National Securities Depository Limited

NSDL
Technology, Trust & Reach

NSDL/AF/BSE/2026/0087 Date: November 04, 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 November 02, 2026, for Q2 (2026-27) Results**

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

This is with reference to our earlier communication dated October 22, 2026, regarding the Conference Call scheduled for Monday, November 02, 2026, organized by ICICI Securities to discuss the Q2 - 2026–27 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.com/

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For **National Securities Depository Limited**

ALEN W FERNS Digitally signed by ALEN W FERNS Date: 2026.11.04 17:01:51 +05'30'

**Alen Ferns**
**Company Secretary & Compliance Officer**
**Membership No. A30633**

Encl: as above

# “National Securities Depository Limited

# Q2 FY27 Results Conference Call”

# November 02, 2026

**MANAGEMENT:** **MR. VIJAY CHANDOK – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NATIONAL SECURITIES DEPOSITORY LIMITED**
**MR. SUBHASH KELKAR – EXECUTIVE DIRECTOR, CRITICAL OPERATIONS – NATIONAL SECURITIES DEPOSITORY LIMITED**
**MR. PRASHANT VAGAL – CHIEF OPERATING 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. ABHIJIT KAMALAPURKAR – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NSDL PAYMENTS BANK**
**MR. RAJEEV GUPTA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – NSDL DATABASE MANAGEMENT**
**MS. AARZOO KHANDELWAL – INVESTOR RELATIONS – NATIONAL SECURITIES DEPOSITORY LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q2 FY27 Results Conference Call of National Securities Depository Limited, that is NSDL. 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 this 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 Ms. Aarzoo Khandelwal. Thank you, and over to you, ma'am.

**Aarzoo Khandelwal:** Good evening, and welcome, everyone. Thank you for joining us today to discuss NSDL's Q2 FY27 financial and business performance. The recording of today's earnings call and the transcript will be uploaded on our website under the Investor Relations section.

The financial results, investor presentation and the press release are also available on the website. For today's call, NSDL is represented by Mr. Vijay Chandok, Managing Director and Chief Executive Officer; Mr. Subhash Kelkar, Executive Director - Critical Operations; Mr. Prashant Vagal, Chief Operating Officer; Mr. Jigar Shah, Chief Financial Officer; Mr. Sameer Patil, Chief Business Officer; Mr. Abhijit Kamalapurkar, Managing Director and Chief Executive Officer of NSDL Payments Bank; Mr. Rajeev Gupta, Managing Director and Chief Executive Officer of NSDL Database Management; and myself, Aarzoo Khandelwal from Investor Relations. The leadership team will give us a brief overview of the operational and the financial performance of the quarter gone by, which will be followed by a Q&A session.

With this brief introduction, I now invite Mr. Vijay Chandok for his opening remarks.

**Vijay Chandok:** Thank you, Aarzoo. A very good evening, ladies and gentlemen. Let me start by extending a very warm welcome and greetings of the season to all our shareholders, investors and analysts joining us today for the Q2 2027 earnings conference call. I sincerely appreciate the continued trust that all our 9.1 lakh valued shareholders have placed with us.

We remain committed to building a stronger business, deepening our competitive position and delivering sustained value to all our stakeholders. I'm pleased to have with you with us and as we discuss our performance and progress for Q2 FY27. To place our performance in perspective, let me first briefly outline the broader market environment during the quarter.

Well, as anticipated, the primary market activity rebounded strongly during Q2 FY27 after a relatively muted first quarter. During the first 9 months of this calendar year 2026, India's primary market raised over INR1.17 lakh crores through 244 IPOs with nearly 90,000 of this being raised in Q2 FY2027 alone, which included the landmark listing of National Stock Exchange.

Investor participation remained healthy with total number of demat accounts in India now crossing 24 crores, with nearly 90 lakh demat accounts getting added in Q2 FY2027. And when you compare this with Q2 FY2026, that number was 79 lakhs. So the demat account addition during this quarter on a Y-o-Y basis was up by 14.2%.

NSE's unique investors reached approximately INR13.7 crores by the end of September 2026. Compared to 12.9 crores that was at the beginning of the year in April 2026. Against this backdrop, let me turn the attention now to NSDL. This quarter, our efforts remain centered around a few things, which I thought it's important to highlight.

