NSDL's recurring revenue comprises: 1) annual custody fees charged to issuers and annual fees charged to DPs; 2) services like annual fees charged to issuers for foreign investment limit monitoring, annual fees from brokers for IDeAS (Internet-based Demat Account Statement service); 3) license fees to DPs for providing DPM (Depository Participant Module) software; 4) annual fees from mutual funds towards statement downloads and transfer feeds to SEZ (Special economic zone) units; 5) annual fees from insurance companies in relation to credit of policies; and 6) annual usage fees for generation of ITPIN for registration of NSR (National Skill Registrar); and 7) from Q2FY26, NSDL also started charging annual fees for the distributed ledger platform service, which it currently provides to ~600 corporates.

Demat account addition and in turn demat market share has seen uptick for NSDL in FY26–TD

Driven by weak capital markets and regulatory uncertainties, FY26 has seen a dip in the overall demat account additions (17.6mn demat additions in 7MFY26 vs. 27.5mn demat additions in 7MFY25). However, despite the relative bearish environment, NSDL has seen an uptick in this period. Demat account additions for NSDL increased from 2.68mn in 7MFY25 to 2.87mn in 7MFY26; whereas, CDSL's demat account additions dropped from 24.83mn in 7MFY25 to 14.8mn in 7MFY26. This increased NSDL's incremental demat account market share to 16% in FY26–TD from 9% in FY25.

Strong focus on technology-led product innovation going ahead

NSDL was first to introduce instant messaging alerts to investors. NSDL's comprehensive suite of value-added services includes Speed-e, which facilitates the electronic submission of depository transactions, STeADY for trade information exchange and institutional client contract notes, and IDeAS, an online platform for convenient access to depository accounts. Other introductions to the market include the launch of a blockchain based-distributed ledger technology platform for security and covenant monitoring, including the monitoring of asset coverage relating to the issuance of debentures on a real-time basis, the launch of a tax service that addresses the documentation requirements for companies during dividend payments and the launch of its digital commercial paper issuance mechanism in CY21. Going ahead, NSDL will likely invest more in technology to make the company more agile and system-ready for growth. Tech spends for the depository business were 22.1% higher on a YoY basis in H1FY26 at INR 392mn. NSDL ramped up its tech capex at INR 300mn in H1FY26 vs. INR 350mn in whole FY25.

In addition to core depository services, NSDL offers various other services through subsidiaries – NDML and NPBL

NDML is a technology solutions and product services company focused on developing e-Governance solutions, payment solutions, regulatory support systems, market infrastructure services, industry solutions and digital customer on-boarding products.

Through NPBL, NSDL offers a range of financial products and services on a B2B basis, including digital banking solutions, inclusive banking products (covering domestic money transfers, savings accounts, micro-ATMs and Aadhar-enabled payment system), prepaid cards, merchant acquisition services and distribution of third-party products such as life insurance, health insurance and mutual fund schemes.

In FY25, for NDML – 1) NDML KRA supports more than 18.8mn KYC records; 2) NIR manages 12.08 insurance policies and 10.02 e-Insurance Accounts (eIA); 3) 5,700+ active SEZ units and 550+ SEZ developers and co-developers are registered on the SEZ online system.

In FY25, for NPBL – 1) inclusive banking transaction volumes stood at INR 1,092bn (INR 1,162bn in FY24); 2) AEPS transaction volume stood at 512bn (INR 663bn in FY24); 3) accounts opened through Jiffy (NPBL's digital banking App) stood at 281k (211k in FY24); 4) micro-ATM transaction volume stood at INR 130bn (INR 198bn in FY24); and 5) direct money transfer volume stood at INR 166bn (INR 244bn in FY25).

Key risks

Key downside risks for NSDL include – 1) reduced capital market activity; 2) technological risks; 3) impact of competition; 4) dependence on depository participant and service centres for business growth; and 5) regulatory risks.

Key upside risks for NSDL include – 1) higher-than-expected capital market activity, 2) better-than-expected performance of subsidiary business, 3) increase in demat account share.

Table of Contents

NSDL is a play on capital markets, which has structural growth levers in India	5
India has seen a structural shift of investments from physical to financial assets ...	5
Equities traded in secondary cash market are seeing robust growth	5
Mutual fund penetration is upward bound	6
Despite strong growth India still remains underpenetrated.....	7
Current scenario of Indian capital markets: Volume and participation dipped in FY26, post new regulations in FY25, but likely to grow ahead.....	8
Depository system in India	10
Emergence of depository system in India	10
Highlights on depository market in India	10
Current trends in the Indian depository Industry	11
Comparison with developed countries	12
Allied businesses of depositories in India	13
Company overview.....	15
Core Functions.....	15
Business Segments	15
Comparison between CDSL and NSDL	20
Investment rationale	29
NSDL's strategies going forward.....	30
Financials	31
Annual custody fee: Growth driven by strong corporate additions.....	31
Transaction fee: NSDL's low dependence on settlement fees makes it less cyclical	32
Corporate action and IPO charges: Robust IPO pipeline drives strong growth.....	33
Standalone operating expenses: Rise in employee and technology spends to drive elevated opex	34
Standalone EBITDA and EBITDA margin	34
Subsidiaries (NDML and NPBL).....	34
Consolidated financials.....	34
Management Details	37
Q2FY26 Result Highlights: NSDL (less cyclical) vs CDSL (more cyclical) well proven in H1FY26.....	38

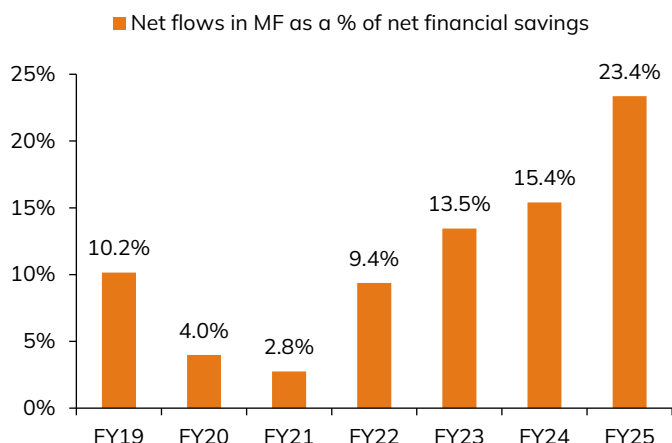
NSDL is a play on capital markets, which has structural growth levers in India

India has seen a structural shift of investments from physical to financial assets

Indian households have traditionally favoured physical assets like real estate and gold for investment with ~2/3rd of household savings flowing into these assets in the last decade. However, there is now a growing preference in Indian households for financial assets, driven by smaller ticket sizes, easier diversification, higher return potential, and superior liquidity. This has resulted in the flow of household savings towards equities/mutual funds to increase from 4%/1.7% in FY20 to 23.4%/3.7% in FY25.

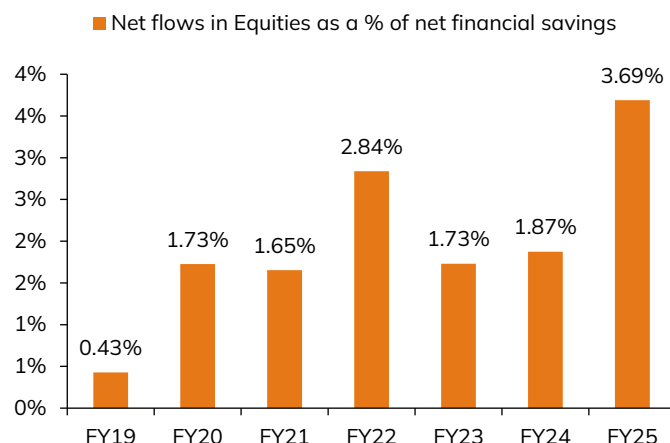
Equities have now emerged as the preferred asset class in the last five years with domestic inflows (by both Individuals/DII) rising to average monthly run-rate of ~INR 611bn in FY25 from ~INR 110bn in FY20. As of 30th Jun,'25, India's equity market (across exchanges) reached a market capitalisation of ~INR 462trn, solidifying its position as the fourth-largest market globally after US, China (including Hong Kong), and Japan, clocking CAGR of ~17% over the last two decades.

Exhibit 1: Net flows in MF as a % of net financial savings



Source: I-Sec research, RBI, MOPSI

Exhibit 2: Net flows in equities as a % of net financial savings



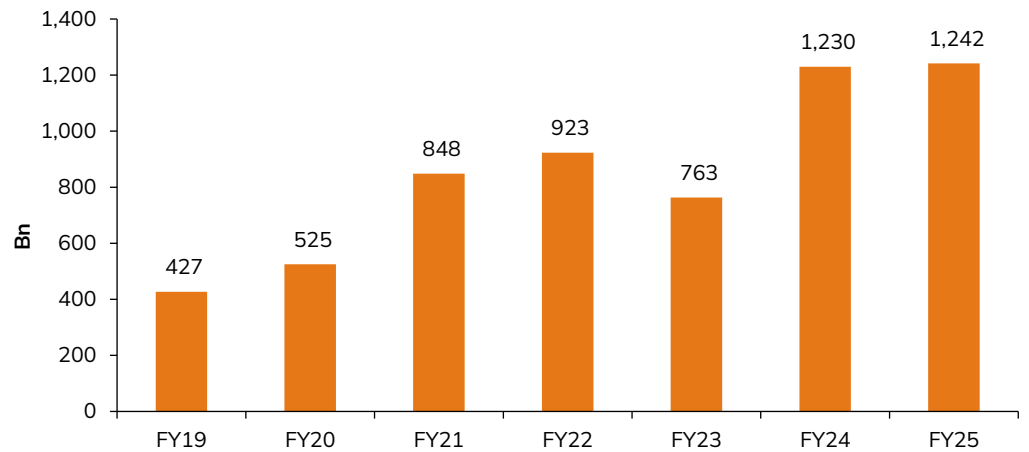
Source: I-Sec research, RBI, MOPSI

Equities traded in secondary cash market are seeing robust growth

A key trend that had emerged post the Covid-19 pandemic was the substantial rise in secondary market participation. The volume of equity traded in the secondary market saw a meaningful increase reaching record high levels as of FY22 at 923bn traded quantities. It has further increased in FY24/FY25 to 1,230bn/1,242bn traded quantities.

The increase in participation was propelled by a multitude of factors, including increasing retail investor participation driven by digitalisation with higher adoption of mobile and digital investing, financial awareness, increasing participation in IPO subscriptions and a need to invest capital in an asset class yielding high returns.

Exhibit 3: Quantity of equities traded in the secondary market



Source: I-Sec research, SEBI

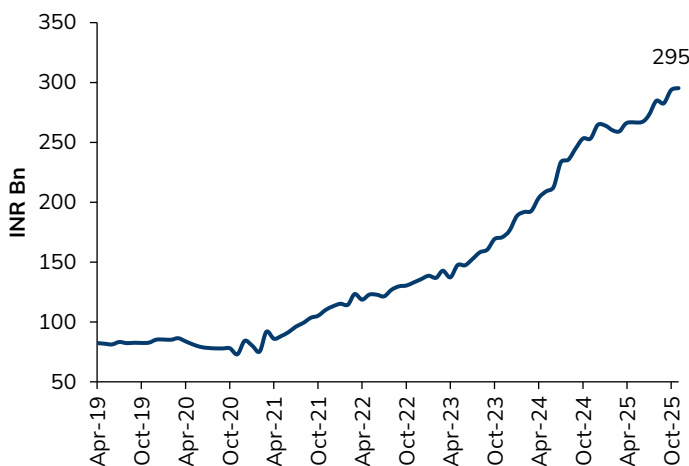
Mutual fund penetration is upward bound

Mutual fund assets in India have seen robust growth, largely driven by a growing investor base. This is due to increasing financial awareness, strong performance of capital markets, technological progress, and regulatory efforts aimed at making mutual fund products more transparent and investor friendly.

Moreover, the rising awareness among the population about different capital-market related instruments including ELSS, SIPs, ETFs, theme-based investing, building customized bucket of stocks as per clients' requirement, etc. have been a key driver in increasing mutual fund penetration in the market. SIPs are preferred by individuals who like to invest in equity with a long-term investing horizon. Gross SIP contribution in FY25 stood at INR 2,634bn.

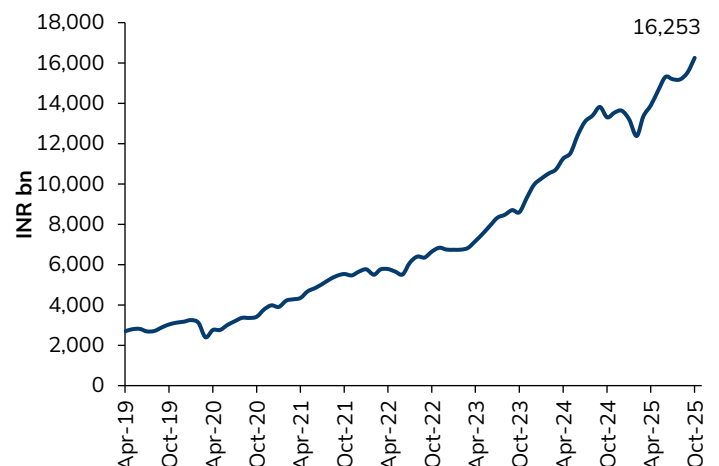
Overall mutual fund AUM increased from around INR 24.5trn in FY19 to INR 66.7trn at end of FY25 logging CAGR of 18.1% between FY19–25. SIP amount (monthly average) has also increased from INR 77bn in FY19 to INR 239bn in FY25 with CAGR of ~20.7%. Monthly SIP contribution has further increased to INR 295bn and SIP AUM to INR 16.2bn in Oct'25.

Exhibit 4: SIP contribution trend



Source: I-Sec research, AMFI

Exhibit 5: SIP AUM trend



Source: I-Sec research, AMFI

Despite strong growth India still remains underpenetrated

Indian capital markets driven by strong tailwinds has significant growth in the number of investors in capital market. However, it still remains underpenetrated as only 16 - 18% of the adult population in India have opened a demat account whereas there is only ~5% penetration for active broking accounts in CY24, as compared to ~62% in US. The runway is >10 times when compared to developed countries like US. Furthermore, in terms of trading activity as well, India is still much lower compared to global peers. As compared to US, India's ratio of cash ADTO to market capitalization is approximately half of the US, whereas options premium turnover is approximately one-fourth of US. While India's mutual fund AUM-to-GDP ratio increased from ~10.9% in FY20 to ~19.9% in FY25, it is significantly lower when compared to the AUM-to-GDP ratio of advanced economies such as US at ~132% and Japan at ~60% in CY24. (Source: Groww DRHP)

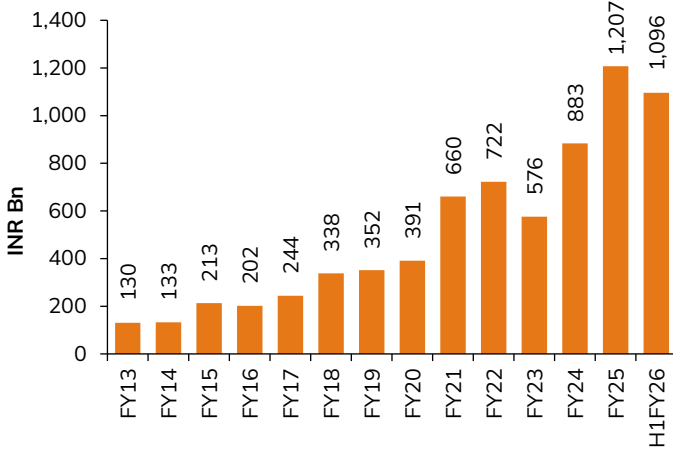
Exhibit 6: Comparison of India vs Global peers

Metrics	Year	USA	Japan	China	India
Market Cap to GDP (x)	2024	1.9	1.7	0.8	1.3
ADTO as a % of Market Cap	2023	0.41%	0.42%	0.80%	0.18%
MF AUM as a % of GDP	2024	~132%	~60%	~22%	~20%
Equities as a % of Household assets	2024	~22%	~18%	~5%	~6%
Active broking account penetration	2024	62%	NA	NA	5%

Source: I-Sec research, Groww DRHP

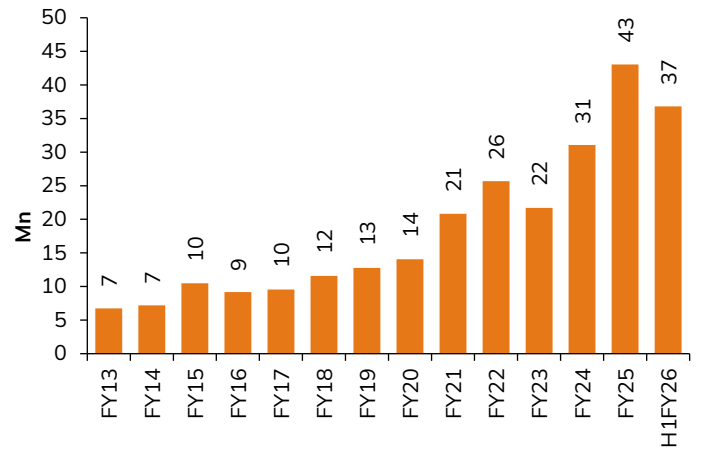
Current scenario of Indian capital markets: Volume and participation dipped in FY26, post new regulations in FY25, but likely to grow ahead

