NSDL/AF/BSE/2026/0012 Date: February 03, 2026

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

Dear Sir/Madam,

Scrip Code: **544467** ISIN: **INE301O01023**

Sub.: Transcript for Conference Call held on January 29, 2026, for Q3(2025-26) Results

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

With reference to our intimation dated January 21, 2026, regarding schedule of Conference Call held on Thursday, January 29, 2026, organised by ICICI Securities for Q3 (2025-26) Results, please find attached the transcript of the mentioned 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 WILFRED FERNS
Digitally signed by ALEN WILFRED FERNS
Date: 2026.02.03 16:27:30 +05'30'

Alen Ferns
Company Secretary & Compliance Officer
Membership No. A30633

Encl: as above

"National Securities Depository Limited Q3 FY '26 Earnings Conference Call"

January 29, 2026

MANAGEMENT:	**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. SAMEER GUPTE – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, NSDL DATABASE MANAGEMENT** **MR. HARSH KAMDAR – CHIEF FINANCIAL OFFICER, NSDL PAYMENTS BANK**
MODERATOR:	**MR. ANSUMAN DEB – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to National Securities Depository Limited, NSDL Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ansuman Deb from ICICI Securities. Thank you and over to you, Mr. Deb.

Ansuman Deb: Good morning, ladies and gentlemen. It's an honor to be hosting the Q3 FY '26 results conference call of National Securities Depository Limited. We have with us the senior management of the company.

I now hand over the call to Managing Director and CEO, Mr. Vijay Chandok. Over to you, sir.

Vijay Chandok: Thank you. Thank you very much. A very good morning to everyone and a warm welcome to all our shareholders, investors and analysts for joining us today. I truly appreciate the continued trust that over 8 lakh shareholders now, 8.77 to be precise, as we share business and quarter-end update for the quarter ended December 31, 2025.

Let me quickly give an overview of the market. Market sentiment in India, as you all would appreciate, has been cautiously optimistic when it comes to the more medium to long term, but it remains very subdued and weak in the near term. And this, we believe, is primarily due to global geopolitical uncertainties, which has been coupled with weaker than expected earnings for the recent quarter of returning and then weaker rupee versus US dollars due to various reasons.

All this leading to persistent FII outflows and this, for the calendar year 2025, has now aggregated a very high number of about USD18.9 billion. Well, during this uncertainty period, domestic investors emerged as the key stabilizer of the markets and have recorded a net inflow of about INR7.8 lakh crores, largely supported by robust SIP flows. The above divergence that I just highlighted between the behaviour of the FIIs and the domestic institutional investors has led to relative market resilience and it is important to underscore this point.

In quarter 3 of the financial year FY '26, cash market experienced flat volumes compared to the previous year comparable period and this is clearly attributed to subdued investor interest, particularly in the mid cap and small cap segments and volatility in the broader market in the large parts of quarter 3. Two key trends during this period have been observed as far as our MII ecosystem is concerned, specifically the depository ecosystem.

We saw a deceleration in the Demat account growth. In the quarter 3 of this fiscal year, market added, the total market this I am talking about, added about 89 lakh Demat accounts and this was lower than what was added in the quarter 3 of the last fiscal, which was about 99 lakh Demat accounts. The total number of Demat accounts, however, increased obviously because of this addition and stood at about 21.59 crores for the entire industry and the NSE unique investor base has now reached about 12.47 crores investors as at December 31st.

The second trend, so the first trend as I mentioned was deceleration in Demat account growth. The second trend is the primary market and the primary market continued to show strong investor participation. The markets have raised about USD10.8 billion through a combination of 125 IPO during this quarter 3. So, while there has been a deceleration in growth of Demat accounts, we believe there is still a lot of room left to bring household into the market.

This untapped majority which are individuals who are yet to participate in security markets products represents a vast opportunity for players like us. And as per a recent SEBI investor survey of 2025, only 9.5% which is approximately 3.21 crores households actively participate in the markets. So, there is clearly a significant conversion gap that is there for us to harness. And NSDL as a key market infrastructure institution has continued to play an important and a central role in this transformation.

