NSDL/AF/BSE/2025/012 Date: August 14, 2025

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 August 12, 2025, for Q1(2025-26) Results

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

This is with reference to our intimation dated August 08, 2025, regarding schedule of Conference Call held on Tuesday, August 12, 2025, organised by ICICI Securities for Q1 (2025-26) Results. In this regard, 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: 2025.08.14 16:12:25 +05'30'

Alen Ferns
Company Secretary & Compliance Officer
Membership No. A30633

"National Securities Depository Limited
Q1 FY '26 Earnings Conference Call"
August 12, 2025

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. PRASHANT VAGAL – CHIEF OPERATING 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. VISHAL GUPTA – DEPUTY CHIEF TECHNOLOGY OFFICER – NATIONAL SECURITIES DEPOSITORY LIMITED** **MR. VISHAL GAJJAR – SENIOR VICE PRESIDENT, SPECIAL PROJECTS– NATIONAL SECURITIES DEPOSITORY LIMITED** **MR. ABHIJIT KAMALAPURKAR – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER – NSDL PAYMENT BANK** **MR. SAMEER GUPTE – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NSDL DATABASE MANAGEMENT**
MODERATOR:	**MR. ANSUMAN DEB – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to National Securities Depository Limited Q1 FY26 earnings conference call hosted by ICICI Securities. 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 touch-tone 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, sir.

Ansuman Deb: Good evening, ladies and gentlemen. We welcome you all to this Q1 FY26 results conference call of National Securities Depository Limited. From the management, we have Mr. Vijay Chandok, Managing Director and Chief Executive Officer, Jigar Shah, Chief Financial Officer, Prashant Vagal, Chief Operating Officer, Sameer Patil, Chief Business Officer, Kothandaraman Prabhakaran, Chief Technology Officer, Vishal Gupta, Deputy Chief Technology Officer, Vishal Gajjar, Senior Vice President, Special Projects, Abhijit Kamalapurkar, MD and CEO, NSDL Payment Bank, Sameer Gupte, MD and CEO, NSDL Database Management.

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

Vijay Chandok: Thank you very much, Ansuman. A very good evening to all of you and a warm welcome to our earnings call. So, thank you for joining us on our first earnings call following our IPO. We are delighted, we are excited to welcome you as partners in our journey and sincerely appreciate your continued support and confidence in our efforts and vision.

Well, this quarter marks the beginning of a new chapter for NSDL and as we discuss our company's results for quarter 1 of FY26, we just want to state that we remain completely committed to transparency and attempt on doing a good performance for our investors and all other stakeholders.

So, we have uploaded the investor presentation on our website for your reference and I trust by now you would have had a chance to go through our investor presentation. As just elaborated, I am joined today for this call along with the leadership team of NSDL and also the CEOs of the subsidiaries.

So, let me begin this conversation with an industry update and highlight some key aspects of our performance. So, during quarter 1, FY26, the Indian stock market showed signs of mixed performance and this is on the back of headwinds -- global headwinds and concerns around earnings.

However, despite this during the period of uncertainty of market cycles, we interestingly saw, while we interestingly saw a de-growth in the Demat accounts by 6%. The Demat accounts for this quarter grew by about 67 lakhs as compared to about 71 lakhs in the previous sequential quarter. Interestingly, we saw an uptick in the average daily turnover.

The combined ADTO on the BSE and NSE was INR1 lakh crores, which is 15% over the sequential previous quarter. So, that’s an interesting trend we saw following Demat account number on a sequential basis, but a rising ADTO in terms of delivery in the BSE and NSE in quarter 1 by about 15%.

So, on the back of this situation, I am pleased to share our standalone financial results as under the total income for the company on a standalone basis was up by about 21.7% in quarter 1 over Y-o-Y quarter 1 of last year and came in at about INR190.4 crores, while the operating income increased by about 19.5% in quarter 1 FY26, which on a Y-o-Y basis came in at INR161 crores. Profit after tax for Q1 FY26 stood at INR82.6 crores up by about 24% on a Y-o-Y basis.

We are also pleased to report that the industry has now crossed 20 crores Demat accounts and I am sure all of you are following this. NSDL's market share in recent terms on BO account on a run rate basis for quarter 1 stood at 15.5% and this improved compared to 9.4% incremental market share in Q1 of FY 2025, marking a 610 basis points increase on a run rate basis.