Exhibit 7: Systemic (NSE + BSE) cash ADTV



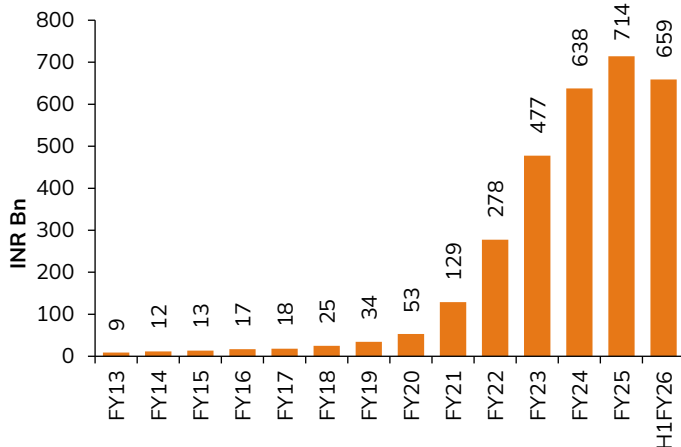
Source: I-Sec research, Company data

Exhibit 8: Systemic (NSE + BSE) average daily cash trades



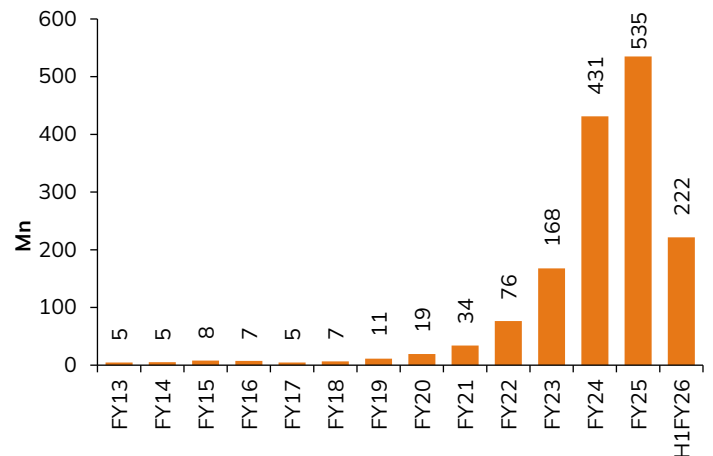
Source: I-Sec research, Company data

Exhibit 9: Systemic (NSE + BSE) options premium ADTV



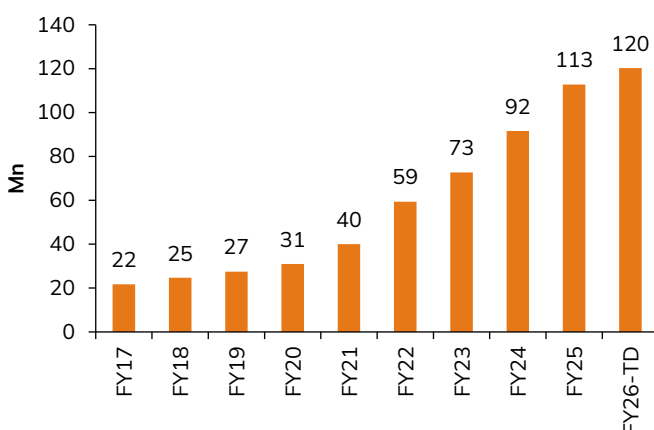
Source: I-Sec research, Company data

Exhibit 10: Systemic (NSE + BSE) options average daily contracts traded



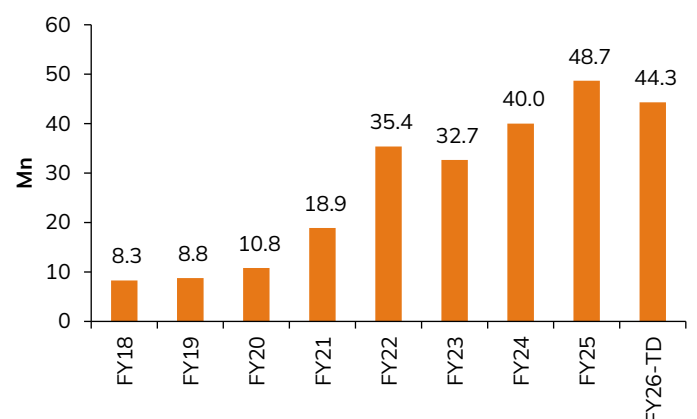
Source: I-Sec research, Company data

Exhibit 11: Total unique registered investors at NSE



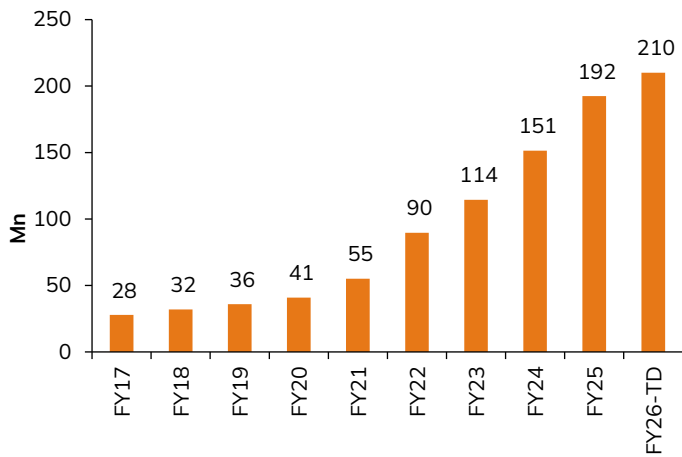
Source: I-Sec research, Company data

Exhibit 12: NSE active clients trend



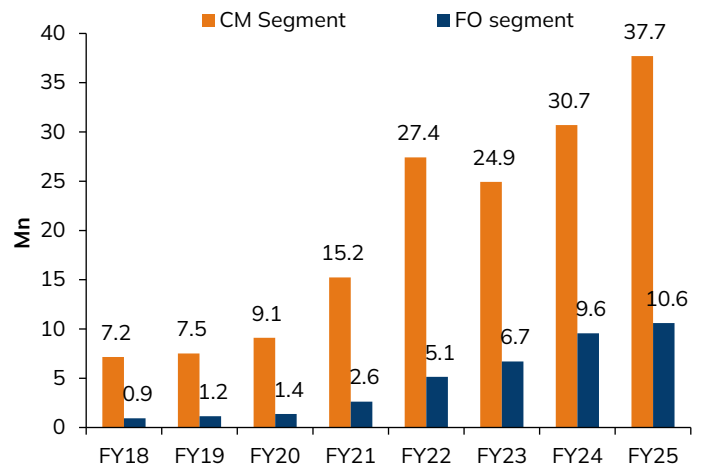
Source: I-Sec research, Company data

Exhibit 13: Total demat account trend



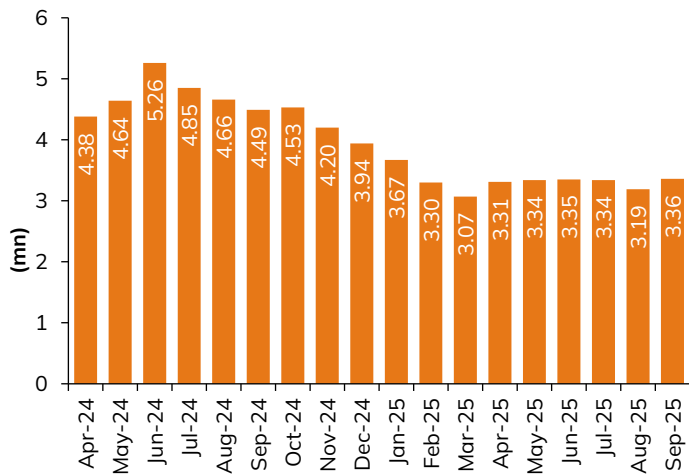
Source: I-Sec research, Company data

Exhibit 14: Annual trend of individual investors who traded once annually in NSE CM & FO segment



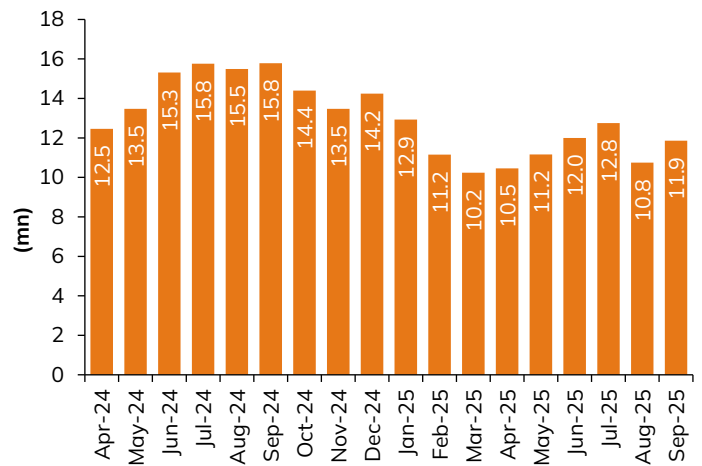
Source: I-Sec research, Company data

Exhibit 15: Individual investors who traded at least once in a month in F&O at NSE



Source: I-Sec research, Company data

Exhibit 16: Individual investors who traded at least once in a month in NSE cash segment



Source: I-Sec research, Company data

Depository system in India

Emergence of depository system in India

Till early 1990s, ownership of equity shares in Indian companies was represented through share certificates in the physical mode, wherein transactions in securities markets were settled based on physical movement of paper. Clearing and settlement of sale of securities were only on 'accounting period basis'. It used to take ~10–14 days for a seller to receive payment and for a buyer to receive delivery of securities. Such a protracted settlement cycle involved higher market and credit risk, therefore, higher transaction cost.

Thereafter, Depositories Act, 1996 was enacted to provide for regulation of depositories in securities and for other related matters. Consequent to the enactment of Depositories Act, 1996, the first depository in the country, namely, National Securities Depository Limited (NSDL) was set up, which pioneered the dematerialisation of securities in India in Nov'96.

Dematerialisation is the process by which an investor's physical certificates are converted to an equivalent number of securities in electronic form. A system was devised, whereby all securities get stored and only debit and credit entries are passed, representing the status of ownership of securities. To overcome delays in settlement, loss in transit, stolen certificates, litigation, etc. a new system, i.e., a depository system was introduced, which facilitates investors to hold securities in electronic form and trade in these securities.

The introduction of the depository system brought about a notable transformation in trade settlement practices on stock exchanges and played a pivotal role in the implementation of rolling settlements in India.

Exhibit 17: Key milestones in Indian depository system

Month and Year	Milestones
Aug'96	Depositories Act published
Oct'96	NSDL was granted certificate of commencement of business
Nov'96	NSDL inaugurated
Dec'96	Trading in Demat Securities on NSE commenced
Dec'97	Trading in Demat Securities on BSE commenced
Jan'99	Compulsory trading in dematerialised securities for all investors
Feb'99	CDSL was granted certificate of commencement of business
Jul'99	CDSL starts operations
Apr'03	Introduction of T+2 rolling settlement
Feb'05	SEBI mandates the removal of charges associated with account opening, credit of securities, and custody of securities payable by the BOs to their DPs.
Oct'18	SEBI introduced amendments related to structuring, shareholding and governance of depositories in SEBI (Depository and Participants) regulations MCA notified that every unlisted public company shall issue the securities only in demat form and facilitate demat of all existing securities
Jan'23	Introduction of T+1 rolling settlement
Mar'24	Launch of Beta version of T + 0 rolling settlement cycle in equity market
Oct'24	Value of securities held in dematerialised form at NSDL reaches INR 500trn (USD 6trn)

Source: I-Sec research, Company data

Highlights on depository market in India

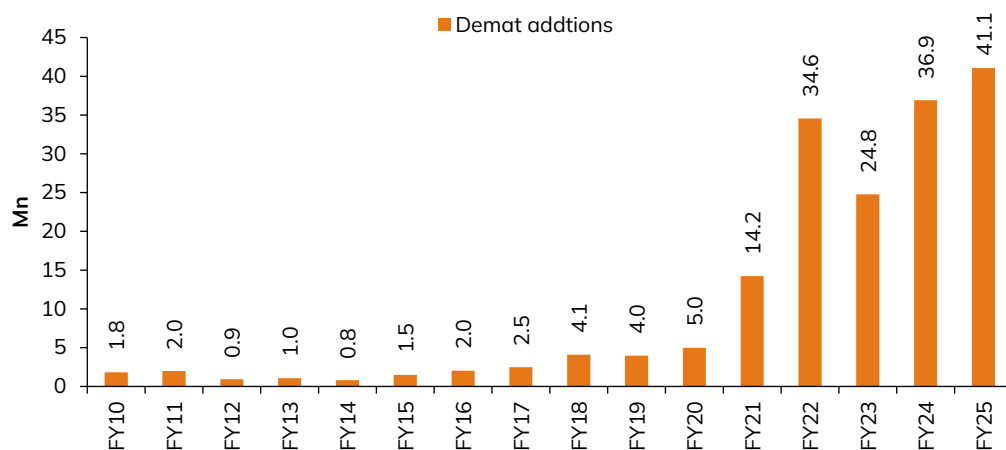
The growth of the depository market is linked to several factors such as rising participation from investors, rising digital services which are being provided by brokers and depositories, reducing cost of transactions and rising awareness about capital markets. The depository market in India is a duopoly with high barriers to entry as each of the current depositories are promoted by large institutions. As the first and leading

depository in the country, NSDL introduced the concept of dematerialisation of securities, revolutionizing the securities landscape in India. NSDL is 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 Sep'25. CDSL is the largest depository in terms of the demat accounts as of Sep'25. The depository market in India has grown at a rapid pace in the past three years. Total client accounts grew at ~30% CAGR between FY18–25. Standalone operating revenue of depositories in India is around INR 14.7bn in FY25 vs. INR 4.2bn in FY20.

Current trends in the Indian depository Industry

- Rapid growth in investors account in recent years:** There is significant scope for growth of the depository business, considering that the number of new demat accounts opened with DPs in India in FY25 was 41.1mn, as compared to 4.96mn in FY20. Investor accounts have increased rapidly in FY22–25 due to ease of account opening process and attractive returns the capital market witnessed in between these two years. However, FY26 witnessed a slowdown in demat account additions driven by weak capital markets and changing regulations

Exhibit 18: Total demat account additions



Source: I-Sec research, Company data

- Increasing number of companies opting for dematerialisation:** A total of 79,773 and 35,922 listed and unlisted companies are live for dematerialisation at NSDL and CDSL, respectively as of Mar'25. The number of companies with securities in dematerialised form grew at a CAGR of about 22% for NSDL and 19% for CDSL from FY18–25. As per Ministry of Corporate Affairs (MCA), the total number of companies registered in the country as on Jan'25 was 2,805,354, out of which 18,17,222 were active. Additionally, as per MCA notification in Oct'18, all unlisted public companies (except Government companies, Nidhi companies and wholly owned subsidiaries) have to compulsorily get their securities dematerialised. Therefore, there is immense scope for depositories to increase number of companies on their platforms for dematerialisation.
- Deepening of corporate bond market:** Development of corporate bond market assumes crucial importance for India, especially in the context of channelling funding to long-term infrastructure and other industry projects. Corporate bond market not only provides an alternative to bank finance but also lower the cost of long-term funding. An efficient bond market with lower costs and quicker issuing time can offer an efficient and cost-effective source of longer-term funds for corporates. Also, it provides institutional investors such as insurance companies and pension funds with long-term financial assets. Over the last few years, total issue size in corporate bond market increased except in FY22. Further, over the years, there has been a steady increase in mobilisation of resources through the corporate bond route.

Comparison with developed countries

The first depository in the world, Depository Trust Company (DTC) was started in US, in 1973. South Korea established its Central Securities Depository (CSD) in 1974, followed by Japan in 1984, Taiwan & Malaysia in 1990, Thailand 1992, and India & UK in 1996. Many early entrants including US, Japan and Korea chose to immobilise securities while some preferred to dematerialise them.

India is one of the few countries to achieve a fast pace of dematerialisation. In less than 3 years (1996–99), India transformed almost 51% of market capitalisation and 94% settlements in demat form. These two indicators as of December 2000, stood at 60% and 99.5%. The accelerated adoption was primarily because dematerialisation was being made mandatory in a progressive manner by the SEBI.

One of the key differences between Indian depositories *vis-à-vis* depositories in some other countries is that Indian depositories (NSDL/CDSL) have a segregated account structure, wherein accounts of end investors are opened with the depository vs. an omnibus account structure that is being followed in some other countries.

Exhibit 19: Snapshot of depositories in developed economies in comparison with India

USA	UK	Singapore	Japan	India
<p>Depository Trust Company (DTC) was set up on May 11, 1973, to immobilise and settle securities in the US. In 1999-2000, DTC and National Securities Clearing Corporation merged to form Depository Trust Clearing Corporation (DTCC).</p> <p>Services offered: Institutional trade processing, clearing services, settlement and asset services, services for wealth management companies, repository and derivative services, data services</p>	<p>In the UK, CRESTCo LTD was established in 1995 and inaugurated on July 15, 1996 to undertake activities of central securities depository. CRESTCo was merged with Euroclear in 2002. Euroclear was the central securities depository for Euronext- the Paris, Amsterdam and Brussels exchanges.</p> <p>Services offered: Settlement, transaction reporting, stamp duty collection, settlement discipline, corporate actions, securities lending and borrowing, order routing, margin call support, open position management</p>	<p>The Central Depository Pte Limited (CDP) is a wholly owned subsidiary of the Singapore Exchange Ltd (SGX) established in 1980. The company provides integrated clearing, settlement and depository facilities in the Singapore Securities Market, including both equities and fixed income instruments.</p> <p>Services offered: integrated clearing, settlement and depository services, securities borrowing and lending, handling of corporate actions, asset safekeeping and administration</p>	<p>The Law Concerning Central Securities Depository and Book-Entry Transfer in Japan was passed in May'84 and enforced Nov'84.</p> <p>Japan Securities Depository Centre (JASDEC) was founded Dec'84 under permit by Ministers of Finance and Justice and was designated as depository under the CSD Law in May'85</p> <p>Services offered: Custody and book-entry transfer of eligible securities, Delivery-versus-payment (DVP) settlement for exchange trades and non-exchange trades, Pre-settlement matching, handling foreign securities, Securities information tracing, and Clearing support via JASDEC DVP Clearing Corporation</p>	<p>India has a unique model of central securities depository system, featuring 2 depositories - NSDL and CDSL - that became operational in 1996 and 1999 respectively.</p> <p>Services offered: account maintenance, dematerialisation, margin pledge, inter-depository transfer, corporate action, e-voting, CAS, dividend distribution, facilitate securities lending and borrowing, SMS alert, e-delivery instruction slip, depository account validation</p>

Source: I-Sec research

Allied businesses of depositories in India

To facilitate and strengthen the capital markets community in India, depositories have introduced a number of products, value-added services and initiatives that have resulted in them emerging as key enablers for the securities market in India.

In Aug'07, NSDL was the first depository to introduce instant messaging alerts (over SMS) to investors. The full-fledged roll out of this facility for all investors commenced from Sep'07. CDSL introduced the SMS facility in Oct'07.

NSDL leveraged its technological infrastructure to cater to the diverse needs of the securities market in India and introduced several additional products, e-services and ancillary value-added services and initiatives through NSDL and its subsidiaries NSDL Database Management Limited (NDML) and NSDL Payments Bank Limited (NPBL) thereby emerging as a key enabler for the financial market in India.

Similarly, CDSL has also introduced several products and value-added services through its subsidiaries CDSL Ventures Limited (CVL) and Central Insurance Repository Limited.

Financial institutions in India have started providing digital loan against securities (LAS) which automates and speeds up the process of getting a loan. This has been made possible due to depositories. Financial institutions collaborate with depositories to create a seamless customer experience. Digital LAS empowers the customers to design their own loan against shares at their convenience and avail of the facility within minutes. Customers with shares in their portfolio can leverage it when there is an urgent need for money, for example a medical emergency. Depositories receive instructions from investors and process it in electronic form. Integration of depositories and lenders' technology reduces the TAT for getting the loan from the lenders.