Specifically in the quarter we introduced several initiatives and I will highlight a few of them aimed at enhancing security, efficiency, investor awareness and accessibility. So, effective December 15, 2025, NSDL enabled to open Demat accounts digitally for HUF joint accounts. So, this is something that improves and simplifies access, gets better efficiency. Ease of investments and doing business to promote that we enhance the facility of the BSDA, the basic service Demat account.

We successfully completed the allotment of the first SIF. You would all recollect sometime back SEBI introduced this concept of Specialized Investment Funds. So, we started now getting business from that. So, the first one was done. Enhancement for enabling the API to facilitate value-free transfer of government securities, the GCEX which is again growing interest among the retail investors. So, some API facilities have been introduced which makes it seamless in real time for investors to access GCEX.

Enhancement to streamline the margin pledge system which facilitates our counterparties DPs to offer MTF facilities. We also remain deeply committed to the investor protection and financial literacy which is what we believe will add to the attraction with respect to new investors coming into the market. And our joint campaigns with SEBI under the AGs, "Raho Digitally Chaukanna" reached close to about 80 million investors across India in multiple languages and formats.

And NSDL continues to conduct about 2,500 investor awareness programs annually. This is something that we do on an approximate annual basis, reaching over 1.5 lakh participants across Tier 1, Tier 2, Tier 3, Tier 4 and Tier 5 cities actually. So, in the medium term, while there are these short-term measures, recent measures that we have taken in the medium term, SEBI has laid out a plan to expand investor participation to bring another 10 crores more investors into the market in the next three to five years.

That's the aim that SEBI has laid out. The idea is to make the investment process simpler, safer and more transparent with an obviously extensive use of technology. And NSDL continues to be aligned to this vision of SEBI, objectives of the regulator and our focus is to use technology and process innovation to further this objective.

Now, coming to the business of the quarter. During the quarter, the total number of Demat accounts for NSDL reached 4.32 crores and we also reached 300 depository participants now who provide service to these 4.32 crores investors through 56,800 plus service centres and branches in more than 2,000 cities and small towns. And we hold 86% of the value of custody managing about $527 trillion of securities of which about 81% is in equity and the rest is non-equity instruments.

Our incremental market share and net Demat accounts for the nine-month period now in the current fiscal stands at 15.89%, an increase from the similar period last year compared to where we were last year. In quarter three, market share specifically stood at 14.65% and you compare that with last year quarter three we were at about little under 7% in the same period.

So, there has been some improvement in market share but we continue to put our focus and attention in trying to improve market share of Demat accounts in the retail side. Even as the MCA, the Ministry of Corporate Affairs recently revised the minimum threshold for dematerializing non-small companies to promote ease of business, we are pleased to announce that NSDL has achieved an important milestone of crossing 1 lakh issuers within the NSDL fold.

Coming to our e-voting platform, we have helped a number of leading companies to offer e-voting services to their shareholders, empowering them to exercise, investors to exercise voting rights electronically. We also launched an integrated feature in the investor app called Speedy to display proxy advisory recommendations to enhance corporate governance through higher participation and transparency. And in the e-voting business, we have clearly now emerged as a market leader in the country.

Now, let me take you through the key financials which we have already put up on our website. In this regard, I would just like to highlight an important point that it would be relevant to examine our financial outcomes on a Y-o-Y basis and not restricted to sequential basis. This is because when you look at the NSDL's business model, there are specific elements of seasonality which are embedded in our business, elements like e-voting, then dividend receipts that comes from our subsidiaries.

And these, as you would all appreciate, are concentrated in specific quarters. So, doing sequential comparison may not give you an apple to apple comparison. So, I would request everyone to please keep in mind this factor and evaluate our performance in the context on a Y-o-Y basis. Keeping this in mind, I am highlighting the Y-o-Y comparison of NSDL on a standalone as well as consolidated basis.

Total income for the quarter 3 stood at about INR198.7 crores. This compared against INR172.2 crores last year, same period, 15.4% up. PAT came in at about INR77.9 crores, broadly unchanged, you could say. However, there was a one-time non-recurring tax item which has come in this specific quarter. Just for the information, it would be important to just bring out that. Without that, the profit would have been higher by about 10.3%. So, in apples to apples comparison, that is what it comes out.

