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NATIONAL SECURITIES DEPOSITORY LIMITED

Our Company was incorporated on April 27, 2012, as “NSDL Depository Limited” at Mumbai as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation, issued by the RoC. Our Company commenced operations pursuant to a certificate of commencement of business dated May 16, 2012, issued by the RoC. Subsequent to the Scheme of Arrangement, the name of our Company was changed from “NSDL Depository Limited” to “National Securities Depository Limited”, and a fresh certificate of incorporation issued by the RoC, recording the change in name on January 3, 2013. For further details relating to changes in the name of our Company, see “History and Certain Corporate Matters – Other disclosures – Scheme of Arrangement” on page 188 of the Draft Red Herring Prospectus dated July 7, 2023 (“DRHP” or “Draft Red Herring Prospectus”).

Registered Office: 301, 3rd floor, Naman Chambers, G-Block, Plot No. C-32, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India

Telephone: +91 22 6944 8596; **Contact Person:** Alen Wilfred Ferns, Company Secretary and Compliance Officer

E-mail: cs_nsd@nsdl.com

Corporate Identity Number: U74120MH2012PLC230380; **Website:** <https://nsdl.co.in>

NOTICE TO INVESTORS: ADDENDUM DATED MAY 17, 2025 TO THE DRAFT RED HERRING PROSPECTUS (THE “ADDENDUM”)

OUR COMPANY IS A PROFESSIONALLY MANAGED COMPANY AND DOES NOT HAVE AN IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFERING OF UP TO 50,145,001 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (“EQUITY SHARES”) OF NATIONAL SECURITIES DEPOSITORY LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (“OFFER PRICE”) THROUGH AN OFFER FOR SALE OF UP TO 50,145,001 EQUITY SHARES AGGREGATING TO ₹[●] MILLION, COMPRISING UP TO 22,220,000 EQUITY SHARES AGGREGATING TO ₹[●] MILLION BY IDBI BANK LIMITED, UP TO 18,000,001 EQUITY SHARES AGGREGATING TO ₹[●] MILLION BY NATIONAL STOCK EXCHANGE OF INDIA LIMITED, UP TO 500,000 EQUITY SHARES AGGREGATING TO ₹[●] MILLION BY UNION BANK OF INDIA, UP TO 4,000,000 EQUITY SHARES AGGREGATING TO ₹[●] MILLION BY STATE BANK OF INDIA, UP TO 2,010,000 EQUITY SHARES AGGREGATING TO ₹[●] MILLION BY HDFC BANK LIMITED (SS) AND UP TO 3,415,000 EQUITY SHARES AGGREGATING TO ₹[●] MILLION BY ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA (COLLECTIVELY REFERRED TO AS THE “SELLING SHAREHOLDERS” AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE “OFFERED SHARES”) (THE “OFFER FOR SALE” OR THE “OFFER”).

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”). OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO [●]% OF THE OFFER PRICE TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

Potential Bidders may note the following:

- The Draft Red Herring Prospectus contains the Restated Consolidated Financial Information of our Company as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, restated in accordance with the SEBI ICDR Regulations, which are derived from our audited consolidated financial statements as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021. The section titled “Restated Consolidated Financial Information” of the Draft Red Herring Prospectus has been updated to provide recent restated consolidated financial information of the Company, as at and for the nine months period ended December 31, 2024 and December 31, 2023 and as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, restated in accordance with the SEBI ICDR Regulations, which are derived from our audited consolidated financial statements as at and for the nine months period ended December 31, 2024 and December 31, 2023 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the SEBI ICDR Regulations, through this Addendum. All details in the section titled, “Restated Consolidated Financial Information” in this Addendum will be disclosed appropriately in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the Securities and Exchange Board of India and BSE.
- The relevant portions of the front inside cover page, and the sections titled, “Risk Factors”, “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Our Management”, “Outstanding Litigation and Other Material Developments” and “Our Group Companies” of the Draft Red Herring Prospectus, have been updated and included in this Addendum. All other updates to the Draft Red Herring Prospectus in this regard will be carried out in the Red Herring Prospectus and the Prospectus.

The changes in this Addendum are to be read in conjunction with the Draft Red Herring Prospectus and accordingly, the corresponding references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements and updates the information in the Draft Red Herring Prospectus, as applicable. However, this Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus and the Prospectus. Please note that all other details / information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, along with other factual updates, as may be applicable, in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and BSE. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision, and should read the Red Herring Prospectus, as and when it is filed with the RoC, SEBI and BSE before making an investment decision with respect to the Offer.

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

This Addendum shall be made available to the public for comments, if any, for a period of at least 21 days, from the date of such filing with SEBI and will be available on their website www.sebi.gov.in, the websites of BSE i.e., www.bseindia.com, the website of our Company i.e. <https://nsdl.co.in> and the websites of the BRLMs, i.e., ICICI Securities Limited at www.icicisecurities.com, Axis Capital Limited at www.axiscapital.co.in, HSBC Securities and Capital Markets (India) Private Limited at www.business.hsbc.co.in, IDBI Capital Markets & Securities Limited at www.idbicapital.com, Motilal Oswal Investment Advisors Limited at www.motilaloswalgroup.com, SBI Capital Markets Limited at www.sbicaps.com and the M-BRLM, HDFC Bank Limited, at www.hdfcbank.com.

All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Mumbai
Date: May 17, 2025

For **National Securities Depository Limited**
On behalf of the Board of Directors
/-
Alen Wilfred Ferns
Company Secretary and Compliance Officer

BOOK RUNNING LEAD MANAGERS⁵

			
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BOOK RUNNING LEAD MANAGERS⁵

REGISTRAR TO THE OFFER

		
Motilal Oswal Investment Advisors Limited Motilal Oswal Tower Rahimtullah Sayani Road Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025 Maharashtra, India Telephone: +91 22 7193 4380 E-mail: nsdl.ipo@motilaloswal.com Investor grievance e-mail: moiaplredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact person: Ritu Sharma/Sankita Ajinkya SEBI registration no: INM000011005	SBI Capital Markets Limited[#] 1501, 15 th Floor, A&B Wing Parinee Crescenzo, BKC, Bandra East, Mumbai 400 051 Maharashtra, India Telephone: +91 22 4006 9807 E-mail: nsdl.ipo@sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Sylvia Mendonca / Prashant Patankar SEBI registration no: INM000003531	MUFG Intime India Private Limited (formerly Link Intime India Private Limited) C-101, 247 Park, 1 st Floor, L B S Marg Vikhroli (West), Mumbai 400 083 Maharashtra, India Telephone: + 91 810 811 4949 E-mail: nsdl.ipo@in.mpms.mufg.com Investor grievance e-mail: nsdl.ipo@in.mpms.mufg.com Website: https://in.mpms.mufg.com Contact person: Shanti Gopalkrishnan SEBI registration no.: INR000004058

BID/OFFER PERIOD

BID/OFFER OPENS ON	[●]*	BID/OFFER CLOSING ON***	[●]**
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*Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Date shall be one Working Day prior to the Bid/Offer Opening Date.

**Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

[#]IDBI Bank Limited and State Bank of India are proposing to participate as Selling Shareholders in the Offer. IDBI Bank Limited and IDBI Capital, State Bank of India and SBICAPS, respectively, are associates in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, IDBI Capital and SBICAPS have signed the due diligence certificate and would be involved only in the marketing of the Offer.

⁵HDFC Bank Limited is participating as a Selling Shareholder in the Offer. On account of the restrictions under Regulation 21A of the SEBI Merchant Bankers Regulations, HDFC Bank Limited, in its capacity as a book running lead manager to the Offer, will be involved only in the marketing of the Offer.

***UPI mandate end time and date shall be at 5:00 p.m. on the Bid / Offer Closing Date.

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SECTION I - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Addendum, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

To obtain a more detailed understanding of our business and operations, see this section in conjunction with the sections titled “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 69, 123 and 233, respectively, of this Addendum as well as other financial and statistical information contained in this Addendum.

Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section is derived from our Restated Consolidated Financial Information. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

This Addendum also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties and other factors, many of which are beyond our control. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see “Forward-Looking Statements” on page 23 of the Draft Red Herring Prospectus.

*Unless otherwise indicated, the industry-related information contained in this section is derived from the industry report titled “Assessment of the Depository System, Database Management and Payments Banks in India” dated April 2025 prepared by CRISIL Intelligence, a division of CRISIL Limited (the “**CRISIL Report**”). We have commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated February 6, 2025. The data included in this section includes excerpts from the CRISIL Report and may have been re-arranged by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant calendar year.*

INTERNAL RISK FACTORS

Risks Relating to Our Business

- 1. If there is a shift in investor preferences away from investing and trading in securities to other avenues, it could reduce demand for our services and adversely affect our business, financial condition, and results of operations.***

We commenced operations in 1996 as the first securities depository in India and are a market infrastructure institution in the securities market in India. Since the commencement of our operations, we have introduced several additional products and value-added services directly and through our subsidiaries, NSDL Database Management Limited (“**NDML**”) and NSDL Payments Bank Limited (“**NPBL**”), that include database management services, an insurance repository, payment bank services, a payment aggregator business, a covenant monitoring platform and a comprehensive data platform for dissemination of information on debt instruments. However, till date, the revenue generated from our depository services contribute to a large portion of our revenues. Set forth below are the details of the revenues from depository services for the

nine months ended December 31, 2024 and December 31, 2023, and Financial Years 2024, 2023 and 2022, also presented as a percentage of our total revenue.

Particulars	For the nine months period ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
Revenue from depository services (₹ in million)	4,520.62	3,469.60	4,730.34	4,091.46	3,692.62
Total revenue from operations (₹ in million)	10,565.46	9,341.96	12,682.44	10,219.288	7,611.10
Revenue from depository services as a percentage of total revenue from operations (%)	42.79%	37.14%	37.30%	40.03%	48.52%

Our revenue from depository services for the period increased by 30.29% to ₹4,520.62 million for the nine months period ended December 31, 2024 from ₹3,469.60 million for the nine months period ended December 31, 2023. Our revenue from depository services for the year increased by 15.61% to ₹4,730.34 million for the Financial Year 2024 from ₹4,091.46 million for the Financial Year 2023. Our revenue from depository services for the year increased by 10.80% to ₹4,091.46 million for the Financial Year 2023 from ₹3,692.62 million for the Financial Year 2022. For further details in relation to our segment-wise results of operations, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition and Results of Operation*” on page 235 of this Addendum.

Our revenues are impacted by the general investment climate in India which is subject to various factors. Such factors that are beyond our direct control, and include, but are not limited to:

- concerns over inflation and the level of investors’ confidence;
- changes and volatility in the prices of securities;
- the perceived attractiveness, or lack of attractiveness, of Indian capital markets;
- changes in government monetary policy and foreign currency exchange rates;
- legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets if significant policy differences emerge among markets;
- changes in tax policy and tax treaties between India and other countries;
- changes in the level and volatility of interest rates and GDP growth;
- competition from the other depository; and
- any other *force majeure* event.

Any significant change in investor preferences from investing and trading in securities to other avenues could reduce demand for our services and adversely affect our business, financial condition, and results of operations.

2. *Our failure to expand our service offerings and market reach through continued innovation and development of new products and services through technology-based solutions or the failure of these new service offerings may have an adverse impact on our business.*

Our success depends, in part, on our ability to develop and introduce new products and services to the securities market in India through technology-based solutions that anticipate and keep pace with rapid and continuing changes in technology, industry standards and preferences of investors. We continue to develop and make significant investments towards acquiring and introducing innovative and novel product and service offerings that we believe will address needs identified by us in the financial and securities markets in India. For instance, we introduced a secure internet service for demat account holders – IDeAS, to view their account balance and transaction history online, a service for clearing members to submit digitally signed instructions to depository participants electronically and a distributed ledger blockchain-based platform for debenture security and covenant monitoring system. CDSL offers a similar service called EASI (Electronic Access to Securities Information) (Source: CRISIL Report). During the nine months ended December 31, 2024, the number of clients using IDeAS increased to 1.79 million as compared to 1.65 million during the nine months ended December 31, 2023. As on December 31, 2024, 401 clearing members and 289 depository participants had subscribed to IDeAS. Some of our other products and services also include our e-voting platform, Tax Information Service, Demat Account Validation (DAN), a common

internet infrastructure facility used exclusively by our depository participants to provide depository services to their clients, a service for demat account holders to avail loans by instantly pledging securities held in dematerialized form with us, and a facility that enables encrypted straight-through processing of trade information to market participants electronically. For details, please see “*Our Business – Description of our Business*” on page 135 of this Addendum.

We may not be successful in anticipating or responding to developments in the financial and securities market in India in a timely and cost-effective manner. Our new products and services may not achieve the expected market acceptance or profitability. For example, in August 2022, NDML set up “Easy FD” an aggregation FD platform which would consume individual and diverse APIs from issuers and serve a master API to distributors who would in-turn direct investors to the platform for investing in FDs. Nonetheless, this platform did not gain the anticipated traction and required extensive capital expenditure. Accordingly, this product was discontinued. We may face similar risks and challenges in the future with respect to our other new products and services, which could have a material adverse impact on our business, financial condition and results of operations. Moreover, our efforts to gain technological expertise and develop new products, services and technologies requires us to make significant investments and incur additional expenses. If we cannot keep pace with new technologies available in the market or innovate our products and services as quickly as our competitors, or if our competitors develop and introduce new products, services or cost-effective technologies faster than us, it could have a material impact on our business, including our network of depository participants and demat account holder base.

3. ***A large proportion of our Company’s business is transaction-based, in particular, delivery-based, and dependent on trading activity in the securities market. External factors beyond our control may affect the trading volumes which could adversely affect our business, cash flows, results of operation and financial condition.***

A significant portion of our Company’s business is transaction-based and is dependent on external factors beyond our control, such as the level of trading activity in cash segment on major stock exchanges in India, and we rely on market activities to execute transactions and generate revenue. The volume and frequency of transactions are influenced by several factors, including investor sentiment, economic conditions, and regulatory changes. Moreover, the level of trading activity on stock exchanges is also influenced by the overall state of the Indian economy, global economic trends, and geo-political developments. Any unfavorable changes in these external factors could lead to a decrease in trading activity, which could have an adverse impact on our business, financial condition, and results of operations. Furthermore, a decline in trading activity could reduce our transaction fees, which forms a significant portion of our revenue stream. Set forth below are the details of our transaction fees for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, also presented as a percentage of our revenue from operations.

Particulars	Nine months ended December 31,				For the Financial Year					
	2024		2023		2024		2023		2022	
	(₹ in million)	(% of Revenue from Operations)	(₹ in million)	(% of Revenue from Operations)	(₹ in million)	(% of Revenue from Operations)	(₹ in million)	(% of Revenue from Operations)	(₹ in million)	(% of Revenue from Operations)
Transaction Fees	3,155.26	29.86%	2,248.50	24.07%	3,086.34	24.34%	2,553.82	24.99%	2,535.71	33.32%

In addition, adverse economic conditions (global and domestic), a decline in depository participants, demat account holders or issuers of securities, and related transactions may lead to a decrease in transaction volume, adversely affecting our revenue and future growth prospects. Our ability to operate and grow our business is dependent on various external factors, and any adverse impact on these factors may have adversely affect our business, financial condition, and results of operations. See “—*The securities market in India is influenced by various factors beyond our control. Any disruption in the Indian securities market may adversely affect our financial conditions and revenue from operations.*” below on page 60.

4. ***We rely on complex information technology networks and systems to operate our business. Any significant system or network disruption due to a technical glitch, breach in the security of our IT systems or otherwise, could have a negative impact on our business, reputation, results of operation and financial condition including levy of financial disincentive by SEBI.***

We rely on the efficient and secure operation of complex information technology networks and systems to carry out our business. All information technology systems remain potentially vulnerable to damage or interruption from a variety of sources, including but not limited to software and hardware failure, cyber-attacks, computer viruses and security breaches. While we have not experienced any cybersecurity incidents on our depository system during the last three Financial Years, our website had once been subjected to a cybersecurity attack in the past. There was no adverse impact on our operations on account of such incident. While risks of such cybersecurity attack have been mitigated, we may still be exposed to such risks in the future.

In accordance with the SEBI circulars on cyber security and cyber resilience framework, SEBI advisory on strengthening resiliency of websites of stock exchanges, clearing corporations and depositories, etc., a cyber security audit is undertaken by an independent auditor at least twice a year. If there are any observations provided by the auditor in the cyber security audit report, then our Company is required to take actions to resolve such observations in a timebound manner. Further, we are also subject to annual systems audit as prescribed by SEBI. As part of its routine security measures, our Company consistently collaborates with CERT-IN accredited vendors to carry out vulnerability assessment and penetration testing (“VAPT”) on both its applications and infrastructure (includes servers, network devices and network security devices). The aforesaid testing initiative includes the identification of vulnerabilities published by the Open Web Application Security Project (OWASP) and associated Web Application Security Consortium's threat classifications, with the primary goal of identifying vulnerabilities and the potential threats they pose.

In course of this testing initiative, vendors are tasked with conducting VAPT assessments on our Company’s information system infrastructure, including our networking systems, security devices, servers and databases. This includes a thorough evaluation through black box and grey box testing methodologies applied to web applications. The VAPT procedure also extends to simulating Distributed Denial of Service (DDoS) attacks, as well as verifying the procedures in place to respond to irregular activity. The aforesaid vulnerabilities span over multiple areas, such as cross site scripting (XSS), deficiencies in input validation, error handling, and cache control, privilege escalation, and even username enumeration, among other findings which gets remediated. Some of the issues identified in our VAPT report pertaining to, inter alia, (i) insufficient masking of sensitive data, (ii) certain vulnerable and outdated operating system software components, (iii) improper error handling, (iv) insufficient security logging and monitoring (v) lack of rate limiting, (vi) email harvesting, (vii) failure to restrict certain URL access, (viii) improper handling of case sensitivities and (ix) failure to update certain digital certificates (SSL and TLS) resulting in cipher block chaining and weak cipher algorithms. Our Company has different layers of security controls implemented to mitigate these vulnerabilities.

Through its letter dated August 6, 2019, SEBI notified the directions in connection with handling technical glitches on our systems. This letter was subsequently replaced by a SEBI circular dated July 05, 2021 on ‘Standard Operating Procedure for handling of technical glitches by Market Infrastructure Institutions (“MIIs”) and payment of Financial Disincentives’ that laid down the manner and quantum of financial disincentives that could be levied on MIIs on account of failure to resume normal business operations interrupted due to technical glitches (together, the “**Technical Glitches Circulars**”). In terms of the Technical Glitches Circulars, business disruption has been defined as stoppage or variance in the normal functions or operations of systems of the MII, thereby impacting normal/regular service delivery of the MII.

In addition to our primary platform, we have established a disaster recovery site to ensure business continuity when our primary site faces any issues. Following a directive issued by SEBI to ensure that primary data centre and disaster recovery sites are located in different seismic zones, in March 2021, we relocated our disaster recovery data centre operations to a different seismic zone more than 500 kilometres away from our primary data centre. Our disaster recovery site has an identical capacity of our primary site. Both the primary and the disaster recovery site has 80 systems/ hardware devices each, as on December 31, 2024, comprising of amongst other servers, storages, switches, routers and security devices. For further details, see “*Our Business – Risk Management*” on page 145 of this Addendum.