Exhibit 20: Allied businesses of depositories in India

Allied businesses	Description
Electronic delivery instruction platform	It is a common internet infrastructure that enables DPs to provide depository services to their clients. This facility is used extensively by DPs (DPs) to offer an electronic instruction submission facility to their clients. This brings convenience to investors which reduces the risk for DPs as well as to investors. It also provides customer delight thus enhancing the overall customer experience. Demat account holders (including Clearing Members) subscribing to this service can submit delivery instructions to their participants electronically through website instead of submitting Delivery Instruction Slips in paper form
Power of attorney-based Instructions	Submission of Power of attorney-based Instructions for Clients Electronically facility is in respect of demat accounts operated on the basis of Power of Attorney (POA). Many investors execute POA in favour of their stockbrokers. Based on the POA, Clearing Members (CMs) submit instructions to the Participants (where clients maintain demat accounts) to debit the demat accounts of the Clients. The facility enables such CMs to submit digitally signed instructions to Participant thereby eliminating the need to give paper-based delivery instructions to Participants. The facility enables Clearing Members to debit Client account and credit CM Pool account. For non-POA accounts, the transaction gets authorized only after providing TPIN and OTP which reduces the risk of frauds.
Electronic voting, virtual annual general meeting and electronic notices	The e-Voting platforms of depositories have facilitated many leading companies to offer e-Voting services to their Shareholders and thus, have empowered their Shareholders to exercise voting rights by casting their votes electronically. This has enabled investors to take an active part in the company's overall decision-making process by participating in voting. The platforms offer the companies live-streaming of meeting proceedings and instantaneous results. In addition to this, it also offers tab-based e-Voting services at the AGM venue itself and e-notices service to the companies availing e-Voting platform. Number of Companies which entered into agreement with NSDL for availing e-Voting services is 4,654 as on Mar'25. Number of occasions on which companies availed E-voting facility (NSDL) in FY25 is 32,144.
ISIN Numbering Agency	NSDL issues the International Securities Identification Number (ISIN) for all securities issued in India regardless of the type of security viz., equity, debt, mutual funds, money market instruments, etc. and therefore has extensive experience of issuing ISINs in India. ISIN is a globally accepted unique identifier for securities. SEBI is the National Numbering Agency (NNA) for India and a member of the Association of National Numbering Agencies (ANNA). SEBI has delegated the responsibility to NSDL for issuance and maintenance of ISIN, Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) codes and reporting to ANNA and to undertake other related activities. ISIN, FISN and CFI codes are defined as per ISO standards. While NSDL has been the traditional NNA in India, CDSL also facilitates ISIN related services. CDSL can issue ISINs for certain securities or work in tandem with NSDL depending on the issuer's preference or exchange affiliation.
Securities and covenant monitoring using distributed ledger technology	With an intent of strengthening the regulatory framework for corporate bonds in the Indian market infrastructure domain, NSDL upon guidance from SEBI, is the first company in India to develop a DLT blockchain based platform for the debenture security and covenant monitoring system. The platform has received positive response from industry with numerous issuers and securities onboarded since its launch. CDSL is in the process of developing the same. The platform enables issuer and debenture trustees to manage the entire lifecycle of corporate bonds and facilitate the monitoring of the security given and the covenants to bring about greater transparency in this market segment.
Corporate bond market database	Depositories have developed a corporate bond market database which provide information on corporate bonds. NSDL has pioneered the same.
Digital Loan Against Securities (LAS)	NSDL has implemented Collateral Management System for LAS product. The banks which are DPs of NSDL can avail this facility to provide online loan to their customers against securities held by the customers in their respective demat accounts. NSDL has enhanced the product feature, which facilitate investors / demat account holders, having demat account with any DP of NSDL, to avail loan against their securities in a digital form with Banks/NBFCs. Investor can continue to maintain their demat account with their existing DP of NSDL for availing Loan against securities with Banks/NBFCs. CDSL also offer Application Programming Interfaces (APIs) for DPs, which act as CDSL's agents and offer depository services to the BO of the securities to offer online loan against share facility, facilitating secure, electronic pledging of Demat securities as collateral for loans from lenders, streamlining the process between DPs and CDSL.

Source: I-Sec research

Company overview

NSDL is a SEBI registered market infrastructure institution (“MII”) offering a wide range of products and services to the financial and securities markets in India. Following the introduction of the Depositories Act in 1996, NSDL pioneered the dematerialisation of securities in India in Nov’96. NSDL is 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.

Core Functions

- **Maintaining allotment and transfer of ownership records:** One of the core functions for NSDL is maintaining details of allotment and transfer of ownership records of securities assets held through electronic book entries. NSDL deploys and utilizes innovative technological systems to support issuers, investors and market intermediaries in the Indian securities market while minimizing risk, reducing operational costs and increasing efficiency of operations.
- **Facilitating asset servicing:** Asset servicing is a core function for NSDL as it helps ensure the safety and efficient management of all assets held in dematerialised form with them. NSDL holds various asset classes in dematerialised form and leverages its software tools and framework to build a robust and resilient central securities depository system to ensure the continued safekeeping and servicing of assets held with them.
- **Transaction and other services:** The core depository services provided by NSDL includes dematerialisation of securities, settlement of trades, off-market transfers, pledge of securities, including margin pledges and repledges, implementation of client unpaid securities pledgee accounts (“CUSPA”) by trading members to ensure the segregation of client securities, and corporate action for issuer companies. In addition to providing core depository services, NSDL also provides several additional services such as e-voting services, consolidated account statement (“CAS”), blockchain-based security and covenant monitoring platform for debentures and non-disposal undertakings (NDU).

Business Segments

1. Depository business

As a depository, NSDL provides a robust depository framework that enables market participants to participate in the financial and securities markets in India. NSDL’s depository facilitates securities to be held in digital form by investors through accounts known as ‘Demat Accounts’ held with it through DPs. This includes securities held in dematerialised form with various asset classes namely equities (listed equity and unlisted equity), preference shares, warrants, funds (mutual funds, REITs, InvITs and AIFs), debt instruments (corporate debt, commercial paper, certificate of deposit, pass through certificate, security receipts, government securities, sovereign gold bonds, municipal debt, treasury bill) and electronic gold receipts. 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. NSDL also facilitates and maintains complete records of the ownership of securities held in dematerialised form with it on behalf of the issuer entity. NSDL’s depository business revenue can be divided into 2 parts:

- Recurring revenue:** NSDL's core depository services provide them with a steady source of recurring revenue, primarily through annual custody fees that they charge issuers of securities and annual maintenance fees which they charge to DPs in relation to corporate accounts serviced through their depository platform.

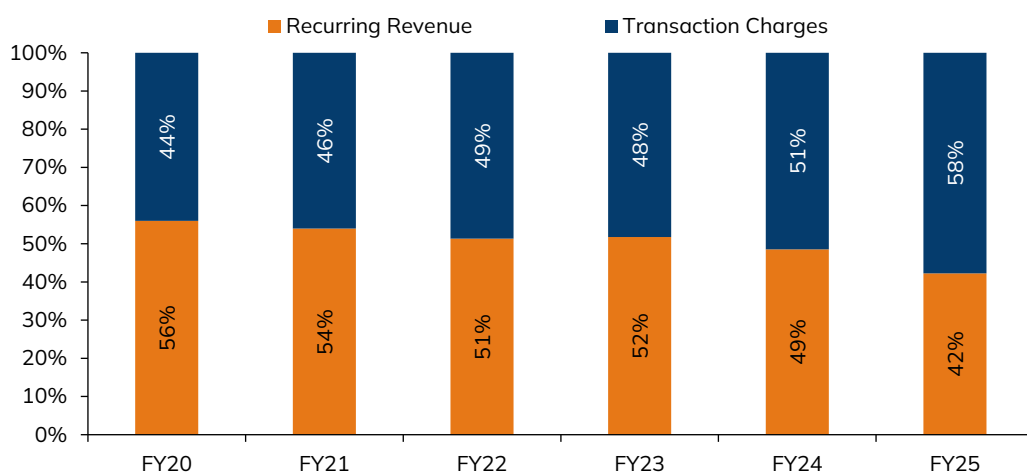
Annual fees: NSDL charges an annual fee from DPs for all corporate demat accounts registered with them and for the DMS software provided to DPs. They also charge annual fees from issuers of securities for monitoring their foreign investment limits, from mutual funds for the downloading facility for beneficial owners' statements and transfer feeds, from SEZ units for its system usage, from insurance companies in relation to credit of policies in a dematerialised format, annual usage fees for generation of IT professional identification number for registrations with NSR and annual fees for STeAdy, annual fees in relation to usage of Cloud DPM, annual fees from DPs for value added services such as DPM plus, STP navigator, E-signer, auto-download provided to them, and annual usage fees from issuers to provide RTA services. Such fee is generally charged at the beginning of every FY or charged on a recurring basis annually on the date when the entity registered with NSDL

Custody fees: NSDL charges issuers and other corporate clients custody fees to admit their securities to its platform and offer demat facilities to their shareholders. This fee is calculated at INE 11 per folio, subject to a minimum amount based on the slab of the nominal value of admitted securities.

- Transaction revenue**

Transaction fees: NSDL charges its corporate clients and DPs transaction fees in relation to transactions such as securities settlements and corporate actions effected through its depository systems. Further, transaction fees also include charges in relation to e-Voting and CAS facilities, pledge fees, margin pledge fees, non-disposal undertaking fees, fees for providing digital contract notes, and SEZ transaction fees.

Exhibit 21: Mix of transaction and recurring revenue for NSDL



Source: I-Sec research, Company data

2. Database management

The database management business is done through the NDML subsidiary. NDML is a technology solutions and product services company focused on developing e-Governance solutions, payment solutions, regulatory support systems, market infrastructure services, industry solutions and digital customer onboarding products. NDML also offers end-to-end business automation, process transformation and other managed services for the Government and industry associations such as SEZ Online and National Skill Registry, respectively.

NDML's business offerings

- Payment solution

NDML serves as a payment aggregator in India for facilitating online payments by users to avail online services/pay taxes/buy goods etc. Payment aggregation platform primarily began with supporting Government to Citizen (G2C) services and enables the state and central government departments/ministries to collect the payment online from the citizens and render them services. Over a period, NDML is now expanding its services bouquet to education, insurance and other high priority use cases.

- SEZ Online

SEZ Online is a unique example of delivery of e-Governance services in a connected world. This is an e-Governance Initiative for SEZs (Special Economic Zones) in India (on behalf of Ministry of Commerce & Industry, Govt. of India) for seamless processing of administrative and customs transactions with efficiency and transparency. The system seamlessly connects SEZ administration, customs officers with SEZ units and developers. The system is also integrated with RBI, DGFT, ICEGATE, GSTN and DGCI&S for the facilitation of end-to-end review and approval of important customs transactions of SEZ units. Beyond customs transactions, SEZ Online is the starting point in the journey of a business to set-up a unit in a SEZ and supports in everything in between till final exit from the SEZ. 100% of all SEZs in the country are using SEZ Online to perform various transactions.

- KYC registration agency

NDML acts as a central database of verified KYC (Know Your Customer) records, which are compliant with regulatory directions. This ensures uniformity of KYC processes and ensures strength of KYC records. This system, which is maintained under SEBI's KRA Regulations, now supports millions of investors in maintaining and updating a centralised record; and is used to seamlessly perform KYC with any intermediary across the securities markets.

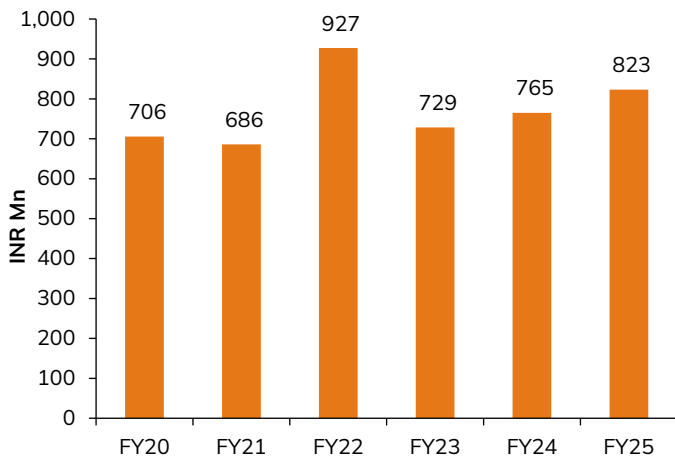
- InstiGo: Digital customer onboarding

InstiGo is a digital customer onboarding solution that facilitates the intermediaries to quickly onboard new customers for providing various services such as trading, demat and PMS by performing KYC and due diligence in an online manner. The solution eliminates the need for paper documents and physical interfaces. It democratizes technology and solutions across intermediaries of all size and scale.

- NSDL National Insurance Repository

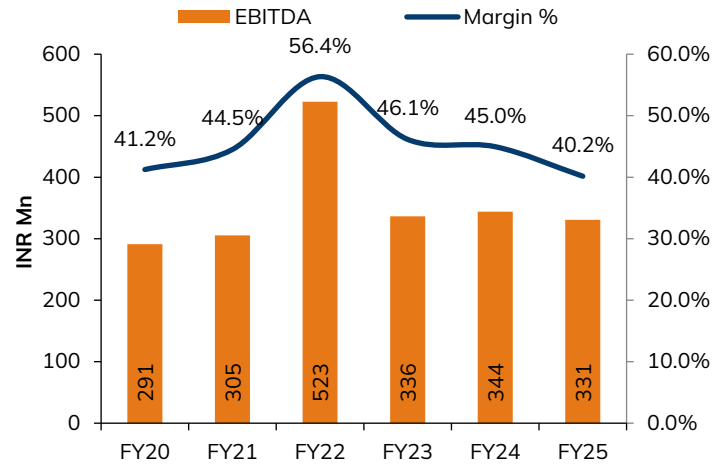
IRDAI, the insurance regulator, has led this world-first initiative to deliver an electronic insurance account to insurance customers. Insurance customers can see all their policies (life, health, non-life) across all insurance companies in a single online account and can avail services thereon. This is a one-stop digital solution for insurance policies. It holds all the user policies electronically in an e-Insurance account just like demat account of securities.

Exhibit 22: NDML revenue trend



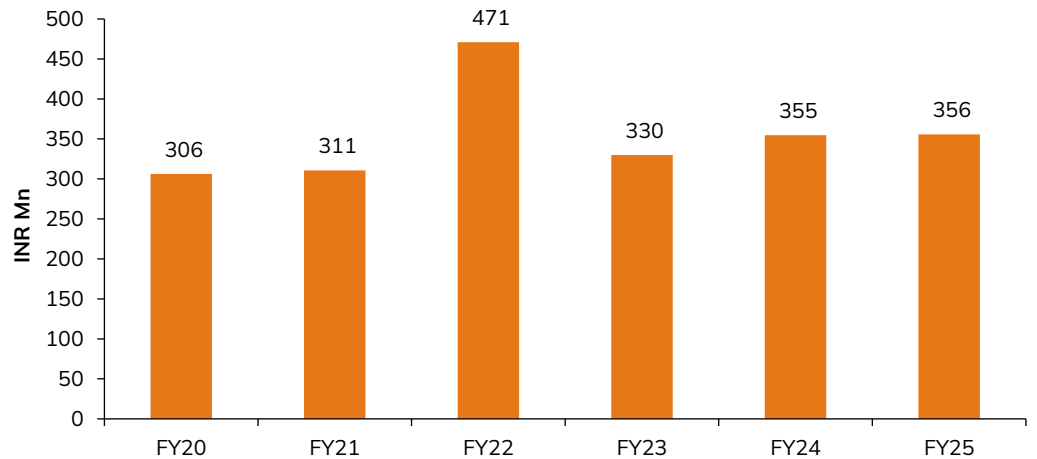
Source: I-Sec research, Company data

Exhibit 23: NDML core EBITDA and margin trend



Source: I-Sec research, Company data

Exhibit 24: NDML PAT trend



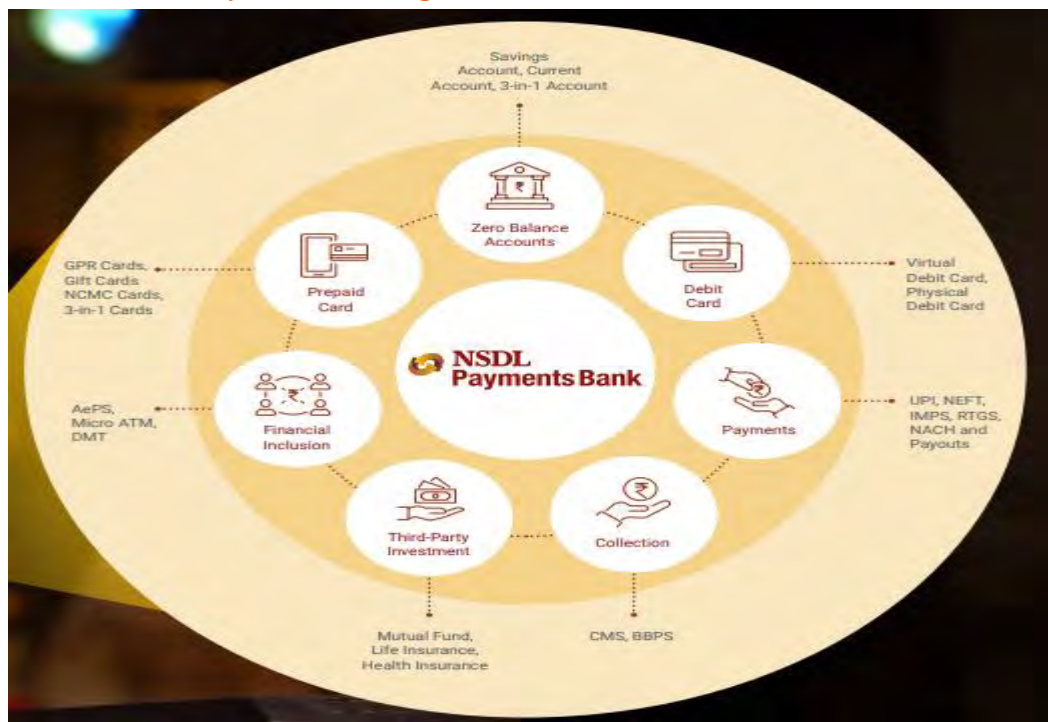
Source: I-Sec research, Company data

3. Payments bank

Through NSDL Payments Bank (NPBL), the company operates the payments bank business that was launched in Oct'18. NPBL has a focus on financial inclusion, bringing it within the ambit of financial services for the disadvantaged and low-income population in remote areas of India. NPBL operates a B2B model and offers digital banking solutions, inclusive banking products (covering domestic money transfers, savings accounts, micro-ATMs and an Aadhar-enabled Payment System (AePS), prepaid cards (including general purpose reloadable payment cards, gift cards and use case-based cards), merchant acquisition services (including UPI-payment services and point-of-sale solutions) and the distribution of third party products such as life insurance, health insurance and mutual fund schemes. As of Mar'25, NPBL has 1mn+ active BC agents and 50+ corporate BC network. NPBL serves more than 18,500 pin codes covering 97% of India

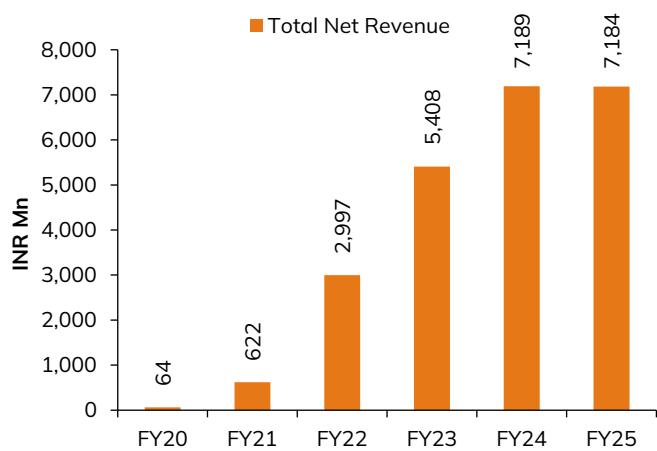
In FY25, for NPBL – 1) inclusive banking transaction volumes stood at INR 1,092bn (INR 1,162bn in FY24); 2) AEPS transaction volume stood at 512bn (INR 663bn in FY24); 3) accounts opened through jiffy stood at 281k (211k in FY24); 4) micro ATM transaction volume stood at INR 130bn (INR 198bn in FY24); and 5) direct money transfer volume stood at INR 166bn (INR 244bn in FY25).