On a consolidated basis, total income stood at about INR394 crores compared to INR391 last year, broadly flat. And profit after tax stood at about INR89.7 crores, roughly 4.5% up compared to the previous year. This is without any exclusions here. But if I were to give the benefit of that one-time impact that NSDL took on a tax item, then the profit would have been up by about 13.3%.

With this brief update, I would also like to highlight an important development that happened with our subsidiary, which is the NSDL Payments Bank. Protean e-Governance has acquired a 4.95% stake in the Payments Bank for about INR30 crores, valuing the bank at approximately INR580 crores.

This is with an aim to boost its digital services distribution and strengthen its role in the digital public infrastructure space. The bank as at December 2025 has crossed INR475 crores of deposit balances and the number of investors, rather I would say account holders have now crossed INR37.5 lakh account holders and depositors as on date.

With these, I will just hand it over to the CFO. But before that, I would once again express my gratitude to all our shareholders, regulators, employees for their continued commitment and support in our journey. I will now swing this call to Jigar, our CFO.

Jigar Shah: Good morning. Thank you, Vijay. Let me now take you through a slightly deeper update on standalone and consolidated financial highlights for the quarter ended December 31, 2025. To begin with, standalone basis, revenue from operations for quarter 3 stood at INR169 crores, a growth of 14% on a Y-o-Y basis and sequentially it declined by 17% as Vijay mentioned due to seasonality, particularly on account of e-voting and dividend income that occurred in quarter 2 FY26.

On total income basis, we have registered a growth of 15.4% on Y-o-Y basis from INR172.2 crores a year ago to INR198.7 crores. On margin front, as far as EBITDA margins are concerned, our EBITDA margin for the quarter ended stood at 60.5%. Our EBITDA for Q3 FY '26 on absolute basis stands at INR120.2 crores.

As far as net profit after tax is concerned, our profit grew by half a percentage point on Y-o-Y basis from INR77.5 [edited] crores to INR77.9 crores. However, excluding one-time tax impact, the profit would have been at INR85.4 crores, up by 10.3%. That is a like-to-like comparison without stripping out the tax impact. As far as our PAT margins are concerned, our PAT margins stand at 39.2%. However, excluding that one-time impact, the PAT margins continue to be at about 43%.

I would like to share a brief update for nine-month performance FY '26 standalone basis. Total income on nine months stood at INR639.7 crores, a growth of 18% on a Y-o-Y basis. Profit after tax for nine months stood at INR280.9 crores, up by 14.3%. Excluding the tax impact, the profit would have been for nine months INR289 crores. Net worth on standalone basis stands at INR2,048 crores. NSDL standalone profits formed 90% of total consolidated profit.

Moving on to consolidated highlights for quarter 3, our total income stands at INR394.3 crores, marginally up by 0.8% on a Y-o-Y basis. Sequentially, it has declined by 8.8%. Profit after tax for the quarter stood at INR89.7 crores. Excluding the tax impact, the profit for the quarter on consolidated basis stands at INR97.2 crores, up by 13.3%.

On 9-month basis, our total income stood at INR1,173.4 crores, up by 2.8%. As far as PAT is concerned, our PAT stands at INR289.7 crores, up by 11.5% in the 9-month and excluding one-time impact, the profit stands at INR297.3 crores, up by 14.4%.

Our margins have improved on a consolidated basis from 22% to 23% [edited] for the quarter ended December 31, 2025. That's the update on the financial front. Thank you all of us for joining us today. And I will now open up the floor for questions.

Moderator: Thank you. The first question comes from the line of Ravi Kumar, Research Analyst. Please go ahead.

Ravi Kumar: Good morning, team. I am audible.

Vijay Chandok: Yes, you're audible.

Ravi Kumar: Yes, sir. Sir, I am consistently watching. There is a change in revenue mix. Our majority revenue comes from Payment Bank. But the contribution of Payment Bank in the profit is very low. So what are your views on the business of Payment Bank?

Vijay Chandok: Yeah, thank you. Yeah, the Payment Bank tends to have a high revenue, principally because the way this Payments Bank business model is structured is that this income includes the commissions that are payable to the business correspondents. So when you knit that out, the contribution is what really is attributable to the bottom line. So you have to view it in that context.