One is growing our customer franchise. Second was improving our customer experience. And thirdly, it was strengthening the investor awareness. And in that context, a few highlights I would like to highlight, please, for your attention. Starting with our depository participant business.

During this quarter, the total number of demat accounts for NSDL reached 4.72 crores. We also reached 320 depository participants. In this quarter alone, we added about 4 new DPs. And if you look at H1 in the current year, we've added 10 in all. So these depository participants provide services in more than 2,000 cities and small towns.

We hold at present 86% of the value of custody totaling to about USD5.6 trillion, which represents 80% of that represents the equity base. During Q2 FY27, we added 15.6 lakh net demat accounts, reflecting a continued account addition during the quarter. Market share came in at about 17.2% in Q2 FY2027 compared with 17.6% in the sequential previous quarter.

For H1, however, our market share increased to 17.4% from 16.6% in the corresponding H1 of 2026. Fintech brokers have continued to get added. And today, they account for 23.5% of our incremental demat account sourcing.

So it has crossed 20% now and stands at 23.5% at the end of Q2 2027. You compare this with Q2 of FY2026, that number was only 9.3%. So this clearly reflects the growing ability of NSDL to attract the new age fintech brokers, thanks to our investments in technology.

We would also like to highlight our continued traction in the YUva Plan, the youth plan that we launched and the women's demat plan, which now together account for approximately 45% of our incremental demat account additions in Q2 FY2027. Coming to our issuer and key value-added business services.

We continue to expand our investor base, which has now crossed 118,000 issuers. Market share in the unlisted issuer segment stands in at about 72.5% in Q2 with 3,197 companies getting admitted to the platform during this quarter. The total number of events on our e-voting platform increased in the quarter to 3,160 from 2,924 last year

same quarter, and our market share remains broadly stable at about 52.4% in Q2 FY2027.

Further, during this quarter, we focused on driving greater adoption of the 68 plus APIs that we introduced for DPs in the current as well as some of the earlier quarters, clearly helping us enhance customer experience, improve service delivery and improve customer feedback across the depository ecosystem.

We also achieved an important milestone with the pilot launch of the Demat 2.0, which is a next-generation platform, which leverages the distributed ledger technology to support tokenized securities and enable real-time settlement through integration of the Reserve Bank of India's CBDC or the Central Bank Digital Currency infrastructure.

We enabled online submission of Form 121, which was announced by Honorable Finance Minister in the budget through NSDL's corporate website, simplifying compliance and providing issuers and stakeholders with seamless digital integration.

We established an API-based interface with the National Stock Exchange to automate the creation of EGR or Electronic Gold Receipts, clearly improving process efficiency and supporting digitization of physical gold ownership, a business that is expected to grow in the future.

We also introduced API connectivity for online bond platform providers, the OBPP, enabling real-time account and holding validations, electronic instruction submission to verify investor transactions in the bond market. And clearly, this is giving impetus to bond OBPP platforms and bond investments in the country.

NSDL supported SEBI's nationwide project Jagruk, which was launched in October at the hands of the Honorable Chairman of SEBI by sharing the program envisage sharing investor awareness messages in English, Hindi and 11 other regional languages across the country, and NSDL leveraged its platform and DP ecosystem to do the same.

In Q2 FY2027, NSDL conducted more than 1,259 multilingual investor awareness programs reaching out to over 55,000 participants across 10 states, union territories through online, off-line and hybrid formats of training with corporates, defense services, educational institutions and women-focused forums.

We also strengthened our leadership team with the appointment of experienced professionals. I had mentioned it perhaps in the last quarter, Mr. Subhash Kelkar has joined us as Executive Director, Critical Operations. He brings nearly 36 years of leadership experience in technology and capital markets and most recently served as the CTO at the Bombay Stock Exchange.

Mr. Ankit Sharma joined as Executive Director, Regulatory and Compliance, bringing in 31 years of experience in regulatory policy, compliance and governance. He most

recently served as the CRO or the Chief Regulatory Officer, Listing and Investor Compliance at the National Stock Exchange.

We also welcomed Mr. Ashish Dandekar as the CTO. He brings in about 35 years of experience across technology and advisory roles, including experiences at the National Stock Exchange and the Power Exchange India Limited.