Exhibit 25: NPBL product offerings



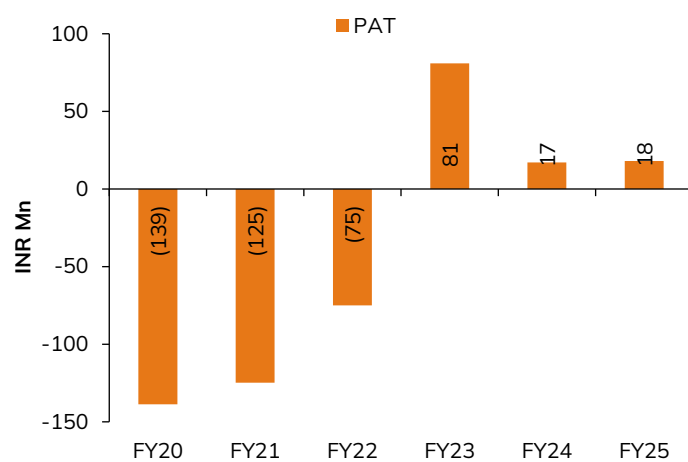
Source: I-Sec research, Company data

Exhibit 26: NPBL net revenue trend



Source: I-Sec research, Company data

Exhibit 27: NPBL PAT trend



Source: I-Sec research, Company data

Exhibit 28: Segmental performance for NSDL

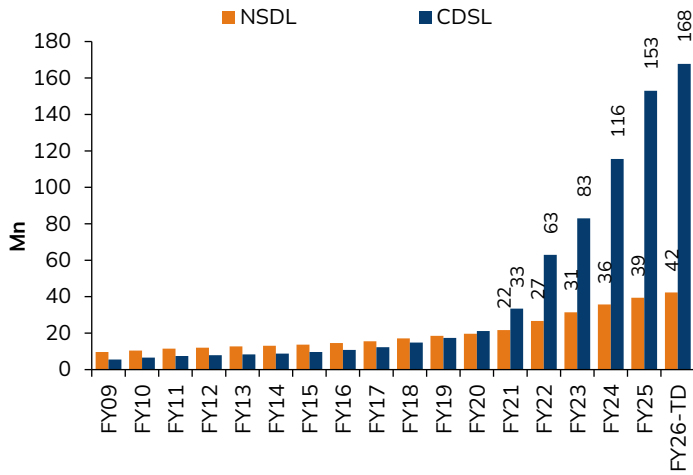
INR (Mn)	Depository			Database management			Banking		
	Revenue	EBIT	Margin	Revenue	EBIT	Margin	Revenue	EBIT	Margin
FY21	3,356	1,735	52%	685	283	41%	635	-129	-20%
FY22	3,693	1,801	49%	926	494	53%	2,992	-79	-3%
FY23	4,091	1,965	48%	721	290	40%	5,408	81	1%
FY24	4,730	2,305	49%	760	282	37%	7,192	23	0%
FY25	6,186	3,106	50%	816	258	32%	7,199	37	1%

Source: I-Sec research, Company data

Comparison between CDSL and NSDL

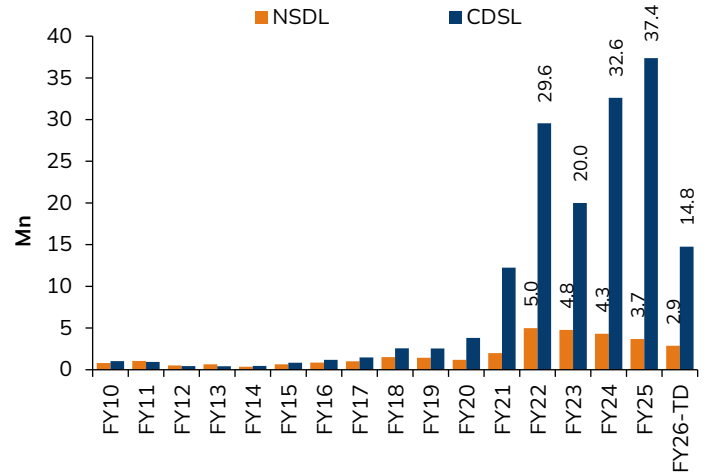
Demat accounts

Exhibit 29: Total Demat account comparison between NSDL and CDSL



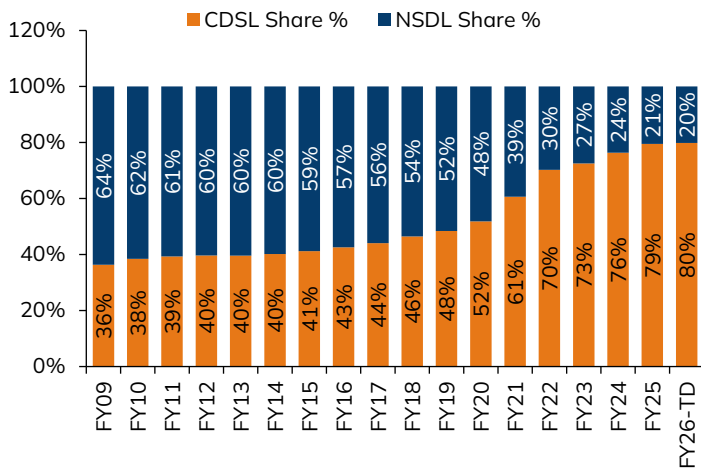
Source: I-Sec research, Company data

Exhibit 30: Total Demat account addition between NSDL and CDSL



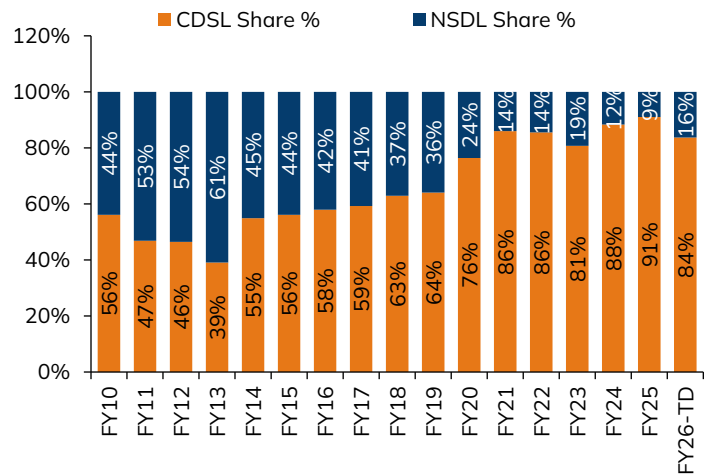
Source: I-Sec research, Company data

Exhibit 31: Total demat account market share between NSDL and CDSL



Source: I-Sec research, Company data

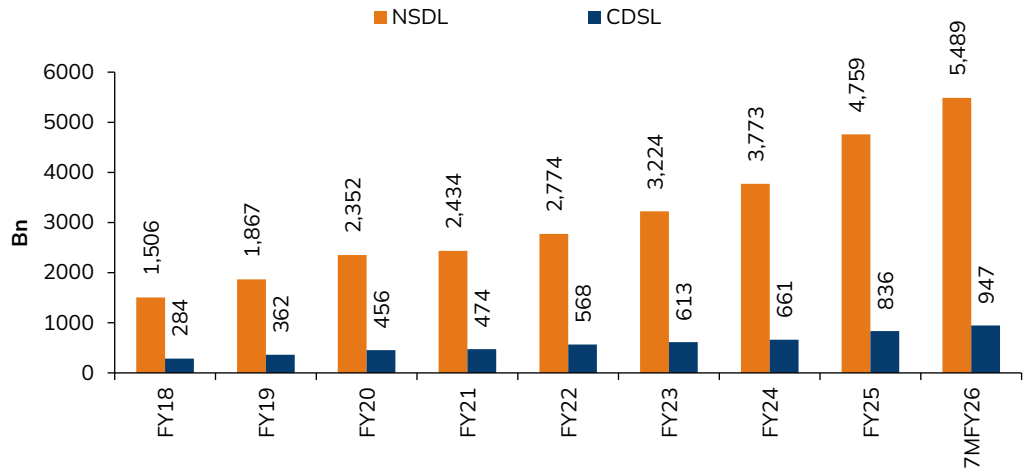
Exhibit 32: Incremental demat account market share between NSDL and CDSL



Source: I-Sec research, Company data

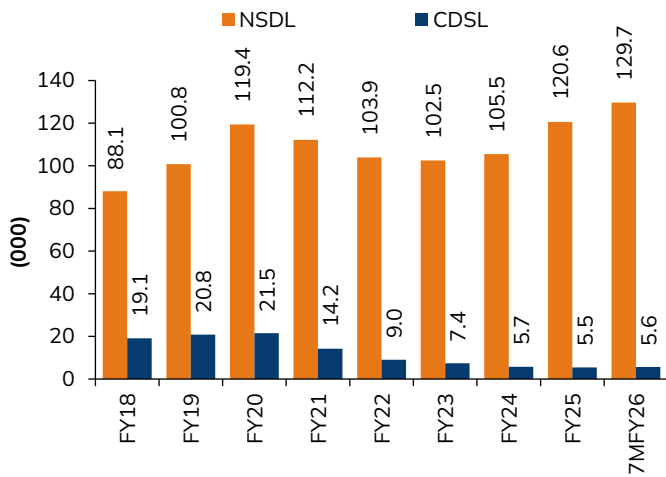
Total demat quantity

Exhibit 33: Total demat quantity for NSDL and CDSL



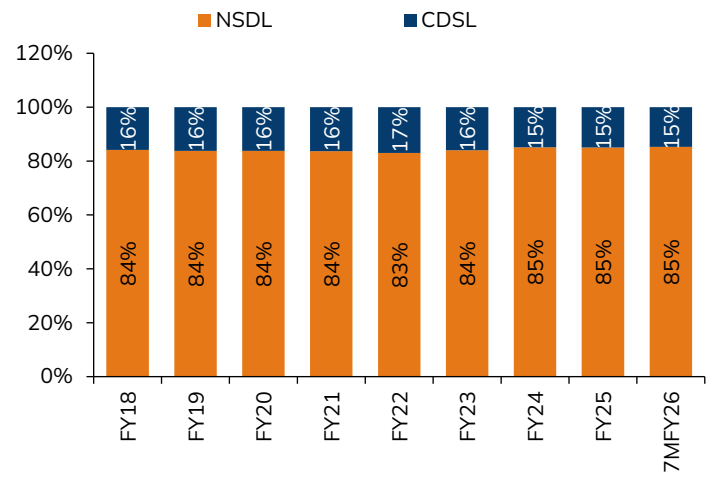
Source: I-Sec research, Company data

Exhibit 34: Demat quantity per investor account is higher for NSDL vs. CDSL



Source: I-Sec research, Company data

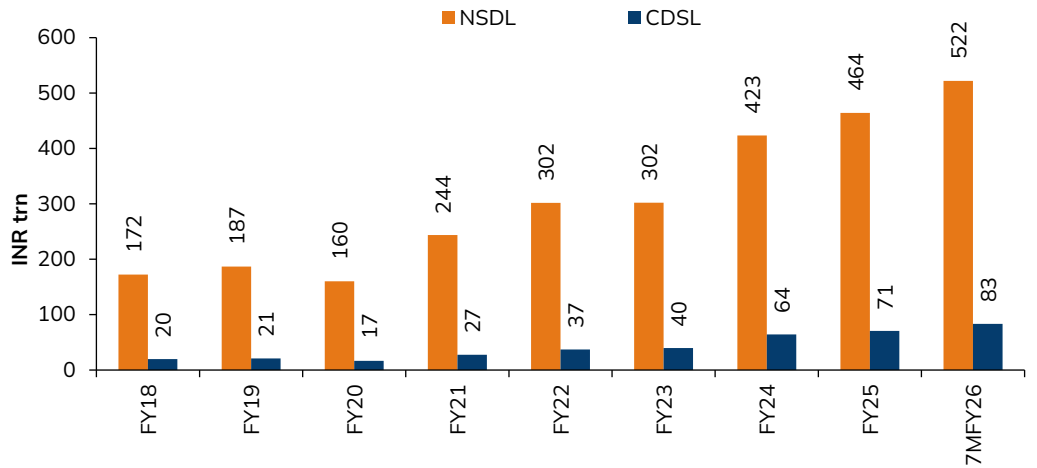
Exhibit 35: Demat quantity market share is higher for NSDL vs. CDSL



Source: I-Sec research, Company data

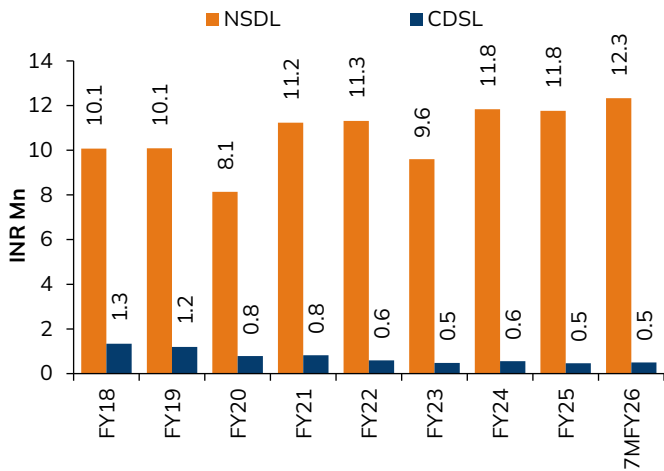
Total demat value

Exhibit 36: Total demat value for NSDL and CDSL



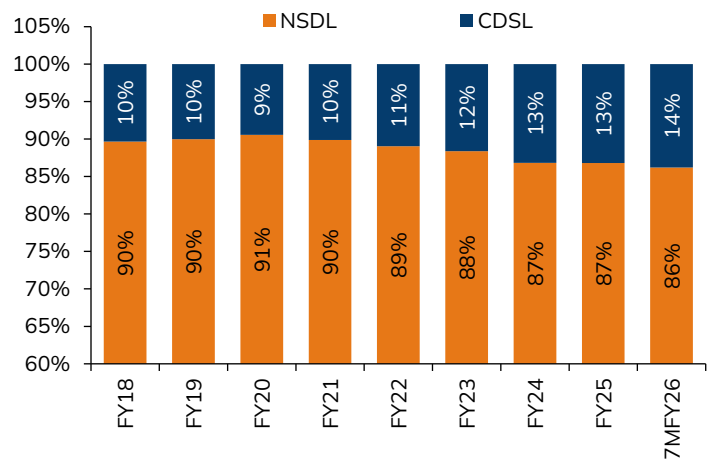
Source: I-Sec research, Company data

Exhibit 37: Demat value per investor is higher for NSDL



Source: I-Sec research, Company data

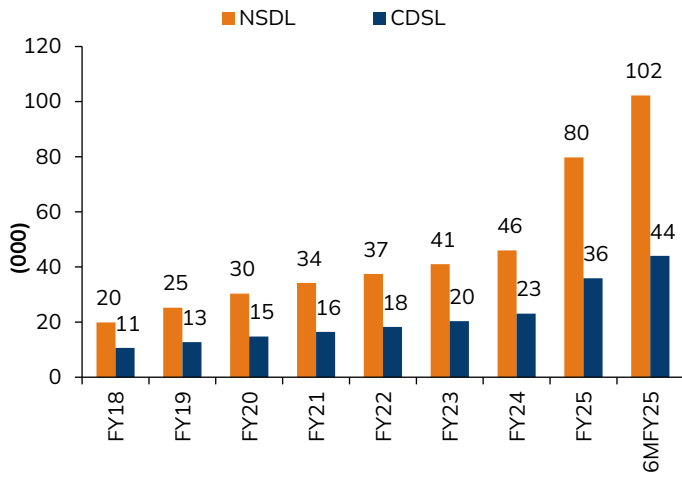
Exhibit 38: Demat value market share is higher for NSDL



Source: I-Sec research, Company data

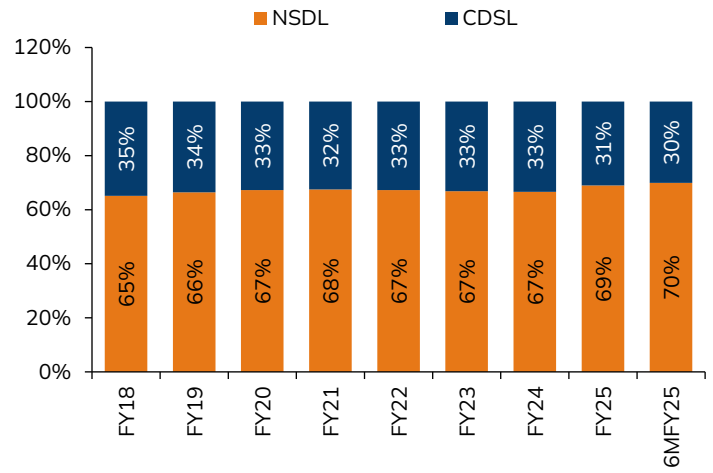
Total dematerialised companies

Exhibit 39: Registered companies with NSDL and CDSL



Source: I-Sec research, Company data

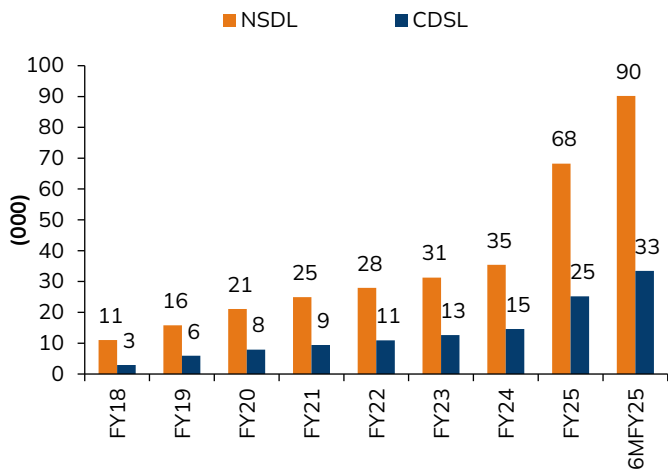
Exhibit 40: Registered companies market share for NSDL and CDSL



Source: I-Sec research, Company data

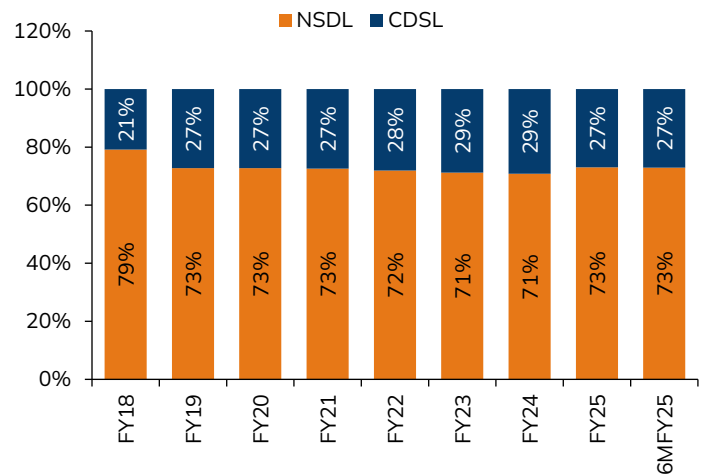
Dematerialisation of Unlisted Companies

Exhibit 41: Registered unlisted companies (equity) with NSDL and CDSL



Source: I-Sec research, Company data

Exhibit 42: Unlisted companies (equity) market share for NSDL and CDSL



Source: I-Sec research, Company data

Depository business comparison: Despite having only 20% demat account share, NSDL has ~40% share in depository revenue

The depositories derive their businesses mainly from activities in primary and secondary capital markets. Revenue of depositories majorly constitutes transactional charges, custodial charges and annual charges.

Despite NSDL having ~20% market share in demat accounts, it has market share of – 1) ~42% in total depository operating revenue; 2) ~41% in total transacting revenue; and 3) ~44% in total annual recurring revenue.