And again, as at June 30th, 2025, we have crossed 4 crores Demat accounts with NSDL. Furthermore, our market share in the unlisted segment also improved. The number of companies admitted during Q1 FY26 stood at 10,392 with our overall market share in the equity dematerialized segment increasing and reaching 73.2% compared to 70.8% in Q1 of last year.

During the quarter also, we took several initiatives, which I want to highlight. The first one was the implementation of the common contract notes via our Steady platform. The second was the launch of the proxy advisory recommendation on the e-voting platform, enhancing participation of investors in e-voting.

Then the third was the API-based conversion of mutual funds to Demat form, enabling seamless transfer from physical to dematerialized units. And also the unified investor application through the NSDL's PD app, providing a consolidated portfolio view across equities, mutual funds, AIFs and other investments, helping investors to monitor and take informed decisions on their portfolios. NSDL continues to build a strong, resilient and a trusted institution playing a vital role in the capital markets in the country.

And we are dedicated to our core mission of delivering secure, seamless and technology-driven services that deepen financial markets. Our focus on investor education and awareness remains strong in collaboration with other depositories and other MIIs. Specifically, in collaboration with the other depository, we introduced proxy advisory recommendation on investor app, which I already mentioned, is helping investors make more informed decisions.

And we, of course, remain totally committed to delivering high standards of investor protection, building trust and promoting financial literacy to encourage responsible investment across capital markets in India. With these few words, I will now hand it over to Jigar Shah, our CFO, to walk you through the Q1 performance in a little more detail.

Jigar Shah: Thank you very much, Vijay. And good evening, everyone. We truly appreciate you taking the time to join us for our very first earnings call as a listed entity. Let me now walk you through our financial performance for the quarter ended June 30, 2025. On a standalone basis, our total income for Q1 FY26 stood at INR190.4 crores, compared to INR156.5 crores in the corresponding quarter of the previous year, up by 21.68%.

EBITDA grew by 27% year-on-year basis, stood at INR115.3 crores for Q1 FY26. Net profit for the quarter stood at INR82.63 crores, compared to INR66.6 crores, up by 24.01% for the corresponding quarter of the previous year. On a sequential basis, the standalone profit grew by 9.04%. Moving on to our consolidated financials, total income for Q1 FY26 stood at INR346.8 crores, compared to INR364.9 crores in Q1 FY25, a drop of 5%.

Net profit for the quarter stood at INR89.63 crores, up from INR77.8 crores, registering a growth of 15.16% compared to the corresponding quarter of the previous year. On a sequential basis, the consolidated profit grew by 7.6%. That concludes the financial overview of the quarter. We now open the floor for any questions you may have.

Moderator: First question is from the line of Sucrit D Patil from Eyesight FinTrade Pvt. Ltd.

Sucrit Patil: Good evening to the NSDL team. I have a specific question for Mr. Sameer Patil. Is Mr. Sameer Patil online?

Management: Yes, you can ask the question and we'll get it.

Sucrit Patil: Okay, fine. So, my name is Sucrit Patil and my question is, as NSDL looks to grow after the IPO, what are the key business areas you're focusing on beyond the usual depository services, especially if transaction volumes stay flat or there are some changes in the rules and if some plans don't work out, do you have any backup to keep the growth and the profits momentum steady? Yes, that was my question.

Vijay Chandok: Yes, thank you. Thank you for this and I think it's a great question. Well, we need to appreciate that NSDL is a capital markets player and as a capital markets player, and as a regulated entity, these are the risks that remain associated with our business. And one can only look to bring about some diversification and reduce the cyclical effects and the impact of market movements.

But to completely say that we would be able to completely wish away the impact of market would not be an accurate way to think about it. So, there are those market risks one has to factor in. Within that we have very assiduously built diversified business model and we had shared this when we actually did our earlier conversations with the investors and I'll share it again.

If you look at our revenue, we have built about broadly you could say nine line items of revenue. You could classify these nine line items into two broad buckets, one which we classify them as listed, rather recurring and the other that we call them as non-recurring. Approximately the recurring is about 42% approximate numbers, I'm giving you just a sense and the non-recurring or transaction is 58%.