You would notice that, you know, Payment Bank has been in the process of figuring out its business model, profitable business model. While we are not specifically sharing the numbers, I can tell you that on a Y-o-Y basis, there has been a very considerable growth in the profit after tax of the Payments Bank compared to the last year period.

So there are specific businesses that the Payment Bank has identified, which is the float, which is coming from deposit holders in form of CASA, which is now I mentioned the numbers in my talk. And also the UPI acquisition income, which has now started coming. As a result of that, we are seeing much better profit in the current year compared to last year.

So as the company has also did INR30 crores of equity, which will strengthen their capital base to do more investments into particularly technologies, upgrading, upgradation of technologies, which will also help in improving the business. So we do believe that this is a more medium term prospect.

But what is the you know, sort of interesting to note about the Payments Bank, it's a strong operating leverage business model. So, the multiple on growth is what this business tends to offer rather than percentage growth on a Y-o-Y basis. And that's what we have also seen in the current year.

Ravi Kumar: Okay, sir. I have one follow-up. Sir, our majority of revenue come from banking service. And so how you view the banking service revenue in the coming 1 to 2 years? Like how much percentage of revenue come from banking service and how much from depository business?

Jigar Shah: So, as -- yeah, so as Vijay rightly mentioned, our request is if you are looking at the Payment Bank from a contribution basis, so you have to look at the gross revenue and strip out the expenses because there's a commission. And if you can see from the last 9 months, we have reported a segment numbers. The last 9 months, the segment results coming out of banking services was about INR2 crores. This time it has gone to INR14 crores.

So a lot of activities that that has been undertaken by the Payments Bank with regards to the UPI acquiring business, with regard to the CASA business, we see the momentum to continue. Having said that, how we look at next 1 or 2 years, we are not giving a specific guidance. But we are very confident that will continue the current momentum.

Moderator: Mr. Kumar, are you done with the question?

Ravi Kumar: Yes, sir.

Moderator: Thank you. Next question comes from the line of Amit Chandra with HDFC Securities. Please go ahead.

Amit Chandra: Yes, sir. Thanks for the opportunity. Sir, my first question is on the annual custody fees. Obviously, we are seeing healthy growth there on Y-o-Y terms. But the recent change in regulations, how do you see that impacting the pace of addition of unlisted companies?

Because unlisted was a higher proportion of our issuer revenues. So and it was a major growth driver for us also. And in terms of how the time has reduced with the change in regulations, if you can explain that.

Vijay Chandok: Yeah. So, certainly with this change in regulations, we have seen the run rate of growth come down because the eligible universe has become much lower now compared to the earlier one. Data is not specifically available in a formal sense, only approximate sense data is available. But there is a definite reduction in the custody fee.

But the expectation is that the people who have come already into the Demat because the deadlines had already crossed on June 30th last year. The expectation is that they would continue to provide the sort of continuing fee. And in any case, just to, you know, sort of highlight one point, comment which you -- nuance one comment which you made that majority is coming from custody fees, not an accurate number of unlisted companies.

It is broadly balanced. Actually, it is not in favour of unlisted, it is almost equal between the two. So, the growth drivers for custody fee will continue to be the increase in the custody fee coming from new companies getting Demated, which is coming at a slower rate than the past year.

But the growth that can come through the listed space, that momentum through improvement in number of Demat accounts is something that we are targeting to or working towards to keep increasing to add to our custody fee.

Amit Chandra: Okay. So, thanks for the clarification. And sir, just in continuation on this, we were also eyeing for an issuer fee hike from the regulator side. Because we are seeing increased investments in technology and obviously, in the overall cost structure for us is increasing at a faster rate.

And there are plan investments that are also there in terms of technology. So, is it a strong point in terms of the regulator to consider an hike in terms of the issuer, because it has been pending for almost 10 years now?

Vijay Chandok: No. So I do not know what is your source of information about this conversation with regulator because we are not aware of any such sort of plan that is there. Having said that, you are right in saying that for about 10 or now 11 years, there has been no change in the fees. But that prerogative of any change in fees is left to the regulator. I do not think we can make any observation or comment on that at all.