CDSL has a 3-year (FY22–25) revenue CAGR of 27% while NSDL has a 3-year (FY22–25) revenue CAGR of 19%. Despite CDSL's higher CAGR, both have similar 3-year PAT CAGRs of 21%. This is due to lower cost CAGR for NSDL (17%) vs. CDSL (38%).

Exhibit 43: NSDL's depository business review

INR mn	FY20	FY21	FY22	FY23	FY24	FY25	3 YR CAGR	5 YR CAGR
Revenue	2,496	3,356	3,693	4,092	4,731	6,186	19%	20%
EBITDA	1,019	1,806	1,878	2,056	2,419	3,306	21%	27%
EBITDA margin	40.81%	53.81%	50.86%	50.26%	51.14%	53.44%		
PAT	1,084	1,761	1,836	2,108	2,581	3,216	21%	24%
PAT margin	43.44%	52.49%	49.71%	51.53%	54.55%	51.99%		
Key revenue break up								
Transaction Revenue	1,098	1,544	1,797	1,974	2,434	3,574	26%	27%
Recurring Revenue	1,398	1,812	1,895	2,118	2,297	2,613	11%	13%
Share of Annual issuer charges in total revenues	56%	54%	51%	52%	49%	42%		

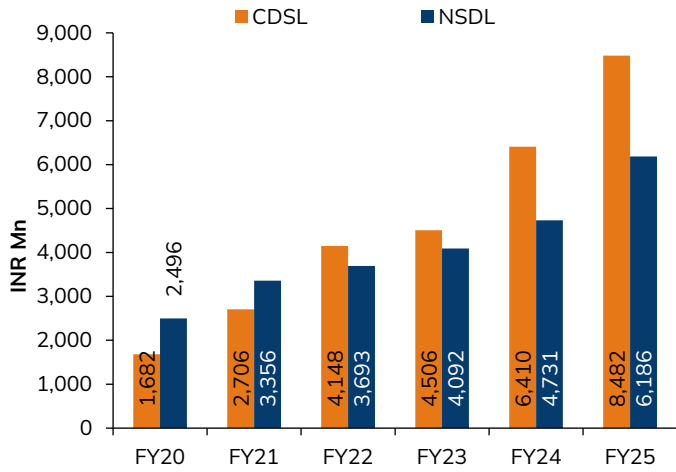
Source: I-Sec research, Company data

Exhibit 44: CDSL's depository business review

INR mn	FY20	FY21	FY22	FY23	FY24	FY25	3 YR CAGR	5 YR CAGR
Revenue	1,682	2,706	4,148	4,506	6,410	8,482	27%	38%
EBITDA	732	1,719	2,821	2,669	3,921	4,978	21%	47%
EBITDA margin	43.53%	63.53%	68.00%	59.23%	61.17%	58.69%		
PAT	773	1,601	2,638	2,721	3,633	4,621	21%	43%
PAT margin	45.97%	59.15%	63.59%	60.38%	56.68%	54.48%		
Key revenue break up								
Transaction Revenue	818	1,754	2,900	2,576	3,759	5,115	21%	44%
Recurring Revenue	864	952	1,248	1,930	2,650	3,367	39%	31%
Share of Annual issuer charges in total revenues	51%	35%	30%	43%	41%	40%		

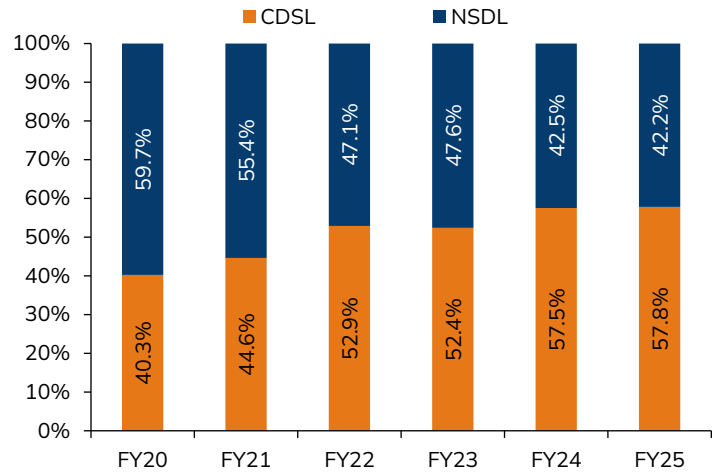
Source: I-Sec research, Company data

Exhibit 45: Standalone revenue comparison



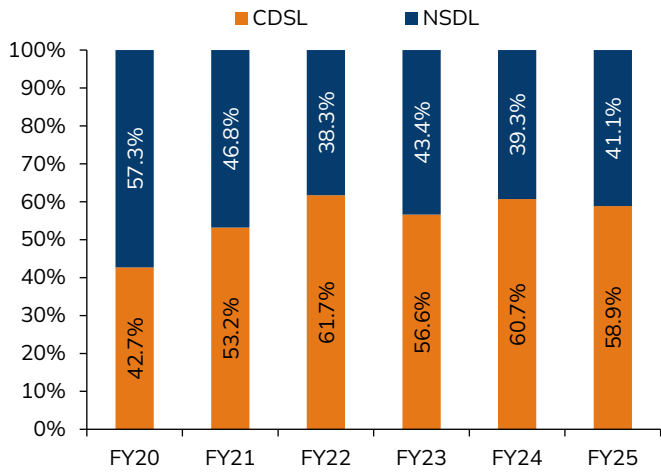
Source: I-Sec research, Company data

Exhibit 46: Standalone revenue mix



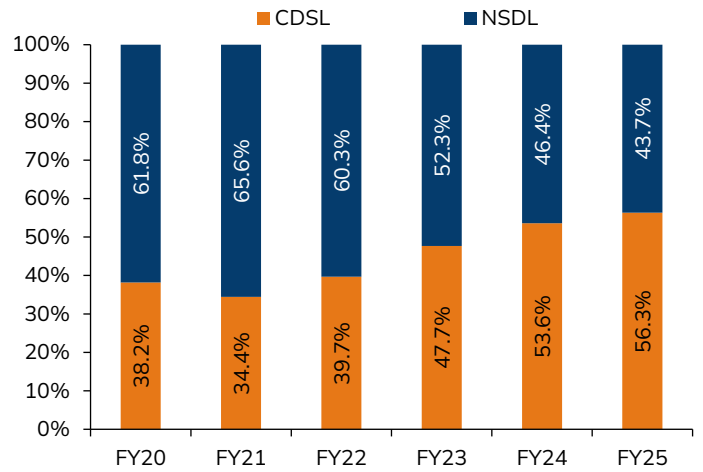
Source: I-Sec research, Company data

Exhibit 47: Standalone transaction revenue market share between CDSL and NSDL



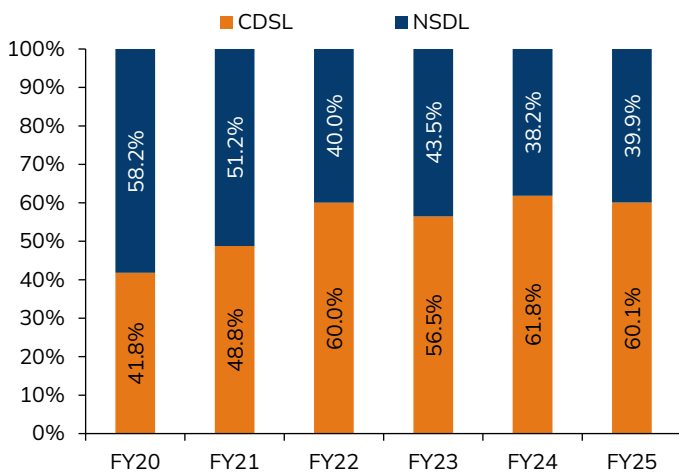
Source: I-Sec research, Company data

Exhibit 48: Standalone annual recurring revenue market share between CDSL and NSDL



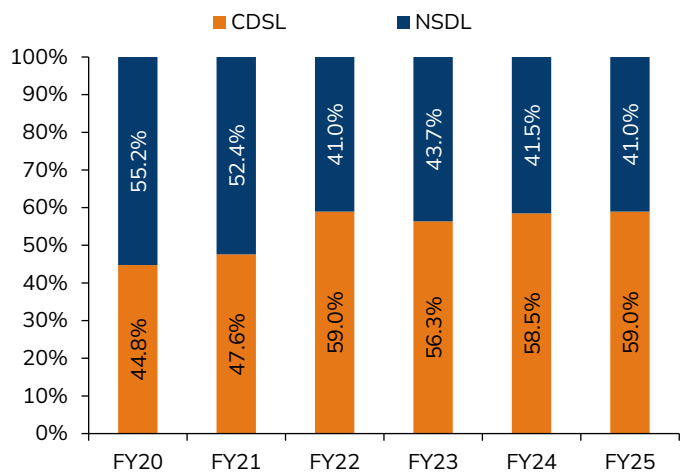
Source: I-Sec research, Company data

Exhibit 49: Standalone core EBITDA market share between CDSL and NSDL



Source: I-Sec research, Company data

Exhibit 50: Standalone PAT market share between CDSL and NSDL



Source: I-Sec research, Company data

Exhibit 51: Charges comparison for NSDL and CDSL

	NSDL	CDSL
Transaction Charges	INR 4 per debit transactions	INR 3.5 per debit transaction
Annual Issuer Charges	Joining fee of INR 20,000 for listed securities and INR 15,000 for unlisted securities	Joining fee of INR 20,000 for all securities
	INR 11.00 per folio subject to minimum amount as below: Minimum charges based on Nominal Value of admitted securities – <ol style="list-style-type: none"> Up to 25mn (for unlisted only): INR 5,000 Up to 50mn: INR 9,000 Above 50mn and up to 100mn: INR 22,500 Above 100mn and up to 200mn: INR 45,000 Above 200mn: INR 75,000 	INR 11.00 per folio subject to minimum amount as below: Minimum charges based on Nominal Value of admitted securities: <ol style="list-style-type: none"> Up to 50mn: INR 9,000 Above 50mn and up to 100mn: INR 22,500 Above 100mn and up to 200mn: INR 45,000 Above 200mn: INR 75,000

Source: I-Sec research, Company data

Exhibit 52: Key fees payable by DPs to depositories

Services	NSDL Charges	CDSL Charges
Entry fee at the time of submitting application	INR 25,000	INR 20,000
Settlement fee	Credit received in CM account from CC	INR 500 per month
	Inter-settlement transfers in the CM account(s)	
	Transfer from CM account to CM account of another clearing member	
Tariff for debit transaction	INR 4 per debit transaction	INR 3.5 per debit transaction
Creation of Pledge	INR 25 per instruction	INR 12 per instruction
Closing of pledge	-	INR 12 per instruction
Annual maintenance – Corporate accounts	INR 500 per corporate account per annum	INR 500 per corporate account per annum
Minimum fee to participants	INR 8,000 per month	INR 8,000 per month
CAS	INR 0.75 per transacted demat account for CAS, INR 8.0 per transacted BO demat account physical CAS	INR 0.5 per transacted for E-CAS, INR 6.0 transacted BO physical CAS

Source: I-Sec research, Company data

Exhibit 53: Key fees payable by issuers to depositories

Services	NSDL Charges	CDSL Charges
Joining fee	For listed companies	INR 20,000
	For unlisted companies	INR 15,000
Distribution of noncash corporate benefits	Corporate action – for debit or credit to accounts	INR 10.00 per record, subject to minimum INR 1,000 per corporate action
	Issue of commercial paper and short-term debt instruments	INR 10,000/- for five instruments. Additional fee of INR 10,000 for every additional five issues
Appointment as a designated depository to facilitate listed company to monitor foreign	Companies in Nifty 500 or BSE 500 as on March 31 st of previous financial year	INR 25,000 per annum
	Other listed issuers	INR 10,000 per annum

Source: I-Sec research, Company data

Consolidated business comparison: Payments bank business drives down margin for NSDL compared to CDSL

Exhibit 54: NSDL revenue breakdown

INR (Mn)	FY20	FY21	FY22	FY23	FY24	FY25	CAGR
Depository Business	2,496	3,356	3,693	4,092	4,731	6,186	20%
Transaction	1,098	1,544	1,797	1,974	2,434	3,574	27%
Annual Recurring	1,398	1,812	1,895	2,118	2,297	2,613	13%
Non-Depository Businesses							
Insurance Repository	22	22	23	48	56	47	16%
Payment Banks Business		635	2,992	5,407	7,192	7,199	83%
KYC KRA	706	686	927	729	765	816	3%
Others (Inter Comp Adj)	37	-41	-25	-56	-62	-47	
Total Consol Revenue	3,261	4,658	7,611	10,220	12,682	14,201	34.2%

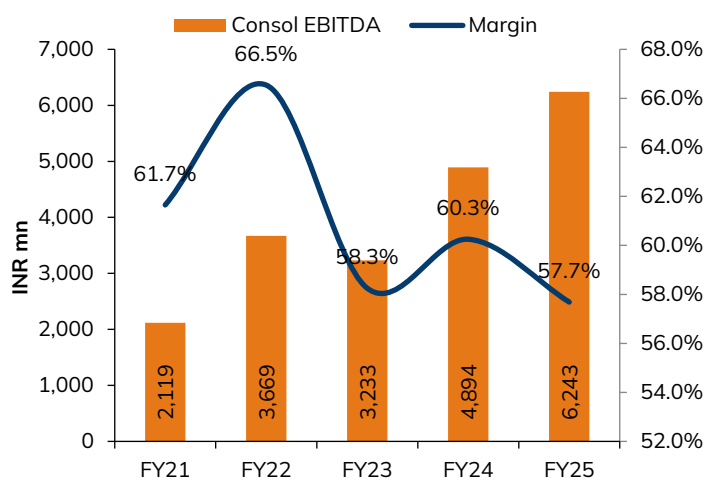
Source: I-Sec research, Company data

Exhibit 55: CDSL revenue breakdown

INR (Mn)	FY20	FY21	FY22	FY23	FY24	FY25	CAGR
Depository Business	1,682	2,706	4,148	4,506	6,410	8,482	38%
Transaction	818	1,754	2,900	2,576	3,759	5,115	44%
Annual Recurring	864	952	1,248	1,930	2,650	3,367	31%
Non-Depository Businesses							
Insurance Repository	13	13	22	20	22	26	14%
Payment Banks Business							
KYC KRA	558	719	1,349	1,029	1,697	2,318	33%
Others (Inter Comp Adj)	-1	-1	-6	-4	-6	-4	
Total Consol Revenue	2,251	3,437	5,513	5,551	8,123	10,822	36.9%

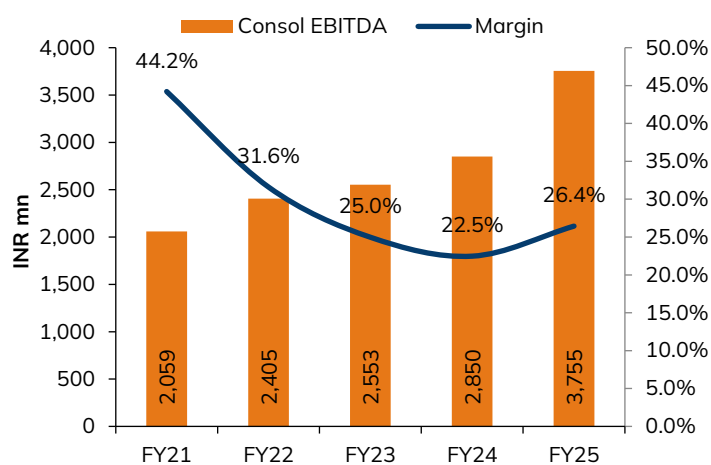
Source: I-Sec research, Company data

Exhibit 56: CDSL has higher EBITDA margin on consol. basis



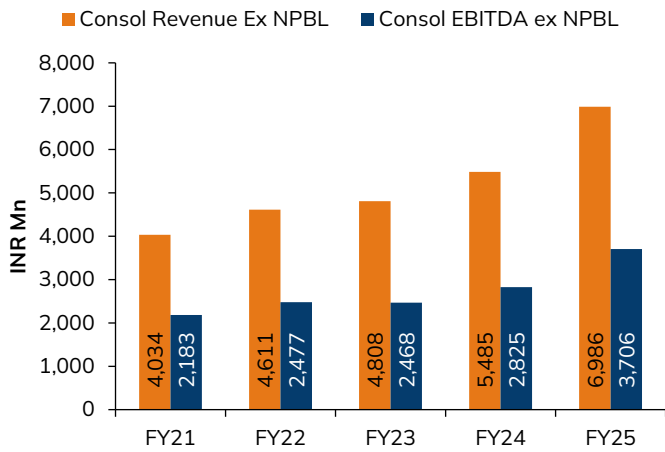
Source: I-Sec research, Company data

Exhibit 57: NSDL has lower EBITDA margin on consol. basis, due to payments bank business



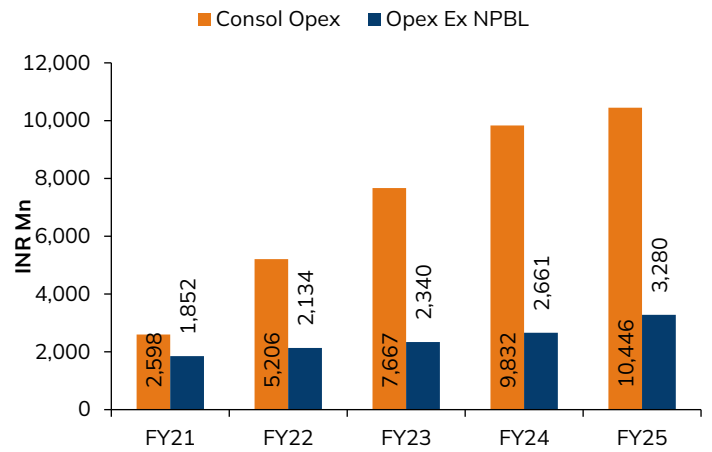
Source: I-Sec research, Company data

Exhibit 58: NSDL's payments bank constitutes a meaty share in consolidated revenue



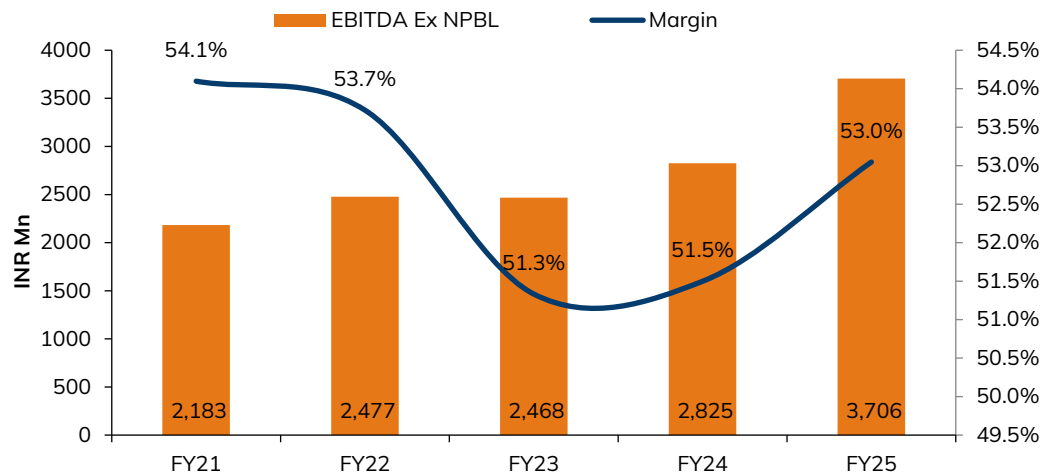
Source: I-Sec research, Company data

Exhibit 59: NSDL's payments bank constitutes a large share in consolidated opex



Source: I-Sec research, Company data

Exhibit 60: NSDL's EBITDA margin (ex-payments bank) is comparable to CDSL



Source: I-Sec research, Company data

Investment rationale

- India's first and leading depository operating an array of technology-driven businesses:** NSDL is India's first and leading depository and the largest one 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 Sep'25. As the first and leading depository in India, NSDL introduced dematerialisation of securities, revolutionising India's securities landscape. It was also among the initial few depositories globally to directly implement dematerialisation, bypassing the traditional two-step process of immobilisation and subsequent dematerialisation.