The recurring revenue has got two components, the fees from custody which is not paid by market, but it actually paid by the issuer. So, the issuer being a corporate, so they pay us and that is coming from the listed and the unlisted side together constituting a little over 40%, 42% in an approximate sense.

Then there are seven line items which are coming broadly from what we call transactional revenue and I'll spell out what are those components. You have e-voting, E-AGM, cash, then settlement fees, then you have joining fees, then you have pledge fees, you have corporate actions. So, these are the seven that total up to the remaining 58%.

So, you can see that there is a fair amount of diversification which is coming from the revenue pool and given that the markets have been relatively weak in quarter 1, it is the effect of this diversification that has helped us demonstrate growth on the numbers that we just reported. So, our effort will continue to press levers across these nine line items, but obviously we will get impacted by market movements. Our attempt can only be how to minimize that impact and bring about more diversification.

Sucrit Patil: Okay, so just to close the loop, apart from the new features which you've just now mentioned, are there any new services or partnerships like ESG platforms or digital bonds or investor tools that NSDL might be introducing over the next one to two years to boost business growth and all?

Vijay Chandok: Yes, so obviously as a part of a responsive management team, we will keep looking for opportunities in the context of what the market wants and also in the context of regulations. And as an example, recently we launched a product called DLT, a Distributed Ledger Technology platform, which fundamentally gave bond issuers the platform for monitoring of covenants. So, this bond monitoring covenant platform never used to earn us revenue. It has started earning us revenue from this quarter onwards.

Sucrit Patil: Okay, great. Thank you very much for your guidance. And just can I have your good name for my transcription please?

Vijay Chandok: Sorry?

Sucrit Patil: Can I have your good name please?

Vijay Chandok: Vijay, I'm Vijay.

Moderator: Next question is from the line of Sanil Desai from ICICI Securities.

Sanil Desai: Hi, good evening, sir. Congratulations on your listing and a good set of numbers. So, my question is regarding the operating expense which you have reported. So, there has been a significant decline on both the standalone and the consolidated numbers. So, if you can tell us why has been this decline and what will be the trajectory going ahead?

Jigar Shah: So, sequentially, the operating expense at a standalone number has gone down from INR90 crores to INR80 crores. That is primarily because we had one off in quarter 4 FI25 with regards to the regulatory settlement fees. Barring that, you will see year-on-year and sequentially, there has been an uptick in our expenses primarily because of our employee cost that has gone up.

And there are some tech expenses we have done marginally. In terms of our consolidated numbers, our consolidated numbers are also stitched together with our two subsidiaries. And one of the important subsidiaries for us is NSDL Payments Bank. If you look at our top line that has seen a reduction in the top line that is primarily because of some of the transactional business has moderated quarter-on-quarter as well as sequential quarter when you look at our numbers.

And because the model of the business says that you end up paying commissions, large commissions to this transactional fee, that has also come down. So, that is why you would see a drop in our expenses at a consolidated level. And from the standalone perspective, you will see an uptick in the number with regards to the employee cost and technology.

Sanil Desai: Okay, got that, sir. So, can you give some breakup on what has been the technology cost for this quarter or some trend regarding it?

Jigar Shah: So, we are not giving any future guidance. For the quarter, we have reported a technology cost in our presentation, which is uploaded on our website is INR19.8 crores is the technology cost for this quarter. So, INR20 crores is the technology cost. And this is other than depreciation. Okay, got it, sir.

Sanil Desai: Secondly, I would also want to ask, you know, recently, if you look at the monthly Demat accounts, there we see an uptick in your incremental share as well and absolute number as well. So, from where is this uptick coming? Is it coming from the bank based brokers? Or have you got in any new broker or anything? Any comment on that?

Vijay Chandok: Yes, so, this is Vijay. So, actually, we are seeing, we had mentioned again in the earlier discussions that we had that we are working to improve our customer experience, we are working to add, you know, digital decongestion efforts, broker-by-broker. And it's an effort which we started a few quarters back, actually.

And these are not necessarily very big bank de-frictionalization efforts. These are small, small, small, small things that just de-congest pain points. Many of them are getting released into the market one by month, one by one month by month, virtually week by week, some of them. Each of that gives you some incremental improvement and uptick. Our effort is obviously, as we had mentioned, to deepen relationship with our existing brokers. So, there is some impact of that.