Amit Chandra: Okay. And sir, in terms of the incremental market share gain, obviously, we mentioned in the last calls that we have been trying to gain the incremental share. But we have seen some improvement in September. But post September, again, the incremental share has started to come down. So any update on where we are in terms of journey in terms of having a better incremental share?

Vijay Chandok: Yeah, I think that is a great question and important question, because that is an area of principal focus of the management team. Specifically, quarter 3 to quarter 4 -- quarter 2 to quarter 3, the change that you have seen in the Demat account market share is to our mind and analysis is actually more, I would say, episodic and linked with certain very highly sought after and high profile IPOs that came, which always leads to a little bit of surge of business.

And that business tends to come more for some of the discount brokers as compared to the bank-based brokers, which has led to a slight skewness, however, in that quarter compared to the previous quarter. However, with the market now becoming more benign with respect to the IPOs, particularly in recent time, structurally, I do not see any sort of difference between what happened in quarter 2 and quarter 3. We continued, we have added, I think we have given out the data about six new DPs. And these -- some of these DPs are fintech DPs.

Many of them have started now scaling up, numbers are materially important. Recently, we got a switchover of also important Pune-based fintech player, which has started adding Demat accounts. And we are in talks with many, I would say, meaningfully large Demat players.

Some of them have actually, I would say, Demat providers, Demat account providers, who have already started the integration, but their scale up is expected to take place over the next few quarters, because they are putting their teams together and their various technology testing, etcetera., together.

So, you just have to appreciate that the journey is underway, but the impact of onboarding does not come in the immediate quarter of onboarding. It typically takes at least two, three quarters before the scale up numbers are coming. So, some of these scale up that we have started seeing is something that we started in the early part of the calendar year. So, whatever we are doing in the current few months will start being visible from the second half of the calendar year '26.

Amit Chandra: Okay. Okay, sir. And sir, one last question from my side, and it is more related to more what is happening at the macro level in terms from the company side. So, seeing know the stand alone numbers more from an revenue per Demat, okay?

So, quarter 3 annualized number is around INR156 per BO account. And if I split it between the old and the new additions, maybe because in the last 3, 4 years we have seen a lot of new additions that has been there in terms of the base. So, how do you see this 156 number or 160 number order in terms of the contribution from the older clients versus the newer clients?

So, is it significantly lower that the newer accounts that are getting added their contribution is significantly less? And maybe that becomes a trigger as these accounts grow and become old, maybe the contribution from there maybe will increase and that will fuel the growth for the next 4, 5 years for the company. So, is it the right way to see?

Jigar Shah: So, see, Amit, this is a very good question. We keep debating this about the new and the old, but it is very hard to right now pinpoint how we look at the next couple of years from ballpark number of 156 or 160. Essentially, this is also augured by the number of activity that an investor does in the market. So, the number of activity increases, you get a more churn in terms of revenue.

Typically, we have seen the retail, there are two sets of retailers, one retailers which are very, very active and the one retailers which are a little passive. So, it is very hard to even pinpoint the new age Demat accounts which we have added in the last couple of years, how these activity or behavior will look at.

Just to give you one color, we had a YUva scheme that we had rolled out a year ago. Initially, the YUva scheme was garnering about 10% of our Demat account. Now, it is getting 20%. But again, the transaction from that has not been so material in terms of how many churn there are because these are more driven to the market link activities. So, very hard to predict this ballpark number.

Vijay Chandok: Yeah. But if you look at the trend of what we have seen, I think it is fair to say that that is the direction one can aspire for, what you just highlighted in your question. That it will go down and then over a period of few years, it will start improving because that is the way economic progress will happen.

Amit Chandra: Okay, sir. Thank you and all the best.

Vijay Chandok: Thank you, Amit. Thank you very much.

Moderator: Thank you. A reminder to all the participants that you are may press star and one to ask a question. Next question comes from the line of Sanket with Avendus Spark. Please go ahead.

Sanket: Thank you, sir. This is Sanket from Avendus Spark. Sir, just a couple of questions. The other transaction income, which fell 26% quarter on quarter and 8% year on year. Is it fair to say this is largely because of the lower joining fees coming from unlisted companies because of the regulatory change?