While Jigar will take you through the detailed financials, I would like to mention that for Q2 FY2027 at a consolidated level, our revenue for the quarter stood at INR582.6 crores compared to INR432.2 crores last year, up by 34.8% on a Y-o-Y basis. Profit after tax stood at INR122.5 crores compared to INR110.4 crores last year, up by 10.9% on a Y-o-Y basis.

Well, the above numbers have to be viewed in the context of the fact that we are in a technology building phase. We continue to invest in technology resilience, cybersecurity, operational automation, use of AI, cybersecurity and critical talent support for future growth. The pace of investment in critical talent, however, I would like to highlight has now started moderating.

As these investments mature in future, we do expect operating leverage to support margin normalization as we move forward. We remain firmly committed to upholding the highest standards of investor protection strengthening trust and advancing financial literacy to foster responsible participation in Indian Capital markets and, of course, strong focus on governance.

We'd like to thank the Ministry of Finance, SEBI, RBI and also all our DPs, issuers, investors, market intermediaries, shareholders and employees for their continued support.

With that, I'll hand over the mic to Jigar for taking you through the financial highlights. Thank you.

**Jigar Shah:** Good evening, everyone, and thank you, Vijay. Let me now take you through our standalone and consolidated financial highlights briefly for the quarter ended 30th September 2026 and for the half year FY27.

For the Q2 FY27 standalone, our revenue from operations for Q2 FY27 stands at INR227.8 crores versus INR204.2 crores in Q2 FY26 that was a year ago, registering a growth of 11.6% on Y-o-Y basis and sequentially grew by 25.1%.

Our total income for Q2 FY27 stands at INR279.8 crores versus INR250.6 crores in Q2 FY26, a growth of 11.7% on a Y-o-Y basis and sequentially, we grew by 27.4%. Just to make a note that ex dividend, our growth stands at 19% on a sequential basis. Our EBITDA for Q2 FY27 stands at INR171.6 crores versus INR160.7 crores in Q2 FY26, registering a growth of 6.8% on a Y-o-Y basis.

Our EBITDA margin for the current quarter stands at 61.3% [edited] and ex dividend it stands at 58.6%. Our net profit for Q2 FY27 is at INR126.7 crores versus INR120.4 crores in Q2 FY26 growth of 5.2% on a Y-o-Y basis. And sequentially, we grew by 42.1%. Ex-dividend, we grew by 21.6%.

Our PAT margin for the current quarter stands at 45.3%. Ex dividend, our PAT margin stands at 41.4%. I would like to share a brief update on the first half year, which is half yearly FY27 standalone highlights.

Our total income on a Y-o-Y basis registered a growth of 13.3%. It grew to INR499.5 crores. Our net profit after tax for H1 FY27 grew by 6.3% on a Y-o-Y basis. And our net worth on a standalone basis stands at INR2,263.4 crores.

On the technology front, as part of our practice, we update what we have capitalized in the H1, we have capitalized INR23.9 crores in H1 FY27 versus last year full year number was INR106.1 crore. it is worth noting that NSDL standalone profit contributes approximately 88% of total consolidated profit. Let me briefly touch upon a few operational developments across our subsidiaries.

As far as NSDL Payments Bank is concerned, we are pleased to say that NPBL's, RuPay NCMC Smart Cards reached INR1.3 crores MSRTC registration and over INR100 crores in cumulative card loads in October 2026. That's the latest update. Supporting concessional bus travel in Maharashtra under government mandate effective September 4, 2026.

It's a very important milestone for us because that supports our growth as far as the payment bank is concerned. On customer deposit front, we saw growth of 1.6x in retail customer base, growing to 54.3 lakh customers in Q2 FY27. A year back, this number was 33.5 lakh. The deposit balances grew 1.4x to INR378.1 crores.

Now coming to another subsidiary, NSDL Database Management. With NSDL Database Management, our KRA records registered intermediaries grew to 2.06 crore records as of September 30, 2026. I would also like to briefly update you on the insurance business. Following IRDAI guideline, NDML incorporated NDML Insurance Repository Services Limited and filed a demerger application with NCLT Mumbai to transfer the insurance repository business.

As of today, the cumulative number of dematerialized insurance created on our platform stands at 1.75 crore policies. And both of these subsidiaries are profitable and very important part of our strategy.