As of Oct'25, NSDL had an aggregate of 103,916 issuers registered on its system with an extensive network of 302 DPs operating through 55,960 service centres across India. These service centres serve over 42.32mn active demat accounts, covering >99% of India's pin codes and 218 countries. NSDL's total demat value stood at INR 522trn (86% share) and total demat quantity stood at 5,48trn (85% share).

- Strong focus on technology-led product innovation:** Technology serves as the foundation of NSDL's ecosystem. It has consistently invested in technology, enabling the development of a depository system catering to diverse user groups such as DPs, 128 issuers, registrars, transfer agents, and clearing corporations. NSDL was first to introduce instant messaging alerts to investors. NSDL's comprehensive suite of value-added services include Speed-e, which facilitates the electronic submission of depository transactions. Other introductions to the market include the launch of a blockchain based-distributed ledger technology platform for security and covenant monitoring.
- Stable revenue base with a significant proportion of recurring revenue:** Revenue from annual fees and annual custody fees is considered as a more stable and recurring source of revenue due to its lesser dependence on market cycle compared to revenue from transaction charges. NSDL's core depository services provide it with a steady source of recurring revenues and stability to its business model

Recurring revenue comprises of: 1) Annual Custody Fees charged to Issuers and Annual Fees charged to DPs; 2) other services like annual fees charged to issuers for foreign investment limit monitoring, annual fees from brokers for IDeAS service; 3) license fees to DPs for providing DPM software (4) annual fees from mutual funds towards statement downloads and transfer feeds to SEZ units; 5) annual fees from insurance companies in relation to credit of policies; and 6) annual usage fees for generation of ITP for registration of NSR.

- Diversified asset classes held in demat accounts:** NSDL holds a strong position in the depository market with regard to the diversified asset classes held in demat accounts. 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 Sep'25, NSDL held ~85.3%/~86.3% of total securities in terms of numbers/values. The higher custody value allows NSDL to leverage a range of additional services, including pledges, margin pledges and LAS.
- Well-diversified business verticals:** In addition to the core depository services offered by NSDL, the company offers various other services through its subsidiaries, NDML and NPBL. NDML is a technology solutions and product services company focused on developing e-Governance solutions, payment solutions, regulatory support systems, market infrastructure services, industry solutions and digital customer on-boarding products. Through NPBL, NSDL offers a range of financial products and services on a B2B basis, including digital banking solutions, inclusive banking products), prepaid cards, merchant acquisition services and distribution of third-party products such as life insurance.

NSDL's strategies going forward

- **Increasing market penetration:** NSDL aims to focus on attracting new investors to the securities market in India and increase the user base of depository business by increasing number of customers through DPs.
- **Invest and upgrade in IT:** The maintenance and enhancement of IT infrastructure is a critical aspect of NSDL's business, as it serves as the foundation for future growth and expansion plans while ensuring the safety and reliability of India's securities market ecosystem.

To keep systems and processes current, NSDL has been enhancing its technology stack, augment technology infrastructure and adopt a mobile-first approach.

- **Diversify offerings:** As part of growth strategy for NDML, NSDL aims to continue to diversify offerings through the introduction of new products and services, thereby serving the evolving needs of its customers.

Some of its proposed initiatives are –

- KYC Registration Agency
- Insurance Repository
- Payment Aggregator Business

- **Increase market share in payments bank:** NSDL continues to scale its payments bank business to include a number of ancillary products and services such as zero-balance accounts, digital payment cards, online bill payments and recharges, mutual funds and other investment service and insurance products.

Some of its proposed initiatives are –

- Financial inclusion
- Digital banking
- Merchant acquisition
- Third-party product distribution

Financials

Annual custody fee: Growth driven by strong corporate additions

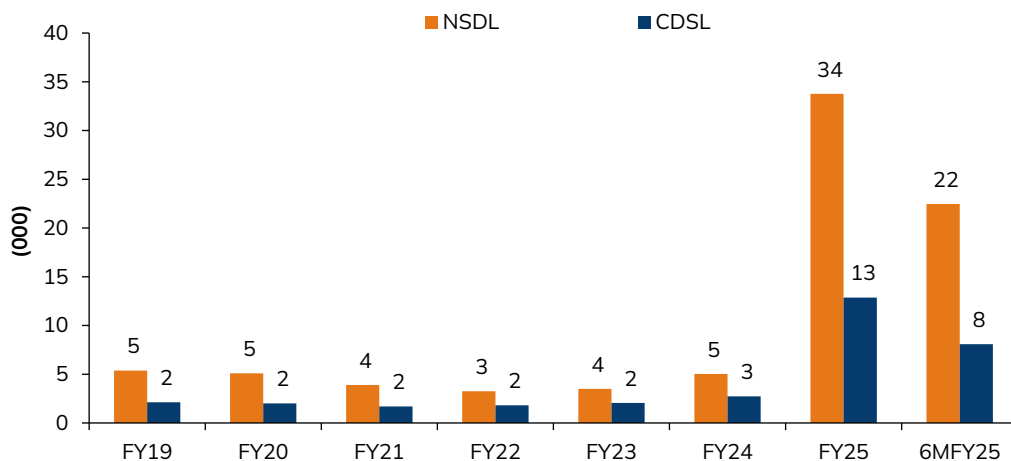
As per the SEBI, issuers must pay an annual custodial fee to the depositories at the rate of INR 11/folio, based on the average number of folios, during the previous financial year or the minimum amount. From Q2FY26, NSDL also started charging annual fees for the distributed ledger platform service, which it currently provides to ~600 corporates.

Annual issuer charges have shown strong growth in FY26. NSDL's annual custody fee grew 44% to INR 887mn in Q2FY26 vs. INR 616mn in Q2FY25. A primary reason for this growth is the increase in the number of companies dematerialised in last 18 months. Number of dematerialised unlisted companies for NSDL are up, from 35k in Mar'24 to 90k in Sep'25; total dematerialised companies for NSDL are up, from 46k in Mar'24 to 102k in Sep'25.

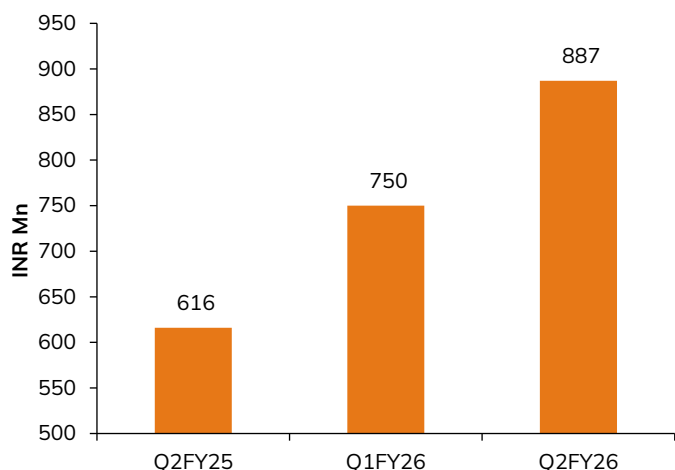
We note that CDSL has also seen similar growth in annual issuer charges driven by an increase in the number of dematerialised companies. CDSL's annual issuer charges increased from INR 2.55bn in FY24 to INR 3.2bn in FY25 (up 27.1%) and INR 1.56bn in H1FY26 (up 47% vs H1FY25). From Mar'24 to Sep'25, the number of dematerialised unlisted companies increased from 15k to 33k for CDSL, and from 23k to 44k for NSDL.

We factor in company additions potentially peaking out, leading to annual issuer charges growing slower on a high base. We expect annual custody fees to be INR 3.4bn/4bn/4.6bn in FY26/27/28E vs. INR 1.6bn in H1FY26.

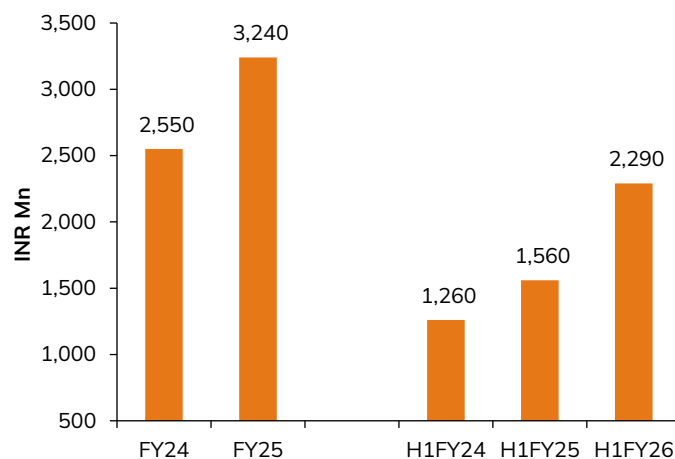
Exhibit 61: Total company addition trend for NSDL and CDSL



Source: I-Sec research, Company data

Exhibit 62: NSDL's annual issuer charges trend

Source: I-Sec research, Company data

Exhibit 63: CDSL's annual issuer charges trend

Source: I-Sec research, Company data

Transaction fee: NSDL's low dependence on settlement fees makes it less cyclical

NSDL earns transaction fees from various sources, such as: 1) settlement fee (fee earned on each debit transaction); 2) e-voting charges; 3) pledge fees; 4) joining fees, 5) E-CAS fees; and 6) joining fee for distributed ledger platform.

For NSDL, settlement fees constitute a significantly lower share of total revenue compared to CDSL, which makes NSDL less prone to cyclicity. In H1FY26, NSDL earned INR 287mn of settlement fee (~8% of total revenue), while CDSL earned INR 1,210mn (~25% of total revenue).

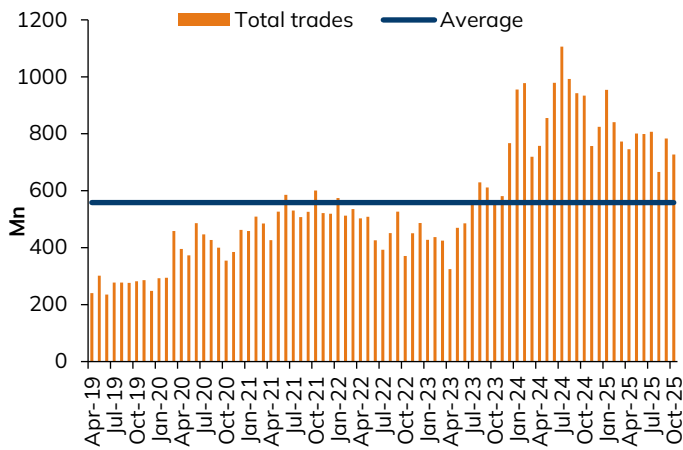
We factor in a steady recovery in cash volumes and expect settlement fees for NSDL to be INR 0.64bn/0.77bn/0.95bn in FY26/27/28E vs. INR 0.3bn in H1FY26.

Total industry margin funding book has increased by ~270% in the last three years and stood at ~INR 1trn in Sep'25. The rise in margin trading has led to higher pledge incomes for both NSDL and CDSL. For Example, CDSL's pledge income grew from INR 70mn in H1FY23, to INR 72mn in H1FY24 to INR 135mn in H1FY25 and INR 102mn in H1FY26.

We estimate NSDL's e-voting charges to have grown steadily and estimate it to be INR 0.56bn/0.66bn/0.76bn in FY26/27/28 vs. INR 0.35bn in H1FY26.

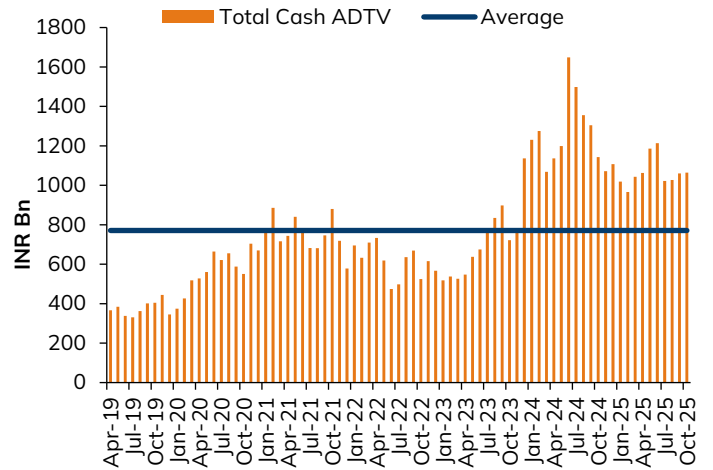
We estimate other transaction charges to be INR 1.9bn/2.3bn/2.7bn in FY26/27/28 vs INR 0.9bn in H1FY26.

Exhibit 64: Systemic cash trades declined in FY26-TD



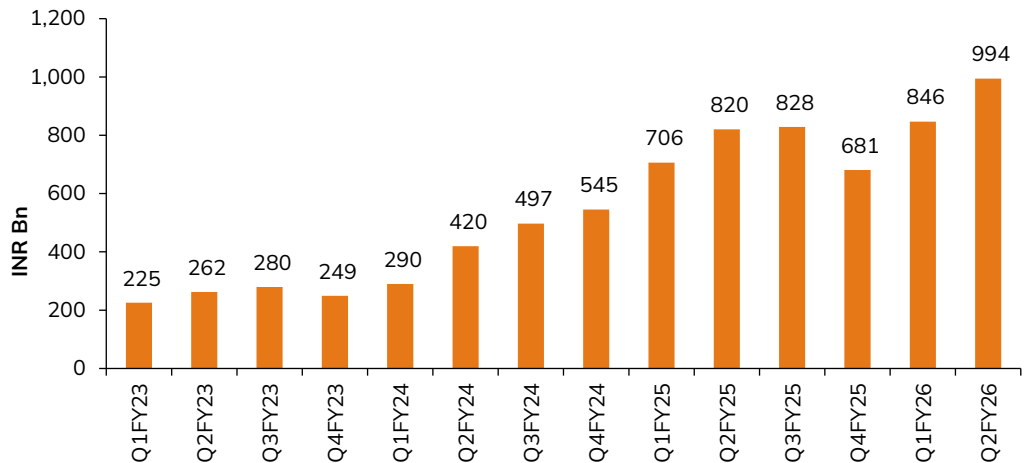
Source: I-Sec research, Company data

Exhibit 65: Systemic cash ADTV declined in FY26-TD



Source: I-Sec research, Company data

Exhibit 66: Industry MTF book has increased by ~270% in the last 3 years



Source: I-Sec research, Company data

Corporate action and IPO charges: Robust IPO pipeline drives strong growth

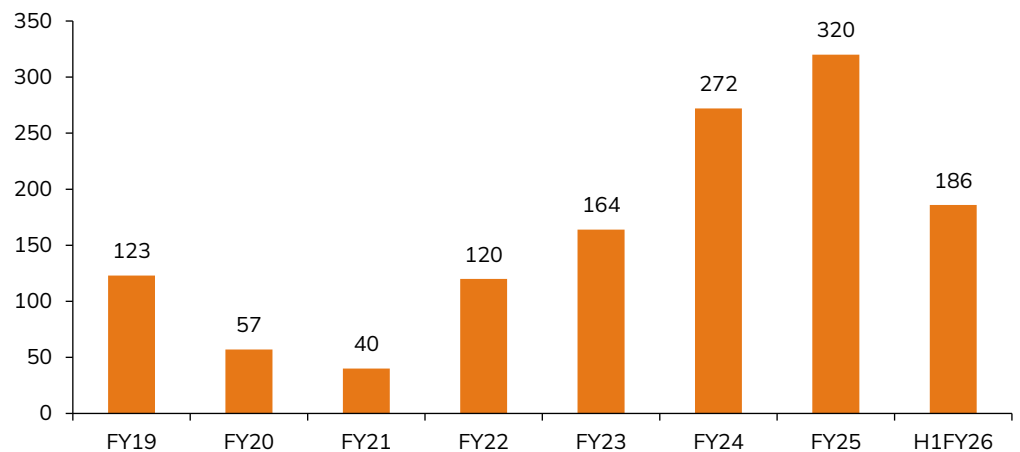
H1FY26 has seen 186 IPOs (SME + Mainboard) getting listed, following 320 IPO listings in FY25. This has led to strong growth in IPO and corporate actions revenue for both CDSL and NSDL.

For example, CDSL's corporate actions revenue has increased from INR 498mn in FY23 to INR 940mn in FY24, to INR 1,620mn in FY25 and INR 830mn in H1FY26.

NSDL's corporate action revenue stood at INR 294mn in Q2FY26 (up 6.7% YoY).

Going ahead, we expect the momentum to continue and estimate NSDL's corporate action and IPO fees to be INR 1.1bn/1.4bn/1.8bn in FY26/27/28E vs. INR 0.9bn in H1FY26.

Exhibit 67: No. of IPOs (SME + Mainboard) has increased in last few years



Source: I-Sec research, SEBI

Standalone operating expenses: Rise in employee and technology spends to drive elevated opex

In line with the increase in participation and activities in the capital markets, operating expenses are also expected to rise. Standalone operating expenses have grown 20.5% on a YoY basis in H1FY26 vs. a CAGR of 16.6% between FY22-25 while tech spends have risen 22% YoY in H1FY26; employee expenses are up 23.3% YoY in the same period.

We expect operating expenses to grow at a CAGR of 17.8% between FY25-28E vs. FY22-25 CAGR of 16.6%. We expect total standalone operating expenses to be INR 3.5bn/4.1bn/4.7bn in FY26/27/28E vs. INR 1.6bn in H1FY26 and INR 2.9bn in FY25.

Standalone EBITDA and EBITDA margin

We estimate total standalone revenue to be INR 7.6bn/9.1bn/10.8bn in in FY26/27/28E vs. INR 3.6bn in H1FY26 and INR 6.2bn in FY25.

We estimate standalone EBITDA to be INR 4.1bn/4.9bn/6.1bn in in FY26/27/28E vs. INR 2bn/INR 3.3bn in H1FY26/FY25. We estimate EBITDA margin to be 53.9%/54.8%/56.5% in FY26/27/28 vs 54.7% in H1FY26 and 53.4% in FY25.

Subsidiaries (NDML and NPBL)

Historically, both subsidiaries (NDML and NPBL) have not contributed meaningfully to EBITDA on a consolidated basis – being INR 496mn/431mn/449mn/137mn in FY23/24/25/H1FY26. We factor in similar contribution from the subsidiaries ahead too and estimate it to be INR 429mn/464mn/505mn in FY26/27/28E.

