

NSDL/AF/BSE/2026/0034

Date: May 06, 2026

To,
Listing Compliance Department
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Dear Sir/Madam,

Scrip Code: **544467** ISIN: **INE301001023**

Sub.: Transcript for Conference Call held on May 02, 2026, for Q4 (2025-26) & FY 2026 Results

Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

With reference to our earlier communication dated April 22, 2026, regarding the Conference Call scheduled for Saturday, May 2, 2026, organized by ICICI Securities to discuss the Q4 (2025-26) and FY 2025-26 results, please find attached the transcript of the said Conference Call.

The said information is also available on the website of the Company – <https://nsdl.co.in/>

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For **National Securities Depository Limited**

Alen Ferns
Company Secretary & Compliance Officer
Membership No. A30633

Encl: as above



“National Securities Depository Limited
Q4 FY26 Earnings Conference Call”

May 02, 2026



MANAGEMENT: **MR. VIJAY CHANDOK – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NATIONAL SECURITIES DEPOSITORY LIMITED**
MR. JIGAR SHAH – CHIEF FINANCIAL OFFICER – NATIONAL SECURITIES DEPOSITORY LIMITED
MR. SAMEER PATIL – CHIEF BUSINESS OFFICER – NATIONAL SECURITIES DEPOSITORY LIMITED
MR. KOTHANDARAMAN PRABHAKARAN – CHIEF TECHNOLOGY OFFICER – NATIONAL SECURITIES DEPOSITORY LIMITED
MR. PRASHANT VAGAL – CHIEF OPERATING OFFICER – NATIONAL SECURITIES DEPOSITORY LIMITED
MR. SAMEER GUPTA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NSDL DATABASE MANAGEMENT
MR. ABHIJIT KAMALAPURKAR – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NSDL PAYMENTS BANK
MS. AARZOO KHANDELWAL – INVESTOR RELATIONS

MODERATOR: **MR. ANSUMAN DEB – ICICI SECURITIES**

Ansuman Deb:

Good morning, ladies and gentlemen. On behalf of ICICI Securities, we welcome you all to this Q4 and FY26 Results Conference call of NSDL. We have with us the senior management represented by Mr. Vijay Chandok, Managing Director and Chief Executive Officer; Mr. Jigar Shah, Chief Financial Officer; Mr. Sameer Patil, Chief Business Officer; Mr. Kothandaraman Prabhakaran, Chief Technology Officer; Mr. Prashant Vagal, Chief Operating Officer; Mr. Sameer Gupte, MD and CEO, NSDL Database Management; Mr. Abhijit Kamalapurkar, Managing Director and Chief Executive Officer of NSDL Payments Bank and Ms. Aarzoo Khandelwal, Investor Relations. I now hand over the call to Mr. Vijay Chandok, MD and CEO. Over to you, sir.

Vijay Chandok:

Thank you very much, Ansuman. Ladies and gentlemen, a very good morning to all of you. And a warm welcome to all our shareholders, investors, analysts joining us today for our Q4 and FY26 Earnings Conference call. I truly appreciate the continued trust that now over our 8.9 lakh valued shareholders have placed with us.

And I'm truly pleased, particularly considering that we have a long weekend and some kind of a holiday season, that all of you have taken the effort to join this call, much appreciated, as we close our first full financial year since our listing. So let me begin by giving a little bit of a perspective of the environment because I strongly believe that it is important to understand our performance in the context of the environment in which we operate.

The financial markets over the year reflected an evolving interplay to our mind between resilience and disruption. The first half was broadly constructive, strong domestic consumption and an improving macroeconomic backdrop keeping the sentiment somewhat positive, somewhat cautiously optimistic.

The second half, however, proved to be considerably more challenging. The West Asia conflict, which erupted in quarter 4 doesn't seem to still have any clear resolution in ahead of us. During quarter 4, the external macro pressures intensified, particularly towards the end of the quarter with crude prices spiking sharply in March 2026, rising over 40% on a Y-o-Y at peak levels.

While there's been depreciation of the rupee quite sharply on a Y-o-Y basis, all this reflecting geopolitical supply disruptions and sustained capital outflows. Indian equity faced sustained pressure throughout the year actually, especially at the end of quarter 4 where Nifty declined by 11.3%.

Market activity remained subdued through January and February and March declined as well, driving overall quarter into what one would call some kind of a decisive weakness. The defining story of quarter 4 was the divergence between the FIIs and the domestic flows. The FPIs have been net sellers for most of the quarter with March seeing a record monthly outflow of USD12.7 billion.

Domestic institutional investors, however, were, I would say a very decent stabilizing force. In fact, the net DII inflows were at INR1.4 lakh crores in March, which was the highest ever. SIP flows in March '26 stood at a record number, INR32,000 crores, the monthly SIP run rate. This

was about INR25,900 crores in March '25 a year ago, reflecting resilience of retail participation even during difficult times.

On the investor base, new Demat account addition slowed and slowed considerably, slowed to about 3.2 crores in FY26, down from 4.1 crores in FY25, with March '26 seeing the lowest monthly addition in nearly a year. This moderation came even as the investor ecosystem continued to deepen with NSE unique investors, registered investors base approaching a 13 crores mark by March '26.