With that, I will briefly update on the numbers with regards to Q2 consolidated financial highlights. Our revenue from operations for Q2 FY27 stands at INR545.9 crores versus INR400 crores in Q2 FY26, registering a growth of 36.5% and sequentially, we grew by 5.7%.

Our total income for Q2 FY27 stands at INR582.6 crores in Q2 FY27 versus INR432.2 crores in Q2 FY26, a growth of 34.8% on a Y-o-Y basis and sequentially, we grew by 3.9%.

Our EBITDA for Q2 stands at INR178.5 crores versus INR158.8 crores. We are registering a growth of 12.5% on Y-o-Y basis. Our EBITDA margin on a consolidated basis for the current quarter stands at 30.6% Finally, our net profit after tax for Q2 is at INR122.5 [edited] crores versus INR110.4 crores a year ago, Q2 FY26, registering a growth of 10.9% on a Y-o-Y basis.

And sequentially, we grew by 24.6%. Our PAT margin stand at 21% for the current quarter. For the first half of 2027 on consolidated highlights, as far as H1 is concerned, the total income, we have registered a growth of 46.7% to INR1,143.1 crores, while net profit after tax for half yearly grew by 10.4% to INR220.8 crores.

With that, I will conclude my opening remarks. Once again, thank you for joining us today, and I will open up the floor for Q&A session. Thank you.

**Moderator:** Thank you, sir. We will now begin with the question-and-answer session. We have the first question from the line of Rushabh from RBSA Investment Manager. Please go ahead.

**Rushabh:** I just wanted to get your sense on the Demat 2.0 opportunity that you mentioned in the press release. If you could speak about how does it increase the overall TAM and what stage of commercialization are we in? And do we have a first mover advantage here?

**Vijay Chandok:** Thank you for your question, Rushabh. This is a pilot launch, first and foremost. This is in the sandbox of SEBI. The intent is to take the entire depository platform to a completely new advanced technology using blockchain as opposed to the conventional model. This is an initiative which is driven by SEBI.

So the new model is based on DLT technology. It is right now restricted to only the bonds. How does it give advantage to the investors and to the market, unlike the current traditional process where the settlement process takes place either on T+1, T+2 or T+3. I'm talking about bonds, depending on the type and category of the bonds. Anything which comes as tokenized bonds will come with a settlement mechanism, which is instantaneous.

So it is exactly like similar to UPI, where you just remit the money and the receiver gets it. It is similarly you remit the payment and you get the bond immediately. So right now, in the first phase of the pilot, it has been launched mainly for only the issuance service. The secondary market development is still planned. It is work in process, but SEBI expects that to be completed by us as well.

So that would be in future. SEBI has made it, started off this whole initiative of tokenization with bonds. Obviously, the intent is to watch the actual experience because it's a new concept. Globally also, this is a relatively new development. So there are no global experiences to lean on, really.

So this market is likely to evolve as time goes forward based on the experience feedback from the investors. This is being done jointly by CDSL and NSDL. So it is not as if we are, in a sense, got early mover, but we have moved together.

And we have seen 3 issuances on the platform so far. And the total value of the 3 issuances, these are bond issuances, primary issuances, I think, a little over INR1,000 crores. This platform uses, as I mentioned, the CBDC for settlement.

So you can't use your traditional rupee for rupee money for making payments. You have to open a wallet account with the designated RBI bankers who have this service. For opening the new DEMAT 2.0, you don't need to do additional KYC. You simply extend it to your own sort of existing demat account to open this Demat 2.0 based on a request.

It is also right now open only for the institutional market. So it's not open for the retail investors. So based on the experience of retail investors, based on the development of the secondary market trading capabilities, SEBI will evaluate what are the next steps that we have to do. But I think the exciting thing is that it's a segue of opening a new horizon of investor -- investment sort of avenue, which is tokenized bonds.

And tomorrow, there could be tokenized other instruments, financial instruments that can also emerge. So it's a whole new market opportunity that could open in the future. But that is obviously subject to regulatory development and evolution.

**Rushabh:** And in the current base business, of course, we have certain plans of getting higher incremental market share in the new BO accounts that are opening. Where are we in the journey? I believe last 1 year, we have done a lot of field work. So next 1 year, what is the outlook on that? I understand we're getting some traction on the fintech side, but what is the outlook for the next 1 year? Things are as planned?