Below is a brief summary of technical glitches that occurred on our systems that resulted in a disruption to our business operations, and/or instances where operations may have shifted to our disaster recovery site, during the three years preceding the date of this Addendum:

S. No.	Date of occurrence and reporting to SEBI	Description
1	July 26, 2023 ⁽¹⁾	<p>We observed an issue in the hardware on which the margin pledge and inter depository gateway applications were hosted. The issue was resolved on July 29, 2023, and we planned a comprehensive review of the system thereafter.</p> <p>Duration of impact: Four hours 30 minutes</p>
2	October 23, 2024 ⁽²⁾	<p>We observed delay while processing of the Beginning of the Day (BOD) activities due to imbalance in workload distribution attributable to the newly added 3rd node. The issue was subsequently resolved on the same day.</p> <p>Duration of impact: Three hours 44 minutes</p>
3	November 28, 2024 ⁽²⁾	<p>We encountered slowness in the processing of instructions on the central DM system, which led to backlog in transaction processing. The issue was subsequently resolved on November 29, 2024.</p> <p>Duration of impact: Three hours 42 minutes</p>
4	December 23, 2024 ⁽³⁾	<p>A few depositories participants reported an issue with the redirection from the eDPM server to the Margin Pledge portal. It was observed that, apart from the redirection issue, all other functions of the depository applications were working fine without any disruptions.</p> <p>The issue was identified and subsequently resolved after necessary network access for Margin Pledge redirection from eDPM was provided.</p> <p>The glitch was resolved on the same day.</p> <p>Duration of impact: One hour 44 minutes</p>
5	January 27, 2025 ⁽²⁾	<p>Some business partners reported slowness in the application, which affected the processing of Margin Pledge and EPI instructions. The slowness in instruction processing impacted the EPI deadline.</p> <p>To address the issue and improve processing speed, the margin pledge servers were restarted, the statistics of the centralized DM database tables involved in the processing were updated. The DM interface tables used for communication with peripheral applications such as Margin Pledge were archived.</p> <p>The glitch was resolved on the same day.</p> <p>Duration of impact: Three hours and 19 minutes</p>
6	January 28, 2025 ⁽²⁾	<p>Slowness was reported in the application, which affected the processing of Margin Pledge and EPI instructions. The slowness impacted the instruction processing.</p> <p>To address the issue and improve processing speed, statistics of the centralized DM database tables in the processing were updated, and the antivirus on WAS and MQ servers were stopped.</p> <p>The glitch was resolved on the same day.</p> <p>Duration of impact: One hour 38 minutes</p>
7	February 4, 2025 ⁽²⁾	<p>Slowness was reported in central DM application booking listener processing, which affected the processing of Margin Pledge and EPI instructions.</p> <p>The slowness issue was due to replication/synchronization processes utilizing the same network link for 3-DC, leading to high bandwidth utilization. Further, intermittent issues were identified in replication link.</p> <p>The glitch was resolved on the same day.</p> <p>Duration of impact: Three hours two minutes</p>
8	February 5, 2025 ⁽²⁾	<p>Slowness was reported in processing Margin Pledge and EPI instructions due to delays in the central DM booking queue message processing. The</p>

S. No.	Date of occurrence and reporting to SEBI	Description
		<p>slowness issue was due to replication/synchronization processes utilizing the same network link for 3-DC, leading to high bandwidth utilization. Further, intermittent issues were identified in replication link.</p> <p>The glitch was resolved on the same day.</p> <p>Duration of impact: Two hours</p>
9	February 10, 2025 ⁽²⁾	<p>We encountered technical issues in eDPM and Gateway servers, which caused login difficulties for business partners. As a result, transaction processing was impacted, affecting the EPI deadline.</p> <p>The backlog was fully cleared around 08:00 PM. However, the EPI deadline was extended to accommodate the delay.</p> <p>The glitch was resolved on the same day.</p> <p>Duration of impact: One hour 19 minutes</p>
10	March 10, 2025 ⁽³⁾	<p>We encountered a technical issue with the upload/download functionality in the e-Services application. All other depository functions were operational.</p> <p>The issue was resolved and the NSE and BSE Normal Pay-in deadline was extended to facilitate brokers and depository participants to execute the remaining pay-in instructions. Subsequently, NSE and BSE normal pay-in was successfully executed.</p> <p>The glitch was resolved on the same day.</p> <p>Duration of impact: Four hours 42 minutes</p>
11	March 11, 2025 ⁽³⁾	<p>We encountered a technical issue causing the e-SERVICES application page to be intermittently unavailable. All other depository functions continued to operate as usual.</p> <p>As a result of this issue, the NSE and BSE Normal Pay-in deadline was extended to facilitate brokers and depository participants to execute the pay-in instructions through e-SERVICES. Subsequently, NSE and BSE normal pay-in was successfully executed.</p> <p>The glitch was resolved on the same day.</p> <p>Duration of impact: Six hours 55 minutes</p>
12	March 13, 2025 ⁽³⁾	<p>We encountered a technical issue where instructions uploaded by DPs remained in a "released" status due to the post-booking listener repeatedly going down.</p> <p>As a result, early pay-in instructions were stuck in the booking queue. EPI deadline time had to be extended to facilitate DPs in executing pending instructions.</p> <p>The issue was initially observed at 07:43 PM and was promptly resolved. It resurfaced 2-3 times afterward and was promptly resolved each time. The final occurrence was noted at 08:53 PM and was resolved by 09:20 PM. In each occurrence, the problematic message was removed from the queue and processing was resumed.</p> <p>Duration of impact: One hour 37 minutes</p>
13	March 19, 2025 ⁽²⁾	<p>We encountered a network-related issue, which resulted in the unavailability of our websites. During this period, business partners were unable to log in and execute their pending instructions.</p> <p>EPI deadline time had to be extended to facilitate DPs to complete their pending tasks, ensuring that all instructions were successfully processed.</p> <p>The glitch was resolved on the same day.</p>

S. No.	Date of occurrence and reporting to SEBI	Description
		Duration of impact: One hour 33 minutes
14	April 15, 2025 ²	We encountered an issue on the Alert Engine server, which led to OTPs not being sent for eDIS instructions. To mitigate the impact and ensure continuity of trading, NSDL advised brokers to temporarily bypass the eDIS mandate process. The glitch was resolved on the same day. Duration of impact: Four hours 56 minutes
15	April 25, 2025 ⁽²⁾	We experienced a technical issue in downloading Electronic Contract Notes (ECN) from STP gateway facility viz., STeADY. Post preliminary analysis of the issue and exploring troubleshooting measures, the web application server was restarted which successfully restored the functionality. This action enabled the pending ECN downloads to proceed as expected. The glitch was resolved on the same day. Duration of impact: Two hours 40 minutes

Notes:

- (1) Operations were shifted to the DR Site.
- (2) Operations were not required to be shifted to the DR site.
- (3) The incident occurred at the DR Site post shifting.

Additionally, SEBI vide its email dated May 2, 2025 advised our Company that while there have been four instances of technical glitches with business disruption lasting longer than 75 minutes/ 180 minutes for the period between July 26, 2023 to December 23, 2024, financial disincentive has not been paid by our Company such said business disruptions lasting longer than 75 minutes/ 180 minutes. SEBI has also sought details regarding technical glitches/business disruptions since December 23, 2024 till date along with applicability of financial disincentive. Our Company is yet to submit its response to the same. There may be financials disincentives payable by the Company in relation to the aforementioned technical glitches resulting in business disruption.

SEBI has, in the past, levied financial disincentives on our Company, in relation to two technical glitches that occurred on our systems in calendar year 2019, amounting to ₹ 1.53 million and ₹ 0.58 million, respectively. The operations were not required to be shifted to the DR site pursuant to such glitches.

In addition to the above, prior to the Technical Glitches Circulars, in the calendar year 2018, SEBI levied financial disincentive on our Company in relation to two incidents amounting to ₹ 7.63 million and ₹ 4.83 million, respectively. In the first of such incident on August 9, 2018, operations could not be shifted to the DR site on account of the glitch. In the second such incident on September 3, 2018, operations were not required to be shifted to the DR site.

The financial disincentives levied on our Company included a disincentive for the delay in addressing the glitch, the delay in submission of the root cause analysis and failure to shift the operations to DR site. Further, the transition from our primary site to our disaster recovery site may not be seamless, for reasons including issues with our disaster recovery site itself, and our operations and business continuity may get impacted. Further, we also face the risk of loss of data during such transition. While in compliance with the business continuity requirements prescribed by SEBI whereby we ensure transition to our disaster recovery site for a few days every quarter and have operationalised a near site with synchronous replication for our critical applications to reduce the risk of loss of data, we cannot assure you that we will be able to seamlessly execute this transition when faced with any such adversity in the future.

If we are unable to efficiently and effectively maintain and upgrade our system safeguards and security features, both at the primary and the disaster recovery site, we may incur unexpected costs and liabilities; and certain of our systems may become more vulnerable to unauthorized access and/or misuse of our systems. These types of incidents, upon occurrence, could result in intellectual property or other confidential information being lost or stolen, including client, employee or investor data. In addition, we may not be able to detect cyber-attacks, or other such incidents relating to our information technology systems or assess the severity or impact of the same in a timely manner, or at all. Our depository platform

and internet network (including those of our third-party service providers) may also be exposed to unplanned outages, unauthorized access, cyber-attacks, third-party attacks, misuse of our system or security breaches. This may result in loss/legal liabilities or misappropriation/misuse of client data and system disruptions or failures.

Unauthorized parties may attempt to gain access to our systems or facilities through various means, including, among others, hacking our systems or facilities, or attempting to fraudulently induce our stakeholders into disclosing sensitive information, which may in turn be used to access our information technology systems. Cyber-attackers may gain access to our or our clients' data or other confidential, proprietary, or sensitive information, including data of Demat Account holders. They could wrongfully use such information, or cause interruptions or malfunctions in our operations. Such breaches or any actual, threatened or perceived attacks in the future could compromise our confidential data. This could lead to lawsuits against us and could result in government agencies commencing investigations of our operations.

We have implemented various measures to manage risks related to system and network security and disruptions. However, a security breach or a significant and extended disruption in the functioning of our information technology systems could damage our reputation and cause us to lose business, adversely impact our operations and financial condition. Moreover, this would require us to incur significant expense to address and remediate or otherwise resolve such issues. We have a security operations center with round the clock operations to monitor, detect, analyze, contain, eradicate and respond to any adverse cyber security events. Our center is based on an analytical platform and comprises a correlation of network, security and server infrastructure that is aligned to prevalent industry standards. However, techniques used to obtain unauthorized, improper, or illegal access to our systems, or to disable or degrade or destabilize our service or sabotage systems, are constantly evolving and may be difficult to detect quickly. As a result, we may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative or remedial measures.

As most of our operations are carried out entirely through our digital platforms, in order to maintain the high levels of security, service and reliability that our clients require, we may be required to continue to make significant investments and expenditure towards providing our services in a secure manner. Set forth below are details of our expenditures towards repairs and maintenance – system, system support charges and capital expenditure in relation to information technology for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022.

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	<i>(in ₹ million, unless otherwise stated)</i>				
Revenue Expense					
Repairs and maintenance system	486.98	446.71	552.22	447.00	369.46
System support charges	53.79	41.69	59.74	48.26	79.92
Total revenue expense	540.77	488.40	611.96	495.26	449.38
Total revenue expense as a percentage of total expenditure (%)	6.76%	6.49%	6.06%	6.27%	8.30%
Capital Expenditure					
Capital expenditure in relation to information technology*	262.95	90.13	289.32	191.74	176.78
Total capital expenditure as a percentage of total expenditure (%)	3.29%	1.20%	2.87%	2.43%	3.26%

*Excluding capital work in progress and intangible assets under development.

Further, set forth below are the details of our expenditure towards repairs and maintenance – system and capital expenditure in relation to information technology for our depository business for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022.

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	<i>(in ₹ million, unless otherwise stated)</i>				
Revenue Expense					
Repairs and maintenance – system	492.32	452.61	560.32	457.02	373.45
Repairs and maintenance expense as a percentage of total expenditure (Depository Business) (%)	22.47%	24.31%	23.00%	21.37%	19.50%
Capital Expenditure					
Capital expenditure in relation to information technology*	159.48	21.06	111.90	81.82	112.95
Total capital expenditure as a percentage of total expenditure (Depository Business) (%)	7.28%	1.13%	4.59%	3.83%	5.90%

*Excluding capital work in progress and intangible assets under development.

Further, we may be required to incur additional expenditure for system upgradation or modification pursuant to changes in regulatory requirements, and such changes may not be operationalized with our Depository Participants in a timely manner, or at all. A substantial increase in any such expenses may adversely affect our revenue from operations, profit margins and cash flows. For more information, see “Basis for Offer Price- Qualitative Factors- We have a robust IT infrastructure, risk management frameworks and cyber-security measures focused on ensuring the safety and integrity of the depository system” and “Our Business – Technology” on page 99 of the Draft Red Herring Prospectus and page 144 of this Addendum, respectively.

5. We operate under a stringent regulatory regime and our inability to comply with our legal and regulatory obligations may expose us to regulatory proceedings and legal actions by the Securities and Exchange Board of India.

Our Company is governed by the Depositories Act and the SEBI (Depositories and Participants) Regulations, 2018, (“SEBI D&P Regulations”), and our business is regulated by various regulations issued by SEBI, including regulations in relation to our governance, our capital structure and other areas of our operations and functioning. The Depositories Act prescribes rights and obligations of depositories and gives power to SEBI to call for information and enquiry as may be necessary in the interest of public or the investors. Under the SEBI D&P Regulations, our Company is required to a) ensure compliance with limits for shareholding ownership and control of our Company by Indian residents; b) adhere to the disclosure requirements and corporate governance norms applicable to listed companies; c) implement mechanisms for monitoring the shareholding limits; d) constitute mandatory committees such as the member committee, standing committee on technology, regulatory oversight committee and risk management committee. Additionally, pursuant to the SEBI D&P Regulations, appointment and re-appointment of our managing director, Public Interest Directors and Non-Independent Directors is subject to SEBI’s approval and SEBI also has the power to terminate our managing director’s appointment. For instance, we have, in the past, received complaints against our former managing director and chief executive officer alleging certain corporate governance violations in our Company. SEBI directed our Company to share the complaints with the Nomination and Remuneration Committee to ensure proper and comprehensive evaluation of candidates while shortlisting and recommending them for appointment as the managing director and chief executive officer of our Company. Additionally, certain of our Non-Independent Directors (*erstwhile shareholder directors*) have, in the past, become ineligible to form part of our Board due to the requirements of the SEBI D&P Regulations. In certain cases, while appropriate clarifications and exemptions had been applied for by our Company, change in laws and non-receipt of approval/ further correspondence from SEBI led to the cessation of tenure of such Non-Independent Directors.

Further, in accordance with Regulation 25 read with Part C of Schedule II of the SEBI D&P Regulations, shareholders’ approval is not necessary for the appointment of Public Interest Directors. Accordingly, Shareholders will not approve the appointment of Public Interest Directors on our Board. For details of our Public Interest Directors, refer to “Our Management – Board of Directors” on page 150 of this Addendum.

Any failure to comply with the applicable laws, regulations or requirements could subject us to inspection, audit and enforcement actions by SEBI, and may lead to suspension and revocation of the relevant license

or approval. Civil and criminal penalties including payment of penalty to the aggrieved party and payment of fines, may accrue pursuant to this non-compliance.

SEBI has in the past and may in the future issue show cause notices, orders or otherwise impose restrictions or conditions on the operation of our business. Further, for details of enforcement actions against our Company, refer to “*Outstanding Litigation and other material developments – Litigation involving our Company - Actions by statutory or regulatory authorities against our Company*” and “*– Our Company has been subject to enforcement actions, in the past, by way of issuance of show cause notices by SEBI in relation to violations/ non-compliances of relevant SEBI laws by our Company. There can be no assurance that such actions will not be taken against our Company in the future.*” on pages 266 and 35 of this Addendum. We could be subject to administrative or judicial proceedings that may result in penalties, that could result in substantial costs and diversions of resources. This may negatively affect our reputation and have a material adverse effect on our business and cash flows, financial condition and results of operations.

Further, our Subsidiaries, NPBL and NDML, are governed by the regulatory requirements and directions issued by the various authorities including RBI, SEBI, UIDAI and IRDAI, as applicable. For further details, see “*–Payments banks in India, including our Subsidiary, NPBL, are subject to regulatory requirements and prudential norms. Its inability to comply with applicable laws, regulations and norms may have an adverse effect on our reputation, businesses, financial condition and results of operations*” and “*– On account of its operations, our Subsidiary, NDML, is subject to regulatory requirements prescribed by various authorities including IRDAI, SEBI, UIDAI and RBI. Its inability to comply with applicable laws, regulations and norms may have an adverse effect on our reputation, businesses, financial condition and results of operations*” on pages 43 and 13, respectively of this Addendum.

6. We closely compete with our competitors across our businesses in a highly regulated environment. Any failure to compete successfully could have an adverse effect on our business, financial condition, cash flows and results of operations.

Our Company is one of the two securities depositories in India and operates in a highly regulated business environment. We are exposed to competition to attract depository participants with attractive terms and increase our customer base. As part of our depository business, we compete with CDSL on parameters such as the number of demat accounts, the number of depository participants registered with us, the number of active instruments, custody value and the suite of innovative products introduced to the market. A comparison of our Company and CDSL based on some of our KPIs is as set forth below:

Sr. No.	KPIs	Our Company		Central Depository Services (India) Limited	
		Nine months ended December 31,		Nine months ended December 31,	
		2024	2023	2024	2023
1	Issuers (Nos)	64,535	43,957	31,557	NA*
	Listed	6,158	5,885	NA*	NA*
	Unlisted	58,377	38,072	NA*	NA*
2	Depository Participants (Nos)	289	284	576	583
3	Demat Accounts (excluding closed accounts) (in million)	38.77	34.58	146.54	104.72
	Individuals & HUF	38.59	34.42	146.44	104.64
	Non-Individuals	0.18	0.16	0.10	0.08
4	Depository Participants’ service centres (Nos)	63,542	61,298	17,883	17,400

Note

* Certain information relating to CDSL relating to the nine months ended December 31, 2024 and 2023 are not publicly available.

Sr. No.	KPIs	Our Company			Central Depository Services (India) Limited		
		Financial Year			Financial Year		
		2024	2023	2022	2024	2023	2022
1	Issuers (Nos)	46,015	40,987	37,478	23,060	20,323	18,268
	Listed	5,942	5,804	5,803	-*	-*	-*
	Unlisted	40,073	35,183	31,675	-*	-*	-*
2	Depository Participants (Nos)	281	283	277	580	588	584
3	Demat Accounts (excluding closed accounts) (in million)	35.77	31.46	26.68	115.61	83.00	63.00

Sr. No.	KPIs	Our Company			Central Depository Services (India) Limited		
		Financial Year			Financial Year		
		2024	2023	2022	2024	2023	2022
	Individuals & HUF	35.61	31.31	26.54	115.52	82.92	62.92
	Non-Individuals	0.16	0.15	0.14	0.09	0.08	0.08
4	Depository Participants' service centres (Nos)	61,665	59,401	57,026	17,487	18,676	21,728

Note

* Certain information relating to CDSL relating to the Financial Years 2024, 2023 and 2022 are not publicly available.

For further details of comparison of our Company and CDSL based on some of the KPIs, see “Basis for Offer Price– Comparison of our Company and listed peer based on some of the KPIs” on page 103 of the Draft Red Herring Prospectus.

We cannot be certain that our competitor will not be able to implement more aggressive and attractive terms for acquisition of intermediaries, increase its technological efficiency, or improve its cost control and risk mitigation mechanisms. A decline in the total securities held in dematerialized form may also lead to a reduction in our revenue.

Increased competition in a highly regulated environment may adversely affect our business, financial condition and results of operations, as we could lose a substantial percentage of our market share if we are unable to effectively compete with our competitors. Further, our Subsidiaries, NPBL and NDML, are engaged in businesses with competitors who may be able to offer lower prices for similar products and services by cross-subsidizing their services through other services they offer. Through NPBL and NDML, we offer a range of IT-enabled solutions through multiple verticals such as e-governance, payments solutions, collaborative industry solutions, regulatory platforms, KYC solutions, insurance repository services, digital banking services, amongst others. For more information on the business of NPBL and NDML, see “Our Business – Products and Services offered by NPBL” and “Our Business – Products and Services offered by NDML” at pages 139 and 141 respectively, of this Addendum. NPBL faces competition across all its product and service segments from other payment banks, fintech companies, micro finance institutions, small finance banks, as well as from scheduled commercial banks, public sector banks, private sector banks, non-banking financial companies and foreign banks with branches in the country. As of December 31, 2024 NPBL has a customer base of more than 2 million accounts. Moreover, NPBL’s AePS ranked second in India as an acquiring bank in terms of AePS transaction value for December 31, 2024 (Source: *CRISIL Report*). The volume of micro-ATM services processed through NPBL aggregated to ₹99,796.44 million as of December 31, 2024. As of December 31, 2024, NPBL was second in India in terms of deployment of micro-ATM devices in banking industry having deployed more than 308,600 devices across India (Source: *CRISIL Report*). NDML competes with other KRAs and RTAs registered with SEBI for its KRA and RTA businesses and faces close competition from other insurance repositories registered with IRDAI for its insurance repository business. NDML also competes with other payment aggregators registered with RBI. For more information on the competitive environment in which we operate, see “Our Business – Competition” on page 148 of this Addendum.

Set out below is a breakdown of our revenue and profit attributable to our Subsidiaries, for the periods and Financial Years presented:

Particulars	For the nine months period ended				Financial Year					
	December 31, 2024		December 31, 2023		2024		2023		2022	
	Revenue from Operations (₹ in million)	(% of total revenue from Operations)	Revenue from Operations (₹ in million)	(% of total revenue from Operations)	Revenue from Operations (₹ in million)	(% of total revenue from Operations)	Revenue from Operations (₹ in million)	(% of total revenue from Operations)	Revenue from Operations (₹ in million)	(% of total revenue from Operations)
NPBL	5,413.62	51.24%	5,323.03	56.98%	7,192.40	56.71%	5,407.78	52.92%	2,992.45	39.31%
NDML	631.22	5.97%	549.33	5.88%	759.70	5.99%	720.64	7.05%	926.03	12.17%

Particulars	For the nine months period ended				Financial Year					
	December 31, 2024		December 31, 2023		2024		2023		2022	
	Operating Results (₹ in million)	(% of total operation result)	Operating Results (₹ in million)	(% of total operation result)	Operating Results (₹ in million)	(% of total operation result)	Operating Results (₹ in million)	(% of total operation result)	Operating Results (₹ in million)	(% of total operation result)
NPBL	21.51	0.83%	19.12	1.04%	22.50	0.86%	84.07	3.59%	(76.73)	(3.46%)
NDML	230.88	8.91%	197.87	10.80%	281.55	10.79%	289.69	12.37%	494.18	22.28%

Any failure to compete successfully could adversely affect our business, cash flows, financial condition and results of operations.

7. *We depend on our network of depository participants and the service centers owned, operated and maintained by such depository participants for a large portion of our business. Any inability to effectively manage and increase this network could adversely impact our growth, cash flows, results of operation, and financial condition.*

Our Company's network of depository participants and service centers, owned, operated and maintained by such depository participants, is significantly instrumental to the development of our business and continued growth. These service centers are the physical locations of depository participants where depository-related services are offered or made available by depository participants to their clients. The services offered at these service centres include the opening of demat accounts, dematerialization, rematerialization, accepting debt or credit instruction forms and other depository services. There are no formal arrangements or agreements between us and the depository participants in relation to these service centers, but intimations relating to the additions, deletions or modifications of service centres are sent to us by the depository participants and are updated on our website. Our depository services are made available by the depository participants to their clients as a value-added service at such service centers. As part of our depository business, we interact with Demat Account holders or holders of securities through our network of depository participants for extending products and services offered by us to the holders of securities. As a result, we depend on depository participants to be able to provide our services to investors and holders of securities and rely on the continuing growth of these relationships to increase the number of customers availing depository services from these depository participants. Depository participants are often themselves brokers or associate entities of brokers and work closely with such brokers. Details of our depository participants, services centers maintained by them and list of active demat accounts held as of December 31, 2024 and 2023, and as of March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

Particulars	As of December 31,		As of March 31,		
	2024	2023	2024	2023	2022
Active demat accounts (in million)	38.77	34.58	35.77	31.46	26.68
Depository participants	289	284	281	283	277
Depository Participants' service centres	63,542	61,298	61,665	59,401	57,026

We derive our revenue primarily from the fees earned from depository participants and issuers of securities, and transaction fees. If we are not able to attract new depository participants and retain existing depository participants or increase transaction volumes on our platforms, our business operations may struggle, which in turn may impede our ability to grow our revenues. Revenue contribution from our top five and top ten depository participants along with the corresponding percentage of total revenue from our depository business for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, is set out below:

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
Revenue contribution from top five depository participants (₹ in million)	598.93	457.00	642.74	558.48	517.85
Percentage of revenue from top five depository participants to total	13.25%	13.17%	13.59%	13.65%	14.02%

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
revenue from the depository business (%)					
Revenue contribution from top ten depository participants (₹ in million)	739.17	570.81	808.89	718.05	651.30
Percentage of revenue from top ten depository participants to total revenue from the depository business (%)	16.35%	16.45%	17.10%	17.55%	17.64%

We continue to increase the penetration of the network of our depository participants to further increase the reach of our products and services amongst investors and holders of securities in India and accordingly increase our market share. The attractiveness of our services to depository participants and their willingness to partner with us depends upon, among other things, the variety and quality of service and product offerings, the strength of our brand and reputation, the amount of fees that we charge, our ability to sustain our value proposition to depository participants, the attractiveness to depository participants of our technology and data-driven platform; our competitors' offerings, and our depository participant satisfaction.