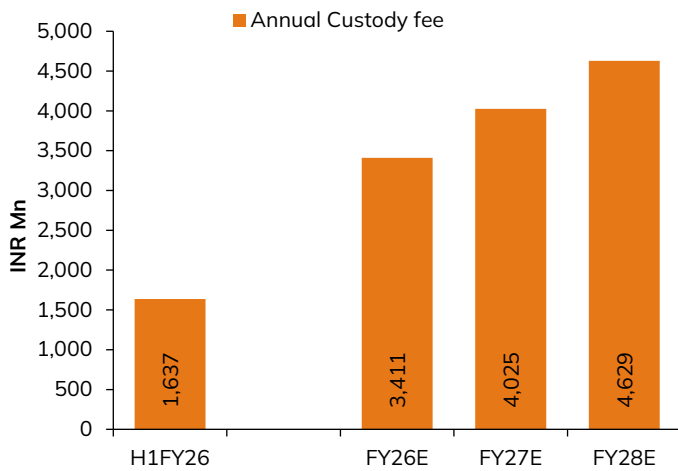
Consolidated financials

We estimate consolidated revenue to expand at a CAGR of 11.8% between FY25-28E vs. a CAGR of 23.1% between FY22-25. We estimate total consol. revenue to be INR 15bn/17.3bn/19.8bn in FY26/27/28E vs. INR 7.1bn in H1FY26 and INR 14.2bn in FY25.

We expect consol. EBITDA to grow at CAGR of 20.8% between FY25-28E vs. a CAGR of 16% between FY22-25. We estimate consol. EBITDA to be INR 4.5bn/5.5bn/6.6bn in FY26/27/28E vs INR 2.2bn in H1FY26 and INR 3.8bn in FY25. We estimate EBITDA margin to be 30%/31.5%/33.3% in FY26/27/28E vs. 31.3% in H1FY26 and 26.4% in FY25.

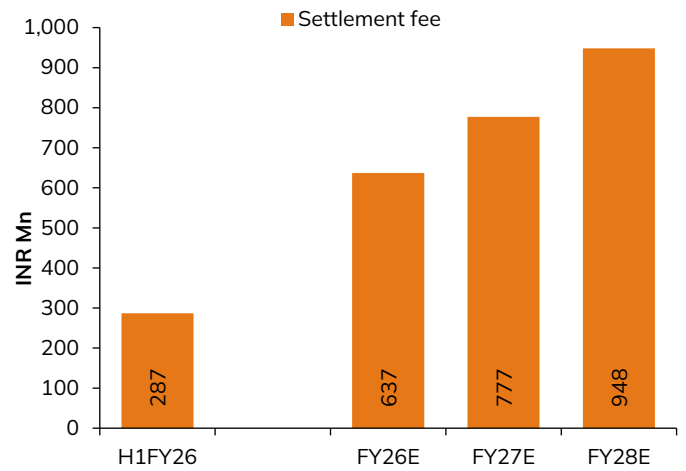
We expect consol. PAT to expand at CAGR of 19.3% between FY25–28E vs. a CAGR of 17.3% between FY22–25. We estimate consol. PAT to be INR 4bn/4.6bn/5.4bn in FY26/27/28E vs. INR 2bn in H1FY26 and INR 3.4bn in FY25.

Exhibit 68: Annual custody fee estimates



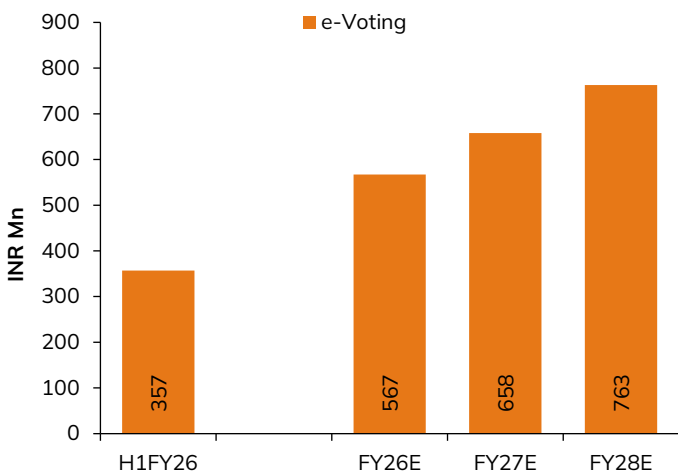
Source: I-Sec research, Company data

Exhibit 69: Settlement fee estimates



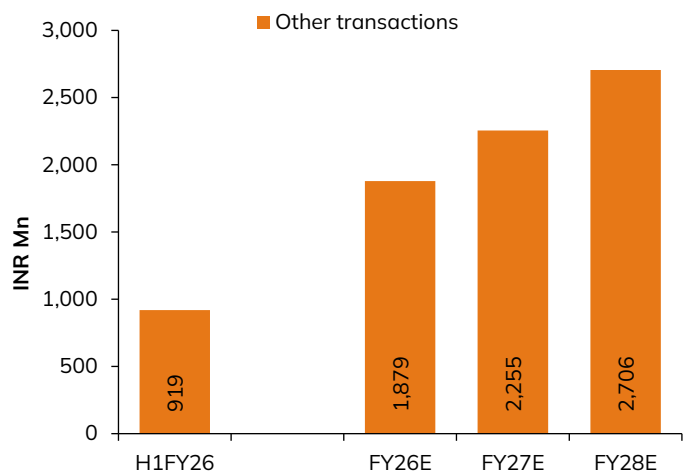
Source: I-Sec research, Company data

Exhibit 70: E-voting charges estimates



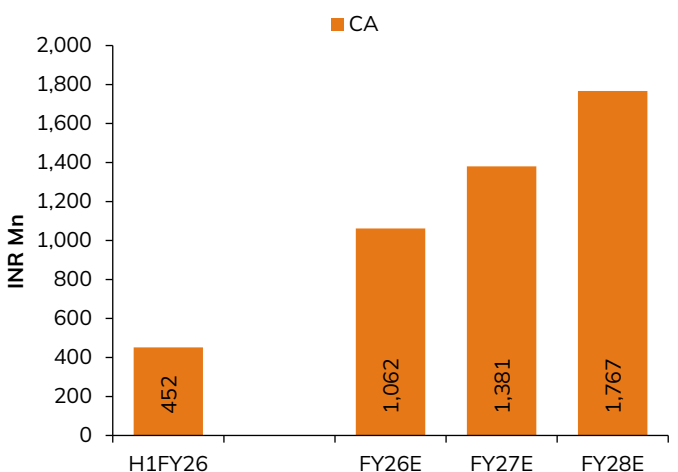
Source: I-Sec research, Company data

Exhibit 71: Other transaction fee estimates



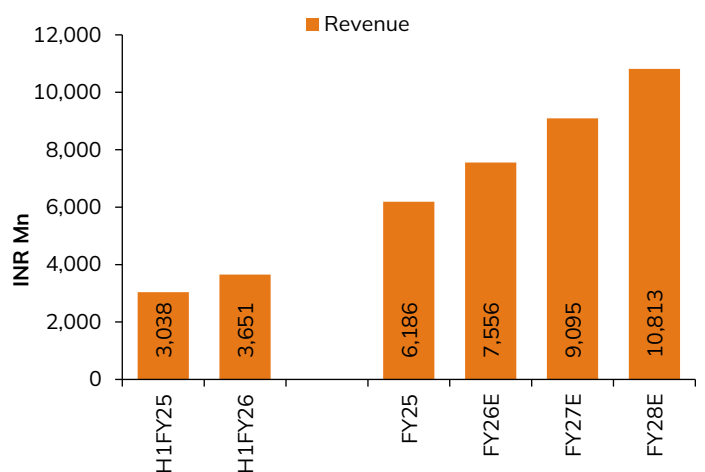
Source: I-Sec research, Company data

Exhibit 72: Corporate action and IPO fee estimates



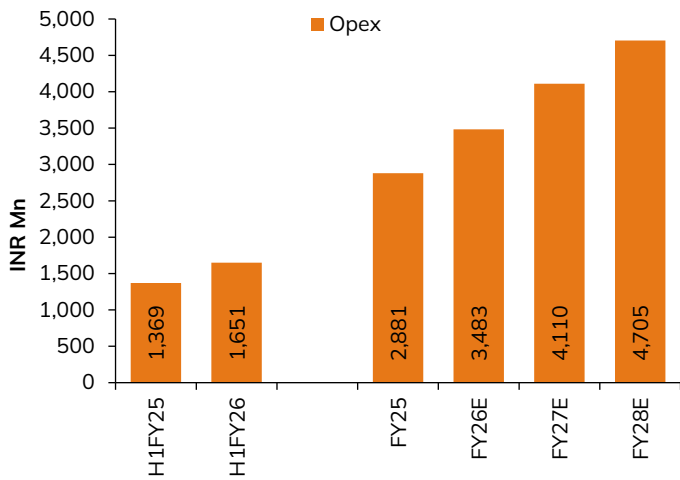
Source: I-Sec research, Company data

Exhibit 73: Total standalone revenue estimates



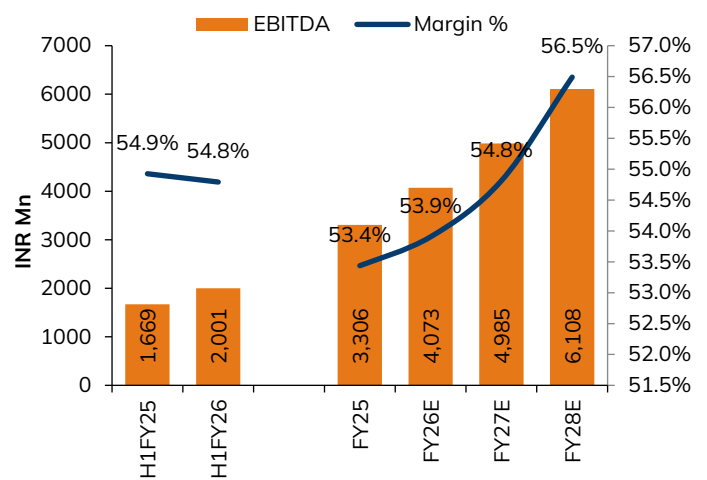
Source: I-Sec research, Company data

Exhibit 74: Standalone total operating expenses estimates



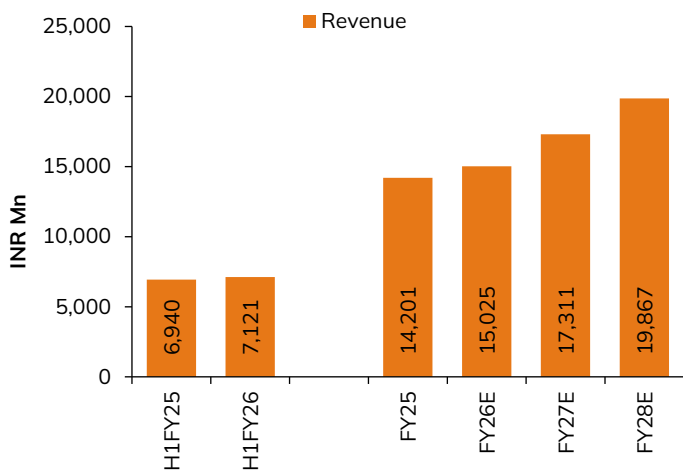
Source: I-Sec research, Company data

Exhibit 75: Standalone EBITDA and margin estimates



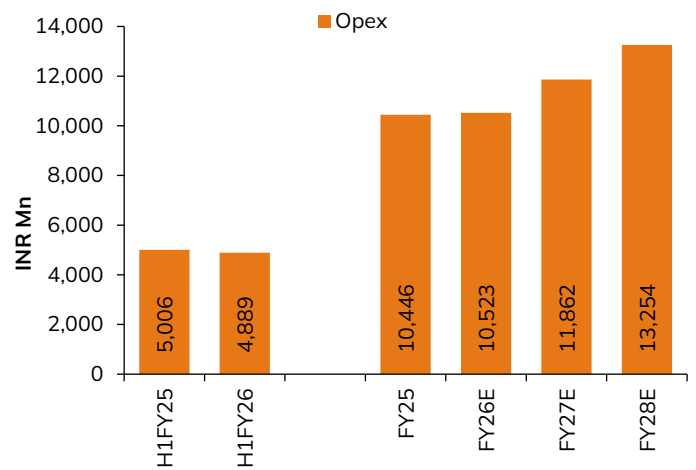
Source: I-Sec research, Company data

Exhibit 76: Total consol. revenue estimates



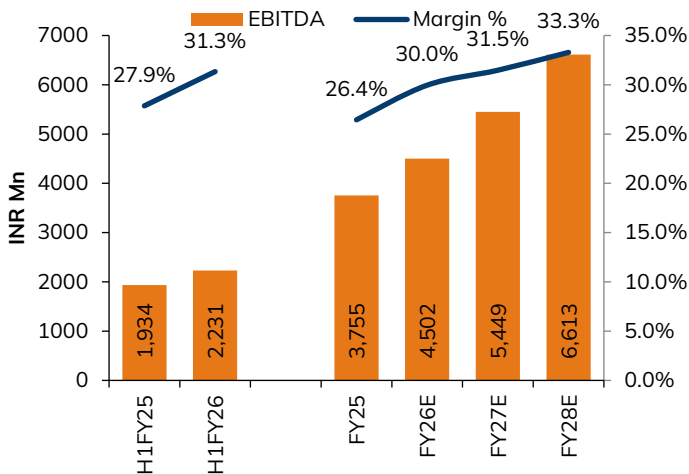
Source: I-Sec research, Company data

Exhibit 77: Consol. total operating expenses estimates



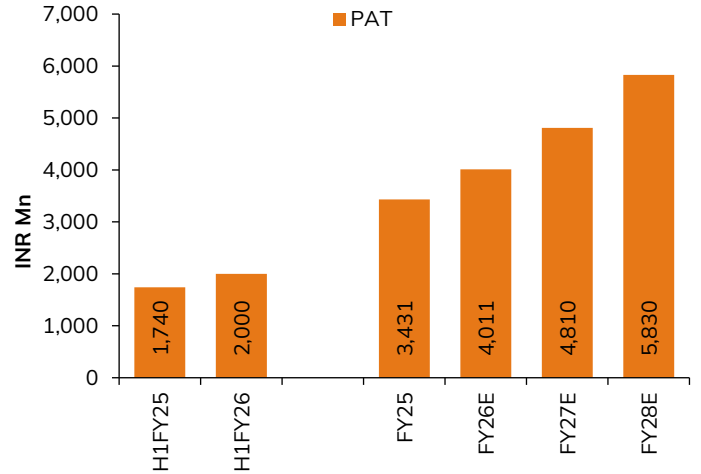
Source: I-Sec research, Company data

Exhibit 78: Consol. EBITDA and margin estimates



Source: I-Sec research, Company data

Exhibit 79: Consol. PAT estimates



Source: I-Sec research, Company data

Management Details

All the key management personnel and the members of senior management are permanent employees of the company. Except gratuity, superannuation benefits and other applicable statutory benefits upon termination of their employment in NSDL, none of the key management personnel or senior management would receive any benefits on their retirement or on termination of their employment with the Company.

Exhibit 80: Brief on the Management

Name	Designation	Brief Description
Mr. Vijay Chandok	Managing Director and Chief Executive Officer	Mr. Vijay has been associated with NSDL since 28 th Nov'24. He holds a bachelor's degree in mechanical engineering from Banaras Hindu University, Varanasi and a master's degree in management studies from Narsee Monjee Institute of Management Studies, Mumbai. He is responsible for overall functioning of the Company as a MII and overlooks corporate governance, strategy, business and administration related aspects of the Company. He has over 31 years of experience in the financial services industry. Prior to joining NSDL, he was associated with ICICI Bank Limited as its executive director and with ICICI Securities Limited as a managing director and chief executive office
Mr. Jigar Shah	Chief Financial Officer	He has been associated with NSDL since 3 rd Mar'25 and is responsible for managing all the financial information of the Company, including supervising finance teams, undertaking financial planning and analysis, taxation, budgeting, cost control, investor relations, investment decision-making, procurement, overseeing vendor payments and purchases and plays a role in the formulation and execution of company's financial goals and strategies. He holds a bachelor's degree in commerce (specialization in accounting and auditing) from the University of Mumbai. He is a member of The Institute of Chartered Accountants of India. He has also completed the chief financial officer programme from Indian Institute of Management, Calcutta. He has over 17 years of experience including articleships with BSR & Co. and Atul C. Shah and Associates, in the field of treasury, finance and banking. Prior to joining NSDL Company, he was associated with S.V. Ghatalia & Associates LLP, Yes Bank Limited, Standard Chartered Bank, IDFC First Bank Limited and NSDL Payments Bank Limited
Mr. Alen Ferns	Company Secretary and Compliance Officer	Mr. Alen has been associated with NSDL since 5 th Apr'24 and has been appointed to hold such position for a period of three years. He is responsible for secretarial and compliance functions under the Companies Act and the SEBI LODR Regulations. He is an associate member of the Institute of Company Secretaries of India. He holds a bachelor's degree in commerce from the University of Mumbai and a master's degree in business administration from the ICFAI University, Dehradun. He has more than 21 years of experience in handling corporate secretarial work. Prior to joining NSDL, he was associated with Multi Commodity Exchange of India Limited, CG Power and Industrial Solutions Limited, GOL Offshore Limited, HLV Limited and JSW Steel Limited.
Mr. Prashant Vagal	Chief Operating Officer	Mr. Prashant has been associated with NSDL since 1 st Jan'97. He is responsible for ensuring operation activities in respect to issuer services, identification of digitization and automation initiatives on a continuous basis, establishing customer service processes, settlement activities, monitoring of foreign investment limits, facilitating interactions with IT for timely requirements and testing. He holds a bachelor's degree in engineering (mechanical branch) from V. J. Technical Institute, University of Bombay and a master's degree in management studies from Sydenham Institute of Management Studies and Research and Entrepreneurship Education, University of Mumbai. He has over 30 years of experience in business development and operations. Prior to joining NSDL, he was associated with Special Steels Limited and CIFCO Finance Limited
Mr. Kothandaraman Prabhakaran	Chief Technology Officer	Mr. Kothandaraman has been associated with NSDL since 5 th Jun'24 and is responsible for formulating and implementing the IT Strategy and leading all aspects of the company's technology development, ensuring new solutions in application development and infrastructure, consolidation of technology platforms, review, modernize and create technology solutions for various products of the Company, oversee all system design and changes in system architecture and working with all stakeholders, regulators, business partners and system integration partners to deliver technology solutions. He holds a diploma in telecommunication (S&TV) from Department of Technical Education, Government of Karnataka and a bachelor's degree in engineering (computer science) from the Bangalore University. He has over 19 years of experience in the field of technology. Prior to joining NSDL, he was associated with Adecco India Private Limited and Cisco Systems (India) Private Limited
Mr. Sandip Navdhare	Chief Risk Officer	Mr. Sandip has been associated with NSDL since 26 th Jun'23 and has been appointed to hold such position for a period of three years. He is responsible for the development of risk management policies, conducts risk assessments for new initiatives, and formulates strategic action plans to minimize and manage primary risks. He also evaluates operational risks, enhances risk management readiness, and identifies threats to operational efficiency and financial stability. He has passed the examination for the bachelor's degree in commerce (banking and insurance) from University of Mumbai and has been awarded the executive post graduate program in business management from SIES College 168 of Management Studies. He has also been granted the designation of financial risk manager by global association of risk professionals. He has over 17 years of experience in the field of risk management and compliance. Prior to joining NSDL, he was associated with Bajaj Finserv Asset Management Limited as a national manager – risk and has also been associated with Mahindra Manulife Investment Management Private Limited, Indiabulls Asset Management Company Limited, HDFC Standard Life Insurance Company Limited, Edelweiss Asset Management Limited, HSBC Asset Management (India) Private Limited and HSBC Electronics Data Processing India Private Limited.