Our existing brokers are able to do things in a better way than they were able to do it in the past. Secondly, some of our new age brokers that we have onboarded a few quarters back, they have started seeing some good traction. You know, we don't want to take any specific names, but there's a new age Bangalore based broker who has now started clocking a much higher growth than we were clocking even a couple of quarters back.

So, these are some of the reasons for this growth. And our effort will be to continue to engage with all our existing customers, de-congest, simplify, improve, you know, reduce friction, improve penetration within their own client base and also onboard new customers. So, it's a very intensive effort in trying to onboard new DPs.

Moderator: Next question is from the line of Prayesh Jain from Motilal Oswal.

Prayesh Jain: Yes. Hi. Good evening, everyone. And a very good set of numbers. Just a few questions. Firstly, this bookkeeping question, the depreciation seems to have reduced sequentially on a standalone basis. Could you attribute what was the reason for this and how should we think about this?

Management: So, if you look at depreciation.

Jigar Shah: Hello.

Management: Hello.

Jigar Shah: So, Yes. So, what has happened is that there has been, you know, minor additions and there has been, you know, you know, with regards to the depreciation cost, there has been some written down that happened in the earlier quarter, which is with regards to quarter 4.

So, there was a slightly higher rate of depreciation that was provided on some assets that that was written on because we had moved from Kamla Mill to, we had moved to, you know, the BKC of property premises.

So, there was in a quarter 4, there was an accelerated depreciation that happened in the last quarter. And that's why you see there is a slightly uptick in the last quarter with regards to quarter 4. And now it's more of a normalized number.

Prayesh Jain: Okay. Well, that's helpful. Secondly, you know, if you could highlight your strategy with respect to Payments Bank and the dip in revenues in this quarter, it's just a macro factor or is it specific to NSDL? And how can we think about a long term strategy for this piece of the business?

Vijay Chandok: Yes. So, you know, again, I'll step in here Vijay here. So, two plays, two, you know, comments to you think of the Payments Bank as more as a medium to long term sort of a business play. See clearly, the play on Payments Bank is predicated on two themes. One is inclusion. And the other is digitizing India.

And I think both these themes are really more medium term, long term plays. And the bank is very, very well positioned and continuing to invest in position itself in these two plays. In that context, it has built a business around, you know, through the BC partners that they have a large number of customer base, which is now in the ballpark of about 3 million.

So 3 million customer accounts have been acquired, there is a decent CASA base that has been built up. So and we have also mentioned to you that we will continue to ramp up customers, but our focus really is on ramping up such customers which are richer in CASA. That is why we put some controls to ensure that we get a little better quality than we have been getting in the past.

And that is what explains why some, you see some moderation in top line buttons improvement in the bottom line. So we are refining the business model as we go ahead to get, you know, better quality. And some reflection of that is visible in quarter 1. And now that we have customers, we are adding adjacencies to the, you know, core proposition. So acquisition business has been added.

So some revenue uptake has started in quarter 1 for acquisition business and more such efforts are underway. Simultaneously, we had alluded to the fact that, you know, we are working with certain players, rather I would say brokers to explore the possibility of 3 in 1 accounts. So these are possibilities that could play out in the future. But as on date, it is still, you know, at a conversation kind of a stage.

So we are sort of, you know, what we are seeing is basically a reflection on, you know, the improved opportunity. And today, when you add both our subsidiaries, you know, last year, this number came in at about 6% of our consolidated, that number is slightly improved to about, if I am not wrong, around 7% or 8% of the consolidated revenue. So still, you can see more than 90% of the value sitting with the two depositories.

And these two are optionalities, which will keep playing out as we see better traction coming as a consequence of digitizing and inclusion. So we remain optimistic on those prospects of our subsidiaries.

Prayesh Jain: And you know, another question was on NDML last, you know, what has been your KYC market share or what has been your insurance depository market share? And how has that been trending in the last two quarters?

Vijay Chandok: Yes, no, so, you know, with respect to our subsidiaries, we put out the numbers, beyond that we are not sharing at this stage. So in the course of time, we will probably think about giving more disclosures. But at this point in time, the numbers that we have put out is what we are sharing.

Prayesh Jain: And last question, what is the current cash on the books and what is the plan for digitization of the chain?

