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NSDL IPO Sees Strong Grey Market Demand Ahead of Launch

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The upcoming initial public offering (IPO) of National Securities Depository Limited (NSDL), India’s largest depository, is generating strong interest among investors in the grey market. With the price band set significantly lower than recent unlisted market values, the grey market premium (GMP) suggests healthy listing gains.

NSDL has fixed its IPO price band at ₹760 to ₹800 per share, approximately 22 percent below its unlisted market price of ₹1,025 just weeks ago. The IPO is an offer-for-sale by existing shareholders including the National Stock Exchange, IDBI Bank, State Bank of India, HDFC Bank, Union Bank of India, and SUUTI. The company will not issue any new shares or raise fresh capital.

Despite the discount, the stock is commanding a GMP of ₹145 to ₹170 in the unofficial market, signaling an expected listing price of around ₹960 to ₹970. This indicates a potential upside of about 20 percent over the upper end of the issue price. According to analysts, the conservative pricing combined with NSDL's strong market position has made it attractive to investors looking for stable, long-term value.

NSDL is a critical part of India's capital market infrastructure, serving as the first depository to handle securities in electronic form. It currently holds over 3.3 crore demat accounts and has assets under custody worth more than ₹400 lakh crore. The company also enjoys a strong revenue base, primarily from transaction fees, annual custodian charges, and other services related to securities settlement and corporate actions.

In terms of financial performance, NSDL reported a consolidated net profit of ₹85.8 crore for the quarter ended March 2025, marking a year-on-year growth of 29.8 percent. Its operating revenue for the same period rose 16.2 percent to ₹391.2 crore.

The IPO will open for subscription on July 30 and close on August 1. Retail investors can bid for a minimum lot of 18 shares, requiring an investment of ₹14,400 at the upper price band. Share allotment is expected by August 4, with the stock likely to be listed on the BSE on August 6.

Regulatory approval for the IPO came earlier this year, with the Securities and Exchange Board of India (SEBI) requiring NSDL to list by August 14. The IPO will be closely watched as a benchmark for investor sentiment toward India's market infrastructure companies.