Source: I-Sec research, Company data

Q2FY26 Result Highlights: NSDL (less cyclical) vs CDSL (more cyclical) well proven in H1FY26

NSDL has less transactional revenue which creates less sensitivity to market momentum. This will lead to an outperformance in weaker market cycle compared to CDSL. The reverse is also true. NSDL will have lower growth during an upcycle. This is well captured in the results of H1FY26 wherein market momentum was muted (systemic demat addition was down 39% and systemic cash volume was down 19% in H1FY26 YoY) and correspondingly NSDL outperformed.

- Standalone revenue grew ~21% YoY for NSDL in Q2FY26 versus 10% YoY for CDSL. Standalone transaction revenue (ex of annual issuer charge) for CDSL was down 6% YoY in Q2FY26 but up 7% YoY for NSDL standalone in Q2FY26.
- Annual issuer charges increased 44% YoY for both NSDL and CDSL. However, this includes a new small component of Distributed Ledger Technology fees charged by NSDL
- Q2 consolidated EBITDA was up 13% for NSDL but down 11% for CDSL on YoY basis. NSDL had an impact of higher costs (up 26% YoY in H1FY26 versus 20% for CDSL).
- NSDL ramped up its tech capex with INR 300mn in H1FY26 vs INR 350mn in whole FY25.
- There has been gain in incremental demat accounts by NSDL basically through a collective effort across traditional bank based as well as new brokers.
- To remember, Q2 is a traditionally strong quarter for NSDL with higher AGM type corporate actions.

NSDL Q2FY26 Consolidated highlights

- Total Revenue increased 28% QoQ and 12% YoY to INR 4bn
- Total expenses increased 25.5% QoQ and 11.6% YoY to INR 2.7bn.
- Total employee expenses increased 16.4% QoQ, while other expenses increased 27.2% QoQ. The company also made INR 300mn of capex towards technology in H1FY26 vs INR 350mn in FY25
- EBITDA increased 34.4% QoQ and 13.3% YoY to INR 1,279mn.
- EBITDA (Ex Payment bank) increased 32.4% QoQ and 10.7% YoY to INR 1,238mn.
- EBITDA margin increased to 32% in Q2FY26 vs 30.5% in Q1FY26 and 31.6% in Q2FY25
- EBITDA margin (Ex Payment Bank) increased to 55.4% in Q2FY26 vs 52.1% in Q1FY26 but decreased vs 58.2% in Q2FY25
- PAT (including MI) increased 23.2% QoQ and 14.8% YoY to INR 1,104mn

NSDL Q2FY26 standalone highlights

- Total Revenue increased 26.8% QoQ and 20.7% YoY to INR 2.04bn.
- On a YoY basis, NSDL's revenue growth is higher than CDSL because of low dependence on settlement fees (Fee charged on debit transaction is only ~7% of total standalone revenue)
- Total expenses increased 19.6% QoQ and 26.3% YoY to INR 899mn.

- NSDL's standalone tech cost increased 18.8% QoQ and 27% YoY to INR 213mn
- EBITDA increased 33.2% QoQ and 16.7% YoY to INR 1,143mn. YoY EBITDA growth on standalone level is higher for NSDL vs CDSL
- EBITDA margin increased to 56% in Q2FY26 vs 53.3% in Q1FY26 but decreased vs 57.9% in Q2FY25
- PAT increased 45.7% QoQ and 18.3% YoY to INR 1,204mn (Includes dividend income of INR 183mn from NDML)

Exhibit 81: NSDL Q2FY26 Consolidated performance

Consol Summary (INR mn)	Q2FY26	Q1FY26	QoQ Growth	Q2FY25	YoY Growth
Operating Income	4,000	3,120	28%	3,567	12%
Other operating income					
Total Income	4,000	3,120	28%	3,567	12%
Expenses					
Employees cost	446	383	16%	354	26%
Computer technology related expenses					
Contribution to IPF	54	40	37%	46	18%
Administration and other expenses	2,221	1,745	27%	2,038	9%
Total Expenses	2,721	2,168	25%	2,438	12%
EBITDA	1,279	952	34%	1,129	13%
Margin %	32.0%	30.5%		31.6%	
Other Income	322	348	-7%	286	12%
PBDIT	1,601	1,300	23%	1,415	13%
Depreciation	111	96	16%	81	37%
PBIT	1,490	1,204	24%	1,334	12%
Interest	15	16	-9%	8	79%
PBT	1,475	1,188	24%	1,326	11%
Tax	358	287	25%	369	-3%
PAT	1,117	900	24%	957	17%
Reported PAT after MI	1,131	896	26%	962	18%
NOSH	200	200		200	
EPS	5.65	4.48	26%	4.81	18%
Revenue Breakup					
Annual Custody fee	887	750	18%	616	44%
CA	294	158	86%	277	6%
e-Voting	289	68	325%	231	25%
Settlement fee	139	148	-6%	216	-36%
Other transactions	433	486	-11%	352	23%
NDML	193	183	6%	230	-16%
Payments Bank	1,766	1,328	33%	1,646	7%
Total	4,000	3,120	28%	3,567	12%

Source: I-Sec research, Company data

Exhibit 82: NSDL Q2FY26 Standalone review

Standalone Summary (INR mn)	Q2FY26	Q1FY26	QoQ Growth	Q2FY25	YoY Growth
Operating Income	2,042	1,610	27%	1,691	21%
Other operating income					
Total Income	2,042	1,610	27%	1,691	21%
Expenses					
Employees cost	287	252	14%	226	27%
Computer technology related expenses					
Contribution to IPF	54	40	37%	46	18%
Administration and other expenses	557	460	21%	440	27%
Total Expenses	899	752	20%	712	26%
EBITDA	1,143	858	33%	979	17%
Margin %	56.0%	53.3%		57.9%	
Other Income	464	295	57%	416	11%
PBDIT	1,607	1,153	39%	1,396	15%
Depreciation	65	57	13%	46	41%
PBIT	1,542	1,095	41%	1,350	14%
Interest	0	0	-7%	0	34%
PBT	1,541	1,095	41%	1,350	14%
Tax	337	269	25%	332	2%
PAT	1,204	826	46%	1,018	18%
NOSH	200	200		200	
EPS	6.02	4.13		5.09	
Revenue Breakup					
Annual Custody fee	887	750	18%	616	44%
CA	294	158	86%	277	6%
e-Voting	289	68	325%	231	25%
Settlement fee	139	148	-6%	216	-36%
Other transactions	433	486	-11%	352	23%
Total	2,042	1,610	27%	1,691	21%

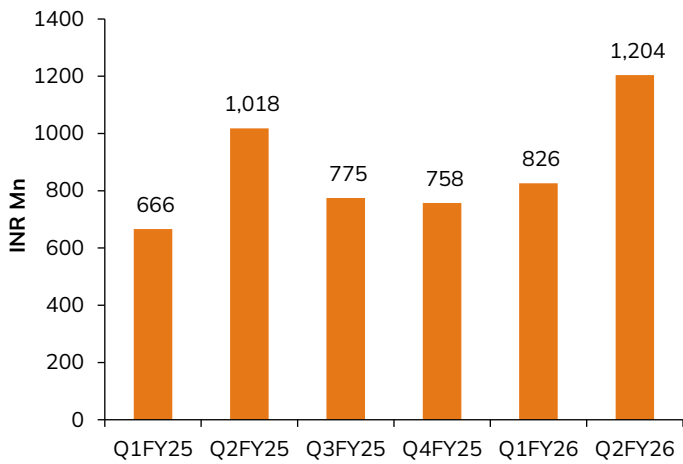
Source: I-Sec research, Company data

Exhibit 83: NSDL vs CDSL H1FY26 Review

(INR Mn)	CDSL			NSDL		
	H1FY26	H1FY25	YoY Growth	H1FY26	H1FY25	YoY Growth
Total Operating Income	4,937	4,457	10.8%	3,651	3,038	20.2%
Total Expenses	2,142	1,692	26.6%	1,651	1,369	20.5%
EBITDA	2,795	2,765	1.1%	2,001	1,669	19.9%
Margin %	56.6%	62.0%	-8.7%	54.8%	54.9%	-0.2%
Other Income	1,086	990	9.7%	759	635	19.6%
Depreciation	258	181	42.7%	122	90	36.3%
Interest	1	0	626.0%	0	0	31.7%
PBT	3,622	3,574	1.3%	2,637	2,213	19.1%
Tax	827	810	2.0%	606	530	14.5%
PAT	2,795	2,764	1.1%	2,030	1,684	20.6%
NOSH	209	209		200	200	
EPS	13.4	13.2	1.1%	10.2	8.4	20.6%

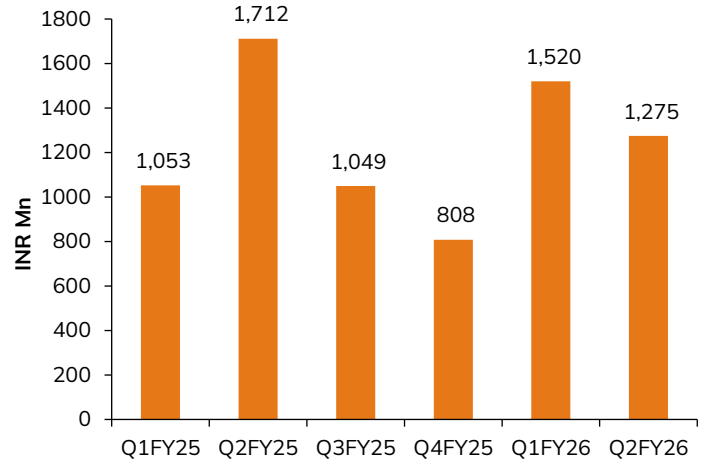
Source: I-Sec research, Company data

Exhibit 84: NSDL Standalone PAT trend



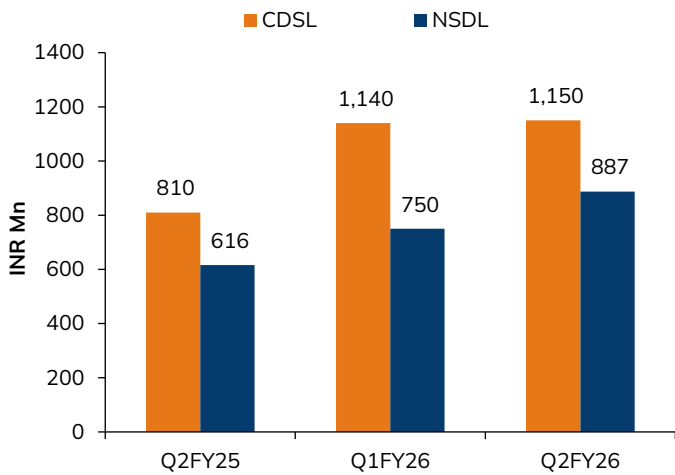
Source: I-Sec research, Company data

Exhibit 85: CDSL Standalone PAT trend



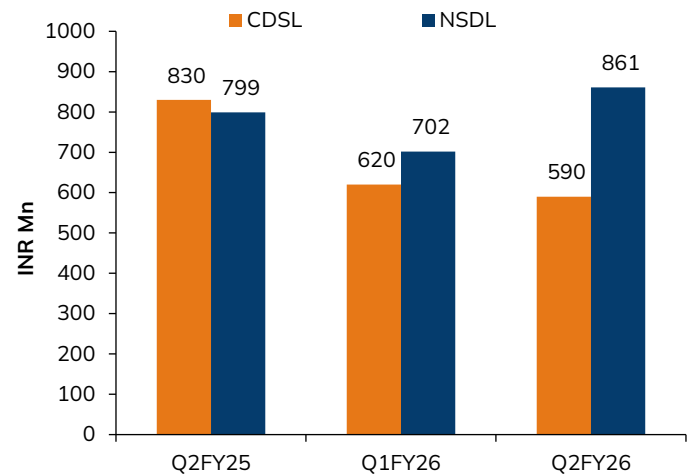
Source: I-Sec research, Company data

Exhibit 86: Annual Issuer Charges Comparison



Source: I-Sec research, Company data

Exhibit 87: Transaction Charges Comparison

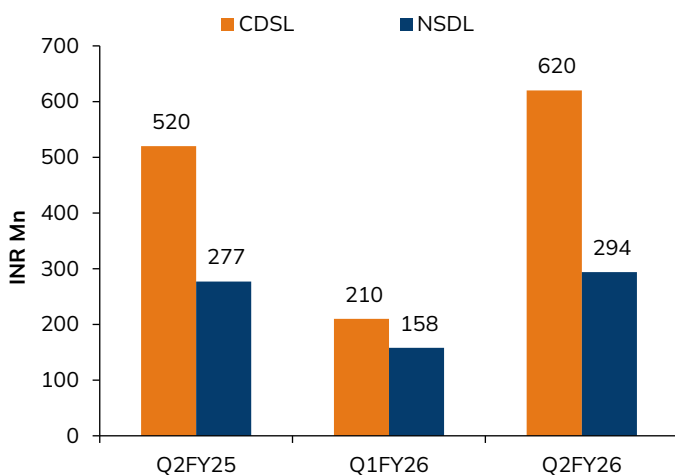


Source: I-Sec research, Company data

Note: For NSDL: transaction revenue includes settlement fees + e voting + other transaction charges

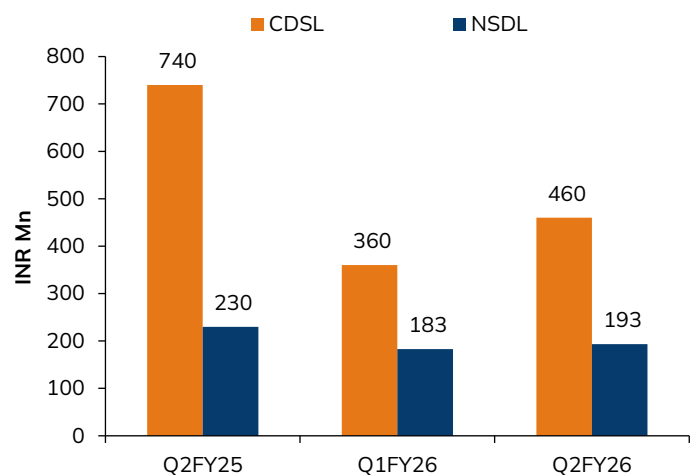
Transaction charges for NSDL includes, Pledge fees, Joining fees, CAS, Distributed Ledger Platform Joining fee, and Other Data charges

Exhibit 88: IPO/Corporate action revenue comparison



Source: I-Sec research, Company data

Exhibit 89: Database management revenue comparison



Source: I-Sec research, Company data

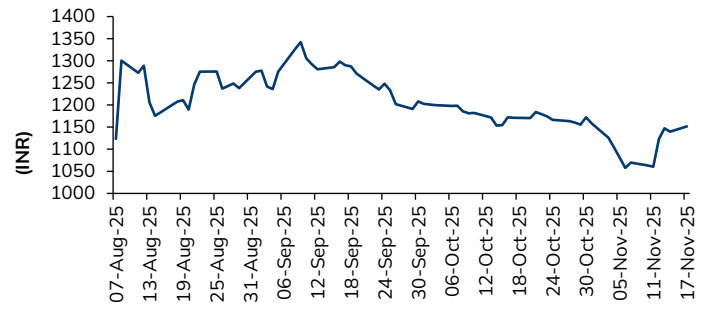
Note: For Database management, we take NDML revenue for NSDL and online database charges for CDSL

Exhibit 90: Shareholding pattern

%	Sep'25
Promoters	0.0
Institutional investors	55.2
MFs and other	1.7
Banks/ FIs	30.8
Insurance Cos.	6.8
FII	15.9
Others	44.9

Source: Bloomberg, I-Sec research

Exhibit 91: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 92: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	14,201	15,025	17,311	19,867
Operating Expenses	10,446	10,523	11,862	13,254
EBITDA	3,755	4,502	5,449	6,613
EBITDA Margin (%)	0.3	0.3	0.3	0.3
Depreciation & Amortization	354	397	436	462
EBIT	3,401	4,105	5,013	6,151
Interest expenditure	41	42	43	43
Other Non-operating Income	1,150	1,265	1,417	1,630
Recurring PBT	4,510	5,329	6,387	7,737
Profit / (Loss) from Associates	24	25	32	42
Less: Taxes	1,103	1,343	1,610	1,950
PAT	3,407	3,986	4,778	5,787
Less: Minority Interest	-	-	-	-
Extraordinary (Net)	-	-	-	-
Net Income (Reported)	3,431	4,011	4,810	5,830
Net Income (Adjusted)	3,431	4,011	4,810	5,830

Source Company data, I-Sec research

Exhibit 93: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	5,670	6,586	8,385	10,170
of which cash & cash eqv.	1,452	2,361	3,960	5,430
Total Current Liabilities & Provisions	9,625	8,034	9,486	10,880
Net Current Assets	(3,955)	(1,448)	(1,101)	(709)
Investments	20,588	21,588	25,588	30,588
Net Fixed Assets	2,673	2,776	2,840	2,878
ROU Assets	78	78	78	78
Capital Work-in-Progress	215	215	215	215
Total Intangible Assets	465	465	465	465
Other assets	159	159	159	159
Deferred Tax Assets	-	-	-	-
Total Assets	20,223	23,834	28,244	33,674
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability provisions	-	-	-	-
other Liabilities	116	116	116	116
Equity Share Capital	400	400	400	400
Reserves & Surplus	19,653	23,264	27,674	33,104
Total Net Worth	20,053	23,664	28,074	33,504
Minority Interest	-	-	-	-
Total Liabilities	20,223	23,834	28,244	33,674

Source Company data, I-Sec research

Exhibit 94: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	5,578	2,742	6,424	7,285
Working Capital Changes	2,381	(1,598)	1,253	1,079
Capital Commitments	(742)	(500)	(500)	(500)
Free Cashflow	4,836	2,242	5,924	6,785
Other investing cashflow	(4,281)	(958)	(3,957)	(4,957)
Cashflow from Investing Activities	(5,023)	(1,458)	(4,457)	(5,457)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(164)	(375)	(368)	(358)
Others	-	-	-	-
Cash flow from Financing Activities	(164)	(375)	(368)	(358)
Chg. in Cash & Bank balance	391	909	1,599	1,471
Closing cash & balance	1,452	2,361	3,960	5,430

Source Company data, I-Sec research

Exhibit 95: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	17.2	20.1	24.1	29.1
Core EPS	12.7	15.2	18.6	22.8
Dividend per share (DPS)	2.0	2.0	2.0	2.0
Book Value per share (BV)	100.3	118.3	140.4	167.5
Dividend Payout (%)	11.7	10.0	8.3	6.9
Growth (%)				
Net Sales	12.0	5.8	15.2	14.8
EBITDA	31.7	19.9	21.0	21.4
EPS (INR)	24.6	16.9	19.9	21.2
Valuation Ratios (x)				
P/E (x)	67.1	57.4	47.9	39.5
Core P/E (x)	81.2	67.2	53.4	42.0
P/BV	11.5	9.7	8.2	6.9
Dividend Yield (%)	0.2	0.2	0.2	0.2
Operating Ratios				
EBITDA Margins (%)	26.4	30.0	31.5	33.3
Effective Tax Rate (%)				
Net Profit Margins (%)	24.2	26.7	27.8	29.3
Profitability Ratios				
RoE (%)	18.6	18.3	18.6	18.9

Source Company data, I-Sec research

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