Any failure of our depository participants to provide depository services satisfactorily and efficiently to investors may result in a decrease in our revenues. Further, any inability of our depository participants to effectively operate their service centers or onboard new demat account holders may lead to a reduction in our investor base. Our depository participants are not exclusive to us and may promote a competitor to new investors opening new accounts. This may lead to a reduction in our market share and could lower our profitability. Moreover, depository participants may enter into exclusive arrangements for provision of depository services through our competitors, which may limit our ability to expand our network of depository participants and limit the functionality of the services offered by us.

8. *On account of its operations, our Subsidiary, NDML, is subject to regulatory requirements prescribed by various authorities including IRDAI, SEBI, UIDAI and RBI. Its inability to comply with applicable laws, regulations and norms may have an adverse effect on our reputation, businesses, financial condition and results of operations.*

Our Subsidiary, NDML holds a certificate of registration issued by IRDAI to operate as an insurance repository, from SEBI to carry on activities as a registrar and transfer agent, KYC registration agency and accreditation agency, and authorisation from the RBI to operate as a payment aggregator and KYC User Agency from UIDAI. NDML is a technology solutions and product services company focused on developing e-Governance solutions, payment solutions, regulatory support systems, market infrastructure services, industry solutions and digital customer onboarding products. NDML also offers end-to-end business automation, process transformation and other managed services such as SEZ Online for the Government of India and National Skills Registry on behalf of nasscom, the industry association. As of December 31, 2024, NDML has acted as a registrar and transfer agent for five listed issuers. For more information on the business of NDML, see "Our Business – Products and Services offered by NDML" at page 141 of this Addendum.

The table below sets out certain financial parameters of NDML as at and for the nine months period ended December 31, 2024 and December 31, 2023, and the Financial Years 2024, 2023 and 2022:

Particulars	As at and for the nine months period ended December 31,		As at and for the year ended March 31,		
	2024	2023	2024	2023	2022
	<i>(in ₹ million)</i>				
Income from operations	635.92	553.41	765.18	728.63	927.49
Other Income	145.73	130.58	178.27	148.29	128.53
Total Income	781.65	683.99	943.45	876.92	1,056.02
Employee Cost	152.28	136.67	183.33	168.24	160.57
Finance Cost	4.61	5.74	7.40	8.75	3.79
Other Cost	198.63	173.67	237.83	224.14	244.25
Depreciation	49.52	43.71	59.58	52.14	42.34

Particulars	As at and for the nine months period ended December 31,		As at and for the year ended March 31,		
	2024	2023	2024	2023	2022
	<i>(in ₹ million)</i>				
Total Cost	405.04	359.79	488.14	453.27	450.95
PBT	376.61	324.20	455.31	423.65	605.07
Taxes	82.91	70.34	100.62	93.77	134.08
PAT	293.70	253.86	354.69	329.88	470.99

NDML is subject to various stipulations and restrictions in relation to its functioning, service offerings, commercials and governance which are prescribed under the applicable laws and regulations prescribed by IRDAI, SEBI and RBI. Under the Revised Guidelines on Insurance Repositories and Electronic Issuance of Insurance Policies, 2015 issued by IRDAI, NDML has obtained a certificate of registration from IRDAI in order to act as an insurance repository and is also subject to review of its operations by IRDAI as an insurance repository. Further, NDML is registered with SEBI as a KYC Registration Agency (“**KRA**”) under the Securities and Exchange Board of India (KYC (Know Your Client) Registration Agency) Regulations, 2011 (“**SEBI KRA Regulations**”) and as a category – I registrar and share transfer agent pursuant to the SEBI RTA Regulations and is required to comply with the requirements of both, the SEBI RTA Regulations and SEBI KRA Regulations. As a SEBI-registered RTA and SEBI-registered KRA, NDML is also subject to inspection audits by SEBI to, among others, ascertain compliance with provisions and rules of the SEBI RTA Regulations and SEBI KRA Regulations, respectively, and ensure maintenance of books of accounts and other books by NDML in the manner specified in the SEBI RTA Regulations and SEBI KRA Regulations, respectively. NDML is also subject to the Guidelines on Regulation of Payment Aggregators and Payment Gateways, 2020. For details see, “*Key Regulations and Policies*” on page 176 of the Draft Red Herring Prospectus.

NDML may be subject to regulatory action if it were to become non-compliant with the provisions set forth under the respective laws, which may lead to, among other things, incurrance of additional costs for addressing such violations. For instance, NDML has in the past, received a notice from SEBI expressing its displeasure for delay in implementation of the SEBI circular dated April 6, 2022, regarding the implementation of provisions of amendment to SEBI KRA Regulations. While NDML has accordingly complied with the SEBI guidelines as per the extended timeline provided by SEBI and reported the compliance to SEBI, we cannot assure you that such delays and non-compliances will not happen in the future and that we will not be subject to any action by statutory authorities which may adversely affect our operations and financial position. Similarly, SEBI had conducted an inspection of NDML KRA business for the period November 2023 to December 2024 after sending NDML a pre-inspection questionnaire (“**PIQ**”) vide its email dated January 30, 2025. Subsequently, NDML responded to the PIQ, vide its emails dated February 5, 2025, February 13, 2025, February 21, 2025 and March 25, 2025 (“**NDML Responses**”). Pursuant to its review of the NDML Responses, NDML received a deficiency letter dated April 9, 2025 from SEBI, wherein it has highlighted that NDML’s delay in processing of KYCs and advised NDML to submit the action-taken report to SEBI, post rectifying such deficiencies. While NDML has taken or is in the process of taking appropriate corrective steps to rectify all the discrepancies, we cannot assure you that such delays or non-compliances will not happen in future and that we will not be subject to any action by statutory authorities which may adversely affect our operations and financial position.

Further, NDML also holds an authorization to operate as a payment aggregator and is subject to adherence to the Guidelines on Regulation of Payment Aggregators and Payment Gateways, in relation to, inter alia, merchant on-boarding, compliance with the KYC guidelines prescribed by the RBI, nodal and escrow account maintenance, handling of funds and pay-outs, customer grievance redressal and merchant dispute management, data security, baseline technology standards and risk management, etc. NDML is subject to periodic on-site inspections by RBI in relation to such operations. RBI had recently issued a report dated September 23, 2024 with its observations in relation to the on-site inspection of NDML’s payment aggregator business conducted for Fiscal 2024 in July 2024, including certain key compliances to be met in a stipulated timeline. Further, NDML also received a letter dated April 3, 2025, from RBI wherein it has highlighted that NDML has failed to submit a satisfactory response to certain observations pointed out by RBI pertaining to payment aggregator-operations. NDML has responded or is in the process of responding to all such observations, including in relation to the improper storage of documents, onboarding of merchants and issues with KYC documents, in January and March 2025. While NDML has resolved certain of the observations issued by the RBI and, pursuant to subsequent correspondence with RBI, has sought an extension from RBI to resolve the remaining observations, we cannot assure you that such observations will not be issued in the future and that NDML will not be subject to any action by the RBI which may adversely affect our operations and financial position.

NDML has also received the KYC User Agency License issued by UIDAI under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 for acting as (i) Authentication User Agency; and (ii) KYC User Agency, pursuant to application made by NDML to UIDAI to facilitate e-KYC for SEBI registered market intermediaries. NDML is responsible to UIDAI for various Aadhaar authentication related aspects. UIDAI may levy penalties / restrictions on NDML in case of any non-compliances / violation of the provisions of the agreement. NDML is also subject to periodic audits by UIDAI. The latest audit by UIDAI was conducted for Fiscal 2024 and a report was issued thereon. Further, NDML responded to all the observations, including in relation to Aadhaar authentication issues, lack of confidentiality agreements for handling Aadhaar data by the vendors and unverifiable password allocation process, in January 2025. While NDML has resolved the observations issued by the UIDAI, we cannot assure you that such observations will not be issued in the future and that NDML will not be subject to any action by the UIDAI which may adversely affect our operations and financial position.

As NDML operates its insurance business as a strategic business unit, it is subject to periodic on-site inspections by IRDAI in relation to its compliance with insurance repository guidelines and matters relating to its insurance repository operations. While IRDAI has not undertaken any inspection of NDML in last three Fiscals, we cannot assure you that the IRDAI will not make any observation in the future, or if such actions will be addressed to the satisfaction of IRDAI. Further, in accordance with the revised guidelines on 'Insurance Repositories and electronic issuance of insurance policies', an external system audit firm had submitted with IRDAI the systems audit report for NDML for the Fiscal 2024 confirming compliances with the applicable laws. In addition, on February 23, 2024 and May 13, 2025, IRDAI advised NDML to operate its insurance repository business *via* a separate company. NDML is in the process of deciding its next course of action which may entail incurring additional expenses and/or impact its financial position. For further details, see “-We may, on our own accord pursuant to commercial requirements or pursuant to directions from regulators, divest our stake in our Subsidiaries, or may demerge certain of our businesses into a new entity.” on page 51 of this Addendum.

In addition to regulatory businesses, NDML also provides services under contractual agreements with clients such as SEZ Online for the Government of India and National Skills Registry on behalf of nasscom, the industry association, for end-to-end business automation, process transformation and other managed services. These contracts are subject to expiry, termination, revision of terms of service, scope and commercials and non-renewal of contracts which could adversely affect our operations and financial position.

9. SEBI has issued certain observations pursuant to inspections and has also issued administrative warning letters and deficiency letters in relation to certain non-compliances by our Company. There can be no assurance that further observations, administrative warning or deficiency letters would not be issued in the future.

Our Company is subject to regulation and supervision by the SEBI. SEBI, as a part of its supervisory processes, conducts periodic inspections, pursuant to which observations and warning, deficiency and advisory letters are issued, on issues related to, amongst other things, our operations, internal controls and regulatory compliance. Section 11(2)(i) of the SEBI Act and Section 18 of the Depositories Act read with Regulation 84 of the SEBI D&P Regulations empowers SEBI to undertake inspections of our Company. Pursuant to the most recent inspections carried out by SEBI for the period August 1, 2023 to July 31, 2024, SEBI has issued reports with observations pertaining to (i) information technology related aspects, (ii) non-information technology aspects, (iii) thematic inspection of the surveillance functions of the Company, and (iv) thematic inspection of centralised corporate bonds and debentures.

SEBI has observed certain non-compliances pertaining to, *inter alia*, cybersecurity, data encryption, VAPT, DR Site readiness non-compliances in violation of the SEBI master circular no. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2023/166 dated October 6, 2023 on beneficial owner accounts, depository participants, issuers, and depositories (“**SEBI October Master Circular**”).

We could be in non-compliance with regulatory requirements prescribed by the SEBI or may be delayed in implementing or complying with such laws and regulations, which could affect our future growth and business operations. For instance, it was noted in the most recent inspection undertaken by SEBI that (i) by not taking corrective actions for the cyber alerts and ensuring their closures within the prescribed timelines, the Company was in violation with the SEBI October Master Circular; (ii) by not formulating a policy in place for the identification and reporting of technical glitches, the Company had been defining technical glitches; (iii) there was no standard operating procedure approved for the process of approval of agenda papers of the governing board; (iv) the Company had not included the timelines for the RTAs to respond to compliance letters in their inspection manual; (v) the Company has not been diligent in levying monetary penalties on depository participants and the RTAs; (vi) the Company failed to implement automated alerts and monitoring systems for critical surveillance functions, leading to potential gaps in oversight and delays;

and (vi) the Company had not complied with the synchronization of non-convertible redeemable preference shares and securitized debt instruments.

Additionally, it was observed by SEBI that our Company did not conduct focused inspections of intermediaries by categorising depository participants and the RTAs based on their risk rating.

While our Company has taken actions and responded to such observations, findings, directions and regulatory non-compliances and in certain instances is in the process of taking action or responding, we cannot assure you that SEBI will not make similar or other observations in the future, or such actions have been or will be addressed to the satisfaction of SEBI. Further, SEBI has also issued administrative warning and deficiency letters to our Company, in relation to delay in upgrading certain applications/ software and certain non-compliances or delays in complying with applicable laws.

Set forth below is a brief summary of administrative warning and deficiency letters issued by SEBI to our Company since the incorporation of our Company (i.e., April 27, 2012):

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
1.	September 7, 2021	<p>SEBI in its letter noted the following:</p> <ul style="list-style-type: none"> (i) Our Company did not inform SEBI of any pending no objection certificate required by the Managing Director and Chief Executive Officer prior to joining our Company; (ii) Our Company did not inform SEBI in a timely manner about the possible delay in joining of the Managing Director and Chief Executive Officer; and (iii) Our Company did not inform SEBI of its decision to appoint an executive director of our Company as interim in-charge until the new managing director and chief executive officer had taken over. Further, our Company did not take approval of SEBI for such appointment. 	<p>Our Company responded by its letter dated October 28, 2021, informing SEBI of the actions taken in this respect, as set forth below:</p> <ul style="list-style-type: none"> (i) The Managing Director and Chief Executive Officer could apply for the no objection certificate only after receiving a formal letter of employment from our Company; (ii) Our Company informed SEBI regarding the delay in her joining on the same day that it was intimated by the Managing Director and Chief Executive Officer; and (iii) Our Company apologised for not informing SEBI at an earlier date and requested SEBI to condone the lapse and grant approval for appointing Samar Banwat as interim in-charge of our Company.
2.	November 24, 2022	<p>SEBI observed / alleged the following deficiencies pursuant to its inspection of our Company for Fiscal 2022:</p> <ul style="list-style-type: none"> (i) There was a delay in the submission of the application of a co-operative bank with SEBI for participant registration; (ii) Failure to provide details of account numbers verified during inspection of depository participants in respect of compliance with SEBI circular dated December 14, 2010 on Acceptance Of Third Party Address as Correspondence Address; (iii) One of the observations highlighted in the system audit report for Fiscal 2021 still appearing as “work in progress”; (iv) Observations identified during Vulnerability Assessment and Penetration Testing (VAPT) assessment not closed within the 	<p>Our Company responded by its letter dated December 14, 2022, as set forth below:</p> <ul style="list-style-type: none"> (i) Our Company made an attempt to submit the application on time, however encountered technical issues on the SEBI portal that caused the delay until November 5, 2019. Further, the delay was an isolated case and our Company continues to ensure adherence to SEBI timelines. (ii) Our Company has mentioned the details of samples verified during the inspection of the required areas in the inspection report. Accordingly, while verifying the account opening samples, the samples related to “Acceptance of Third-Party Address as Correspondence Address” are also being verified and recorded in account opening samples verified during inspection of DPs for compliance with SEBI circular no.

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
		<p>defined Turn Around Time (TAT) for e-voting application;</p> <p>(v) Delay in intimation to SEBI on the results and observations related to DR drills in terms of SEBI circular no. SEBI/HO/MRD/DMS1/CIP/P/2019/43 dated March 26, 2019; and</p> <p>(vi) System audit for Fiscal 2021 was completed two months after the end of the previous audit period.</p>	<p>CIR/MRD/DP/37/2010 dated December 14, 2010. Further, our Company has also added a provision to record the samples related to "Acceptance of Third-Party Address as Correspondence Address" in the inspection checklist, as advised by SEBI.</p> <p>(iii) In relation to the JRE6 (WAS) upgrade, our Company submitted that it has sought exception approval from SCOT and the Board to address this observation within a specified timeline.</p> <p>(iv) Our Company has defined timelines for closure of VAPT findings as per the guidelines provided by SEBI and shall endeavour to close all future findings within the prescribed timelines.</p> <p>(v) The delay in intimation to SEBI regarding the shift to DRS on September 18, 2021, was due to the need to gather resources, and the actual elapsed time for the shift was 43 minutes as reported to SEBI, despite the process starting 6 minutes after receiving the email. Our Company has since achieved the RTO timelines of 45 minutes in all subsequent DR Drills, and this information was communicated to SEBI via email on April 19, 2022.</p> <p>(vi) Our Company noted the observations regarding the system audit for the Financial Year 2021 and submitted that the system audit for Financial Year 2022 was completed within the prescribed timelines.</p>
3.	April 3, 2023	<p>SEBI observed the following cases of warning and deficiency pursuant to its inspection of our Company for Financial Year 2023:</p> <p>A. <i>Cases of Warning</i></p> <p>(i) Improper classification of key management personnel at the time of their promotion;</p> <p>(ii) Violation of SEBI circular dated January 10, 2019 regarding matters for imposition of penalty on depository participants;</p> <p>(iii) Sensitizing letters issued to registrar and transfer agents / depository participants not as per the approved policy for dealing with disciplinary matters of our Company;</p>	<p>Our Company responded by its letter dated May 3, 2023, as set forth below:</p> <p>A. <i>Cases of Warning</i></p> <p>(a) Our Company has noted the observation and undertakes that effective April 1, 2023, all key management personnel level promotions will be from the prospective date.</p> <p>(b) Our Company submitted that pursuant to the dissolution of the management committee, as also informed to SEBI, non-compliances attracting penal actions and sensitizing letters are being put up to the Managing Director and Chief Executive Officer for approval. Further, the policy for dealing with disciplinary matters is being revised and the same shall be placed before the member committee and governing</p>

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
		<p>(iv) Non-compliance with SEBI circular dated June 20, 2022;</p> <p>(v) Not capturing shareholding categories properly as prescribed under the SEBI circular dated June 30, 2022;</p> <p>(vi) Not conducting required number of cyber-attack simulation as required under SEBI circular dated December 7, 2018; and</p> <p>(vii) Submitting false and misleading data to SEBI and not redressing investor complaints within 30 days of their receipt.</p> <p><i>B. Cases of deficiency</i></p> <p>(i) Disclosures of shareholding pattern of the Company on its website not being done in a timely manner;</p> <p>(ii) Not obtaining net worth certificates from certain depository participants;</p> <p>(iii) Deficiency in matters of supervision / registration of registrar and transfer agents / depository participants and non-compliances with certain SEBI circulars;</p> <p>(iv) Absence of bye laws which provide that depository participants shall execute non-pay in related instructions on the same day or the next day of the instruction; and</p> <p>(v) Deficiency in certain operational matters.</p> <p>Certain advisories were also issued to our Company pursuant to the letter.</p>	<p>board for approval. Our Company informed SEBI that such action will be completed by June 30, 2023.</p> <p>(c) Our Company informed SEBI that the revision of the disciplinary policy, including changes regarding sensitizing letters, and modification of the inspection manual to reflect the amendments, will be completed by June 30, 2023.</p> <p>(d) Our Company confirmed that it is in compliance with the SEBI circular dated June 20, 2022 with respect to categorizing demat accounts of a stock broker into pool accounts or client unpaid securities account.</p> <p>(e) Our Company requested SEBI to consider the resolution of categorizing shareholding types, including introducing a separate sub-type for asset reconstruction companies and addressing the classification of sovereign wealth funds, pending clarification and discussion with SEBI's CFD department.</p> <p>(f) Our Company has commenced conducting quarterly cyber-attack simulations, with the most recent simulation conducted on January 24, 2023 and January 25, 2023.</p> <p>(g) During the inspection period (October 2021 to September 2022), our Company received 7761 direct investor complaints and 2365 complaints through SEBI SCORES, all of which were timely addressed and resolved. Further, clarifications were provided for the highlighted complaints. Further, our Company submitted that it assures accurate reporting and commits to responding to diverse complaints within 30 days and reporting them in MDR, hence the matter should be considered resolved.</p> <p><i>B. Cases of Deficiency</i></p> <p>(i) Our Company clarified that while it is not a listed entity, it complies with SEBI Listing Regulations by publishing its updated shareholding pattern on its website within 21 days from the end of each quarter. Since our Company is not required to file the shareholding pattern with stock exchanges, the website publication is done within two working days from the due date.</p>

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
			<p>(ii) Our Company submitted that since Regulation 35 of SEBI D&P Regulations does not require minimum net worth for banks, PFIs, foreign banks, and SFCs, our Company did not mandate net worth certificates from these entities.</p> <p>(iii) Our Company submitted that it is the process of implementing various measures in respect of supervision / registration of registrar and transfer agents / depository participants and ensured adherence to all applicable laws and circulars.</p> <p>(iv) Our Company is amending its bye-laws and business rules to require participants to execute non-paying related instructions on the same or next day, with the proposed amendments to be approved by the regulatory oversight committee and governing board and submitted to SEBI by June 30, 2023 for final approval.</p> <p>(v) Our Company submitted that it has either implemented or is in the process of implementing various measures to ensure compliance in respect of operational matters.</p>
4.	May 2, 2023	<p>With respect to implementation of Java Runtime Environment 6 WebSphere Application Server (“JRE6 (WAS)”) upgradation, SEBI observed that the JRE6 (WAS) version upgrade was not completed by September 2022. Further, SEBI-MRD-SEC 2 (“SEC2”) by its letter dated November 14, 2022 advised our Company to upgrade the Java Runtime Environment version by January 31, 2023 pursuant to an observation made in Company’s annual system audit report dated October 27, 2021. Our Company by its letter dated December 12, 2022 stated that it has targeted to complete the upgradation by March 31, 2023. SEC2 by its email dated December 20, 2022 granted our Company extension till March 31, 2023 for implementation of JRE6 (WAS) upgrade and advised that action taken report be submitted by first week of April 2023. However, our Company failed to submit action taken report in this regard. Thereafter, SEC2 sought a status update to which our Company responded that it had informed SEBI-MRD-TPD (“TPD”) regarding the WAS upgrade application and depository application, which was expected to be completed by June 30, 2023. Our Company also informed that it had presented / discussed the issue in the meeting of Technical Advisory Committee of SEBI (“TAC”) held on March 31, 2023.</p>	<p>Our Company responded by its letter dated May 15, 2023, as set forth below:</p> <p>(i) The system audit report dated October 27, 2021, wherein it was observed that JRE6 (WAS) was not upgraded, was submitted by our Company to TPD by an email dated November 16, 2021;</p> <p>(ii) Our Company also updated TPD about the status of closure of observations of the system audit report on May 27, 2022.</p> <p>(iii) Thereafter, our Company sought approval for extension of time to upgrade the JRE6 (WAS) version up to March 31, 2023 from the Standing Committee on Technology (“SCOT”) and our Board;</p> <p>(iv) Subsequently, pursuant to review of the minutes of the meeting of our Board held on August 8, 2022, SEC2 observed the extension sought and issued a letter dated November 14, 2022 for upgrading the JRE version and implementation in production by January 31, 2023.</p> <p>Our Company further submitted that it sincerely attempted to complete the upgrade by March 31, 2023 but had to take a decision to hold back the upgrade due to the implementation of the Client Unpaid</p>