The IPO activity remained at record levels during the first 9 months, extremely good. Activity in the current quarter, the quarter 4 was somewhat sluggish, impacted by geopolitical headwinds. Overall, these trends point to a market that is consolidating and strengthening rather than losing depth.

Near-term volatility and moderation in incremental activity, investor participation is becoming broader and more structurally anchored, supported by resilient domestic engagement and a shift towards longer-term investments. This evolving profile provides meaningful headroom for renewed growth as external conditions stabilize and confidence normalizes.

With this in context, now let me talk a little bit about the performance of NSDL during the quarter and some highlights of the year which spilled into the quarter and will spill beyond in the future. During the quarter and over the course of the year, as I mentioned, we had several initiatives. I will highlight some of the key ones.

As I mentioned, March '26, we enabled the digital submission of Form 121, which was erstwhile Form 15G/15H. This is a form that investors file for nil tax declaration, easing compliance, one-stop shop at the depository front, convenience for the investors, ease of business for the investors and supporting capital markets growth in the more medium term.

Effective April 1, we launched a women demat plan offering a 3-year settlement waiver to promote greater participation of women in capital markets. Earlier, a few quarters ago, we had launched the Yuva plan, similarly with a 3-year settlement fee waiver and we have now seen the Yuva plan maintaining strong momentum and today it contributes 21% of incremental demat sourcing.

So that has taken good wings, so we do hope that the women's plan will also take good wings over the quarters ahead. In October '25, we had launched the revamped digital portal for FPI and FVCI, simplifying onboarding and improving turnaround times for foreign investors. And I think that is something which is gaining traction and we do expect that to continue to consolidate our position in the FPI market.

NSDL continued to advance its digital transformation initiatives during the quarter, including digital onboarding, API enhancement and enhancing customer-facing services. Everything to do with customer experience is being attended to get scaled up, with, I would say, constructive and positive results visible to us.

During the quarter, the API interoperability was expanded with clearing corporations and bond platforms. And earlier over the few quarters, implementation such as direct payouts, common contract notes, margin pledges were completed. All this is strengthening operational consistency, investor protection and it's certainly helping us scale up our business growth and revenue numbers.

In fact, at present, we have more than 40 APIs launched, which is perhaps ahead of everyone in our competing market space. System resilience and scalability were further strengthened, further enhanced through upgrades in the core system. The infrastructure capacity was enhanced; observability and cybersecurity stance were significantly scaled up during the year.

Further NSDL consolidated its investor awareness program because we believe investor and an informed investor will really help the capital markets in the more medium term. This is across online, offline and hybrid forms of communication and training to them, across corporates, across defense, across educational institutions, women-focused forums, so that we are able to cover a diverse set of customers across the length and breadth of the country.

NSDL conducted in the whole fiscal about 2,700 programs, reaching 1.7 lakh almost participants across 34 states and union territories in 16 local languages. During the quarter, the total number of demat accounts for NSDL reached 4.44 crores. We also reached 311 DPs. During the year, we added 21 DPs, which is a record for us.

And these 311 DPs provide service through 57,000 plus service centers and branches in more than 2,000 cities and small towns. At present, we hold about 86% of the total value of custody, managing about roughly INR477.29 lakh crores of securities, which is approximately \$5 trillion and which is close to 80% of the equity market share.

Our incremental market share in net demat account addition improved in FY26 and reached at 15.4% for the full year, compared to much lower level that was there last year. This improvement reflects a strong pickup in account additions, which came in at about 49.4 lakh accounts in FY26, compared to 36.8 lakh in FY25.

And I'm sure all of you appreciate that the number of accounts sourced in FY26 was far lower for the industry compared to accounts sourced. So in such a context, we have actually seen a clear divergence. We've grown even compared to our last year in absolute number of accounts sourced.

This was thanks to our digitization efforts, thanks to our ability to onboard some new Fintechs, and some impact of the 21 DPs that got added during the year, although only partial impact is visible. On a quarterly basis, the momentum strengthened with incremental market share on quarter four coming in at about 14%. It was higher compared to a quarter 4 of last year, which was at 9.6%, but it was marginally lower compared to the previous sequential quarter, which was at about 14.7%[edited].

And this is attributed to a specific large IPO that happened during this quarter. And we find that whenever a specific episodic large IPO happens, it tends to benefit competition more than ours.

The second aspect during this quarter that has to be kept in mind, that many of our large DPs are bank-based DPs.

The bank-based DPs tend to be very, very careful about not working with inoperative and dormant accounts. So there's a tendency during the quarter which ends the year to close such accounts. So on a net basis, you would have seen that little bit of a reduction in market share. We believe it is episodic.

Otherwise, the undertone remains constructive and positive. And when we measure ourselves on gross basis, actually we are holding market share well. It is the net basis where there has been a little bit of a marginal decline in quarter 4 on a sequential basis, although Y-o-Y it is clearly up.

As we continue to expand our issuer base, we have now crossed 1.10 lakh issuers. Our e-voting platform has helped many leading companies to offer e-voting services and with 5,287 e-voting events conducted during the year, which is significantly higher compared to what we did last year.