Jigar Shah: Yes, Yes. So currently, we have about INR2000 crores under investments out of which 281 is pertaining to the subsidiary investment as well as investment in associates. So the remaining is the deployable cash, which has been deployed into GSEC, mutual funds, and corporate bonds.

Prayesh Jain: And what will be the plan for utilization of the chain?

Vijay Chandok: No, so, you know, we did mention in the past, nothing has changed. We will, you know, keep evaluating how to deploy that cash in the context of what the board feels all right. So it is for the board to take a call in the course of time. At this time, apart from the fact that the board has demonstrated its intent by increasing dividend, which was declared last quarter, from 50% on face value to 100% on face value as an indicative gesture, nothing more to report on that front at this stage.

Moderator: Next question is from the line of Lalit Deo from Equirus Securities.

Lalit Deo: Yes. Hi, sir. And congratulations on the successful list, IPO. So, just wanted to understand, yes, I wanted to understand on the revenue line items. So just one question, like what is the difference between the settlement fees and the transactional charges, like we have to put it separately?

Jigar Shah: Yes, sure. So what we have given this time as part of our disclosure is that we have broken a few lines. One is the annual issuer income. The settlement fee is those fees which is pertaining to the transactional charges that we charged for daily debits to a transaction, which is that INR4 transactional charge.

So that we have reported as separate line item. The annual issuer income is pertaining to the custody fee. The transactional charges remains as part of other non-Demat account services that we provide, such as e-voting, such as pledge, such as joining fee, are all part of our transactional revenues.

Lalit Deo: And so like the IPO and income from the IPOs will also be a part of this transactional charges or it will be included in the…?

Jigar Shah: See this time the corporate action. So we call it as a corporate action. This includes the IPOs that get conducted throughout the year.

Lalit Deo: Just one data keeping -- could you also split the breakup between -- of the annual issuer income between listed and unlisted issuers?

Jigar Shah: Yes, so we are not giving at this point in time such disclosures. Maybe, you know, as with the efflux of time, we will look at the relevant disclosures to be given through our investor presentations.

Lalit Deo: And so just like lastly on this segmental reporting. So in this time, we are seeing some positive like the margins on the payment bank business have improved on a signatural basis, not like to 120%. So going ahead, where should we see this margins in this payment bank business? How should I see this?

Vijay Chandok: No, again, it's a play, as I said, on inclusion, digitizing, and the play out of selling, you know, cross-selling adjacent fees to our investors. So it totally depends on how will we execute and, you know, how we are able to translate the strategy into actual, you know, business opportunity that will determine the course of action. So we are not giving any guidance on that. We can only, you know, guarantee you a lot of hard work and attention and a sound strategy to back, you know, revenue drivers.

Moderator: Next question is from the line of Sanketh Godha from Avendus Spark.

Sanketh Godha: Yes, thank you for the opportunity and congrats on the listing of the company. Sir, just a small clarification just now you gave, you said that in the standalone numbers, INR14.8 crores is related to INR4 per debit, right? And INR56 crores is related to what, just wanted clarification, or INR56 crores is related to INR4 per debit?

Vijay Chandok: Sanketh, first and foremost, good to catch up with you again.

Jigar Shah: Yes, Sanketh. So what I was saying is that the settlement fees are those fees which is with regards to the settlement charges that we charge for transactional, you know, debits that happens, you know, whenever an investor does a transaction per debit, daily debits. So that's part of the settlement fee. That's what we charge INR4 as part of our, you know, business rule charges to the DPs.

The transaction charges are those charges which are non-Demat business that we do as part of our, you know, effort to diversify our business, such as e-voting, what Vijay mentioned earlier, such as the joining fees. So such are the fees which are transactional in nature. That forms part of our transaction charges.

Sanketh Godha: Okay. So the reason I am asking this, sir, again, as a clarification, because that INR56 crores number per quarter seems to be a very big number, given the number for your competition is meaningfully very small. And your transaction income at INR14.8 crores seems to be meaningfully very small compared to what the competition reports. So that's why I was trying to clarify all INR4 per debit sits in INR14.8 crores what you reported in the presentation. Right, sir?

Vijay Chandok: So I'm glad you asked this question. And Sanketh, you've got a very, very important point. And you've highlighted the fact that our business model is exactly what you said. It is less dependent on market cyclicality compared to, you know, so relatively less in the context of, which is what you have said. As I mentioned, there are 9 line items, there are rather 7 line items in the transaction. I'll just spell them out for you so that you get a sense.