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
		<p>On perusal of the agenda item of TAC, SEBI observed that:</p> <p>(i) Our Company did not provide the detailed background of the matter and did not inform about the communication from SEC2 with respect to the timelines in the matter to TAC and TPD;</p> <p>(ii) Our Company disguised the information while presenting the matter to TAC and TPD and did not inform SEC2 regarding the submission of application in this regard before TPD and TAC; and</p> <p>(iii) Our Company extended the timeline for implementation of JRE6 (WAS) upgrade from March 31, 2023 to June 30, 2023 with the approval of SEC2 and represented the matter with new timelines before TPD and TAC, amounting to forum shopping.</p> <p>SEBI noted that the above observations were viewed very seriously, and our Company was advised to be careful in the future and improve our compliance standards to avoid recurrence of such instances in the future. Further, it was advised that our governing board also take this letter into consideration during the performance appraisal of the concerned individuals.</p>	<p>Securities Pledgee Account (“CUSPA”) project. This was duly represented to TPD and thereafter before TAC post which we received confirmation to complete the upgrade by June 30, 2023. Our Company has taken due care and informed SEBI of our concerns and will be careful in the future to avoid any such recurrences. We also undertook to place this letter before our governing board.</p> <p>Thereafter, our Company by its letter dated May 26, 2023 apologised to SEBI for inadvertently sending the letter to TPD seeking additional time for completion of the JRE6 (WAS) upgrade. Further, as was advised by SEBI, our Company placed the SEBI letter dated May 2, 2023 before our governing board on May 23, 2023. The governing board noted the observation by SEBI and advised the management to be more careful while communicating with SEBI. Further, our Company stated that as was informed to TPD and TAC, our Company is working on the JRE6 (WAS) upgrade and is expected to complete the same by June 30, 2023.</p>
5.	July 28, 2023	<p>SEBI issued a warning letter to our Company due to non-submission of responses/clarifications sought by SEBI for the following two alerts, within the stipulated timeline in relation to the automated compliance verification on the organisational structure and governance for the quarter ending March 31, 2023:</p> <p>(i) It was observed that salaries of 14 employees (non-key managerial personnel) was higher than the salary received by a key managerial personnel;</p> <p>(ii) Non-compliance with SEBI circular dated January 10, 2019 post resignation of a SCOT committee member; and</p> <p>(iii) Missing reporting manager details for one of its employees.</p> <p>Our Company was advised to take corrective steps towards implementation / adoption of the suggestions given by SEBI and send an action taken report to SEBI within 30 days of the receipt of the letter.</p>	<p>Our Company, by way of its letter dated August 21, 2023, responded to the SEBI warning letter as set forth below:</p> <p>(i) Our Company had sought time from SEBI to discuss the alert pertaining to salaries of 14 employees. The discussion with SEBI concluded on July 26, 2023 and our Company was in the process of submitting its comments on the alert after an internal review. However, prior to our Company being able to respond, the warning letter was received on July 28, 2023.</p> <p>(ii) Further, in relation to the salaries of 14 non-key managerial personnel being higher than key managerial personnel, the matter was considered by the NRC Committee. It was submitted that the SEBI D&P Regulations do not stipulate remuneration based on the designation of employees. The compensation of employees depends on various factors, such as technical skills, previous employment, etc. Accordingly, the NRC Committee was of the view that the remuneration cannot be compared based on the criteria of a key managerial personnel</p>

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
			<p>as other factors are also to be considered.</p> <p>(iii) In relation to the vacancy in SCOT committee, the resignation of the member was an immediate vacancy and our Company had taken prompt actions to appoint another member with effect from April 18, 2023.</p> <p>Our Company had placed the warning letter from SEBI before the governing board in their meeting held on August 4, 2023.</p>
6.	August 2, 2023	<p>SEBI issued a deficiency letter to our Company for non-compliance with SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019 in relation to non-approval/review by the regulatory oversight committee of the charges levied by our Company.</p> <p>Our Company was advised to get all charges reviewed by the oversight committee in terms of the SEBI circular.</p>	<p>Our Company responded to the SEBI deficiency letter, <i>vide</i> its letter dated August 16, 2023, informing SEBI that the Regulatory Oversight Committee had reviewed the charges levied by the depository in accordance with the SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019 and also provided the minutes of the said committee meeting.</p> <p>Accordingly, our Company requested SEBI to not consider the instance as a deficiency.</p> <p>Thereafter, SEBI by its letter dated September 25, 2023, held that the observation made <i>vide</i> letter dated August 2, 2023 with respect to the deficiencies is final in nature.</p>
7.	August 2, 2023	<p>SEBI issued a warning letter to our Company for non-compliance with SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/46 dated April 6, 2022 on allotment of unique client codes to non-validated clients. It was brought to our Company's notice <i>vide</i> SEBI letter dated April 12, 2023 that various clients of our trading members / depository participants had transacted in securities during the period between January 16, 2023 to January 20, 2023 without obtaining validation of their KYC records.</p> <p>Our Company was advised to exercise due diligence and strict compliance with such circular in future.</p>	<p>Our Company responded by its letter dated December 18, 2023, informing SEBI that out of the 62 identified cases, there had been no transactions in 60 demat accounts during the period from January 16, 2023 to January 20, 2023 and inter-depository transfer credit transactions were undertaken in the two accounts and KYC verification was under process for the two said credit transactions. Accordingly, it was submitted that there was no violation of the aforesaid SEBI circular.</p> <p>Our Company further submitted details of the steps undertaken to ensure compliance with requirements of the SEBI circular by its depository participants.</p> <p>Our Company had also placed this matter before the governing board in their meetings held on November 1, 2023 and December 14, 2023.</p>
8.	October 30, 2023	<p>SEBI issued a warning letter to our Company for non-compliance with SEBI circular no. CIR/MRD/DP/31/2014 dated November 12, 2014 by providing link in the consolidated account statements ("CAS") to enable investors to convert their mutual</p>	<p>Our Company responded by its letter dated November 3, 2023, as set forth below:</p> <p>(i) The facility of link provided for mutual fund conversion through CAS is part of</p>

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
		<p>funds units held in physical form to demat form. SEBI advised our Company to, (i) not provide any message or such links requiring the investor to convert their physical holding into demat form in the CAS; (ii) ensure data integrity and confidentiality of shared information; (iii) information shared by RTAs to be used only for the purpose of CAS generation; (iv) not store or share information shared by RTAs for the purpose of CAS and where such information is required to be shared with unregulated entities, necessary confidentiality agreements be entered with them; and (v) follow the said SEBI circular in letter and spirit.</p>	<p>our Company's business rules and communicated to SEBI.</p> <p>(ii) Our Company confirmed that it has provided the facility of link through CAS only to clients and has not shared data or information with its participants.</p> <p>(iii) Our Company has also entered into legal agreements with printers to protect the confidentiality of data and information shared.</p> <p>(iv) Our Company is required to store data pursuant to SEBI circular dated August 27, 2017 whereby it is required to send transaction statements to the beneficial owners at the end of each quarter.</p> <p>(v) Further, attention was drawn to the SEBI master circular on mutual funds which requires steps to be taken for dematerialisation of existing physical units in case an investor so desires.</p> <p>Accordingly, our Company requested SEBI to consider its submissions and allow it to continue providing the digital conversion facility to investors.</p>
9.	December 14, 2023	<p>Pursuant to the onsite inspection of our Company during FY 2022-23, SEBI issued a warning letter for non-compliances noted in relation to the constitution/functioning of the management committee:</p> <p>(i) Constitution and functioning of the management committee of our Company undermined the roles and responsibilities of the managing director and chief executive officer. Further, no approval was taken from SEBI prior to formation of the committee.</p> <p>(ii) Our Company failed to ensure segregation of regulatory departments, as required under Regulation 29 of the SEBI D&P Regulations.</p> <p>(iii) Failure to provide details of the committee during inspection.</p> <p>SEBI noted that the above violations were viewed very seriously, and the governing board of our Company was advised to take the aforesaid violations into consideration.</p>	<p>Our Company responded by its letter dated January 23, 2024, as set forth below:</p> <p>(i) Since the management committee is an internal committee constituting only the senior executives, our Company did not believe that prior SEBI approval was required for its constitution.</p> <p>(ii) Our Company's intention to include regulatory department as part of the management committee was solely to receive inputs from all departments and not to influence or impinge on the independence of the regulatory department.</p> <p>(iii) Our Company was of the understanding that data pertaining to only board level committees was required to be provided, accordingly our Company did not provide details of the management committee which constituted of only senior executives.</p> <p>Further, the warning letter was placed before the governing board in its meeting held on January 4, 2024 and the management committee was subsequently dissolved.</p>
10.	May 14, 2024	<p>SEBI issued a warning and advisory letter with respect to the minutes of the 84th board meeting of our Company:</p> <p>(i) Non-compliance with provisions of SEBI Listing Regulations and SEBI D&P Regulations for failure to disclose details of warning/caution letters received by our Company from</p>	<p>Our Company responded by its letter dated June 12, 2024, as set forth below:</p> <p>(i) Our Company provided the link to its website where details of warning letters received from SEBI were disclosed.</p> <p>(ii) Our Company informed SEBI that the management has framed a standard operating procedure for dealing with</p>

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		<p>regulatory bodies on the website of our Company.</p> <p>(ii) Absence of a standard operating procedure for dealing with warning letters issued by SEBI for performance appraisal of the concerned employees including the KMPs.</p> <p>(iii) Failure to disclose complete facts to the members of the board of directors of our Company of the cost incurred by our Company and the revenue generated by NDML, our Subsidiary by virtue of our Company availing payment gateway facilities from NDML.</p> <p>(iv) Disbandment of the arbitration committee and investor redressal committee.</p>	<p>SEBI's warning letters concerning performance appraisal of individuals responsible for non-compliances.</p> <p>(iii) It was submitted that the governing board, in its 83rd meeting, was apprised that our Company would avail payment aggregator services from NDML for collecting fees for rendering legal entity identifier ("LEI") services. The payment gateway charges would be collected by NDML, without any expense for our Company. Thereafter, in the 84th meeting, the governing board was informed that our Company would also avail payment aggregator services of NDML for other services. Accordingly, the terms of availing payment gateway services from NDML for LEI and other services are separate and distinct, and informed to the governing board in completeness.</p> <p>(iv) Our Company is in compliance with the new SEBI circular bearing reference number SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023) (the "ODR Master Circular"), which has revamped the dispute resolution mechanism. Further, as on the date of implementation of the ODR Master Circular, our Company did not have any matters or references pending before the investor grievance redressal committee ("IGRC") or under arbitration. Additionally, the existing members of the IGRC and arbitration were empanelled with the ODR institution.</p>
11.	June 11, 2024	<p>SEBI issued a deficiency and advisory letter to our Company, with respect to the 88th board meeting of our Company. The following deficiencies were observed by SEBI:</p> <p>(i) Our Company did not amend its policy on determination and disclosure of materiality of events/information and policy for appointment/reappointment of managing director and chief executive officer, within the prescribed timelines.</p> <p>(ii) Our Company failed to renew the contract with the legal counsel prior to the expiry of the contract and had renewed it on a retrospective basis.</p> <p>(iii) Our Company placed the minutes of the board meetings of NDML and NPBL, which took place between October 27, 2023 and October 31, 2023 at its meeting dated February 7, 2024. However, our Company failed</p>	<p>Our Company responded to the SEBI deficiency and advisory <i>vide</i> its letter dated June 12, 2024, as set forth below:</p> <p>(i) Our Company informed SEBI that it revised its policy on determination and disclosure of materiality of events/information and policy for appointment/reappointment of managing director and chief executive officer on February 7, 2024, and regretted the delay in revising the policies.</p> <p>(ii) Our Company informed SEBI that the delay in renewal of the contract with the legal counsels happened because negotiations with the counsels took time, which resultantly led to the delay in seeking approval for the renewal of such contracts.</p> <p>(iii) Our Company informed SEBI that the board meetings for NDML and</p>

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		to place the minutes of such board meetings at four Board meetings of our Company held between such period.	NPBL were held in the last week of October 2023 which were finalised by the end of November 2023. Further, the board meetings of our Company held on December 14, 2023 and January 4, 2024 were for specific matters and not for usual quarterly matters and accordingly the minutes were not placed before the Board prior to February 7, 2024. Our Company took note of the observations by SEBI and committed to ensure compliance.
12.	June 19, 2024	<p>SEBI inspected the books and records of our Company and the findings were forwarded to our Company vide letter dated May 8, 2024, in response to which our Company filed its reply dated May 28, 2024. Based on the examination of our comments submitted, for instances where there was a failure to comply with regulatory provisions SEBI observed the following:</p> <p>A. <i>Cases of Warning</i></p> <p>(i) Failure to ensure due diligence regarding the documents submitted by our Company for the purpose of Foreign Investment Monitoring (FIM).</p> <p>(ii) Failure to send SMS/email alerts to the demat account holders, at least 2 days prior to the date of the commencement of e-voting</p> <p>(iii) Failure to dispatch physical Consolidated Account Statement (CAS) for consecutive 5 months and failure to have internal control/verification mechanism to verify actual dispatch of physical CAS. Also having insufficient manpower to handle CAS.</p> <p>(iv) Failure to timely dispatch CAS even for the cases where no data requirement was there from MF-RTAs.</p> <p>(v) Non-compliance of SEBI circular dated July 16, 2021 regarding and SEBI circular dated September 19, 2022.</p> <p>(vi) Failure to comply SEBI circular dated June 7, 2016 and February 23, 2017 by utilising IF funds for making payment of salary to Company employees.</p> <p>(vii) Failure to amend policy on appointment of public interest directors and therefore in continuous violations of Regulation 25 of SEBI Regulation 25 of SEBI D&P Regulations, 2018, for more than 5 years.</p> <p>(viii) Failure to submit correct data to SEBI in the MDR</p>	<p>Our Company responses to the SEBI warning/deficiency letter vide its letter dated July 19, 2024, wherein it provided a point-wise reply to the concerns highlighted by SEBI. The responses of our Company are set forth below:</p> <p>A. <i>Cases of Warning</i></p> <p>(i) Our Company has provided for the user company to the capture the limit details and initiate request to change in NRI/FPI limit and once the request is submitted, the Company system auto-triggers request for documents to the user company and once the documents are uploaded, and only after validation of documents, change in NRI limit is applied. Hence our Company has implemented the said requirement.</p> <p>(ii) Monitoring process has been put in place wherein a monitoring job is executed on a daily basis to identify if there are any e-Voting notifications pending to get triggered. This email gives a complete list of e-Voting events uploaded by issuers for which promotional notifications are required to be sent to Shareholders informing them about the upcoming e-Voting event. This monitoring process has been further enhanced to include count of notifications sent for each e-Voting event in addition to existing details as stated above. Hence our Company has implemented the said requirement.</p> <p>(iii) Company has set up a team under a senior employee for timely dispatch of CAS to investors. Company has also framed a consolidated SOP and are closely monitoring and ensuring to adhere to the SOP for dispatch of CAS. Hence our Company has implemented the said requirement.</p> <p>(iv) Company has set up a team under a senior employee for timely dispatch of CAS to investors. Company has also framed a consolidated SOP and</p>

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		<p>(ix) Failure to include Active Directory, all endpoints and operating systems in the scope of VAPT</p> <p>(x) Failure to conduct Cybersecurity simulation exercises on a quarterly basis for quarter Oct-Dec 2022 and filed to conduct periodic cyber-attack simulation.</p> <p>(xi) Failure to grant proper approval process and inability to maintain AD access logs with the Company.</p> <p>(xii) Failure to implement encryption of data at rest in Data Ware House.</p> <p>(xiii) Providing false, incomplete and factually incorrect data/information to the SEBI Inspection Team.</p> <p>(xiv) Failure to provide data in timely manner to SEBI Inspection team (3 months) and not taking SEBI Inspection seriously.</p> <p>SEBI asked our Company to be take corrective steps and strengthen internal control systems.</p> <p><i>B. Cases of deficiency</i></p> <p>(i) Failure to have proper officer segregation in line with Schedule 4 of SEBI D&P Regulations.</p> <p>(ii) Failure to have mechanism in place to ensure that all its shareholders, directors and key management personnel are fit and proper persons at all times</p> <p>(iii) Deficiency in frequency of review of SEBI circulars to decide if any amendment is required in bye-laws for amendments to rules/regulations/byelaws pursuant to issuance of SEBI circular.</p> <p>(iv) Failure to amend Company's policy on "Disclosure of Material Events and Information and Determining Materiality".</p> <p>(v) Failure to identify the functions of the Company and segregating them into verticals.</p> <p>(vi) Non-compliance by way of MD & CEO being permanent invitee to NRC and RMC meetings.</p> <p>(vii) Failure to constitute Greivance Redressal Panel</p> <p>(viii) Giving retrospective extension to the KMPs in statutory committees</p> <p>(ix) Failure to have policy for Succession planning of senior management until April 4, 2023</p> <p>(x) Failure to send daily shareholding reports in timely manner</p> <p>(xi) Failure to comply with Clause 4 of SEBI circular dated February 25, 2022 by providing data available in public domain</p> <p>(xii) Failure to finalise minutes within stipulated timelines.</p>	<p>are closely monitoring and ensuring to adhere to the SOP for dispatch of CAS. Hence our Company has implemented the said requirement.</p> <p>(v) Company submitted that it has implemented the guidelines mentioned in SEBI circular regarding "Block Mechanism in Demat account of clients undertaking sale transactions" in right spirit. However, as per the recommendation, it will make suitable change so that the pay-in file and CC obligation file will be the same.</p> <p>(vi) Our Company has stopped utilizing the IPF funds for making payment of salary to NSDL employees working for IPF activities. Hence our Company noted the requirement for compliance.</p> <p>(vii) Our Company confirmed that revised terms and conditions of appointment of PIDs in compliance with Regulation 25 of SEBI D&P Regulations, 2018 will be placed before the Board and thereafter it would be uploaded on the website and it will be implemented by August 15, 2024.</p> <p>(viii) Our Company informed that the Maker-Checker level is strengthened to ensure non-recurrence of the same.</p> <p>(ix) Our Company informed that it added AD in VAPT cycle FY 24-25. VAPT for AD is due for the year which will be completed by end of September 2024.</p> <p>(x) The process for cyber-attack simulation has been put in place and is being followed on quarterly basis from January 2023 onwards. Hence Company is now in compliance with the observation.</p> <p>(xi) Our Company has in-house Active Directory managed internally. AD is integrated with SIEM and logs are getting monitored. NSDL is now in compliance with the observation.</p> <p>(xii) Our Company informed that it is in the process of implementation of encryption of data-in-rest in DWH (Hadoop) and have engaged Cloudera Professional Services to perform a proof of concept to validate the solution implementation approach in the lower environment. The progress would be reviewed by Statutory Committee on Technology in the upcoming meeting, and our Company would apprise the SEBI with respect to the implementation by way of a separate communication.</p>

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		<p>(xiii) Failure to do due diligence regarding accuracy of data submitted by Company when it appointed NSDL as designated Depository for Foreign Investment Monitoring</p> <p>(xiv) Failure to have SOP to deal with companies which are non-compliant with Clause 9 of Chapter VIII of DDHS master circular and not communicating the details of such issuers to SEBI.</p> <p>(xv) Failure to have SOP in respect of returning the admission/surrender applications</p> <p>(xvi) Failure to do proper due diligence, complete documentation and timely processing of RTA surrender applications.</p> <p>(xvii) Failure to put in place timelines, manner and procedure for returning application in the SOP prepared for handling admission applications for DP.</p> <p>(xviii) Failure to levy penalty on DPs and RTAs in line with the provisions of its own business rules.</p> <p>(xix) Failure to have proper mechanism to follow-up, check and ensure multiple accounts with same email ids and mobile numbers are being tagged as family in the depository system.</p> <p>(xx) Non-compliance with the directions issued vide MIRSD email dated July 15, 2021 with regards to online closure of demat accounts.</p> <p>(xxi) Non-compliance of Regulation 31(3) of D&P Regulations, 2018</p> <p>(xxii) Non-compliance of SEBI circular dated May 30, 2023 with respect to conducting half yearly review of IPF and not updating guidelines for Utilisation of NSDL IPF Trust.</p> <p>(xxiii) Not procuring goods and services as per the procurement policy</p> <p>(xxiv) Non-compliance of Regulation 7(g) of D&P Regulations</p> <p>(xxv) Violation of SEBI circular dated January 29, 2010 by not disclosing the details of investor complaints and arbitration details on its website within prescribed timelines.</p> <p>(xxvi) Failure to display on the website the changes in various policies within two working days.</p> <p>(xxvii) Failure to publish notice of its board meeting for quarterly financial results on the website</p> <p>(xxviii) Failure to timely upload agenda and minutes for 86th and 87th governing board meeting on website.</p>	<p>(xiii) Our Company informed SEBI that a few of the lapses from Company's end were because of the misinterpretation by the Company officials and now in order to strengthen the process, we have introduced a new process to ensure that the files are provided to the Depository Participants on a regular basis. Moreover, in order to avoid recurrence, Company has also sensitized the employees for submission of data in timely and accurate manner to SEBI Inspection team.</p> <p>(xiv) The details of application filed by the issuers are stored in various databases maintained in various systems of our Company, which are not connected to each other. Therefore, the details requested by SEBI are required to be processed manually after extraction of information from such different databases, which resulted in delay in submission of data to the SEBI, which was unintentional. Our Company regretted the delay in submission of the data to SEBI and assured not to repeat any such instances going forward.</p> <p><i>B. Cases of deficiency</i></p> <p>(i) Company informed that there is no non-compliance with Schedule 4 of the SEBI D&P Regulations since officer in the Company are assigned their functions based on the vertical they report to.</p> <p>(ii) Company informed that SOP has been prepared to obtain fit and proper declarations from the directors and key management personnel and the verification of the same. Company has also completed the verification of fit & proper declaration of directors and KMPs for FY 2023-24 by May 31, 2024. Further, the SOP for obtaining and verification of fit and proper declarations from shareholders has been also put in place. In view of above, the actions are completed.</p> <p>(iii) Company has framed an SOP to document the process followed to analyse the SEBI Circulars and to decide if any amendment is required in bye-laws/ business rules of Company to implement the SEBI circulars.</p> <p>(iv) The policy of disclosure of material events and information and determining materiality has been</p>