Jigar Shah: Sorry, Sanket, can you just please... There is some little bit of noise in the background.

Vijay Chandok: There's some little bit of noise in the background. There is some construction work going on. So can you just repeat it again?

Sanket: Sir, the question which I was asking was that the other transaction income which you give, the revenue split, there we have seen 8% year-on-year decline and around 26%, sorry, 8% year-on-year decline, and 26% quarter on quarter decline. Is it fair to say that this decline is predominantly because of the lower joining fees coming from unlisted companies because of the regulatory change?

Jigar Shah: Yes. So, this quarter, yes, just because of the lower joining fee that has come as far as the quarter-on-quarter sequential quarters comes also the year-on-year. So, broadly, there are few other elements also in year on year, but it is about 8%. But this major quarter of 25% decline is on the back of the joining fee. If you see the joining fee in the previous sequential quarter, we added about 11,000 plus companies. This quarter we have added 4,400 companies. So, that is where the bigger drop is coming.

Sanket: Understood. So, Jigar, this 4,500 or companies, do you think this run rate will further decelerate or do you expect this 4,000 companies run rate with the regulatory change in the mind will continue?

Jigar Shah: So, we are right now experiencing that there is some momentum, but we are taking a very cautious approach and we cannot predict right now a real number. So, we wait and watch because the update has come very recently. How this will unfold in the ecosystem, we are also looking at the behavior of the ecosystem. So, give us some quarter and then we will probably have more clarity on how do we look at this number.

Sanket: Understood. And maybe if you are okay to share in the other transaction income from a data keeping point of view, what is the pledge revenue earned in the quarter and in nine months of FY'26?

Jigar Shah: Thank you for asking this question. I get this question all the time. We are also looking what kind of information we can put it across in line with our IPOs we have done. But yeah, surely we look into it and try to look at giving more information, whatever that is possible. Noted.

Sanket: Okay, Jigar, that is fine. And my next question is on payment bank again. See, I agree with Vijay, you saying that the profitability of the business has increased. So, when I do the analysis, the contribution margin, which was 0.5 percentage third quarter FY'25 improved to 2.4 in second quarter. Now, it is closer to 5 percentage in third quarter.

So, how do we see this number to play out, this 5 percentage has further scope to improve with the business model change, and whatever pruning you are doing with the business, how much maybe declining trend in the payment bank will continue and to what extent that contribution margins can improve for the payment bank from the current levels?

Jigar Shah: So, Sanket, as we have been saying in the last two to three quarters in our call also, that effort is there in order to push multiple business of payment bank and what you mentioned, that is the outcome of the effort. We cannot, we are not looking at a business where we say that, let us take this number to X to Y. We are hopeful and we are very cautious, right now that, whatever effort that we are taking, we maintain the momentum.

That is the call that we have internally with amongst our management and also with the payment bank, and let couple of more quarters come out and then we will get a visibility, because if you see from 2 to, from 0.5, it has gone to 2.5, and it has gone to 4. So, we want to maintain this momentum across CASA. That is one focus area. Second area is the UPI acquiring and that will continue to give us this range bound as far as the payment business is concerned.

Sanket: So, the last part of the Delta improvement happened because of CASA or UPI services?

Jigar Shah: Yes. So, I would not be able to give a split, but it is a combination of both. A, UPI acquiring that has gone up and we have given that number, that volume has gone up to INR30,000 crores plus in our, in our deck as far as the acquiring volumes are concerned and the CASA. CASA has gone to INR475 crores plus. So, the margin on CASA is also helping us to make the retail income on that front.

Sanket: Understood, understood. And, and a few data keeping questions or rather one more question. See, you alluded to the point that we have a market share gain in e-voting, but if I look at on sequential basis, e-voting still, still declined.

Is it because it got lumped up in second quarter? Because nine months numbers look okay, but in third quarter it looks weak. So, so is it fair to say that the business got lumped up in, in, in 2Q and therefore 3Q optically looks lower on year-on-year basis?

Vijay Chandok: No, no, bang on. In fact, I mentioned it in my opening comments itself that there is a seasonality impact that we typically observe, particularly because of e-voting. As you would know, most of these results get declared, then there is an AGM, which happens in the quarter three, rather quarter two, and quarter three becomes less and quarter four becomes even lesser.