There's also been gain in market share on that front. I'll now take you through very briefly the key financials, which is already available on our website and I'm sure all of you have already been used through it. I would like to just mention and highlight that NSDL's performance is best assessed on a Y-o-Y basis given the seasonality and inherent nature of our business, because some of the businesses like e-voting and dividend income from subsidiaries happen in specific quarters. And accordingly, I will focus on the quarter and give you a brief update on a Y-o-Y basis. On quarter four, total income came in at about INR195.4 crores I'm talking standalone now, compared to INR191.9 crores, which is up by little under 2%. PAT came in at about INR79.7 crores compared to INR75.8 crores last year, which is up by about 5%. For the full year, PAT stood at about INR360 crores on a standalone basis compared to INR321 crores, which is up by about 12.1%.

On a consolidated basis, the total income stood at about INR486.8 crores compared to INR393.8 crores, which is up by about 23.6% on a Y-o-Y basis. PAT stood at about INR90.3 crores compared to INR83.3 crores, up by about 8.4%. This is console number for quarter 4. The PAT for the full year, as you all would have seen has come in at about INR380 crores compared to about INR343 crores last year, which is up by about 10.8% on a Y-o-Y basis.

I'll talk a little bit about our subsidiaries because there've been some interesting developments. We have our two subsidiaries, which is the Payments Bank and the NSDL Database Management. The bank continues, the Payments Bank continues to gain traction in digital payments ecosystem. It is currently amongst the top 33 banks on UPI. UPI acquiring volumes have grown 6x over the past year, driven by multiple tie-ups.

As at March 2026, the bank is now ranked 7th as a payee PSP app, this is amongst the top 15 banks in the ecosystem. As at March 2026, deposit balances, and we are very happy about this, has now crossed INR500 crores, coming in at about INR521 crores with over 4 million customers. We have 43.5 lakh customers to be precise.

Additionally, as far as NDML is concerned, it recorded strong momentum, adding about 33.5 lakh insurance policies over the year. The SEZ pricing got revised in the month of February, and this is expected to support and provide momentum to the operational performance and business as we enter the new financial year.

I would also like to highlight an important development that happened in NDML, which has just been announced, the demerger of our insurance repository business into a new company, which is in accordance with IRDAI directions. So the process has been kicked off. We continue to invest strategically in people, in technology, and the benefits of these investments to some extent is already visible in form of improved customer experience, in form of record DP onboarding this year.

And we do believe that as these initiatives scale up, operating leverage, which we have spoken to all of you in the past, which is inherent in the business model of our company, will increasingly kick in and will increasingly strengthen our business model and financial outcomes.

So with these few comments, I would now hand the call over to Jigar, our CFO, to take you with little more detailed analysis of the financial outcomes. Jigar, over to you.

Jigar Shah:

Good morning, everyone, and a very warm welcome. Thank you, Vijay. Let me now take you through our very first standalone and consolidated financial highlights for the quarter and financial year 31st March 2026 after our public listing that happened in August 2025 [edited].

Beginning with, I'll take you through the standalone highlights for the quarter. Revenue from operations for the Q4 FY '26 stood at INR170.6 crores, a growth of 2.4% on year-on-year basis and sequentially by 1%, driven by subdued capital market activity in Q4FY '26.

Total income we have registered a growth of 1.8% year-on-year from INR191.9 crores in Q4 FY '25 to INR195.4 crores in Q4FY '26. Our EBITDA margin for the current quarter stood at 57.2%. Our EBITDA for the Q4 FY '26 stands at INR111.8 crores. Net profit after tax for Q4FY '26 grew by 5.2% on year-on-year basis to INR79.7 crores. Our PAT margin for the quarter stands at 40.8%.

I'll take you now through the full year financials, full year profitability. Revenue from operations for the full year FY '26 stood at INR704.7 crores, a growth of 13.9% on year-on-year basis. Notably, I want to highlight one point with regards to recurring revenue. This constitutes about 50% of our total revenue from operations in the current financial year, that is FY '26.

Total income we have registered a growth of 14.2% on year-on-year basis, up from INR731.4 crores in FY '25 to INR835.1 crores in FY '26. Our EBITDA margin for the current year for a full year stands at 60.8%. Our EBITDA for FY '26 stands at INR508 crores. Net profit after tax for FY '26 grew by 12.1% on year-on-year basis to INR360.6 crores. And our PAT margins for full year basis stands at 43.2% for the current financial year.

As far as the expenses and the capitalization is concerned, I want to make one highlight with regards to the technology front. As Vijay mentioned, we continue to invest strategically in manpower and technology. During the current financial year, we have capitalized INR106.1

crores during FY '26, and the technology spends in the current year has gone up to INR91.4 crore.

NSDL standalone profit forms now about 90% of the total consolidated profit. So that is because subsidiaries have started contributing higher in terms of profitability compared to the last year. This has gone from 95% to 90%. That's one important highlight with regards to the consolidated. I'll begin with the highlights on the consolidated accounts.

For the quarter, revenue from operations for Q4FY '26 stood at INR458.3 crores, a growth of 26% on a year-on-year basis and sequentially by 23.4%. Total income we have registered a growth of 23.6% year-on-year from INR393.8 crores in Q4FY '25 to INR486.8 crores in Q4FY '26. Our net profit after tax for Q4FY '26 grew by 8.4% on year-on-year basis to INR90.3 crores. And our PAT margin on a quarterly basis as far as consolidated accounts are concerned stands at 18.6% [edited].