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		<p>(xxix) Delay in submission of System Audit Network Report and Cyber Security Report.</p> <p>(xxx) Failure to maintain unique IDs of the vulnerability and its date of closure in the VSPT report.</p> <p>(xxxii) Failure to verify the auditor's validation of control objectives in the cybersecurity audit report and track the closure date of observations.</p> <p>(xxxiii) Absence of alert generation capabilities in order to detect any abnormal system activities through their own monitoring tools</p> <p>(xxxiv) Absence of baseline standards which facilitate consistent application of security configurations to operating systems, databases, network devices and enterprise mobile devices within the IT environment.</p> <p>(xxxv) Failure to maintain correct and up to date asset inventory.</p> <p>(xxxvi) Failure to include all applicable applications under the scope of System Audit.</p> <p>(xxxvii) Failure to provide actual time of alert for an incident in the RCA report.</p> <p>(xxxviii) Absence of evidence of source code review in the VAPT report.</p> <p>SEBI advised our Company to take appropriate corrective steps to rectify the aforesaid deficiencies by taking corrective steps.</p> <p>Certain advisories were also issued to our Company pursuant to the letter.</p> <p>Our Company was advised to take appropriate corrective steps and submit an action taken report within 30 days of receipt of this letter and to conclude the issues within a period of 90 days.</p> <p>Our Company was also advised to place the findings of inspection, corrective steps taken and proposed to be taken before the board of directors in the ensuing board meeting.</p>	<p>revised by our Board w.e.f. February 7, 2024. Company ensured that relevant policies are amended/implemented at the earliest after they are notified.</p> <p>(v) Company informed that there is no specific mention of secretarial activities as part of vertical 2 (regulatory) as per schedule 4 of SEBI D&P Regulations. Hence, it was classified under vertical. Further, when the Compliance Officer took interim charge as Company Secretary on February 6, 2024, the secretarial team was brought under the regulatory vertical and continues to be under the regulatory vertical.</p> <p>(vi) Company informed that there are no restrictions on MD and CEO attending the NRC or RMC meetings as per the said SEBI Circular nor under the SEBI D&P Regulations. Further, the inputs of MD and CEO are necessary on the matters placed before the NRC and RMC. However, if there is any conflict, the MD and CEO recuses herself from attending the meetings.</p> <p>(vii) Our Company did not have any outstanding grievance that were to be handled by the Investor Grievance Redressal Committee. Further, any new dispute received by the Company post implementation of ODR was required to be handled only by the new ODR mechanism, it had disbanded the Investor Grievance Redressal Committee.</p> <p>(viii) Our Company ensured that renewal of term of regulatory KMP would be done before the term ends.</p> <p>(ix) Our Company noted the delay in framing of the succession policy and assured timely compliance in future.</p> <p>(x) Since June 2024, the monitoring reports of shareholding of BSE and CDSL monitoring reports have been shared with MIIs on a daily basis in a timely manner.</p> <p>(xi) Our Company submitted that it only shares public data, which is available as specified in the regulatory mandate on the Company website for view and download free of charge. Our Company is in compliance with the said SEBI Circular.</p> <p>(xii) Post inspection, our Company discussed with CDSL about this matter and the minutes of the CRO meetings between Company and CDSL are being finalized in a timely manner.</p>

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			<p>(xiii) Our Company updated that it is in process of implementing the validation.</p> <p>(xiv) Our Company informed that an internal SOP has been prepared for Debt Securities (Reporting and Monitoring) under clause 9 of Chapter VIII of SEBI Master circular for communicating the details of noncompliance issuers to exchanges and SEBI in a timely manner.</p> <p>(xv) Standard Operating Procedure (SOP) has been modified to include pre-defined time for processing activation and deactivation applications from RTAs within which application should be processed and the process of returning of the applications was not mentioned as issuers will be required to re-submit all documents again if there are 1-2 documents are missing or improper. Hence, considering the convenience of issuer the returning process was not included. As advised by SEBI, Company has also included returning the applications and stepwise timelines in the aforesaid SOPs.</p> <p>(xvi) Company will ensure adherence to the revised SOP including timelines for internal clearances going forward for processing of RTA surrender applications.</p> <p>(xvii) Manner of returning (rejecting) application has been now prescribed in the SOP.</p> <p>(xviii) Our Company will continue to adhere to the provisions of NSDL Business Rules and have been taking actions against DPs and RTAs as per NSDL business rules with the approval of Member Committee.</p> <p>(xix) Our Company informed that it has started working on the mechanism and the requirement is being implemented.</p> <p>(xx) Our Company informed that both depositories have agreed to have a common penal action and necessary changes in the business rules of NSDL will be made by taking necessary approval of the RoC and Board and of SEBI.</p> <p>(xxi) Company informed that it had already incorporated the suggestion given by SEBI in its previous year's inspection for inclusion of details in annual report. Company, therefore, request SEBI to not make it mandatory to give the break-up in the annual report and reconsider the suggestion. The contribution to IPF from NSDL's profits is pursuant to</p>

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			<p>SEBI circular and therefore treated as regulatory cost for ensuring compliance with SEBI/ Regulatory directives.</p> <p>(xxii) In the meeting held on February 6, 2024, the Board of Trustees of the NSDL IPF had reviewed the adequacy of Corpus and revised the Guidelines for utilisation of IPF as per SEBI Circular dated May 30, 2023.</p> <p>(xxiii) Company informed that it has strengthened the processes to ensure that the procurement policy is followed, and it has also sensitised the departments regarding adherence to the policy.</p> <p>(xxiv) Noted for future compliance and checks have been placed in the process to ensure timely response for adherence to the SEBI regulations.</p> <p>(xxv) Our Company has strengthened the SOP with marker- checker concept and timely disclosure of details of investor grievances and arbitration details on the website.</p> <p>(xxvi) Company will ensure compliance of Regulation 46 of SEBI (LODR) Regulations, 2015 for publishing the policies/changes on its website within two working days of approval.</p> <p>(xxvii) Company will ensure to publish prior notice of the Board meeting scheduled for quarterly financial results on its website.</p> <p>(xxviii) Company will ensure to timely upload the agenda and minutes of the Board meeting pertaining to regulatory, compliance, risk management and investor grievance areas on its website within the prescribed time period.</p> <p>(xxix) Our Company took note of the observation and submitted the system audit report for the period April 2023 to March 2024 to SEBI on June 29, 2024, which is within the specified timeline.</p> <p>(xxx) VAPT team had started maintaining closure date and reassessment date for each vulnerability hence the Company is now in compliance with the observation.</p> <p>(xxxi) The Company will ensure the follow-on audit report will carry the closure date of previous open findings.</p> <p>(xxxii) Continuous monitoring and alert generation are in place. Hence the Company is complying.</p> <p>(xxxiii) Company informed that it is in process to prepare separate baseline standards for complete IT</p>

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			<p>infrastructure. It will update about the progress made by way of a separate communication.</p> <p>(xxxiv) There was a typo error in asset IDs given in the DR sheet. Same has been rectified.</p> <p>(xxxv) Company has included all applicable applications under the scope of system audit for FY 2023-24 and thereafter.</p> <p>(xxxvi) The Incident Management Procedure is updated accordingly to note the initial alert time in RCA document in case of the incident. The above will be verified by system auditor in the upcoming reporting cycle.</p> <p>(xxxvii) Software development teams use source code review tool for reviewing their source code and our Company has started maintaining required evidence for the same.</p> <p>Access Logs with domain name, hostname and timestamp of users and service logging out are maintained in the access logs of the PIM. The Company is now in compliance with the observation.</p>
13.	September 2, 2024	SEBI issued a deficiency letter to our Company, observing that while our Company's information security policy prescribes that based on the criticality of the patches, system administrator shall ensure that patches shall be implemented at both PDC and DRS at the earliest, however, it did not provide for the outer timeline as prescribed in the letter dated January 12, 2024 issued by SEBI to our Company.	<p>Our Company responded to the deficiency letter, vide its letter dated September 16, 2024 informing SEBI that our Company's information security policy was revised and the same was placed before the Standing Committee on Technology (SCOT) for its review. The SCOT reviewed the matter and recommended the same to the Governing Board for its approval and the revised policy was approved by the Governing Board at its meeting held on May 14, 2024.</p> <p>Accordingly, the outer timelines for implementation of the patches were duly incorporated in the NSDL Information Security Policy version 12.0, as approved by the Governing Board.</p> <p>In view of the explanation above, our Company requested SEBI to drop the deficiency letter.</p>
14.	October 4, 2024	<p>SEBI observed the following cases of warning and deficiency pursuant to its inspection of our Company for Financial Year 2024:</p> <p>A. <i>Cases of Warning</i></p> <p>(i) Failure to levy any penalty on depository participants (DPs) for their failure to convert eligible demat account into Basic Service Demat Accounts ("BSDA") and failed to ensure that BSDA eligibility intimations are being sent to</p>	<p>Our Company responded by its letter dated November 20, 2024, providing details of the corrective actions taken or proposed to be taken along with the necessary timelines, as set forth below:</p> <p>A. <i>Cases of Warning</i></p> <p>(i) Our Company submitted that it has taken continuous efforts to ensure that DPs comply with the BSDA requirements for extending the facility to clients as envisaged in the SEBI circulars and believes that it is</p>

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		<p>beneficial owners in a time bound manner during the inspection period.</p> <p><i>B. Cases of deficiency</i></p> <p>(i) Failure to intimate details of non-compliance of specific clause which resulted in freezing of promoter(s) demat accounts, which is not in compliance with SEBI circular dated January 20, 2020;</p> <p>(ii) Failure to timely intimate the promoter(s) / stock exchanges about the freeze in the account.</p> <p>Certain advisories were also issued to our Company pursuant to the letter.</p>	<p>in compliance with such circulars issued in relation to BSDA.</p> <p><i>B. Cases of deficiency</i></p> <p>(i) Our Company submitted that it has informed all the stock exchanges to provide the reference of the specific clause while issuing instructions for freezing of promoter(s) demat accounts, basis which intimation of action is sent by the Company to the promoter(s) with such details as sent by the stock exchanges. Thus, our Company submitted that it had taken steps to comply with the requirements of SEBI circular dated January 20, 2020;</p>
15.	October 15, 2024	<p>SEBI issued a deficiency and advisory letter with respect to the minutes of the 90th Board meeting of our Company:</p> <p>(i) Non-compliance with SEBI circular no. SEBI/HO/MR/MRD-PoD-3/2024/088 dated June 25, 2024 by sub-delegating the responsibilities of the investment committee, which is a statutory committee, to an internal committee, and further sub-delegation to the Managing Director</p> <p>(ii) Failure to amend the Anti-Money Laundering (“AML”) and Combating Financing of Terrorism (“CFT”) policy of our Company in a timely manner in accordance with the directives issued by SEBI.</p>	<p>Our Company responded by its letter dated November 18, 2024, as set forth below:</p> <p>(i) Our Company informed SEBI that the investment policy only delegated the powers to the Managing Director to take treasury investment-related decisions and not other investment decisions. For investments other than treasury, approval of the Board is taken. Further, in light of the letter from SEBI, our Company also replaced the word ‘all investment decisions’ to ‘treasury investment decision’ in the investment policy to avoid ambiguity.</p> <p>(ii) It was submitted that the applicable directives were carried out in line with the circulars without waiting for the policy to be amended, and since there are multiple circulars issued during the year, amending the policy immediately after the issuance of circular is not feasible. However, the regulatory guidelines prescribed in the directives were implemented within the prescribed timeline.</p>
16.	October 18, 2024	<p>SEBI observed the following deficiency pursuant to its inspection of our Company for the Q2, Q3 and Q4 of FY 2023-24:</p> <p>(i) Failure to declare one instance of transaction/dealing in securities in the third quarter of Financial Year 2024, by a Director of our Company within 15 days, as mandated under the SEBI D&P Regulations.</p> <p>Certain advisories were also issued to our Company pursuant to the letter.</p>	<p>Our Company responded by its letter dated November 18, 2024, as set forth below:</p> <p>(i) Our Company has amended the “Code of Conduct to Regulate, Monitor and Report Trading in Securities of Other Listed Entities by Designated Persons as an Intermediary” of NSDL, by the approval of the RoC and the Board, for submission of details of transactions within 15 days.</p>
17.	November 29, 2024	<p>SEBI issued a deficiency letter to our Company highlighting that our Company did not share the information regarding trading details of designated persons with respect to off-market transactions (including pledge transaction) within 7 calendar days from the end of the month. Moreover, the</p>	<p>Our Company <i>vide</i> its e-mail dated December 6, 2024 responded that our Company has informed CDSL and other MIIs to send the request for such data/information to Surveillance team and Regulatory team of our Company.</p>

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
		<p>depositories as per the SEBI letter dated June 19, 2024 had to provide details to MIIs within a period of 7 calendar days from the date of receipt of such PAN details.</p> <p>SEBI pointed out that CDSL had multiple times approached our Company for the requisite data however, our Company stated that it did not have any data of CDSL. CDSL had also approached the senior members of our Company to escalate the matter, however no information was shared even after such escalation.</p> <p>Accordingly, SEBI asked our Company to take appropriate corrective steps within a defined period, to rectify the deficiency and strengthen internal control systems to avoid recurrence of such instances.</p>	
18.	December 17, 2024	<p>SEBI issued a deficiency letter with respect to automated compliance verification on organisational structure and governance of our Company for quarter 1 of financial year 2024-25</p> <p>In terms of the letter, our Company was in violation of SEBI Master Circular dated October 6, 2023 for having the Managing Director and CEO as a permanent invitee to ROC meetings, since it was in violation of SEBI Master Circular dated October 6, 2023.</p> <p>Certain advisories were also issued to our Company pursuant to the letter.</p>	<p>Our Company responded vide letter dated January 21, 2025, clarifying that the MD & CEO attended the ROC meeting as an invitee, which was before the SEBI circular and the MD & CEO attends meetings as an invitee to provide response/clarification to the queries raised by the member of the Regulatory Oversight Committee. Our Company further clarified that going forward the MD & CEO will only participate in the ROC meeting where there is a specific agenda for which the presence of MD & CEO is required for discussion/clarification in line with the SEBI circular.</p>
19.	December 18, 2024	<p>SEBI observed the following cases of deficiency vide its letter dated December 18, 2024 for failure of our Company to abide by the Code of Conduct as specified in Part D of Schedule III of the SEBI D&P Regulations. SEBI observed that our Company was sending responses to first level review complaints in a lackadaisical manner without thorough examination of the matter. By doing this, our Company failed to ensure a proactive and responsible attitude towards safeguarding investors' interests which resulted in undue harassment of complainants and unwarranted delays in resolving complaints.</p> <p>Considering the above, SEBI advised to take appropriate corrective steps and to strengthen internal control systems to avoid recurrence and ensure strict compliance with SEBI guidelines.</p>	<p>Our Company replied to the deficiency letter vide letter dated January 24, 2025, submitting the several steps to redress investor concerns, which include:</p> <ul style="list-style-type: none"> (i) adoption of a structured action plan including refining processes for handling investor grievances. The concerned team members have been sensitized to handle investor grievances more carefully. Additionally, steps have been taken to arrive at a logical closure of investor grievances. (ii) to prevent future recurrences of such instances, the company has strengthened "maker checker" mechanism for response validations. (iii) Enhancing staff strength. (iv) Initiated employee training programs for team members to ensure that they are well versed in both regulatory compliance and delivering excellent customer service. Our Company undertook to conduct such training on a periodic basis. (v) Reviewing the quality of the responses on a sample basis.

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
20.	January 28, 2025	SEBI issued a deficiency letter with respect to the minutes of the 92 nd Board meeting of our Company since it failed to amend its policy on appointment of Public Interest Directors till July 24, 2024. Therefore, our Company was not in compliance with Part C III of Second Schedule of SEBI D&P Regulations, 2018.	Our Company responded vide letter dated February 25, 2025, wherein it submitted that pursuant to SEBI D&P Regulations, the Governing Board of the Company revised the terms and conditions for appointment of Public Interest Directors in compliance with the SEBI D&P Regulations. Furthermore, the relevant teams in the Company have been sensitised to regularly review the policies in accordance with any changes in the SEBI D&P Regulations and ensure that the policies are amended/updated within the prescribed timelines.
21.	February 3, 2025	SEBI observed the following cases of deficiency and also issued the following advisory with respect to the 94 th Board minutes of our Company: (i) While the minutes were finalised on October 8, 2024, the date of entry in the minutes book for Board meetings was recorded as September 27, 2024 and such minutes book was signed by the Chairman of our Company. (ii) Failure to ensure that minutes of the Board meeting are finalised within 30 days of conducting such meetings, as mandated under clause 7.4 and 7.5.1 of SS1 Secretarial Standards on the meeting of Board of Directors. Our Company was advised to take corrective steps, wherever required, and ensure strict compliance with the guidelines issued by SEBI from time to time.	Our Company responded by its letter dated February 25, 2025 as set forth below: (i) Our Company informed SEBI that the draft minutes were finalised on September 27, 2024 except for one agenda item. Accordingly, to ensure compliance with Secretarial Standards, the draft minutes (without a mention of the pending item) were sent to SEBI on October 4, 2024. Since the pending item was finalised on October 8, 2024, the final minutes (including SEBI inspection) were sent to SEBI on this date. The Chairman signed the same on account of not doing so earlier when finalising the hard copy of the same.
22.	February 6, 2025	SEBI observed the following cases of warning and deficiency pursuant to its inspection of our Company for Q2 Financial Year 2024-25: <i>A. Cases of Warning:</i> (i) Failure to amend its Code of Conduct in a timely manner, in violation of Regulation II B 5 (c) of part B of Third Schedule of SEBI D&P Regulations. (ii) Our Company was advised to strengthen internal control systems to improve compliance standards to avoid recurrence of such instances and to ensure strict compliance with SEBI guidelines. <i>B. Cases of deficiency:</i> (i) Failure to comply with the SEBI circular on Committee at MIIs by our Company by having 4 KMPs on the Member Committee at our Company. Our Company was advised to ensure	Our Company responded to the warning and deficiency letter vide an e-mail dated March 12, 2025, informing the SEBI about the following: <i>A. Cases of Warning:</i> (i) Our Company informed SEBI that the code of conduct has been drafted as per SEBI D&P Regulations and going forward, our Company will ensure timely submission of data so that such issues do not occur in future. (ii) Our Company also informed that our Director had not traded in securities of Other Listed Entities, directly or indirectly during a particular period, and hence he/she shall not be required to submit the said disclosures for such period. <i>B. Cases of Deficiency:</i> (i) Our Company informed SEBI that before the clarification letter received

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
		<p>that in case any additional KMPs on the Member Committee, such KMPs may be called only on agenda basis, and this shall be recorded in the minutes of the meeting.</p> <p>While KMPs were present throughout certain meetings (NRC57, NRC58, NRC59, NRC60, and NRC61), such KMPs failed to be present for specific agenda items, amounting to non-compliance with SEBI Circulars regarding Committees at MIIs;</p> <p>(ii) Failure to mention Mr. Malav Shah as a KMP/invitee present in meeting NRC61 despite his presence being noted in the minutes.</p> <p>Certain advisories were also issued to our Company pursuant to the letter.</p>	<p>from SEBI on August 27, 2024, there was no restriction on MD and CEO and other invitees from attending the Member Committee (MC) Meeting, and additionally the MD and CEO is a member of the MC. Furthermore, other KMPs were not a part of the MC and attended the meeting as an invitee to provide inputs, responses and clarifications where necessary. Our Company also highlighted that whenever any agenda item concerning MD & CEO and other invitees is discussed, they recuse themselves and also do not participate in any such discussions.</p> <p>Our Company assured that in case additional KMP are required in MC, they may be called only on agenda basis and to be recorded in minutes.</p> <p>(ii) Our Company informed SEBI that for NRC meetings 57 till 61, KMPs were present basis the invitation and had recused themselves after the discussion of the subject. Furthermore, while compiling the information pertaining to SEBI automation table, an entry was made manually and inadvertently Malav Shah's name as KMP in the 61st NRC was not included. Our Company informed SEBI that it will ensure to be more careful in future and provide correct data to SEBI in automation tables.</p>
23.	March 28, 2025	<p>SEBI issued a warning letter to our Company with respect to its findings on the inspection of centralised database for corporate bonds/debentures hosted by the Depositories for the period between January 1, 2024 to December 31, 2024, as follows:</p> <ol style="list-style-type: none"> 1. Failure to synchronise centralized database for corporate bonds/debentures and to complete synchronisation of entire database in consultation with CDSL by June 30, 2025. 2. Failure to display investor categories on Company's centralised database for corporate bonds/debentures. 3. Failure to synchronise the NCRPS and SDI database with CDSL and directed to complete the synchronisation in consultation with CDSL by May 31, 2025. <p>Our Company was advised to take appropriate corrective steps, rectify the before-mentioned discrepancies and submit</p>	<p>Our Company is in the process of submitting its response to the warning letter.</p>

S. No.	Date of deficiency / warning letter / email	Concerns / issues raised	Company's response
		an action-taken-report within 30 days of the receipt of the letter.	

Additionally, our Company also receives letters from SEBI in the nature of advisories from time to time, in relation to its business and operations as an MII. While we have taken the necessary corrective steps, placed the observations before our Board from time to time and responded to the observations, findings, directions and regulatory non-compliances identified by SEBI and in certain instances are in the process of taking actions, we cannot assure you that SEBI will not issue similar letters in the future or actions taken by us have been or will be addressed to the satisfaction of SEBI. In the event we are unable to resolve such deficiencies and other matters to the SEBI's satisfaction, or are otherwise in non-compliance with the SEBI's observations or directions, we may be subject to penalties or enforcement actions by SEBI. Imposition of any penalty or action by SEBI during ongoing or any future inspections may therefore have an adverse effect on our business, results of operations, financial condition and reputation.

10. *Our Company has been subject to enforcement actions, in the past, by way of issuance of show cause notices by SEBI in relation to violations/ non-compliances of relevant SEBI laws by our Company. There can be no assurance that such actions will not be taken against our Company in the future.*

Our Company is exposed to various forms of operational, legal and regulatory risks due to the nature of its business activities. SEBI regularly conducts inspection and investigations in relation to our operations. For further details, see “SEBI has issued certain observations pursuant to inspections and has also issued administrative warning letters and deficiency letters in relation to certain non-compliances by our Company. There can be no assurance that further observations, administrative warning or deficiency letters would not be issued in the future.” on page 15 of this Addendum. We have in the past been subject to enforcement actions by way of issuance of show cause notices from SEBI in relation to certain alleged violations/ non-compliances of relevant SEBI laws by our Company. As on the date of this Addendum, there is an outstanding regulatory proceeding against our Company pursuant to a show cause notice issued by SEBI pursuant to the observations made during the onsite inspection conducted by our Company for the Financial Years 2024 and 2023. For a detailed description of such proceedings, please see “*Outstanding Litigation and Material Developments*” on page 265 of this Addendum.