So, there is a seasonality impact of e-voting. The other impact that you will see is a dividend, which we receive from subsidiary that typically comes in Q2. So, Q2 to Q3, if you compare sequentially, these optics have to be adjusted.

Sanket: I understand that, sir, but I was more referring from year-on-year basis?

Vijay Chandok: Despite that, there has been actually a gain in market share, quarter two to sequentially also we have gained market share.

Sanket: Understood, understood. No, but, but third quarter to third quarter, there is a decline. So, so despite we gaining market share, there is a decline. So, so anything to read there is the point I was trying to check. I understand that the 2Q is very strong. Yes.

Jigar Shah: So, the third quarter, what you are looking at 6.8, the number of events have remained the same, but at times what happened, the event mix changes, sometimes the number of shareholders are slightly higher in one of the events and the number of shareholders are slightly lower. So, these are again very event specific.

So, while, even if I have to give a number of events, you know, because we have given in our anchor, I mean, in our IP also, we had done about, we have done about 4,400 events this year and last year we did about 4,200 events. So, sometimes when the mix changes, that is where you have some marginal contribution going off here and there, but otherwise we maintain the steady state with regard to the market share.

Sanket: Understood. And lastly, our last one question is, can you spell out the number of folio count you have at the current juncture, which you spelled out in the last quarter too? Any update on that number will be useful. And second is that if Payment Bank needs any capital incrementally to run the show or they are self-sufficient?

Jigar Shah: Yes. So, first question I will answer and I hope this is your last question. Otherwise, we will keep asking more data points. No, very fairly asked. We had given this data point last time in terms of our folio counts. We are roughly about INR15.5 crores folios as we stand as of 31st December. So, that is where our folio count is.

And as far as the adequacy of capital and the capitalization is concerned, maybe the fact is that we have done investment with regard to INR30 crores, 4.95%. We continue to look at if there is any opportunity. But at this point in time, our focus is more on building what we have got from the protein and build this partnership more meaningful and formidable in the next one year.

Sanket: Understood. Thanks again for all the answers.

Vijay Chandok: Thank you. Thank you. And if there are more questions, you can, we can take it some additionally later.

Moderator: Thank you. Next question comes from the line of Prayesh Jain with Motilal Oswal Financial Services Limited. Please go ahead.

Prayesh Jain: You know, most of the questions have been answered. Just, you know, extending the question on your-- so, if you look at Demant accounts, right, what is the potential that you guys have to kind of extract more volumes out of the existing brokers, right?

So, we were talking about the hook of 3-in-1 accounts with these bank-based brokers. Any traction there that has kind of brought the moment, can bring some momentum back into the game, right? So, Q3 is episodic, I understand, wherein there were a lot of IPOs and they were, but structurally, do you think that the bank-based brokers are working towards getting more 3-in-1 accounts? And is there any data to kind of support that thesis?

Vijay Chandok: I think that's a great question. And actually, in one of the slides, we had given out that data on the day. If you notice, in the quarter 3, we've given 9-month data. If you can refer to that data, the 9-month period, last year the entire industry added about 339 lakh Demat accounts. That number has come down to 234. So, there has been a deceleration.

During this period, our Demat accounts went from 29.98 lakhs to 37.33 lakhs. How is this possible? This is possible only because we have – while the industry has shown a degrowth, we have shown a actual absolute growth in the number of accounts. This is because of more digitization and efforts to increase penetration with our existing DPs.

In addition, few DPs that were added earlier have now started scaling up. So, it's a combination of both these things. So, some traction is visible in the 9-month number, if you see, through the existing brokers itself, where we are able to improve greater conversion of savings account into three-in-one accounts. It's almost an 8 lakh, 9 lakh increase in base when actually the market has come down.

Prayesh Jain: Right. And the six DPs that you've added recently, are they already operational and what is, if you can indicate the total number of NSE active clients that they would have currently, not the Demat accounts, but at least the NSE active clients, which is there in the public domain, that could give us a good understanding on the size, which you can see incremental volumes coming through?

Jigar Shah: No, currently, we are not giving any subset sort of a data at this point in time.

Prayesh Jain: Okay. Got that.