With regards to full year, our revenue from operations stood at INR1,530 crores, a growth of 7.7% on year-on-year basis. Our total income we have registered a growth of 8.1% on year-on-year basis from INR1,535.2 crores in FY '25 to INR1,660 crores in FY '26. Our net profit after tax grew by 10.8% on year-on-year basis to INR380 crores. And our PAT margins on consolidated basis stands at 22.9% for the current financial year.

That concludes the overall financial highlights from my side. And thank you again for joining us. And I'll now open up the floor for any questions to take this session forward. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra: Yes, sir, thanks for the opportunity. So my first question is, for the full year FY '26 and also for the quarter, we are seeing that the annual custody fees has seen a very phenomenal growth. So this has been, partly because of the unlisted for the full year, but it has like tapered down in the last 2 quarters?

So how do you see this annual custody fees growth for the next year, especially from the perspective that quarter 1 we have a reset in terms of the total number of folios that is being reset? So how do you see that folio number for the next year? And also from the pricing perspective, obviously because we are spending on technology and we have mentioned earlier that we have a case with the regulator for an increase in the annual issuer fee. So any update on that, sir?

Vijay Chandok: Yes, so I can come to the second one first and then maybe Jigar you can talk about the first one. Well, conversations with regulator tends to be bilateral. So when anything happens, we will let you know. Nothing has happened on that front. Custody fee growth that we've seen and, the outlook, to a large extent is, rightly as pointed out by you, a reflection of the way in which the unlisted company grew during first half of the year and then there was, a relative slowdown on that particular front, which is reflected in the custody fee.

I would believe that the future would again, most of this growth tends to be fairly secular and linked with the account sourcing that happens over period of time. As we've already mentioned to you, the account sourcing is dependent on two factors.

One is our ability to give a smooth experience, good customer experience to our customers and also onboard as many new accounts, DP accounts as possible, particularly high growth potential DP accounts, and dislocate some DPs from competition if it is possible. So our efforts on that direction has been very, very, I would say, focused.

And I'm happy to also tell you that there has been progress because we have dislocated, we've moved on all fronts. We have digitized our existing experiences, improved experiences, and actually in a declining market, our old, most of our old, particularly the bank-based pack, has shown actually a growth in number of DPs in a declining market -- growth in number of Demat account, sorry, in a declining market.

Also we've been able to add some fintech brokers. Only one of those few fintech brokers we've added during the year numbers are visible in quarter 4. The others are still getting integrated and will start scaling up, early days of scale up. One just started in the last bit of quarter four, so their numbers are not really visible there.

So as these numbers come in and kick in, and we do believe that the custody fee will be a reflection of that. So efforts on that direction which is in our control is very, very focused and very, very intense. What is not in our focus, rather not in our control, is how the market behaves and the uncertainty in the market and customer behaviour as a result of that is a little bit out of our control.

So custody fee, to aspects that are under our control, is in full, I would say, intense focus and attention. And aspects which are outside our control is something that we will only -- we can only do things like investor training and stuff to try and get, investors' confidence built or give them a robust environment and get confidence built, which our efforts will be on. So I would say custody fee difficult to predict the direction, but past trend shows secular growth.

Amit Chandra:

Okay. And sir, on the incremental share, obviously we have been there at around 15%, 14.5% to 15%. And you said that you have added some of the DPs also. But are we seeing some incremental account addition from the new DPs that we have added or still the addition is coming from the old banking channel?

And in terms of the incremental, what is the contribution from these new DPs and whether we are still to see the benefit of that coming in the numbers? And because we are not present in 70% of the market, so any major progress that we have done there, that would be helpful?

Vijay Chandok:

Yes, so actually some numbers scale up is already visible. Without naming the DP, but I can tell you the DP pack. Last year gave 70,000, this year gave 700,000. So there's been a 10x scale up from this segment. We are quite hopeful that this scale up from 700,000 accounts will go up more.

So clearly fintech brokers which otherwise were historically not coming to us have started coming to us, visible. One specific broker which was attached with competition has completely stopped and moved to us. It's a fintech player, again very, very large group, Pune-based. So they've started, their numbers have scaled up.

They have already crossed a very good run rate and their projections are even more promising for the coming year. So that number should start coming. Some of the other large guys are expected to start only during this year. One large DP has just started in the last few days of quarter 4. So their numbers will start getting visible only in the coming year. So I think some numbers are already visible, but I would say more to come in future.

Amit Chandra:

Okay. And sir, my last question is on the cost part. Obviously, you have mentioned earlier also that you'll be spending on technology and also the employee cost has been on a Y-o-Y basis, I'm talking for the full year, has been up. So where we are in terms of the investment journey?

So to understand it better that how do you see the expenses panning out for the next year? Is it also from the point of view of the technology expenses, where we are in the journey of revamping our technology? Because that is the main core of our offering, because employee and technology is the only two, the main pillars of the business. So where we are in terms of the tech revamp scale and whether for this year also, we are going to see a similar rise in the technology cost?