Some of them, we have clubbed a few of them together and explained it to you there. So I'll repeat the 7, it's important to make note. And we have, each of these 7 items are meaningful numbers, e-voting, E-AGMs, cash, joining fees, pledge fees, and corporate action fees. And the 7th one is settlement fees. So settlement fees is one of the charges. And now, recently, even the DLT charges which is for debt issuances started coming into that fold.

Fairly diversified revenue model. And apart from this, we have two other revenues, which is 40% of our total revenue, more than 40% actually, which is coming from the issuers. And it is custody fee from listed and custody fee from unlisted. And we have very strong market share on the unlisted side, 73%.

Sanketh Godha: Got it. Got it. This is clear. And maybe, hopefully, sir, just a, what do you call, advice. If you can give the breakup of this transaction income in more granularity, I think Street will appreciate that point a little more compared to being clubbed in one single line item. Maybe, if it's possible in the future.

Vijay Chandok: I hear you. I hear your aspiration. We have just got listed. Give us some time.

Sanketh Godha: Sure, sir. And the second question, importantly, which I want to check is that your incremental Demat market share has gone to 15% compared to being closer to 10% or less than, tad lower than 10 percentage. So is it fair to say that this extra 5%-6% what you got is predominantly because of that discount broker thing which you managed to crack in Bangalore? Or is it your existing guys are doing much more with you compared to your competition?

Vijay Chandok: No. So as I mentioned, it's a combination of factors. And it is, I must say, it is not just hard work of last few months. It's the hard work of last couple of years, I would say seven, eight quarters.

And when onboarding has been happening for some new age players, and also efforts have been underway to reduce friction, we have only tried to put razor sharp focus on these matters, which is probably playing out now.

And therefore, to say it is attributable to one single reason may not be very accurate. It's a combination of scale up that has happened with some of the new age players. It is also driven by digitization efforts, which has helped and the sharper focus by the bank base for CASA, which has helped them also to increase attention on three in one account. So that combination of these two efforts, I think has led to an improvement in market share.

And I would say that, you know, we should continue to put our heads down and trying to focus on things and, you know, try to maximize the opportunity in the market. That would be our effort from here.

Sanketh Godha: Got it. But just sorry to harp on this point, whether most of the discount brokers are coming on board, at least on incremental basis to open account with NSDL on incremental basis, at least or how your discussions are happening with these brokers to just to get a color of how this market share on incremental basis will move going ahead?

Vijay Chandok: So I can give you no assurance of how it will move other than the fact that we will do a lot of effort in trying to improve market share, try to expand market by focusing on investor education. And we will continue to engage our focus is on trying to do better and better service.

So that we are able to get in what conversations we are having with specific people will remain bilateral conversations. I do not think it is fair for me to bring it out in an investor call. So when it is possible to share, we will definitely share it. But we have to we can only share it with the comfort of our partners.

Sanketh Godha: Got it, sir. And last one, common contract note going live. Does it add any revenue attrition to NSDL in a way? Or is this a regulatory thing which you have done? Or there is a scope of additional revenue happening because of common contract note?

Vijay Chandok: So again, a great question. Prashant will answer. Yes.

Prashant Vagal: So basically, a common contract note, one of the thing which has been made mandatory is that the broker has to upload the trade details mandatorily, which was previously optional. And trade details attract some charges which are required to be paid by the broker to the NSDL. So we definitely expect impact on the revenue and some we have already seen in the last month when it was the first full-fledged month of common contract note going operational.

Sanketh Godha: And probably on [Inaudible 0:37:16] side, we are the largest player. So the benefit of common contract note will be meaningfully higher for us compared to the competition. That's a fair assessment, sir?

Management: So we are the largest player or the service provider for this common contract note. It is a separate license we have acquired from the SEBI. And so definitely being a major player in the market, we will see the benefit of them coming to us.

Sanketh Godha: And will you be okay to quantify the revenue, maybe at some point in time?

Vijay Chandok: Yes.

Sanketh Godha: Potential revenue…

Vijay Chandok: Some point, certain.

Sanketh Godha: Yes, got it.

Vijay Chandok: It is just one month since it started. Sanketh.