Vijay Chandok: But by and large we've seen that the bank-based guys tend to be heavier on Demat. And that is, again, available and our deck data is available on how the Demat balances are played out.

Prayesh Jain: Sure. And just the last question on the other transaction charges. I think this was asked earlier, but again, just repeating. The drops in sequential basis on the transaction charges is because of joining fees only or and because you said the implication is still yet to come, so the joining fee should further kind of go down from the current levels if we look at Q3 numbers?

Jigar Shah: Yes, so right now when you look at numbers, it's primarily the quarter and quarter is because of the joining fee as well as year on year, it's primarily driven by the joining fee. The rest of the elements, which are part of the other transaction, which are like pledge, other transactional charges that we charge remains flattish or unchanged in that.

So right now, we are looking at how this next quarter comes in terms of joining fee, how much we have a market share and how many companies gets on-boarded. So too early for us to say how this theme will work out in the next, especially this quarter. But yes, just wait and watch for us. But for now, the commentary is because of the joining fee has seen a change and that has led to declining the other transactional charges.

Prayesh Jain: The impact of regulation is already seen in Q3. Is that the right way to think?

Jigar Shah: Yes, but the regulation, I think, came in December, the official commentary from the..so it's sort of not a full impact. So we see how the next quarter sort of looks at and we continue to monitor the situation closely.

Prayesh Jain: Okay. Can I slip in one more question?

Vijay Chandok: Sure. Yes, please.

Prayesh Jain: Yes. Just on this, if you look at the corporate actions and IPO activity we saw 3Q as a very strong month for IPOs. But in spite, understanding the drop in revenues is more because of corporate actions and is there any booking of revenues pending on IPOs that can slow down in Q4?

Jigar Shah: No. So on the booking side, the accounting side whatever IPOs has come, that is the income has been taken care of. In terms of the year-on-year, we are like flattish. We are INR25 odd crores we have earned in this quarter. On the Q2, we had slightly better pipeline with regards to the IPOs.

And Vijay mentioned in earlier commentary that sometimes, especially in Q3, there were two, three big players that sort of had more application that the Demat account favoured the competition than us and that's where you see a slight episodic reduction in the corporate action fee. Otherwise, it's been steady state.

Prayesh Jain: Okay. Thank you. All the best.

Jigar Shah: Thank you very much, Prayesh. And have a good day. Thank you.

Moderator: Thank you. Next question comes on the line of Ravi Kumar a Research Analyst. Please go ahead.

Ravi Kumar: Sir, I have one suggestion. That is our majority revenue comes from the banking system, but we provide very less information about our payment bank business. So it would be very grateful if we provide more information about our payment bank business system from upcoming quarters.

Vijay Chandok: Yes. So I think, once again, I would request you, while there is a large number, the relevance of that revenue is to be seen in the context of a net number. So please net it off. It's all available. And what is going to be the value driver is the depository, not the bank. So there is that much information that we are giving about our subsidiary.

Ravi Kumar: Okay, sir.

Vijay Chandok: Yes. Thank you.

Moderator: Thank you, sir. We have a question that is from the line of Divesh Advani from the Reliance General Insurance. Mr. Advani, please go ahead. Mr. Advani, please unmute yourself and go ahead with the question. There is no reply from the line of Mr. Advani. The next question comes from the line of Divesh Advani from Reliance General Insurance. Mr. Advani, please go ahead. Mr. Advani, please unmute yourself and go ahead with the question. We have no reply coming from the line of Mr. Advani.

Ladies and gentlemen, as there are no further questions, we have reached the end of the question and answer session. I would now like to hand the conference over to the management.

Vijay Chandok: Thank you very much. I really appreciate all the questions that have come and for patiently hearing our entire update on the business performance. In case there are afterthoughts, after questions or even anyone who could not ask questions and could not participate because they wanted to do some more study before asking, do not hesitate.

Please feel free. Jigar is available and we would be able to take this offline. You can reach out directly to Jigar and his team and we will be very happy to respond to all your questions. So, please, this is a request from my side. Thank you very much once again.

Moderator: Thank you. On behalf of National Securities Depository Limited, I conclude this conference. Thank you for joining us. You may now disconnect.