Vijay Chandok:

Yes, no, I think great question and rightly put across and our thoughts completely resonate with your process of thinking. So, one thing I will highlight as I talk about technology cost and people cost. We are very confident that this is an operating leverage business. And if you do not invest in technology and people, I think we will be left behind.

Under-investments in the past is something that we needed to correct. We mentioned that, and we started the journey last year. When we started the technology spend journey, we said that it's going to be maybe 2 to 3 years kind of an affair, maybe 2.5 years affair. 1 year clearly is behind us. Second year is underway. Last year spends are visible in the P&L and balance sheet, you can see it.

We believe this year is also going to be a very similar number as far as tech capex is concerned and opex is concerned. Broadly similar, there could be some marginal increase in our tech opex, but capex is going to be very similar. Which means that this is -- last year and this year together is our peak year. The next year will definitely we expect a decline to happen in terms of capex because we would have completed our entire capex spend story.

As far as manpower is concerned, last year was the peak additions. This year there is going to be a much, much lower addition. In fact, we will start the process of now expecting productivity coming in -- we also will start from people because they would be a little more experienced and trained in the system. So definitely this is a period of now asking back from the employees. This is also a period of expecting returns coming because of automation efforts, some of which has started off and but a lot of it -- automation has happened this year.

So I think the process of tightening the employee band is going to start from this year. In fact, I would say the month of April we've already started that exercise. So technology one more year, people cost I think we have done a substantial part, now the process is to expect returns. So there could be one year more of elevated technology and people cost, which is the current year. Thereafter we expect plateauing.

Jigar Shah: Amit, just to add the original question that you asked regarding the custody part. So just to add as Vijay mentioned there has been a change in definition in the third quarter as well. So there is going to be a moderation with regards to the unlisted space. So if I have to give you an example the opening of unlisted which used to be typically in the range of 4,000 companies, we started adding 2,000 companies.

So there is some amount of change with regards to the kind of unlisted space we were in. So there is some moderation there. And with regards to the overall folio, the exit folio has gone up by about 15% [edited]. The exit number is about INR14 crores folio we have. So that's where we are with regards to the custody space. So that will give you some sort of color in terms of where we are.

Moderator: We take the next question from the line of Prayesh Jain from Motilal Oswal Financial Services Limited.

Prayesh Jain: So just firstly on the banking services revenues, right? We've seen a very sharp sequential increase. What is that attributed to?

Vijay Chandok: Yes, so two factors that have really helped on our banking side. The one being a very, very clear, persistent attention on quality account sourcing. And that's something that I'd probably mentioned to you even a year ago, that we will focus on quality account sourcing. And I think that persistent effort on ensuring that we get quality customers, meaning customers who are providing float, really helped.

You would have noticed that our float has increased quite substantially, the CASA float. So that has crossed INR500 crores now. And obviously CASA float gives the belief sustainable revenue input. We've also introduced certain types of transaction charges for our customers, which is now crossed INR43 lakhs. So that is also kicked in.

And finally, I would say payments, digital payments, particularly UPI acquisition is a business that we've added with expanded partners. That has started giving fees. So I think these have been the factors which has really helped. What we sort of do hope as we move forward is to hope that the regulations do not come and change, force us to change any aspects of our business.

So we continue to tread very carefully, focus on quality, focus on risks. And gradually and surely grow the digital bank business. So that's how we are looking at our bank business. So you rightly pointed out, I think it's been a big scale up in profit this year. So it's gone up quite substantially.

Prayesh Jain: Right. Is there any change in reporting because it appears very, like from an operating statistics perspective, whatever you share in the PPT, I don't see any major kind of sharp recovery, sharp

increase in Q-o-Q, but we've seen a very sharp Q-o-Q increase, almost like a 40%, 50% increase in the revenues. So is there any some restatement here?

Jigar Shah:

No, so I'll help you. There is no restatement. In the quarter three to quarter four, if you're looking at those numbers, largely couple of businesses within the Payments Bank they have a transaction banking model. So some of this business did a large throughput during that. And the Payments Bank has a big revenue when it talks about the gross level of accounting that is done because from the gross revenue, there is an expense side also gets built in.

So that's why we always request that you look at the number from the results perspective rather than the revenue perspective. And that's where some of the uptick has happened in the throughput of some of these businesses.

Prayesh Jain:

Got that. And Vijay like you were mentioning about your incremental account -- incremental market share in terms of Demat accounts coming in from some of the fintech brokers. But we're still lagging behind the overall market share. So in a way, we're still kind of a bit of losing market share even if I look on a gross basis, it's like about 16%, 17% -- what you've mentioned in the presentation.

So you're still like of running behind what our overall Demat account market share is. You did mention about, you know, some fintech players that you've got attached with, some where you have some exclusive relationships. So my two-part question there. One is what's getting you into these companies now which you weren't earlier being able to get into?

And second there are some large companies coming on board, coming into the broking businesses, right? And so how do you see them kind of selecting the depository participants between the two industry participants. And where do we stand in terms of getting some inroads into that? Because I think that would be a big one if we get exclusive into any of those. Yes, those are my questions. Thanks.