**Vijay Chandok:** Yes. So Rushabh, this is priority number 1 for me, priority number 1 for the company to try and increase market share on the retail side because we are already very strong on every other market share, whether it's on the institution side, FPI side, bond side, unlisted company side as well as e-voting and all other value-added services, we have a very, very high market share, a dominant market share. The only place where we have a market share catch-up that we need to do is on the retail investor side.

So you need to appreciate that the journey is going to be not an easy one because we have to win some of the investors. And these investors in the market, as you are aware, are very concentrated. The top 3 DPs dominate virtually 60%, 65% of the market.

So those 3, work is happening, along with the non-top 3, where a lot of progress has been made. We've added in the last 1.5 years, about 30 new DPs. Many of them are fintechs and our market share has also started climbing up on a run rate basis. Our run rate market share was 9%, then it went to 12%, then it went to 14%.

It is today between 16%, 18% keeps varying in that range. As these new DPs that we have acquired start scaling up their business, the expectation is market share will go up. So how it will scale up will depend on the market movement as well as how the new DPs start gaining market share within themselves. So work is definitely on. The technology upgrades are being done to a large extent, and we continue to do invest in ensuring that we are on top of this game.

And what was difficult about 2 years back or 1.5 quarters, 1.5 years, 18-20 months back which is attracting new investors itself, new DP itself was very difficult. I think that journey is now behind us. Many new DPs have joined us, including fintech DPs, large DPs, many of them are very promising. So we are optimistic about the future, but we are not giving any specific guidance.

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

**Prayesh Jain:** Just looking at your financials, do you think that the IPO and the corporate action momentum that we saw in this quarter, given the pipeline of the IPOs or whatever has been executed so far, what do you think about the momentum in this part of the business going ahead?

**Jigar Shah:** Prayesh. Hi. Thanks for asking.

**Vijay Chandok:** I thought you will be having an IPO list bit more than we will be having, yes?

**Jigar Shah:** I mean, as you can see, year-on-year, we've grown about 24%. And the IPO pipeline, whenever it's strong, it adds alpha to our existing business. And we have said this in the past also, the IPO adds roughly about 25%, 30% of our business whenever there is an additional pipeline.

So as and when there is more activity, and we expect this little bit to continue. I mean, obviously, October, we saw a couple of, one big IPO. We expect if the momentum continues in the market and if the SEBI continues to approve the list on its website, this should help the company and it should grow at the pace that we have reported this quarter.

**Prayesh Jain:** Got that. And the unlisted shares, unlisted companies, right? There we have seen slowdown for about a few quarters now. Now would that be in the base from, say, 3Q or fourth quarter still we'll have the effect coming in 3Q and the slowdown would be there. Any major changes out there? How is the kind of activity picking up there?

**Vijay Chandok:** Yes. So Prayesh, as you are aware, this is based on the definition of MCA, which requires companies to dematerialize their shares for non-small companies. The definition has changed. After that, we saw a dip in the sourcing. I think in the last two quarters, it has become broadly stable.

I think we are in that ballpark of about 3,000 or thereabouts. So that if we were to go by the recent couple of quarters, it looks like it seems to have sort of flattened out here. So expecting further dips may not be warranted.

**Jigar Shah:** Yes. So I think we are at a saturated cycle right now. And if you look at last year, we onboarded about 30,000 companies. Prior to that we onboarded 33,000 companies. This year, in H1, we have onboarded about 6,500 companies. So that shows the kind of saturation and also we have covered a lot in the last 2 to 3 years and dematerialize a lot of companies in the country. So that also kicks in after a point in time.

**Prayesh Jain:** Just one bit on the expenses front. You've been investing heavily in tech. And in fact, I know whether you will answer this or not, but still taking an attempt here, we've seen both the depositories spending heavily on tech, right? And it's not just been 1 year. It's been about 2.5, 3 years where we have seen both the depository spending heavily on tech, right? Where does it go for us from here?

And have we kind of reached a level where, obviously, investments will continue, but whether the pace of increase in investments or expenditure will kind of slow from here? How should we think about on an annual run rate basis in terms of tech expense at least in this year and next year going forward?