Sanketh Godha: Okay, got it. Got it, sir. And lastly, if you can break your EBITDA margin, ex-off Payment Bank and including Payment Bank. Including Payment Bank, we know on console. But if I exclude Payment Bank, what is our EBITDA margin?

Vijay Chandok: You are talking about the standalone?

Sanketh Godha: No, because I want to consider NDML, that is KYC business too. So if I want to do an analysis on like-to-like basis with your competition, then ex-off payment bank on console, how your margins will look. Or if you can tell us the expenses exclusively related to payment bank in the quarter, then probably we can calculate it back?

Jigar Shah: So, Sanketh, hi, thanks for asking that question. This is Jigar. We are specifically not giving out information related to EBITDA, combined us and NDML. So whatever we have, we have disclosed as part of our standard disclosures. Maybe as what Vijay mentioned, at some point in time, we will come up with disclosures that will help you to do much more analysis.

Moderator: Next question is from the line of Amit Chandra from HDFC Securities.

Amit Chandra: Yes, so thanks for the opportunity. So my question is on the annual issuer charges growth that we have seen around 30% Y-o-Y growth. So in this growth, if you can quantify what would be the contribution from the increase in the number of folios versus the rise from unlisted companies? And also, as you are not giving the contribution from unlisted separately, but we are adding around 4,000 companies per month right now.

So how many companies are still you are expecting to get de-matted in the next say one year and in terms of timelines and in terms of regulations, how do you see that the extension coming through and how many companies are still like to be de-matted if you can give some color on that?

Vijay Chandok: Yes, so actually, you know, while we are not segregating, you know, the growth that you spoke about attributable to folios and number of unlisted companies. But given the regulatory developments, the unlisted companies, same time last year was in the ballpark of around 43,600. And today that has gone up to 84,064. So there has been a very strong, I mean, almost you could say it is nearly doubled in the last 12 months.

So obviously, you know, there is a joining fees, then there is a custody fees which is coming and then that becomes a base for the future quarters and future subsequent period. So a substantial part of that growth, you could say and then you also know that our one year back what was the number of Demat accounts and what is it just now that is also publicly available.

So you can make some kind of a guesstimate that a substantial part of the growth would be attributable to the increase in the, you know, the unlisted players. While the data of total opportunity is really, I would say more hearsay and, you know, not really, I do not have verified numbers, because I do not think there is a dependable database to lean to.

But from what I do, based on some guesstimation and assessment, and if that is acceptable for you to know, I can share that guesstimation and assessment, it could be in the ballpark of around 1.8 lakh customers is what one could make companies what one could do. And I think the industry has only touched about 90,000, 95,000 given the current regulations. So if the regulations become more inclusive, then that number could increase in future, the opportunity set.

Amit Chandra: Okay, sir. And the second on the second question, what I have is, obviously, we are trying to gain the incremental market share and increase that. So for that, I think tech is one of the most important pillars for that, because the competition has evolved over the last five years and has been working with the discount brokers very closely.

And they are very much integrated that tech into the ecosystem. And if I see our know tech expenses is still 30%-35% lower than what the competition does. And how do you see the tech expenses? Maybe what are the areas in terms of tech where still we want to spend? And in terms of absolute spend, if you can give some color in terms of how the spend is going to be.

And also in the areas where we want to spend, and also the recent offer that we had in terms of the transaction charges, which is zero for less than 24 years of age. Is that also making a difference in terms of attracting some of the discount brokers, the new ones?

Vijay Chandok: Yes, again, a great question. It has got several parts. So let me go one by one. Well, tech spend is split into two parts for us. What is capex and the second is opex. capex was about INR35 crores last year, opex was about INR65 crores last year. This year, we've identified tech as a very important area of investment for us. And we had picked up four areas to invest on. I'll just fill out the themes that we have.

Automation, user experience. So we said basically automation as one area. Clearly, our business is very centric around operations. And a lot of tools have come over time using new age technologies, which can be used to do automation and bring about better dependability of performance as well as more efficiency in terms of costs, obviously, over time. So automation is a very big investment area.

The second is cyber security, technological resilience, uptime, speed. All this put in one basket, which we call basically more dependability, more cyber security, and all of that. So that's an area which is very important. We are India's infrastructure, critical infrastructure. And in that context, cyber security, we are having more than $6 trillion of assets under custody. So very strong focus on cyber security.