Set forth below is a brief summary of all the show cause notices issued by SEBI to our Company which are not pending as on date of this Addendum:

S. No.	Date of show cause notice	Description of matter
1.	February 27, 2006	Our Company received a show cause notice in respect of termination of a depository participant. Pursuant to the show cause notice, SEBI passed an order dated December 4, 2008 wherein certain adverse observations were made against our Company (“SEBI Order”). Our Company filed an appeal before SAT against the SEBI Order on the grounds that our Company had revised its business rules and put additional procedures in place to deal with beneficial owner accounts in the event of deactivation / termination of a depository participant. SAT passed an order dated June 22, 2010, directing that the observations made in the SEBI Order shall stand expunged in so far as they are adverse to our Company. The matter is not pending as on date.
2.	July 23, 2019	Our Company received a show cause notice in relation to alleged failure of implementation of the SEBI circular on activation of International Securities Identification Number (ISIN) dated September 11, 2012 read with circular dated August 2, 2012 (“SEBI Circulars”) and certain provisions of the SEBI D&P Regulations on account of not taking steps to freeze certain securities of a listed company till the time of its final listing/ trading permission. On November 29, 2019, SEBI passed an order and held that the allegations contained in the show cause notice with respect to violation of provisions of the SEBI Circulars and the SEBI D&P Regulations do not stand established against our Company. The matter is not pending as on date.

S. No.	Date of show cause notice	Description of matter
3.	March 7, 2021	Our Company received a show cause notice in relation to role of depositories in cases of share reconciliation issues noted in 14 listed companies. It was alleged that our Company had failed to discharge the responsibility cast upon it under the Depositories Act and the SEBI D&P Regulations. Thereafter, post consideration of facts and circumstances involving the matter, SEBI passed an order dated July 28, 2021 disposing of the allegations levelled against our Company. The matter is not pending as on date.
4.	May 10, 2021	Our Company received a show cause notice in relation to alleged fraud committed by Karvy Stock Broking Limited (“KSBL”). It was alleged <i>inter alia</i> that our Company did not comply with regulatory norms including violation of certain provisions of the Depositories Act and failure to adopt proper due diligence while processing investor complaints with respect to misutilization of securities held with KSBL. Our Company responded to the show cause notice and also presented its submissions before the adjudicating officer of SEBI. The adjudicating officer passed an order dated November 25, 2022 disposing of the proceedings against our Company. The matter is not pending as on date.
5.	May 24, 2023	Our Company received a show cause notice from Adjudicating Authority under the Prevention of Money Laundering Act, 2002 in relation to a proceedings initiated by the Directorate of Enforcement, Chennai under Section 8 of the Prevention of Money Laundering Act, 2002 against M/s. Quantum Global Securities Limited and certain persons (together, the “Defendants”), wherein the ED has passed a provisional attachment order dated April 19, 2023 (“Provisional Order”), whereby certain immovable and movable properties of the Defendants were provisionally attached on account of allegations of cheating, forgery, criminal breach of trust, criminal misappropriation and fabrication of documents, among others. Based on the Provisional Order, our Company had frozen demat accounts of the Defendants. Pursuant to the show cause notice, our Company was impleaded as one of the parties to the proceedings and was called upon to file its written reply with the Adjudicating Authority. Subsequently, the Adjudicating Authority passed an order dated October 9, 2023, confirming the Provisional Order and allowing the original compliant. The matter is not pending as on date.
6.	February 8, 2024	Our Company received a show cause notice in relation to non-compliance by our Company with an order dated October 12, 2022 passed by the Securities Appellate Tribunal (“SAT Order”). It was alleged that our Company violated the code of conduct under certain provisions of the SEBI D&P Regulations on account of failing to defreeze the demat accounts of certain entities as directed by SAT in its order dated October 12, 2022 and directions from SEBI issued by way of its email dated December 13, 2022. Our Company filed an affidavit dated November 30, 2023 submitting that it was not a party to the proceedings before SAT in the matter and duly complied with the SAT Order when it was made aware of the same. Subsequently, our Company filed a settlement application dated February 29, 2024 with SEBI, and filed a reply to the show cause notice dated April 12, 2024 denying the allegations raised in the show cause notice. Thereafter, a settlement order dated October 17, 2024 was passed by the adjudicating officer disposing of the show cause notice, pursuant to acceptance of the settlement terms and receipt of the settlement amount. The matter is not pending as on date.

We cannot assure you that we would not be subjected to any such proceedings in the future, or that no further liability will arise out of any such proceedings in the future. Such proceedings could divert management time and attention, and consume financial resources in their defense or prosecution.

11. We are subject to various legal and regulatory obligations which may expose us to regulatory proceedings and legal actions by the concerned authorities.

Our business and operations require us to comply with various other laws including labor laws. We have, in the past, delayed in compliance with labor law legislations like the Employees Provident Fund & Miscellaneous Provisions Act, 1952, Employees Deposit Linked Insurance Scheme 1976, Employees’ Pension Scheme, 1995 and Employees Provident Fund Scheme, 1952. Although, no actions were taken by the authorities and no penalties have been levied on us in the last three Financial Years and for the nine months ended December 31, 2024, any such delays in the future may result into penalties and fines on account of such delays. Certain of our activities in respect of government securities are subject to regulatory

scrutiny by RBI and the requirements and directions issued by it. For instance, our Company received a show cause notice dated November 28, 2023 from the RBI (“**Notice**”) in relation to violation of directions issued under Government Securities Act, 2006, whereby RBI has noted certain instances in relation to violations of the operation of the constituents’ subsidiary general ledger (CSGL) account and failure by our Company in complying with submission requirements stipulated under certain guidelines issued by RBI. Our Company had responded to the Notice by way of its letter dated December 27, 2023, pursuant to which RBI, by its letter dated June 11, 2024 directed our Company to submit a detailed response on the measures taken to strengthen internal governance. Our Company submitted a detailed report to RBI by way of its letter dated July 5, 2024. While no further action has been taken by the RBI in relation to the notice, any such instance in the future may result in penalties or regulatory proceedings against our Company.

Further, our Subsidiaries, NPBL and NDML, are governed by the regulatory requirements and directions issued by the various authorities including RBI, SEBI, UIDAI and IRDAI, as applicable. For further details, see “–Payments banks in India, including our Subsidiary, NPBL, are subject to regulatory requirements and prudential norms. Its inability to comply with applicable laws, regulations and norms may have an adverse effect on our reputation, businesses, financial condition and results of operations” and “– On account of its operations, our Subsidiary, NDML, is subject to regulatory requirements prescribed by various authorities including IRDAI, SEBI, UIDAI and RBI. Its inability to comply with applicable laws, regulations and norms may have an adverse effect on our reputation, businesses, financial condition and results of operations” on pages 43 and 13, respectively of this Addendum. As on the date of this Addendum, neither our Company nor our Subsidiaries have received any suspension or revocation of any license and/or approval from relevant authorities or any penalties or fines, in this regard.

Any failure to comply with the applicable laws, regulations or requirements could subject us, or our Subsidiaries, to inspection, audit and enforcement actions by the relevant authorities, and may lead to suspension and revocation of the relevant license or approval. Civil and criminal penalties including payment of damages to the aggrieved party and payment of fines, may accrue pursuant to this non-compliance. Additionally, we are subject to various local and municipal laws that govern our operations and non-compliance with any such laws or regulations may result in the respective authorities taking action against us including issuance of notices, imposition of penalties, etc. For instance, we have, in the past, received a notice from the Municipal Corporation of Greater Mumbai (“**MCGM**”) for carrying out unauthorized changes in our earlier registered office premises against the plan as approved by the MCGM. MCGM had issued a notice dated October 17, 2020 (“**MCGM Notice**”) directing us to remove the unauthorized work, failing which the same will be demolished by MCGM. The Trade World Premises Co-op Society Ltd. (of which our Company is also a member) had filed a writ petition before the High Court of Judicature at Bombay against MCGM praying for regularization of such unauthorized changes. The High Court of Judicature at Bombay, through its order dated February 3, 2021, stayed the order of MCGM and directed that MCGM shall not proceed with further demolition of the structure. While our structures were not demolished pursuant to such MCGM Notice, MCGM has been imposing additional property tax on us since Financial Years 2023 to 2024. Further, it may demolish the unauthorized construction and recover cost of demolition from us as arrears of property tax if the writ petition is not decided in our favor.

12. *There can be no assurance that we will be successful in implementing our current and future strategic plans, and our efforts to expand our service offerings and market reach may not succeed and may impact our revenue and growth.*

We derive a large portion of our revenue from our depository business, including custody fees and transaction fees collected from our depository participants. In addition to introducing technologically advanced and varied products and services in our core business, we have entered into other ancillary businesses that include our database management and payments bank businesses, through our Subsidiaries, NDML and NPBL, respectively. Revenue from our banking services also contributes significantly to our consolidated revenue from operations. Set forth below is the segment-wise revenue generated from our operating segments for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, also expressed as a percentage of total revenue from operations for such years.

Segment	Nine months ended December 31,				For the Financial Year					
	2024		2023		2024		2023		2022	
	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)
Depository	4,520.62	42.79%	3,469.60	37.14%	4,730.34	37.30%	4,091.46	40.03%	3,692.62	48.52%
Banking services	5,413.62	51.24%	5,323.03	56.98%	7,192.40	56.71%	5,407.78	52.92%	2,992.45	39.31%
Database management	631.22	5.97%	549.33	5.88%	759.70	5.99%	720.64	7.05%	926.03	12.17%
Total Operating Revenue	10,565.46	100.00%	9,341.96	100.00%	12,682.44	100.00%	10,219.88	100.00%	7,611.10	100.00%

We have undertaken and continue to undertake new initiatives to increase our network of depository participants, increase our market share as a depository and introduce additional products and value-added services to the financial and securities markets in India. We have undertaken a review of our strategies and goals and intend to continue to focus on our growth potential and increase market penetration, invest in and upgrade our IT infrastructure systems, diversify our offerings and enhance our database management business, and increase the market share of our payments bank business. For details, please see “*Our Business – Our Strategies*” on page 132 of this Addendum.

Some factors that may have an effect on our current and future strategic plans include:

- increased competition from our competitors with more affordable products and services at favorable terms;
- our inability to successfully introduce new services and products;
- our inability to onboard new depository participants (including new age fin-tech brokers); see also “*We have in the past experienced a loss of market share in the depository business due to the rapid emergence of new age fin-tech brokers*” at page 57 of this Addendum;
- the pace of growth and activities in the capital markets in India;
- the inability of our depository participants to bring in new demat account holders; and
- adverse changes in the regulatory environment in India.

Any failure to broaden the scope of our products and services may inhibit the growth our business, as well as increase the vulnerability of our depository business. Many of these factors remain beyond our control. As a result, there can be no assurance that we will be able to successfully implement our current and future strategic plans.

13. We are required to obtain various approvals in relation to our business and our inability to be able to obtain or renew such approvals may affect our business and results of operations.

The laws and regulations governing our businesses are evolving and may be amended, supplemented or changed from time to time. As a result, we may be required to seek for and follow additional procedures, modify or adjust certain activities, restructure our ownership structure, obtain new and additional licenses and incur additional expenses to comply with such laws and regulations, which could adversely affect our future development and business. Our depository business is governed by the Depositories Act and regulations prescribed by SEBI. Moreover, the businesses carried on by our Subsidiaries, NPBL and NDML, are governed by the laws of various regulatory and statutory authorities including the RBI, SEBI, UIDAI and IRDAI. Market intermediaries, which contribute significantly to our revenues, are also governed by regulations issued by regulatory authorities such as SEBI, RBI and IRDAI. For example, we have approvals from SEBI in relation to, among others, registration as a securities depository and registration to act as a registrar to an issue. For a detailed description of our licenses and approvals, please see “*Government and Other Approvals*” on page 312 of the Draft Red Herring Prospectus.

Some of the licenses and approvals that have been issued to our Company or our Subsidiaries contain certain conditions and restrictions. For instance, the license to operate as a payments bank issued by the RBI requires NPBL to comply with certain terms and conditions including maintaining a minimum net worth of ₹1,000 million and compliance with corporate structure provisions pertaining to shareholding and appointment of board of directors. In the event that NPBL is unable to comply with any or all of these terms and conditions, the RBI may place stringent restrictions on it which may impact our operations to the extent

of our offering services and may adversely impact our reputation and financial condition. If we fail or allegedly fail to satisfy the conditions or comply with the restrictions imposed by the relevant licenses and approvals, or the restrictions imposed by any statutory or regulatory requirements, we may become subject to regulatory enforcement or be subject to fines, penalties or additional costs or revocation of these licenses and approvals.

Further, our operations are subject to continued review and the governing regulations may change. While we currently have or have applied for all material approvals required for our business or are in the process of applying for the approvals, we may not have, or may not receive, all necessary approvals, or be able to obtain renewals of all our approvals within the time frames anticipated by us or may not obtain the same at all, which could adversely affect our business. For a detailed description of our approvals which are either pending renewal or are yet to be applied for, please see “*Government and Other Approvals*” on page 312 of the Draft Red Herring Prospectus. Any failure to obtain, renew or maintain any required approvals or registrations or to meet any regulatory requirements could potentially result in the interruption of all or some of our operations, constrain our ability to scale-up our business or to introduce new products and services and could materially and adversely affect our business and financial results. For instance, the approval to operate the insurance repository as a strategic business unit granted by IRDAI was valid till March 31, 2025. IRDAI has advised NDML to operate its insurance repository business *via* a separate company on February 23, 2024, and May 13, 2025. NDML is in the process of deciding its next course of action which may entail incurring additional expenses and/or impact its financial position. While we continue to operate as an insurance repository, in case we ultimately decide to transfer the insurance repository business into a separate entity, we would be required to incur additional cost and resources on the same. Further, we may require regulatory approvals and licenses that we do not currently possess for certain of our proposed products/ services. While we have in the past successfully obtained such approvals and licenses for certain proposed products/services that have yet to be undertaken or launched, there can be no assurance that we will be able obtain them at all or in a timely manner in the future. Additionally, the inability of the market intermediaries associated with us to maintain or renew their approvals/registrations may adversely affect our business, cash flows, results of operations and financial condition.

- 14. *SEBI in-principle approval requires us to complete the listing process before April 13, 2024, which has been extended till July 31, 2025. If we fail to comply with this deadline, we may be required to apply for an extension or a fresh approval, which may not be granted in a timely manner, or at all.***

SEBI, through its letter dated April 13, 2023, had granted us the in-principle approval to list our Equity Shares on a recognized stock exchange, subject to certain conditions, including, compliance with the provisions of the SEBI D&P Regulations and the shareholding norms prescribed therein, compliance with the SEBI ICDR Regulations, and completion of the entire listing process within one year from the date of issuance of the in-principle approval, i.e., before April 13, 2024. Pursuant to its letter dated March 28, 2025, SEBI has allowed a further extension for listing of our Equity Shares by July 31, 2025. Our failure to not comply with any of these conditions may require us to apply for an extension or a fresh approval from SEBI. This may not be granted to us in a timely manner, or at all.

- 15. *Our principal Shareholders, IDBI Bank Limited and National Stock Exchange of India Limited, are required to dilute their shareholding in our Company on or before July 31, 2025, as required under the SEBI D&P Regulations.***

The SEBI D&P Regulations provide that any shareholding or voting rights in a company engaged in the depository business beyond the permissible limit of 15% shall be reduced to the specified limit within a period of five years from the commencement of SEBI D&P Regulations, i.e., on or before October 2, 2023 (“**Dilution Deadline**”). Our Shareholders, IDBI Bank Limited and National Stock Exchange of India Limited currently hold 26.10% and 24.00% of the paid-up Equity Share capital, respectively, of our Company, which is in excess of the maximum permissible limit of 15%. Therefore, IDBI Bank Limited and National Stock Exchange of India Limited are required to mandatorily dilute their respective shareholding in our Company in order to comply with the requirements prescribed under the SEBI D&P Regulations. Any failure to comply with this requirement within the stipulated timeline may lead to adverse observations or directions from SEBI, which may impact our business and operations. Pursuant to its letter dated March 28, 2025, SEBI has *inter alia* extended the Dilution Deadline up till July 31, 2025 for our shareholders, IDBI Bank Limited and National Stock Exchange of India Limited.

- 16. *There are outstanding legal proceedings involving our Company, our Directors, and our Subsidiaries.***

There are outstanding legal proceedings involving our Company, our Directors, our Subsidiaries and our Group Companies. These proceedings are pending at different levels of adjudication before various judicial authorities, from which further liability may arise.

A summary of outstanding litigation proceedings involving our Company, our Directors, our Subsidiaries and Group Companies, is set out below. For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” on page 265 of the Addendum.

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in million) ⁽¹⁾
Company					
By our Company	-	17	-	-	1,315.79
Against our Company	1	-	4	3	3,196.86
Directors					
By the Directors	-	-	-	-	-
Against the Directors	5	-	-	-	-
Subsidiaries					
By the Subsidiaries	-	12	-	-	66.49
Against the Subsidiaries	-	-	-	-	-
Key Management Personnel or Senior Management					
By the KMP or Senior Management	-	-	-	-	-
Against the KMP or Senior Management	4*	-	-	-	-

(1) The aforementioned amounts are stated to the extent they can be quantified, and rounded off to the nearest rupees in millions, with precision up to two decimal places.

*Includes four criminal proceedings involving Vijay Chandok, our Managing Director and Chief Executive Officer.

For details in relation to the pending regulatory proceedings and other material litigation involving one of our Group Companies, see “*Outstanding Litigation and Other Material Developments - Litigation involving our Group Companies*” on page 271 of this Addendum.

We cannot assure you that any of these proceedings will be decided in favor of our Company, our Directors and our Subsidiaries, or that no further liability will arise out of these proceedings. Such proceedings could, however, divert management time and attention, and consume financial resources in their defense or prosecution. Our Company is in the process of litigating these matters and based on the assessment in accordance with applicable accounting standards, our Company has presently not made provision for any of the pending legal proceedings. For details of our contingent liabilities, see “*Summary of the Offer Document – Summary of contingent liabilities and other commitments of our Company*”, “*– Materialization of our contingent liabilities could adversely affect our financial condition*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Assets*” on pages 26 of the Draft Red Herring Prospectus, 54 and 245 of this Addendum, respectively.

Further, an unfavorable outcome in any of these proceedings, even though not quantifiable, may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations.

17. We may not be sufficiently protected or insured for certain losses that we may incur or claims that we may face against us.

We are obligated, as per Section 16 of the Depositories Act, 1996, to indemnify the beneficial owners (“BOs”) in the event of any loss incurred by them due to our own negligence or the negligence of our depository participants.

We maintain insurance coverage under various insurance policies such as business operational risk insurance which also covers cyber security threat, directors’ and officers’ liability insurance and asset insurance.

In order to indemnify the beneficial owners in accordance with the Depositories Act, our insurance coverage includes a business operational risk insurance policy (with an excess business operational risk

insurance policy) up to an overall limit of ₹2,000 million, covering cyber liability for up to ₹1,000 million, and a provision for reinstatement under the business operational risk insurance policy up to ₹1,000 million, to maintain an insurance cover in respect of error, omission, fraud and system failure. Further, we have had instances in the past where depository participants have made insurance claims under our Company's business risk insurance policy, for the losses suffered by them. While we believe that our insurance policies and coverage is sufficient for our business and operational needs, the insurance policy amount may not be adequate to cover our claims or may not be available to the extent we expect and are subject to exclusions and deductibles, which may lead to financial liability and other adverse consequences.

As of December 31, 2024, the amount of our insured property, plant and equipment was ₹2,665.23 million, representing 100.00% of our property, plant and equipment and 9.44% of our total assets (including certain of our assets which are not insurable). Any business disruption, litigation, regulatory action, outbreak of an epidemic disease, adverse weather conditions or natural disasters could also expose us to substantial costs and diversion of resources. If we incur any loss, our business, cash flows, financial condition and results of operations could be adversely affected. For details, see "*Our Business— Insurance*" on page 148 of this Addendum.

18. *We have entered into and will continue to enter into related party transactions. We cannot assure you that such transactions will not have an adverse impact on our business, financial condition, cash flows and results of operations.*

We have entered into various related party transactions, which arithmetically aggregated to an absolute total amount of ₹557.71 million, ₹350.70 million, ₹368.82 million, ₹438.05 million and ₹541.36 million, representing 5.28%, 3.75%, 2.91%, 4.29% and 7.11% respectively, of our total revenue from operations during the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022. For further details of the related party transactions, see "*Related Party Transactions*" on page 303 of the Draft Red Herring Prospectus. While all our related party transactions have been conducted on an arm's length basis and in compliance with all the applicable laws, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is possible that we may enter into related party transactions in the future. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations or that we could not have achieved more favorable terms if such future transactions had not been entered into with related parties. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. We cannot assure you that our Directors and executive officers will be able to address such conflicts of interests or others in the future.

19. *We utilize the services of certain third-party vendors for our operations. Any deficiency or interruption in their services could adversely affect our business and reputation.*

We engage third party service providers for certain parts of our operations including for providing services relating to the development of applications and updates to our platform, and product distribution. While all business activities relating to our depository operations are carried out entirely by our Company, due to our specialized technological needs as being a depository, we rely on a few third-party vendors to handle critical IT operations for us such as system maintenance, system development and testing, infrastructure management and information security. Furthermore, we rely on third-party vendors to also provide junior-level resources for certain support activities such as human resource services, administration services and accounts, each of which are carried out under the supervision of our employees. Certain of our agreements with them include non-compete clauses, which are subject to written intimation to our Company. Accordingly, the service providers can work with our competitors during the subsistence of the agreements entered into with our Company upon providing such intimation. There can be no assurance that they may be able to efficiently and effectively engage in significant product distribution in comparison with our competitors, or at all. Our dependence on these vendors imposes limitations on our ability to transition the services they provide to alternative vendors in a timely manner. Our ability to control the manner in which services are provided by third party service providers is limited and we may be held liable on account of any deficiency of services on the part of such service providers. Due to our reliance on third-party service providers, any shortcomings in their products or services could result in deficiencies, delays, or failures in the services we deliver, see also "*- We rely on complex information technology networks and systems to operate our business. Any significant system or network disruption due to a technical glitch, breach in the security of our IT systems or otherwise, could have a negative impact on our business, reputation, results of operation and financial condition including levy of financial disincentive by SEBI*". While there have

been no instances of any material deficiency or interruption of our services on account of any lapse or lack of quality by the third party vendors in the nine months period ended December 31, 2024 and the last three Financial Years, we cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third-party service providers. In addition, if we fail to supervise and control the sales and marketing activities of such third parties, the quality of services they provide may deteriorate, which could adversely affect our brand value. Some third-party vendors may also be small companies which are likely to experience financial or operational difficulties than larger, well-established companies due to limited financial and other resources. This may result in a delay of services or products delivered to us and we may be unable to find alternative vendors. Any disruption or inefficiency in the services provided by our third-party service providers could affect our business and reputation.