Vijay Chandok:

Yes. Yes, so first and foremost, you know, about a year and a half ago when we went into the market, there was lot of adverse word of mouth, right? The word of mouth was not favourable in our -- towards us. We had to really work with a lot of industry players, talk to them about our -- initially we had to talk to them about our plans. We also had to hear their pain points and commit to them that this is the track we are going to take.

We worked with back-office vendors. We conducted a number of workshops with DPs, with one-on-one, in groups, city by city. All back-office vendors we spent time understanding their pain points, understanding what is required for us to differentiate. And we came out with a clear list of things that they were expecting. Systemically, we have been quarter-on-quarter delivering those.

As I mentioned in my commentary, we have now 40 plus APIs, which I believe is ahead of what competition offers, which is really helping ease a lot of experience in a positive way. And it is also giving real-time ability for upload of information and getting a reverse feed, which improves customer experience and also helps the DPs manage their costs because early pay-ins etc. today are getting done very smoothly.

So I would say that in turn gives you a positive word of mouth, that spreads to the other brokers. So I think it's a combination of all this which is really started helping us. Most of the new DPs that have come to us are fintech DPs now. So I think that initial resistance that I had -- we had, rather NSDL had, of bad word of mouth is very certainly and gradually fading out in the market.

So I believe it's a combination of focus on technology, meeting customers, hearing their pain points, addressing their digital expectations on a persistent basis and a committed basis and being there for them, reachable, accessible. I think Sameer and his team have been fully at it, doing several workshops, several sessions one after the other, acknowledging if there are problems, accepting it and addressing them.

- Prayesh Jain:** Yes.
- Vijay Chandok:** Prayesh, does that answer all your questions? Have been dropped out or?
- Moderator:** Sir, he is showing connected...
- Vijay Chandok:** I'll reconnect. If some problem from my side. I'll reconnect. Okay, I wonder if he heard it. Yes, okay.
- Moderator:** We take the next question from the line of Ravi Kumar, who is an Individual Investor.
- Ravi Kumar:** Sir, my question is, our intangible asset is double on Y-o-Y basis and our intangible asset under development is double on Y-o-Y basis. So I want to know what are we doing related to intangible asset which showed that much growth in intangible assets?
- Jigar Shah:** Sorry, we had some iPhone alerts which is going on. Can you just repeat the question because a sudden alert that came on everyone's mobile. Can you just repeat the question please?
- Vijay Chandok:** I think this is a national drill which is going on.
- Jigar Shah:** National drill, correct, correct. That just beeped. Sorry. Yes, please repeat your question.
- Ravi Kumar:** Yes, sir. Sir, our intangible asset double on Y-o-Y basis and intangible asset under development is also double on Y-o-Y basis. So I want to know what we are doing related to intangible asset which showed that much growth?
- Jigar Shah:** So as Vijay mentioned earlier, we are focusing on our focus area is the technology and we have spent about INR106 crores this year. Now the INR106 crores has two splits. One is the infrastructure, which is like making the capacity more resilient and capacity augmentation part. And the second part which Vijay mentioned earlier in our conversation is the making the journey for DPs more seamless and ensuring the integration is better.
- And that's where we are spending a lot on the licenses, getting the software, the application up and running to ensure that when we partner with any of these DPs, this is much more seamless. So that's where you see the intangible assets coming in in terms of licenses and application cost. The third area where we are spending is with regards to the cybersecurity.

Recently there was a SEBI circular which also mentioned that we need to have a clean air gap between the DC and DR. We need to have one more layer of security. And again, there is lot of spending that happens there with regards to hardware as well as the licenses requirement. So that's where we are spending and that's where you see there is an increase in the intangible assets for us.

Ravi Kumar: Okay, sir. Sir, my next question is, are we write off INR20 crores of bad debt in FY26?

Jigar Shah: Yes, so this is with regards to the internal policy that we have. Anything that is above three years, we identify some of these receivables and as part of routine exercise, we write it off. However, the right to recover continues to be with the company and we make efforts to ensure if there is any recovery, we will continue to report in our accounts.

Ravi Kumar: So, sir, what are the reasons for that bad debt and we also make provision of INR50 crores. So what are the reason for bad debt? Or how much bad debts we see in upcoming future?

Jigar Shah: No, so bad debts if you see, this is the policy. So we have an expected loss recognition policy under which the relevant provisions are made. The provision that you're talking about INR50 crores with regards to the general provisioning. So that are different from the bad debts. So bad debts provisioning has happened about INR5 crores (net) [edited] during the year. And as you rightly mentioned of INR20 crores have been written off which was already provided in the past.

Ravi Kumar: Okay, sir. Sir, my last question is, like you mentioned earlier, like a broker move from CDSL to NSDL in this year. So is there like when a depository participant move to from CDSL to NSDL, is they face any problem, restriction like they can move whenever they want?

Vijay Chandok: Yes, so this is specifically for the broker. Yes, go ahead Jigar, please go ahead.

Jigar Shah: Yes, so it's a seamless transition. It's not that there is any teething issue. It's the broker can be with any of the depositories. So it's a normal action and we have lot of brokers which actually deal with both the depositories as well.

Ravi Kumar: Okay. Thank you, sir.