We need to keep enhancing that strong focus on salience, response time, speed. We have to be up all the time. So a lot of redundancies and backups that are being invested in data centers and so on and so forth, and several additional backup for contingencies that need to be provided for. So that's getting a second leg up.

The third is customer experience. I think a big focus on what the customer needs, customer meaning the DP, and not just DP, apart from DP brokers, eventually how we can impact the end customer of the broker, how we can impact the mutual fund industry, how we can impact the FPIs, various other market participants that we deal. So each of them, we are looking at what are required to be done for improving and enhancing customer experience.

So there's a bunch of projects and investments taking place in that as a third theme. And fourthly, it is capacity building. We are seeing more volumes in the market, more instruments getting dematerialized. I gave example of debt, which is growing as one example. There are a few more instruments that could come in the future. So we are building capacity to handle not only more folios, but also more instruments.

While we are not sharing the number, I think it is fair to the capex, you can, it's fair to say that there will be a substantial improvement, rather not improvement, I should use increase in the capex compared to our last year. So it will be a definitely a more than a multiple from this 35 groups. Concomitantly, even the opex will increase because we are investing clearly in relevant manpower, their skills are missing in tech.

Moderator: Next question is from the line of Divij Punjabi from Banyan Tree Advisors.

Divij Punjabi: Hi, thanks for the opportunity. I had two questions. One was related to the working capital cycle historically, if you look at it, it has been higher than our competition. So if you can just understand the reason behind that. And second is just wanted to understand fundamentally when our DP side up with both us and the competition, then how does the allocation of the investors happen between the two?

Jigar Shah: Can you repeat your second? What is your second question? We couldn't get it.

Divij Punjabi: Yes, second question is, if a DP is tied up with both of the depository, then how does the allocation of the investor happen? Like is it the investor choice or does the DP nudge them towards a certain participant? So can you help us understand that?

Vijay Chandok: Yes, so Jigar will come in with the first one, but second one, I'll take. This is Vijay. So it's purely most of the DPs leave it, I mean, leave it to themselves to decide. There are a few DPs who give both the options for the investor to decide. But most of the DPs in the market take a call and based on what they want to, what they are comfortable with, they decide to split between us and the competition. That's their call actually. Yes.

Jigar Shah: So with regards to the first question, our business is such that some of our business has a shorter working capital and some of the businesses that we do with regards to, let's say, which are more effort that we have to take with regards to our unlisted space where that typically takes a longer period of time with regards to the working capital. That's where you would have seen when we compare, you would see ours slightly longer. That's because the number of companies that we have is 90,000 plus companies.

And as and when the business grows, that leads to a little bit of stretch on the working capital cycle. And that's where the, our effort are also there. And that's why we keep mentioning in most of our discussion that our business is more labor oriented. We have put a lot of efforts and levers in our unlisted business and other business also, apart from the DP or a Demat business. And that's where you broadly see the difference.

Moderator: Next question is from the line of Sriram R, an Individual Investor.

Sriram R: I just have one bookkeeping question. Out of INR70 crores issuer income in standalone, how much would be from revenue from DP, AMC charges?

Jigar Shah: So we are actually not giving any specific guidance or split beyond what we have reported in our presentation. So, the color of between whether it's listed, whether it's unlisted or DP, non-DP, what we thought being our first, we've limited our disclosures with regards to the standard practice. Maybe in the future, we will give more data or more information around the questions that's come through this conversation.

Sriram R: But maintenance charges are accounted under issuer income, right? Sorry? But AMC charges are accounted under issuer income, right?

Jigar Shah: So annual maintenance fee that we charge, that comes part of our other income. Issuer custody fee is what we charge based on the folio.

Sriram R: Okay, that's accounted under other income. Okay. Correct.

Moderator: Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to the management for the closing comments.

Vijay Chandok: Yes. Thank you so much for patient listening to our commentary as well as very active participation in the questions. We hope we were able to respond to best of our knowledge and ability to your various queries. If there are any follow-ups, please feel free. We have our CFO always available to respond to any specific questions you may have. Thank you so much for your interest. Thank you for your support. And we look forward to continued engagement with all our investors. Thank you once again, and good night.

Jigar Shah: Thank you everyone for joining us late. Thank you very much.

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

Vijay Chandok: Thank you.