20. *Non-compliance with laws relating to privacy and data protection could result in claims, harm our results of operations, financial condition, and prospects.*

We are subject to a variety of laws, rules, directives, and regulations, as well as contractual obligations, relating to the processing and storage of personal information, including personally identifiable information. The regulatory framework for privacy and data protection worldwide is rapidly evolving and, as a result, implementation standards and enforcement practices are likely to continue to evolve for the foreseeable future which could have a significant impact on our current and planned privacy and data protection-related practices; our processing of personal information; and our current or planned business activities.

Compliance with current or future privacy and data protection laws (including those regarding security breach notification) affecting personal information to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services (such as products or services that involve us sharing personal information with third parties or storing personal information), which could materially and adversely affect our financial position and could reduce income from certain business initiatives. As part of our operations, we are required to comply with the Information Technology Act, 2000 and the rules notified thereunder. For details, see “*Key Regulations and Policies*” on page 176 of the Draft Red Herring Prospectus. The Digital Personal Data Protection Act, 2023 (the “**DPDP Act**”) was enacted on August 11, 2023. The DPDP Act provides for the processing of digital personal data in a manner that recognises both the rights of individuals to protect their personal data and the need to process personal data for lawful purposes and matters incidental thereto. As the relevant rules are yet to be notified, the impact on the DPDP Act on our business and operations remains uncertain. In terms of its scope, the DPDP Act is specifically geared towards regulating personal data, regardless of whether it was originally gathered in a digital format or digitised subsequently. Additionally, it possesses extraterritorial reach, affecting the processing of digital personal data conducted outside India, but solely when such processing is linked to offering of goods or services to data principals (i.e., (i) a child, including parents or lawful guardian of such a child, and (ii) a person with disability, including their lawful guardian, acting on their behalf, (together with (i) and (ii) the “**Data Principals**”)) within India. The DPDP Act provides for protection of personal data and processing the same only for lawful purposes. It also grants certain rights to Data Principals including the right to access information and seek correction and erasure of personal data. Further, the Data Principal also has the right of grievance redressal, right to nominate an individual to exercise rights on their behalf in the event of their death or incapacitation etc. The DPDP Act requires companies that collect and deal with high volumes of personal data, known as significant data fiduciaries, to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and an independent data auditor to evaluate compliances with the DPDP Act. The DPDP Act establishes a data protection board of India to adjudicate non-compliance with the provisions of the DPDP Act. Owing to the DPDP Act being new, its interpretation and application remain uncertain and are also subject to change and may become more restrictive in the future with respect to our ability to collect, use, disclose and transfer information pertaining to our counterparties. Our failure to take reasonable security precautions, safeguard personal information or collect such information in the future may have a material adverse effect on our business, financial condition and results of operations.

Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and information security, it is possible that our interpretations of the law or practices could be inconsistent with or fail or be alleged to fail to meet all requirements of, such laws, regulations, or contractual obligations. Our failure, or the failure of any third party with whom we conduct business, to comply with privacy and data protection laws or regulations or any other obligations relating to privacy, data protection, or information security, or any compromise of security that results in unauthorized access

to, or use or release of personally identifiable information or other data, or the perception that any of the foregoing types of failure or compromise has occurred, could result in potentially significant regulatory investigations and government actions, litigations, fines, or sanctions, consumer, funding source, bank partner, and damage to our reputation and brand, all of which could have a material adverse effect on our business. Complying with privacy and data protection laws and regulations may cause us to incur substantial operational costs or require us to change our business or privacy and security practices. We may not be successful in our efforts to achieve compliance either due to internal or external factors, such as resource allocation limitations or a lack of cooperation from third parties. Although, we have not received complaints or notifications from third parties alleging that we have violated applicable privacy and data protection laws and regulations, we cannot assure you that this will not occur in the future.

21. *Payments banks in India, including our Subsidiary, NPBL, are subject to regulatory requirements and prudential norms. Its inability to comply with applicable laws, regulations and norms may have an adverse effect on our reputation, businesses, financial condition and results of operations.*

Payments banks in India, including our Subsidiary, NPBL, are subject to various requirements and restrictions in relation to their functioning, corporate ownership and governance which are prescribed under the applicable acts such as the Banking Regulation Act, 1949, as amended, along with applicable regulations prescribed by the RBI from time to time. These include, but are not limited to, maintaining a minimum net worth of ₹1,000 million at all times; ensuring ownership and control by Indian residents in accordance with the Foreign Exchange Management Act, 1999, as amended, read with rules and regulations thereunder; obtaining prior approval from the RBI for any change in its shareholding by way of fresh issue or transfer of shares, directly or indirectly, to a particular investor, acting alone or in concert with any other person, to the extent of 5% or more of its paid-up share capital or 5% or more of its voting rights; an inability to undertake lending activities; prudential norms specified in respect of market risk and operational risk, maintenance of regulatory ratios including cash reserve ratio on its demand and time liabilities and statutory liquidity ratio; periodic disclosure requirements (including in presentation of financial information and financial statements); fraud classification and reporting; and cyber security compliance. In addition, the Payments Bank Licensing Guidelines, Payments Bank Operating Guidelines and other applicable regulations along with the payments bank license issued by the RBI require NPBL to comply with certain conditions in relation to its operations. Further, our Company is required to ensure that its shareholding in NPBL does not fall below 40% of the paid-up equity share capital during the first five years from the date of commencement of NPBL's business operations as a payments bank, i.e., October 29, 2018. Moreover, the equity shares of NPBL are required to be mandatorily listed on the stock exchanges within three years from the date of reaching a net worth of ₹5,000 million. As on December 31, 2024, the net worth of NPBL was ₹1,470.99 million. For details, see "*Key Regulations and Policies*" on page 176 of the Draft Red Herring Prospectus. Further, under the Banking Regulation Act, NPBL's directors and certain key personnel, prior to their appointment, are required to meet the requisite eligibility criteria and additionally we have to obtain a prior approval from the RBI for various corporate actions, including appointment / re-appointment / removal of the chairman, director, chief executive officer and auditors. Any procedural or regulatory delay or failure in obtaining or procuring such prior approval from the RBI may have an adverse impact on our operations.

In case of any failure to comply with the prescribed conditions, applicable directives, reporting requirements, requirements to meet the prescribed prudential norms or any other ongoing regulations or requirements from RBI or other regulators, the RBI may charge penalties, penalize NPBL's management, restrict NPBL's banking activities or otherwise enforce increased scrutiny and control over NPBL's banking operations, including by way of withholding approvals, or issuing conditional approvals in respect of any proposed actions for which NPBL may seek approval in the future, or even cancel NPBL's banking license. For instance, NPBL has, in the past, received a letter from RBI conveying its displeasure regarding non-compliance with certain provisions of the Master Direction on Issuance and Operation of Prepaid Payment Instruments ("**PPIs**") dated October 11, 2017, and Master Directions on PPIs dated August 27, 2021 (as updated from time to time) ("**Master Directions**") issued by RBI in relation to co-branding arrangement between a bank and non-bank entity. RBI stated that NPBL had entered into a co-branding arrangement with the said non-bank entity for issuance and operations of PPIs and observed that the role of non-bank entity in the instant arrangement exceeded the activities permitted under the instructions of the said Master Directions. Our Company had replied to the said letter stating that it will comply with the Master Directions and make appropriate arrangements to ensure zero non-compliance to the Master Directions. Further, NPBL received a notice dated February 28, 2024 from RBI observing violation of paragraph 4(i) of the guidelines on licensing for payments banks due to alleged breaches in the prescribed

maximum EOD balance in customer accounts. While our Company had responded to the said letter and implemented necessary controls to ensure compliance with the guidelines prescribed by RBI, we cannot assure you that such non-compliances will not happen in the future and that we will not be subject to any action by the RBI which may adversely affect our operations and financial position.

NPBL is subject to periodic on-site inspections by the RBI in relation to its compliance with licensing conditions, operating guidelines and matters relating to its banking operations pursuant to the relevant provisions, circulars and master directions issue at regular intervals under the Banking Regulation Act, 1949. During the annual inspection conducted by RBI from August 19, 2024 to September 13, 2024 pursuant to Section 35 of the Banking Regulation Act, 1949, RBI made certain observations, such as breach in licensing condition i.e. maximum EOD balance in 12 active accounts and 14 blocked/closed/frozen accounts were having balance exceeding prescribed EOD limit of 2 lakh since April 2023 till DPI, certain deficiencies in our KYC/AML framework, IT systems and control, outsourcing arrangement and conducting performance review of BC. RBI also shared a draft of the risk mitigation plan for NPBL.

While NPBL has taken actions and responded to such observations, findings, directions and regulatory non-compliances and in certain instances are in the process of taking actions, we cannot assure you that the RBI will not make similar or other observations in the future, or such actions have been or will be addressed to the satisfaction of RBI. In the event NPBL is unable to resolve such deficiencies and other matters to the RBI's satisfaction, or are otherwise in non-compliance with the RBI's directions, the RBI may charge penalties, penalize our management, restrict our banking activities or otherwise enforce increased scrutiny and control over our banking operations, including by way of withholding approvals, or issuing conditional approvals, or even cancel our banking license. Imposition of any penalty or adverse findings by the RBI during ongoing or any future inspections may therefore have an adverse effect on our business, results of operations, financial condition and reputation.

Further, to ensure compliance with the regulatory framework applicable to payments banks, NPBL may need to allocate additional resources, which may increase the regulatory compliance costs and divert management attention. The inability to comply with laws and regulations applicable to a payments bank may have an adverse effect on NPBL's business, cash flows, financial condition and results of operations which may also have a resultant impact on our reputation and consequently an adverse effect on our cash flows, financial conditions and results of operations.

Additionally, under the Banking Regulation Act, the RBI has the authority to remove any director, chairman, CEO, or other officers or employees of a bank, including payments banks, if their conduct is detrimental to the interests of depositors or public interest. The RBI can also supersede the board of directors of a payments bank and appoint an administrator to manage the bank in line with regulations, with the power to freeze remuneration levels and take other measures. In such circumstances, the management of the bank will vacate their office, and the administrator will exercise all powers, functions, and duties under applicable law.

Any such action by the RBI could negatively impact our reputation, business, financial condition, results of operations, and cash flows. We may face challenges in managing NPBL's affairs during the supersession period, and the appointment of an administrator could lead to a loss of control over our business operations. We are dependent on our management team at NPBL for our business and growth and therefore, any regulatory action by the RBI against our management could have significant adverse effects on our operations, financial performance, and reputation.

- 22. *NPBL is required to comply with applicable know-your-customer, anti-money laundering and anti-terrorism laws in India. However, NPBL may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose us to additional liability and harm our business or reputation.***

As a payments bank, our Subsidiary, NPBL is required to comply with applicable know-your-customer, anti-money laundering and anti-terrorism laws in India. These laws and regulations require it to adopt certain measures, including, to adopt and enforce adequate know-your-customer, anti-money laundering and anti-terrorism safeguards and procedures to report suspicious transactions to regulatory authorities in India. We may face significant challenges with implementation of new system and/or upgrading the existing system to meet the requirements of such regulatory developments. While we have adopted policies and procedures for complying with applicable know-your-customer, anti-money laundering and anti-

terrorism laws in India, such policies and procedures may not eliminate instances where its platforms and services may be used by other parties to engage in money-laundering and other illegal or improper activities. While there have been no adverse regulatory actions against NPBL in this regard, in the event accounts are not routinely monitored or if subsequent complete KYC checks are not carried out, and if any such parties use NPBL's channels for money-laundering or illegal or improper purposes, NPBL may be subject to adverse regulatory actions which will significantly impact our business and reputation.

23. *We are subject to higher penalties and settlement amounts as a market infrastructure institution and may be required to contribute a higher percentage of our profits to the Investor Protection Fund, which may adversely affect our profitability and dividend payments.*

As a market infrastructure institution, we are required to comply with various regulatory requirements and governance norms prescribed by SEBI and other authorities. Any non-compliance or violation of these requirements and norms may expose us to higher penalties and settlement amounts than other market participants. For instance, under the SEBI (Settlement Proceedings) Regulations, 2018, the residuary base amount for most units of alleged default is the highest for market infrastructure institutions. Any such penalties or settlement amounts may reduce our profits and cash flows.

Further, under the SEBI D&P Regulations, we are required to contribute five per cent (or such percentage as may be specified by SEBI) of our net profits to the Investor Protection Fund every year, which is used for various purposes such as investor education and awareness. SEBI may increase this percentage in the future, which may result in lower distributable profits and dividends for our shareholders. Any such increase in the contribution to the Investor Protection Fund may adversely affect our profitability and dividend payments.

24. *We operate in a business environment that continues to experience significant and rapid changes in technology. Any failure to keep up with these changes may have an adverse impact on our business.*

We operate in a business environment that continues to experience significant and rapid changes in technology, which is a key component of our operations and business strategies and is crucial to our success. We seek to offer market participants a comprehensive suite of technology solutions in a centralized environment through a range of product offerings and services. However, the business environment in which we operate has undergone, and continues to experience, significant and rapid technological change. In recent years, electronic trading has grown significantly, and customer demand has increased. To remain competitive, we aim to continue to enhance and improve the responsiveness, functionality, capacity, accessibility and features of our platforms, software, systems and technologies. Our success will depend, in part, on our ability to:

- develop and effectively monetize technology platforms;
- enhance existing platforms and services and create new platforms and services;
- respond to customer demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis;
- continue to attract and retain highly skilled technology staff to maintain and develop existing technology; and
- to adapt to and manage emerging technologies including block chain.

In the event that we are unable to anticipate and respond to the demand for new services and products driven by new technologies in a timely and cost-effective basis and to adapt to technological advancements and changing standards, we may be unable to compete effectively, which could adversely affect our business, financial condition and results of operations. Similarly, a significant risk to our payments bank business is the increasing adoption of UPI and other government interventions aimed at promoting digital payments by reducing or capping processing costs. As a result of these initiatives, we may experience a decline in revenue and margins from our payments bank business. Furthermore, the implementation of such initiatives may result in increased competition from existing and new players which may adversely affect our ability to acquire and retain customers. While we may explore new revenue streams or cost-cutting measures to mitigate this risk, there is no assurance that such efforts will be successful. Any material adverse impact on the business of NPBL or NDML, respectively, could have a negative effect on our financial condition, results of operations, and cash flows.

Additionally, in line with the rapid technological enhancements, we will need to be more vigilant and proactive in developing adequate safeguarding infrastructure to address the threats to sensitive financial and customer data. Based on enhanced functional specifications, regulatory requirements and technology changes, we may need to further enhance and re-develop our platforms to meet the requirements of the users. This may entail necessary upgrade costs and incidental timelines. We may incur substantial development, sales and marketing expenses and expend significant management effort to adapt to the evolving technologies. Even after incurring these costs, we ultimately may not realize any, or may realize only small amounts of, revenues for these new products or services. Consequently, if our revenues do not increase in a timely manner as a result of these initiatives, the up-front costs associated with expansion may exceed related revenues and reduce our working capital and income. In addition, these investments may not be profit enhancing, or seek to improve operating efficiencies and/or lower operational costs, which if not realized may adversely affect our business, financial condition and results of operations.

25. A failure to generate income from fee and commission-based activities by NPBL may have a negative impact on our financial performance.

Our ability to generate revenue through fees and commissions charged by NPBL is subject to various factors, both internal and external, which may adversely affect our financial performance. Set forth below are the details of our revenue from operations from our banking services for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022:

Particulars	Nine months ended December 31,				For the Financial Year					
	2024		2023		2024		2023		2022	
	(₹ in million)	(% of Total Revenue from Operations)	(₹ in million)	(% of Total Revenue from Operations)	(₹ in million)	(% of Total Revenue from Operations)	(₹ in million)	(% of Total Revenue from Operations)	(₹ in million)	(% of Total Revenue from Operations)
Revenue from operations from banking services	5,413.62	51.24%	5,323.03	56.98%	7,192.40	56.71%	5,407.78	52.92%	2,992.45	39.31%

The primary source of our revenue is from fees and commissions charged for our products and services, which is influenced by our business strategy, transaction expenses, volume of transactions, and promotional offers. Additionally, external factors such as general economic conditions, market value, regulatory instructions, changes in banking activity, and competition with other fintech companies can impact our revenue stream. Furthermore, the volume of transactions carried out by NPBL is dependent on various factors, including the availability of customer touchpoints, the usability and reliability of our technology, marketing efforts, and customer care initiatives. External factors such as macro-economic conditions, government initiatives, and competition also affect transaction volume. Failure to manage these factors could result in inadequate fee and commission structures, missed revenue opportunities, and an inability to increase transaction volume, all of which could negatively impact our financial condition, results of operations, and cash flows. For risks in relation to the increase in our cost-to-income ratio for our banking business, please see “- Our payments bank business involves high operating expenses leading to a high cost-to-income ratio.” below.

26. Our payments bank business involves high operating expenses leading to a high cost-to-income ratio and had incurred losses in the past.

As per the report on trend and progress of banking in India (2023-2024) published by the Reserve Bank of India (RBI), payments banks in India experienced minimal profit margins at a slower pace during the Financial Year 2024 compared to the Financial Year 2023. This was primarily attributed to high operating expenses, resulting in a cost-to-income ratio of 97.2% for the same period.

In relation to our payments bank, the specific details regarding total allocable revenue and allocable expenses for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023, and 2022, are as set below:

Segment	Nine months ended December 31,				For the Financial Year					
	2024		2023		2024		2023		2022	
	(₹ in million)	(% of Total Revenue/Expense/Results from Operations)	(₹ in million)	(% of Total Revenue/Expense/Results from Operations)	(₹ in million)	(% of Total Revenue/Expense/Results from Operations)	(₹ in million)	(% of Total Revenue/Expense/Results from Operations)	(₹ in million)	(% of Total Revenue/Expense/Results from Operations)
Total allocable revenue	5,413.62	51.24%	5,323.03	56.98%	7,192.40	56.71%	5,407.78	52.92%	2,992.45	39.31%
Total allocable expense	5,392.11	67.61%	5,303.91	70.63%	7,169.90	71.18%	5,323.71	67.55%	3,069.18	56.91%
Segmental results/ Operating margin	21.51	0.83%	19.12	1.04%	22.50	0.86%	84.07	3.59%	(76.73)	(3.46%)

We cannot assure you that we will be able to efficiently increase the volume of our transactions and improve our cost to income ratio leading to wider margins of income and the resultant profitability. If we are not able to manage our operations without significantly addressing our operating costs, in the light of changing market patterns and economic conditions, it may not be commercially viable for us to operate our payments bank business which may adversely affect our revenue from operations, future prospects and cashflow.

27. A majority of our revenue from operations are derived from our banking services.

We derive a majority of our revenue from the banking services of our Subsidiary, NPBL. Set forth below is the segment-wise revenue generated from our operating segments for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, also expressed as a percentage of our total revenue from operations for such years.

Segment	For the nine months ended December 31,				For the Financial Year					
	2024		2023		2024		2023		2022	
	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)	Operating Revenue (₹ in million)	(% of Total Revenue from Operations)
Depository	4,520.62	42.79%	3,469.60	37.14%	4,730.34	37.30%	4,091.46	40.03%	3,692.62	48.52%
Banking services	5,413.62	51.24%	5,323.03	56.98%	7,192.40	56.71%	5,407.78	52.92%	2,992.45	39.31%
Database management	631.22	5.97%	549.33	5.88%	759.70	5.99%	720.64	7.05%	926.03	12.17%
Total Operating Revenue	10,565.46	100.00%	9,341.96	100.00%	12,682.44	100.00%	10,219.88	100.00%	7,611.10	100.00%

For further details in relation to our segment-wise results of operations, see “*Management’s Discussion and Analysis of Financial Condition and Results Of Operations – Significant Factors Affecting our Financial Condition and Results of Operation*” on page 235 of this Addendum.

Any failure to continue to grow our banking services or any impact on banking services regulations in India may hamper the growth of our business, many of these factors remain beyond our control. For further details on the banking regulations in India, see “– *Payments banks in India, including our Subsidiary, NPBL, are subject to regulatory requirements and prudential norms. Its inability to comply with applicable laws, regulations and norms may have an adverse effect on our reputation, businesses, financial condition and results of operations*” and “*Key Regulations and Policies in India*” on pages 43 of this Addendum and 176 of the Draft Red Herring Prospectus, respectively.

28. We have experienced negative cash flows in the past. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

We have experienced negative cash flows from our investing and financing activities during the nine months ended December 31, 2024 and 2023 and Financial Years 2024, 2023 and 2022. The following table summarizes our cash flows data for the periods indicated:

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	(₹ in million)		(₹ in million)		
Net cash generated from operating activities	4,308.76	763.27	1,128.82	5,079.39	1,476.53
Net cash used in investing activities	(4,376.04)	(1,710.00)	(1,775.64)	(4,417.05)	(643.19)
Net cash used in financing activities	(163.82)	(200.00)	(200.00)	(200.00)	(200.00)
Net (decrease)/increase in cash and cash equivalents	(231.10)	(1,146.73)	(846.82)	462.34	633.34

Our cash flows are subject to substantial changes during any particular period or fiscal year. NPBL, as a result of the nature of its business, particularly, the purchase and sale of certain products, transacts in and settles a significant amount of money on a day-to-day basis. Such amounts are consolidated in our Restated Consolidated Financial Information and accordingly is a significant contributor to our changes in cash flows from operating and investing activities. For example, net cash generated from operating activities decreased by 77.8% from ₹5,079.39 million for the Financial Year 2023 to ₹1,128.82 million for the Financial Year 2024 primarily due to the amounts deposited as service tax demand for the depository business and the increase in amounts paid to merchants in relation to the settlement of various products of NPBL. However, net cash generated from operating activities increased from ₹1,476.53 million for the Financial Year 2022 to ₹5,079.39 million for the Financial Year 2023 primarily due to the amount received on maturity of fixed deposits invested in government securities having an original maturity of more than 12 months in Financial Year 2023 and amounts received from merchants in relation to settlement of various products of NPBL.