Jigar Shah: Thank you. One point I would like to make what with regards to Prayesh's question if there is an opportunity Prayesh is there on the call. Last year with regards to the kind of brokers that were registered all new-age brokers which were registered were onboarded as DPs with NSDL. So one important point and that's where you see the shift of adding 21 DPs in the last financial year.

Moderator: Thank you. We take the next question from the line of Sanketh Godha from Aventus Spark. Please go ahead.

Sanketh Godha: Yes, thank you for the opportunity. Sir, my first question is that our pledge income hardly grew year on year, INR52 crores to INR51-odd crores, INR53 crores to INR54 crores in the year. But if I look at margin trade funding book, it has grown by almost 68%, 70% for the entire year.

So I just wanted to understand there is any correlation between these two-line items or is it that the margin trade funding book incrementally seems to be grown by the brokers who are associated with CDSL and that's why we don't see a commensurate growth in the revenue? Just a clarification on that part, sir.

Jigar Shah: Yes, so the difference is that the margin pledge for us is a steady business for us, it's been growing at about 5% to 7%. And with the recent focus that is had happened at the MTF, what we have seen is that from the value terms there is a large MTF book that is getting built. But in terms of transaction count, this has remained a steady state.

And our revenue model is on transaction count rather than the ad valorem. And that's where you see the uptick is, you know, in a steady state 5% to 7% growth while in terms of value this might have grown.

Sanketh Godha: Understood, understood. Sir, but at the industry level, you don't see that there has been significant increase in the transaction level, but it was more due to ticket size going up in margin trade funding book.

Jigar Shah: Correct. Especially with us, the traders or the brokers who are associated with us, the DPs.

Sanketh Godha: Understood, understood. And second thing, Jigar, is that on corporate action and IPO income, last quarter, 4Q FY25 was also weak when it came to IPO, but we still registered INR34 crores of revenue last year. And this year it is INR16 crores. So just wanted to understand the decline. Is it because we had a kind of one-off in 4Q or if you can give a color whether it was more to do with CA or IPO in in the current quarter?

Jigar Shah: No, so last year we had couple of IPOs -- in a way very unique to number of counts again. While the IPO activities has remained subdued, but last year we had couple of IPOs which had large bonus issues and a rights issues in the last quarter of the year and that's why you see that increase in the corporate action.

And this quarter [edited], while the number of mobilization in terms of IPO has remained about INR18,000 odd crores, but the count has gone down or has remained static. So that's where we see this is specifically a very sporadic to one or two instances where we would have a larger folios with us and the bonuses and the right would have been declared last year and that's where you see a little spike last year compared to this year.

Sanketh Godha: Okay. So is it fair to say that in 4Q FY25 the Jio demerger played a role, that's why it was a bump up number. And with this year we don't have that kind of a figure?

Jigar Shah: So Sanket, we are not getting into specific entity-level IPOs, but you get the directional thought, right? We are not getting into names.

Sanketh Godha: Understood, understood. Okay. Yes, got it, Jigar. Sorry. And another question was on the other expenses. See, the other expenses even if I look it from full-year point of view, from the standalone point of view, it has come down from INR117 crores to INR100-odd crores. Any

cost-cutting exercise or what is this saving related to and whether it is sustainable going ahead also? Just want to understand that color.

Jigar Shah: So broadly see, Sanket, our cost has remained the same on the other expenses line. However, last year if you see our RHP documents as well as the disclosures, we had a settlement charges which we had paid to regulator. And that has been disclosed as part of our disclosures as well.

And that's where you see last year, if you see the cost, that's where was a part of that other expenses. Otherwise there is no cost reduction. It remains stable and year-on-year the cost has continued in the same range.

Sanketh Godha: Understood. And lastly on Yuva account, so we don't -- as you rightly said, sir, we don't earn on Yuva account. But out of 44.5 million, how many are Yuva account and how much they contribute or potential revenue loss we had?

They did the transaction, but we did not earn it. But honestly, it's a pipeline for 2 years down the line. So if you can give a color that how much is -- if they would have paid INR4 per debit, what was the potential revenue we could have earned and that revenue will get added 2 years down the line to our P&L.

Vijay Chandok: Actually we don't measure it like that or track it like that. We just found that, when we took this decision, the Yuva customers were a very, very small part and were an insignificant part of the custody -- not custody, insignificant part of the settlement contribution. So to start with there was no material base that was at risk.

So but specifically we haven't segregated it from that manner as to what is the loss of revenue because of the settlement. But I just want to add one nuance that to say that we earn nothing from Yuva account may not be accurate because custody we do earn.

Sanketh Godha: Yes, yes, I understand, sir. I was more referring from settlement fees point of view, that INR4 per debit what we charge. Maybe it's an initiative to add more people, naturally it's adding to the custody fees, but in future they will naturally add to the settlement fees as the 3-year cooling period gets over. So I was just trying to...

Vijay Chandok: Yes, yes. For the old ones, yes. Yes, go ahead.

Sanketh Godha: No, no. I was just wondering, potentially, how much it could add maybe 2 years down the line to our revenue if they continue to do as many debits what they are doing today. But I understand, sir, you might have not quantified that, maybe if you can probably maybe in offline can quantify that number would be useful to understand the potential revenue which we can earn 3 years down the line or 2 years down the line when we'll see a conflict loss on these guys.