**Vijay Chandok:** There are some very exciting developments which are taking place in the market. The last 2 years, I mean, I'm calling this the second year as a 2 years, the current year as a second year and maybe 2 years, almost done, we are halfway, a little more than halfway done actually as we speak. I think we've done a lot of catch-up, at least as far as our company is concerned.

From here, the phase now becomes more of leg up rather than catch-up, where we try to get ahead, put our nose ahead of the market by putting innovation out there by putting more use of, I would say, product development, more use of technology for product development, more use of technology for AI, cybersecurity in those areas.

So one has to look at technology investments as a medium-term business enabler really rather than just an expense, and that's how we see it. And I did mention in my commentary also that as these expenses normalize. So this year, I think broadly it is going to be flattish compared to last year, not too much different actually. Marginally, there could be some difference.

And we do believe that we are yet to sort of make a very specific action plan for the coming year, while we have an approximate action plan, but a very specific fine-tuned

action plan will be rolled out in the next few months for the next financial year, I'm talking about. So as things stand, it should be similar to last year, but more from a catch-up to a build-up mode rather than a catch-up mode.

**Moderator:** Will take the next question from the line of Lalit Deo from Equirus Securities.

**Lalit Deo:** Sir, just one question. So given the current market situation, so last quarter, you had highlighted that the total portfolios of listed issuers were broadly flattish from March. It was somewhere around 14 crores. So just wanted to understand in the current market scenario, how is that number looking around?

**Jigar Shah:** Yes, it's the same number. I mean we'll give you this number once full cycle goes out. So right now, it's just a flattish, the same 14 crores what we had highlighted in the earlier quarter because it takes time to eventually, the activity takes time and comes with a lag. So we'll come to know in the next March or annually once the folios go up in the listed as well as the unlisted companies. So maybe another few months, and we'll update you with the number.

**Moderator:** We have the next question from the line of Amit Chandra from HDFC Securities.

**Amit Chandra:** So my first question is on the pricing part. So was there any component of price increase in the IPO revenues because there was an increase in the IPO verification charges. What was the quantum there?

And also if you can update us on what is the status of any talks in terms of the pricing for the issuer charges because obviously, it has been extending for a while. And now as our cost base has been increasing significantly in terms of and we have been investing. So is it not a very solid case for us to present now in terms of getting a price hike?

**Vijay Chandok:** Yes. So as far as specifically, you asked about the price increase on the IPO, there has been no price increase. We've been still at the same pricing. And on the settlement charges, I think we did mention that there has been a conversation which has been going on with regulators now for a long time. It's been more than 1 year plus, but it remains unaddressed even as we speak.

So there has been no development. In the meantime, costs, as we guided, we sort of, in a way, mentioned that we are going through an elevated cost cycle because we are investing in tech and some specific skills. So those are kicking in, but there are no progress or I would say, outcomes to report as far as price increases are concerned.

**Amit Chandra:** In terms of the total accounts that we have, if you can provide us the exclusive number of demat accounts we have and also in terms of how many KYC records we have with us. Plus, the exclusive accounts that we have, what is the level of activation there in terms of how many accounts within that would be holding and within that would not be

holding any securities in that? And also the contribution of the youth account which we had opened in the last 2 years, what would be the contribution of that in the overall?

**Jigar Shah:** I'll try to give you 2 numbers and then you can follow up. First number is to you ask, I think total number of demat accounts what we have today, 4.72 crores. The other one is how much record we have with regards to our KRA business, it's 2.06 crores record that we hold in our KRA business.

**Amit Chandra:** And the activation rate means how many accounts within the exclusive one would be like zero holding?

**Jigar Shah:** See, as far as unique, I think you also are unique. Most of our accounts, I mean, if you have to, these are high-level thought process about more than 80% stands unique as far as our unique accounts are concerned. That's where that also because it's unique, we also have a larger revenue per account because that's another number which we keep giving. So that's the reason.

**Moderator:** We have the next question from the line of Rakesh Kumar from Valentis Advisors.

**Rakesh Kumar:** Can you hear me now?

**Moderator:** Yes, you are audible.

**Rakesh Kumar:** So just coming back to the same question on IT that we are doing. So if we look at like we have been creating negative operating leverage because of three line items on the expense side, employee technology and depreciation obviously coming automatically because of the fixed asset that we are creating. And total income is growing by around 13%. These 3 items are growing by more than double.

So as you mentioned that some part of it is like in a catch-up phase rather than the build-up phase, if I heard you correctly. So the first question is that like how much more time we will take to get into the build-up phase. So I think when you get in that phase, your growth number on the expense side should normalize and should not be at least this much. So if you can give your inputs on this question, sir?

**Vijay Chandok:** Yes. So you are asking some questions which are more in the domain of guidance. We really refrain from giving any guidance, but you please appreciate that base effect will start kicking in because we are starting with a base where the expenses were negligible. Just to give you a sense of the numbers, 1 year before that, our capex was about INR30 crores. We elevated that to more than INR100 crores. From there on, things have sort of flattened out.

So the base effect kicks in. And once the base effect kicks in, automatically, the percentage increases start flattening out. So I would expect from next year, things will start flattening out, meaning the kind of increases that we saw last year will not be there.

**Rakesh Kumar:** Ok. From the next year onwards, you are thinking that this kind of negative operating leverage?

**Vijay Chandok:** I'm not saying about negative operating leverage. Before negative operating leverage starts kicking in, you need to show normalization of expenses and then operating leverage comes in. So we'll wait for that to play out. And it's also dependent on market conditions. So very difficult to commit a certain time frame. But our endeavor is from a mode of a lot of spending, we are reaching a stage where we are looking at very discriminate spending, value-added risk discriminate spending. So in the last 1.5 years or so since we've been spend doing this elevated spend or spending to 2 years now, I'm assuming this year is all budgeted for planned and underway. Most of it was, must do. From here onwards, it can be a good to do kind of a spend which comes in. So that gives us a little more leverage to sort of do what is really required.

**Moderator:** We have the next question from the line of Anshuman.

**Anshuman:** Sir, any update on the payments bank operation in terms of engaged traction we saw in the first half. Any update on that business would be helpful?

**Jigar Shah:** Yes. So Anshuman, thanks for asking this question. If you see our segment results also from INR1.8 crores, we have gone to about close to INR5 crores plus. So we've been explaining this. And in my commentary also, I covered that the number of customers onboarded by the bank has multiplied by 1.6x to 54 lakh customers we have. We have close to INR378 crores of deposits.

So the growth is visible in the bank with regards to acquisition of customers, with regards to the acquisition of deposits. Apart from these two businesses or the focus area, the other focus area, which we started off about 18 months ago was UPI acquiring business.

And if you see, we've not given the UPI numbers, but the UPI business have seen an uptick, which is tying up partnerships with other payment gateway providers, other payment ecosystem to ensure the UPI transactions are settled through Payments Bank.

And that's where you see the large growth that is coming in or significant growth that is coming in. And that's where our profits from the subsidiary probably a year or 1.5 years back was about 5%. Today, the subsidiaries are contributing more than 10%. So these are the two focus areas, I would say, with regards to the Payments Bank, which is giving us the growth and the profit numbers.

**Anshuman:** Right. And I'm just trying to understand, is there any possibility of benefit from MDR or UPI?

**Jigar Shah:** So this is a gradual process. The MDR on UPI it came, then it is on a pause mode. As and when it is once again sort of declared, we'll see how it works for Payments Bank.

And if it works for the overall ecosystem, it will work for the bank as well. But we have not quantified as of now.

**Moderator:** Ladies and gentlemen, that was the last question. And that concludes the question-and-answer session. I now hand the conference over to Mr. Vijay Chandok for the closing comments. Thank you, and over to you, sir.

**Vijay Chandok:** Thank you so much. I sincerely want to thank all the investors for joining in today, all the analysts who are covering us and all the shareholders who have been patient with us. Thank you very much. Wish you once again, all of you and your family a very, very happy upcoming greetings of the season.

I'm sure there could be questions and afterthoughts that may come as you go through our financial results in greater detail. Please feel free to reach out to Jigar or any one of us in the IR team, and we'll be more than happy to share whatever we can share as responses to your queries and questions. Thank you very much once again for your support and all the best as we move forward.

**Moderator:** Thank you, members of the management. On behalf of National Securities Depository Limited, we conclude this conference. Thank you, everyone, for joining with us today, and you may now disconnect your lines. Thank you.