Jigar Shah: Sanket, I'll just give you -- our right now focus is to encourage and improve and penetrate the market participants in the over larger ecosystem. We are right now as Vijay mentioned not looking this from the lens of revenue plus or revenue minus. So, these are important services in the market infrastructure we've taken initiative to provide, as part of the nation-building exercise.

As the time progresses, we'll be in a better shape and will continue to monitor internally. And this encourages the youth to participate more in the ecosystem. So that's the thought right now and the outcomes will wait for the outcomes and there will be a time where we will be able to discuss these outcomes as well.

Sanketh Godha: Got it, Jigar. And lastly, if you can quantify NDML revenue or in NDML, sorry, insurance repository revenue in the current year?

Jigar Shah: So we have disclosed as part of our footnote, the overall top line from the insurance business is about INR5.5 crores.

Sanketh Godha: Sorry, you said INR5.5 crores, right?

Jigar Shah: Yes, INR5.5 crores.

Sanketh Godha: Okay. That's it from my side. Thank you.

Jigar Shah: Thank you.

Sanketh Godha: INR6 crores?

Jigar Shah: Top line, yes.

Sanketh Godha: Understood, Jigar. Thanks.

Vijay Chandok: Thank you.

Moderator: Thank you. We take the next question from the line of Prayesh Jain from Motilal Oswal Financial Services Limited. Please go ahead.

Prayesh Jain: Yes, hi. Sorry for the earlier...

Vijay Chandok: Yes, last question I don't know if you heard it, or no?

Prayesh Jain: No, I didn't hear the last part. I was just some emergency message that has come from the Government of India with respect to the launch.

Jigar Shah: Yes, yes, it came to all of us.

Prayesh Jain: Yes, yes. That's why I couldn't hear that. But yes, if you could repeat that, just the last bit, but happy to take it offline also, if time is a concern.

Vijay Chandok: Yes, maybe Prayesh on this question since I gave a very elaborate answer, we can take it offline for the benefit of the others. And if required, you could come and meet our CBO and have a detailed discussion with him on efforts he's doing to win new customers. And there was one data point which Jigar added, Jigar maybe you want to just repeat that last data point on the new age DPs.

Jigar Shah: Yes, so Prayesh, what I was trying to add with the message that was given by Vijay is that all new-age brokers which were registered last year into this business were all onboarded as DPs with NSDL. So that's where this will give you a color in terms of the shift at which our approach has been getting built in, and that shift is also backed by the investments which we are doing in technology.

Vijay Chandok: So lot of effort is gone to change image. The short point is that. And of course deliver.

Prayesh Jain: Got that. Yes. And the question which I had was on, if I have to think about NSDL, say, from a separate point. Do you think that NDML, can NDML or Payments Bank, the contribution that they have today in the overall profitability revenues?

Do you see that these could be, say, double from this -- from the current levels today or how should we think about these subsidiaries and their growth going ahead? One point out there which I kind of wanted to also check was on the KYC bit, now the new pricing, how does this kind of impact us?

Vijay Chandok: Yes. So, honestly, Prayesh, I don't want to double guess to this question because honestly, we've seen so much of regulatory interventions that have kept coming both on the banking side as well as on the NDML side. Banking has been fraught, particularly the payment banking industry has been fraught with several regulations that have kept on coming which is sort of required us to do course correction, course changes.

So we have to view our future in the context of such regulatory changes that can happen. Even on NDML side, we've seen last year there has been an intervention from the regulator which is requiring us to reduce the charges. So our effort on all aspects of the business is to actually focus on quality and diversify as much as possible to minimize this impact.

So, unlike competition on the NDML side, we are far more diversified in terms of revenue because we have at least four different lines. We have an insurance repository, we have a, you know, SEZ, we have a KRA, some other revenue streams as well, National Skills and so on. So, our attempt is really to do as much diversification as possible to minimize changes and focus on quality business.

We do believe that there is a scope in the market, penetration can be improved. I think we are working towards that. So I don't know about the contribution, but I think our focus will be to keep growing all the businesses. There is lot of opportunity, so we will keep growing. We'll just continue to keep growing in a relative manner, risk-free manner. And the opportunity will keep coming to us. Do the right things is what we want to do.

Prayesh Jain: Right. Wish you all the best. Thanks.

Vijay Chandok: Yes, thanks. On that, just to give a wrap up, I think last year, the contribution of NSDL to subsidiaries was 95:5, today it is 90:10. So, that's the trend we have seen. So let's just see what happens in future.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for their closing comments.

Vijay Chandok: Yes, first of all, once again, thank you very much for taking all the effort and coming to us on an extended weekend and a holiday type sort of situation. Much appreciated. I'm sure there are going to be a lot more questions that you want to ask. We are always available to reach out anytime, accessible to you.

Please reach out for any clarification, questions that you may have, and we'll be very, very happy to attend to them. Thank you all of you once again for taking the effort. And have a wonderful rest of the week, weekend.

Jigar Shah: Thank you very much for joining. Thank you.

Moderator: On behalf of ICICI Securities Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.