Any negative cash flows in the future could adversely affect our results of operations and financial condition. For further details, see “*Management’s Discussion and Analysis of our Financial Condition and Results of Operations – Cash Flows*” on page 259 of this Addendum.

29. Delays or defaults in relation to our trade receivables could adversely affect our financial condition.

We are exposed to payment delays and defaults which may require us to make significant working capital investments. Set forth below are the details of trade receivables and receivables outstanding for more than 180 days as of December 31, 2024 and December 31, 2023 and March 31, 2024, March 31, 2023 and March 31, 2022.

Particulars	For the nine months period ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
Trade receivables gross (₹ in million)	1,871.64	1,338.70	1,211.53	1,116.55	1,212.20
Trade receivables provided for (₹ in million)	533.17	363.38	380.14	260.27	189.80
Receivables outstanding for more than 180 days (₹ in million)	576.37	447.73	425.67	527.98	636.20
Receivables outstanding for more than 180 days as a percentage of total receivables (%)	30.79%	33.45%	35.13%	47.29%	52.48%

There is no surety on the timeliness for recovery of all or any part of our trade receivables. If a party defaults in making payments where we have devoted significant resources or have invested significant resources, or if such payment is delayed, cancelled or does not proceed to completion, it could have an adverse effect on our financial condition.

30. *Our Company is neither associated with nor related to Protean eGov Technologies Limited. Further, the business of our Company is not similar to that of Protean eGov Technologies Limited.*

Protean eGov Technologies Limited (the ‘**Transferor Company**’) was originally incorporated as National Securities Depository Limited, a company providing, among others, depository services under the Depositories Act. In 2012, the Transferor Company filed for a scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956 before the High Court of Bombay to re-organize and segregate its depository business, by way of demerger, and vest it in our Company (“**Transferee Company**”), its erstwhile wholly owned subsidiary (the “**Scheme of Arrangement**”). Pursuant to the Scheme of Arrangement, and as sanctioned by the High Court of Bombay by its order dated November 2, 2012, the depository undertaking, engaged in the business of providing depository services under the Depositories Act, was transferred and vested in the Transferee Company, as a going concern and all assets and properties (whether movable or immovable, tangible or intangible), sundry debtors, outstanding loan and advances, including all permits, no-objection certificate, contracts, permission, approvals, consents, rights, entitlement and licenses and all staff, workmen and employees (excluding the contractual staff) of the Transferor Company were deemed to be a part of the Transferee Company. Upon the Scheme of Arrangement coming into effect, the Transferor Company was renamed as ‘*NSDL e-Governance Infrastructure Limited*’ and was further renamed as ‘*Protean eGov Technologies Limited*’. Similarly, we were renamed as ‘National Securities Depository Limited’ from ‘NSDL Depository Limited’. For further information in relation to the Scheme of Arrangement, see “*History and Certain Corporate Matters - Scheme of Arrangement*” on page 188 of the Draft Red Herring Prospectus. As on the date of the Addendum, we are neither associated nor related to Protean in any manner. While we have engaged and continue to engage Protean eGov Technologies Limited for certain parts of our operations, for instance, authentication services for AADHAAR authentication and e-sign electronic online signature services, and similarly, Protean eGov Technologies Limited has engaged and continue to engage us for certain parts of its operations, for instance, account verification services, our business is substantially different from that of Protean eGov Technologies Limited, and currently there is no similar business activity that is being carried out by our Company and also by Protean eGov Technologies Limited. However, the public and third parties may associate us or our business with that of Protean. While the risks emanating from the association with Protean is low, we cannot assure you that any adverse developments or negative publicity in relation to Protean in the future could accordingly impact our reputation and image which in turn could have an adverse impact on our business, financial condition and results of our operation.

31. *Our payments bank operations depend on the accuracy and completeness of information about merchants, business correspondents, customers and business partners which, if inaccurate or materially misleading, could adversely affect our business and results of operations.*

Our ability to offer our payments bank services to a range of low-income households, small businesses, and other unorganized sector entities, depends on the accuracy and completeness of information provided by our merchants, business correspondents, customers, and business partners. If we receive inaccurate or materially misleading information, or if there are failures in the onboarding and KYC processes, or if there is a non-disclosure of material information, we may be unable to properly assess the financial condition and risk of these parties. This may result in a failure to detect potential fraud, financial instability, or other risks associated with these relationships, which could adversely affect our business and results of operations.

Given the nature of transactions carried out on NPBL’s platform, it may be difficult to carry out a formal analysis on some of the account holder customers based on the information that we are provided by the business partners with whom NPBL has entered into business arrangements. Pursuant to the nature of our banking operations as an acquiring bank, a substantial number of our customers include issuing banks for clearance of services like cash withdrawals and remittance. Therefore, we may not be able to comprehensively analyze customer transactions due to the inherent nature of business. Our risk management controls may not be sufficient to identify and mitigate all risks associated with these relationships, which could result in the need for additional risk management strategies. Failure to maintain adequate risk assessment policies and adherence to the risk assessment and mitigation practices could adversely affect our product and service portfolio and could have a material adverse effect on our results of operations, financial condition, and cash flows.

32. *We depend on our brand recognition. Negative publicity, failure to maintain and enhance awareness of our brand or any damage to our reputation could have a material adverse effect on our business.*

Our reputation is a key asset of our business. As part of our business operations, including through the businesses conducted by our Subsidiaries under our brand name, we provide a wide range of products and services and our ability to attract and retain clients is highly dependent on the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters or others could erode trust and confidence and damage our reputation among existing and potential clients, which could make it difficult for us to attract new clients and maintain existing ones as mentioned above. If we fail to maintain this brand recognition with our existing and target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Further, the usage of the brand name and logo of our Company by our Subsidiaries may expose our Company to reputational risks.

Negative public opinion could also result from actual or alleged conduct by us or those currently or formerly associated with us in any number of activities or circumstances, including operations, regulatory compliance, and the use and protection of data and systems, satisfaction of client expectations, and from actions taken by regulators or others in response to such conduct. This damage to our reputation could further affect the confidence of our clients, regulators, stockholders and the other parties in a wide range of transactions that are important to our business having a material adverse effect on our business, financial condition and operating results.

We offer our products and services to the holders of securities through our network of depository participants over whom we have limited control. Any regulatory action taken against such third parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our reputation. For further information, see “*Our Business – Intellectual property*” and “*Government and Other Approvals – Intellectual Property Rights*” on pages 149 of this Addendum and 315 of the Draft Red Herring Prospectus, respectively.

33. *We are subject to the risks associated with certain of our premises being leased. Non-renewal or dispute with the lessors may disrupt our business, and we may be subject to significant increases in lease rentals.*

We do not own certain premises where few of our offices are situated, including the registered office of NPBL and NDML. Such premises are maintained on a leasehold basis. Such leasehold arrangements require renewal or escalations in rentals from time to time during the lease period. If we are unable to renew the relevant lease agreements, or if such agreements are renewed on unfavorable terms and conditions, we may be required to relocate operations and incur additional costs in such relocation. See also “-- *We are subject to various legal and regulatory obligations which may expose us to regulatory proceedings and legal actions by the concerned authorities*”. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. Moreover, we may face significant increases in the lease rental rates. Any of the foregoing factors may cause a disruption in our operations or result in increased costs, or both, which may materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

34. *We face risks when entering into or increasing our presence in markets where we do not currently operate or when entering into new business lines. Demand and market acceptance for our products and services within these markets would be subject to a high degree of uncertainty and risk.*

We face risks when entering into or increasing our presence in, markets that have established competitors who may enjoy the protection of high barriers to entry. For instance, in October 2018, we commenced our payments bank business, and later diversified into provision of, among others, Aadhaar enabled payment services, 3-in-1 savings account that combines the features of savings, demat and trading accounts, product-specific prepaid cards, and third-party product distribution. Additionally, our Subsidiary, NDML, has received the certificate of registration from IRDAI to act as an insurance repository, authorisation from RBI to provide the services of a payment aggregator, consent from SEBI to operate as a KRA and registrar and transfer agent, and approval from SEBI to act as an accreditation agency.

In 2018, in partnership with other lending partners, we launched a facility for availing digital loans against securities, and in 2021, we launched digital commercial paper issuance process. During the Financial Year

2022, we launched our blockchain based market platform to manage and monitor the security and covenants related to issuance of bonds. Blockchain systems could face integration challenges with other blockchain networks and systems due to the lack of standardized blockchain protocols. This limits the interoperability of blockchain networks. Additionally, any compromise of a single node within a specific node operator's infrastructure can result in significant data inconsistency implications. The data on the breached nodes will be inconsistent with the data across the network on other nodes. In such scenarios, the violated node will have to be taken out of the network and reconnected once security protocols and policies are reinstated as part of risk mitigation. Given the evolving nature of blockchain technology, we may be unable to accurately anticipate or adequately address such risks or the potential impact of such risks. The occurrence of any such risks could materially and adversely affect our business, financial condition, results of operations, reputation and prospects.

We may also expand our presence or enter into newly developing arenas of competition where less regulated competitors exist and demand for such services is subject to uncertainty. As a result, demand and market acceptance for our products and services within these markets would be subject to a high degree of uncertainty and risk and we may be unable to enter into or increase its presence in these markets and compete successfully.

35. ***We may, on our own accord pursuant to commercial requirements or pursuant to directions from regulators, divest our stake in our Subsidiaries, or may demerge certain of our businesses into a new entity.***

Our businesses are conducted under strict regulatory supervision. We may incur increased costs and other burdens relating to compliance with certain regulatory requirements which may require significant management time and other resources. Pursuant thereto, it may be commercially viable for our Company to divest our stake in our Subsidiaries or demerge certain of our businesses into a new entity. To expand our non-core business initiatives, we may pursue strategic partnerships relevant to our existing or proposed product offerings. These partnerships can provide additional value to our customers and strengthen our position in the market.

We may receive regulatory directions that impact our operations. For instance, on February 23, 2024 and May 13, 2025, IRDAI advised NDML to operate its insurance repository business *via* a separate company. NDML is in the process of deciding its next course of action. In case we ultimately decide to transfer the insurance repository business into a separate entity, it may lead to additional cost and resources. We will actively address any challenges arising from regulatory directions to mitigate their impact on our overall performance.

36. ***NDML's KRA operations are subject to certain regulatory mandates and market risks, which may adversely affect our results of operations.***

Our Subsidiary, NDML, is registered with SEBI and has received its assent to operate as a KRA under SEBI under the SEBI KRA Regulations. The SEBI KRA Regulations were notified in 2011 to centralize the KYC process by taking on the KYC details of the clients and collating such details into the central KYC repository of KYC details of clients in the securities market.

The Government of India has authorized the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) to perform the functions of the Central KYC Records Registry under the Prevention of Money-Laundering Act, 2002, thereby forming a centralized depository of KYC records of customers engaged in various financial market segments. As per the Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2015, reporting entities are required to file the electronic copy of the client's KYC records with the Central KYC Records Registry within 10 days after the commencement of an account-based relationship with a client. Further, if the Government of India or SEBI mandates the use of only the Central KYC Records Registry for investments in the securities market, our KRA business may cease to exist.

Further, a key risk to our KRA business is the reduction in usage charges for acting as a KRA under NDML, pursuant to the directions from regulatory authorities and/or competition that we face. The reduction in usage charges may result in lower revenue and margins for our business, which could materially adversely affect our financial condition, results of operations, and cash flows. We may need to offset this reduction

in revenue by increasing our customer base or by exploring new revenue streams, but there is no assurance that such efforts will be successful. Additional regulatory directives for system enhancements, information and cyber security measures could potentially result in the temporary interruption of all or some of our operations, constrain our ability to scale-up our business or to introduce new products and services and could materially and adversely affect our business and financial results.

37. *Proposed changes in the Government policies and other factors beyond our control may result in a potential loss of revenue for NDML's SEZ Online business.*

NDML's SEZ Online business pursuant to an agreement with the Ministry of Commerce & Industry and provides a platform for SEZ units, developers, and co-developers to file custom transactions and administrative filings. The Government of India has announced plans to process the customs functions of SEZ Online systems through the Indian Customs Electronic Data Interchange Gateway ("ICEGATE") system. Accordingly, Ministry of Commerce & Industry ("MOCI") issued notification for SEZ units from non-IT SEZs to file customs transactions for merchandise on ICEGATE portal effective July 1, 2024. Correspondingly, filing of Customs transactions through ICEGATE have begun. Pursuant to its notification dated March 25, 2025, MOCI has further extended the timeline for shifting from SEZ Online System to ICEGATE in relation to certain modules, until further orders are issued in this regard. When such shifting from SEZ Online System to ICEGATE is completed, while the service category of the customs' transaction will continue to be processed by NDML, NDML will no longer be involved in the processing of the merchandise category of the customs' transactions for SEZs which will result in a significant loss of revenue for us. This change in government policy will have a material adverse effect on our business, financial condition, and results of operations. Further, the Government of India has proposed to replace the Special Economic Zones Act, 2006 with a new legislation namely, Development of Enterprise and Service Hubs ("DESH"). We cannot predict whether any changes to the legal environment made pursuant to the DESH would have an adverse effect on our business and operations or on the industry in which we operate.

Further, in the past, NDML was required to hold the renewal of its memorandum of understanding in relation to its SEZ Online business with the Ministry of Commerce, Government of India, pending discussions and concerns over its usage charges, due to which, NDML had to substantially reduce its usage charges. Any such instances in the future may adversely affect our cash flows, reputation and financial results.

38. *If we are unable to keep our business development strategies and other commercial decisions confidential, it could adversely affect our competitive advantage.*

Our employees possess extensive knowledge about our commercial decisions and business development strategies. Such knowledge is a significant independent asset, which may not be adequately protected by employment agreements with our employees. As a result, we cannot be certain that such knowledge will remain confidential in the long run.

Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential knowledge of our services and business, there is still a danger that certain proprietary knowledge may be leaked, either inadvertently or wilfully. A significant number of our employees have access to confidential design and service information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our competitor. While we have implemented confidentiality and non-compete obligations and covenants in our employee contracts and while we may seek to enforce confidentiality obligation in terms of our staff rules, we cannot guarantee that we will be able to successfully enforce such rules. In the event that the confidential technical information in respect of our services or business becomes available to third parties or to the general public, any competitive advantage that we may have over other companies could be harmed. If our competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult and/or expensive for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

39. *Our principal Shareholders will continue to hold a significant equity stake in our Company after the Offer and will continue to be able to influence the outcome of any shareholder voting, which may conflict with the interests of other shareholders.*

Following completion of the Offer, our principal Shareholders, National Stock Exchange of India Limited and IDBI Bank Limited will continue to hold a significant percentage of our Equity Share capital. Our principal Shareholders will therefore have the ability to influence our operations, including the ability to approve significant actions at Board and at shareholders' meetings such as issuing Equity Shares, paying dividends, and determining business plans and mergers and acquisitions strategies. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages due to the shareholding being concentrated in our principal Shareholders. For details of our Equity Shares held by our principal Shareholders, see "*Capital Structure*" and "*Our Principal Shareholders*", on pages 88 and 213 of the Draft Red Herring Prospectus respectively.

40. *If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.*

We rely on our intellectual property which includes our certain trademarks and domain names. Our intellectual property rights and domain names may expire, and we cannot assure you that we will be able to renew them after expiry. For further details, see "*History and Certain Corporate Matters*" on page 183 of the Draft Red Herring Prospectus. If any of these trademarks are registered in favor of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive position and, in turn, our business, financial condition and results of operations. For further details, see "*Our Business – Intellectual Property*" and "*History and Certain Corporate Matters*" on pages 149 of this Addendum and 183 of the Draft Red Herring Prospectus, respectively.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our intellectual property rights can be adequately protected in a timely manner. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could expose us to substantial risks and costs. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. If such claims are raised against us in the future, they could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease use of certain of our brands, can result in significant damages being awarded and injunctions that could prevent us from offering our products and services. Any of the foregoing could have an adverse effect on our business.

41. *We depend on our Key Management Personnel and Senior Management, as well as our experienced and capable employees. During the nine months ended December 31, 2024, we had an overall employee attrition rate of 15.41%. Any failure to attract, motivate, and retain our employees could harm our ability to maintain and grow our business.*

Our future success is significantly dependent upon the continued service of our executives and other key employees. During the Financial Year 2022 to Financial Year 2024, a few Key Management Personnel and Senior Management did not continue in their present positions. While we were able to locate suitable or qualified replacements, we cannot guarantee that we will be able to do so in the future and this could severely disrupt our business and growth. As of December 31, 2024, we had 439 full-time employees, and during the nine months ended December 31, 2024 and the Financial Year 2024, we had an overall employee attrition rate of 15.41% and 14.38%, respectively. See "*Our Business – Employees*" on page 148 of this Addendum.

To maintain and grow our business, we will need to identify, hire, develop, motivate, and retain highly skilled employees. Identifying, recruiting, training, integrating, and retaining qualified individuals requires significant time, expense, and attention. We may need to invest significant amounts of cash to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. If we are not able to retain and

motivate our current personnel or effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to achieve our strategic objectives, meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, cash flows and results of operations.

In addition, from time to time, there may be changes in our management team that may be disruptive to our business. If our management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business could be harmed. If we fail to identify, recruit and integrate strategic personnel, our business could be adversely affected. Any loss of members of our management team or key personnel could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and consumer relationships.

42. Any failure to maintain the quality of customer service across our businesses, and deal with customer complaints in a timely manner could materially and adversely affect our business and operating results.

Our revenue is significantly dependent on the overall size of our customer base across our businesses, which is determined in part by our ability to provide consistent and quality customer service. We provide customer support at all stages of our product and service offerings, including through call centers, e-mail and web-based support. We provide our banking customers with the option of being able to raise service requests through their mobile applications as well. If we fail to provide a high level of customer service, our customers may be less inclined to use our services or recommend us to new customers and may be inclined to avail products and services offered by our competitors.

Further, if market intermediaries such as depository participants and third-party service providers experience any difficulty in meeting our requirements for quality and customer service standards including any operational or system interruptions, our reputation could suffer, and our business could be adversely affected. For instance, we have had occurrences where depository participants have not provided proper services to the customer, which led to complaints or litigation being filed against such depository participants. Our Company has also been made party to the matter due to the nature of our operations. There can be no guarantee that such complaint or litigation will not have any adverse impact on our business, operations and reputation.

43. Materialization of our contingent liabilities could adversely affect our financial condition.

As of December 31, 2024, we had the following contingent liabilities which have not been provided for:

(₹ in million)

Particulars	As of December 31, 2024
Demand from income tax authorities	699.58
Demand from service tax authorities	523.62
Demand from goods and service tax authorities	24.46
Fixed deposits placed on behalf of NPBL	2.50
Disputed transaction with merchant of payment gateway	0.92
Total	1,251.08

Further, there may be additional liabilities on account of interest and/or penalties on the demands from regulatory authorities or clients. For instance, NDML had received a work order dated March 31, 2021 from Gujarat State Road Transport Corporation (“GSRTC”) to provide payment gateway aggregator on the GSRTC portal for a period on one year. Upon expiry of one year, in absence of any communication from GSRTC, NDML continued to provide its services for additional 10 months and deducted the required amount aggregating to ₹0.8 million from the daily settlements. Subsequently, GSRTC, via its email dated April 7, 2025, has invoked a bank guarantee for an amount of ₹0.8 million, submitted by NDML in favour of GSRTC under the work order dated March 31, 2021. The bank guarantee issued by IDBI Bank Limited was 100% backed by a fixed deposit of ₹0.8 million held with IDBI Bank Limited. We cannot guarantee that we will not face similar or increased levels of contingent liabilities in the future. In the event that these contingent liabilities do materialize, it could have an adverse impact on our financial condition, cash flows, and results of operations.

44. This Addendum contains information from an industry report prepared by an independent third-party research agency, CRISIL Intelligence, a division of CRISIL Limited (“CRISIL”), which we have

commissioned and paid for exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

The industry and market information contained in this Addendum includes information derived from an industry report prepared by CRISIL Intelligence, a division of CRISIL Limited titled “Assessment of the Depository System, Database Management and Payments Banks in India” dated April 2025 (the “**CRISIL Report**”). The CRISIL Report has been commissioned and paid for by us for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated February 6, 2025. The CRISIL Report uses certain methodologies for market sizing and forecasting and may include numbers relating to our Company that differ from those we record internally. Given the scope and extent of the CRISIL Report, disclosures herein are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Addendum. Accordingly, investors should read the industry-related disclosure in this Addendum in this context.

Industry sources and publications are also prepared based on information as of specific dates. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Addendum. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Addendum based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Addendum based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. See “*Industry Overview*” on page 69 of this Addendum. For the disclaimers associated with the CRISIL Report, see “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data*” on page 21 of the Draft Red Herring Prospectus.

45. *We track certain operational and key business metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation.*

We track certain operational and key business metrics with internal systems and tools which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate.

Further, these and other non-GAAP metrics presented in this Addendum are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Further, these metrics are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Although these non-GAAP metrics are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us, as these metrics are widely used measured to evaluate an entity’s operating performance. In addition, these are not standardized terms, hence a direct comparison of these measures between companies may not be possible. Other companies may calculate these measures differently from us, limiting its usefulness as a

comparative measure. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, financial condition, results of operations and cash flows would be adversely affected. For further details, see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 123 and 233, respectively, of this Addendum.

46. *Our roles and responsibilities as a securities depository may conflict with our Shareholders’ interests.*

As a depository operating in the Indian securities market, we are subject to various regulations and guidelines that require us to act in the interests of the investors in the securities market, and to manage risks prudently in order to ensure an orderly and fair market. Our functions as a depository are governed by the Depository Act 1996 and the rules and regulations framed there under. The SEBI D&P Regulations governs situations relating to conflicts of interest for the depository as an entity and also prescribes a suitable code of conduct for its governing board, directors, committee members and key management personnel. Under the code of conduct, a depository is, amongst others, required to take appropriate measures towards investor protection and education of investors, take a proactive and responsible attitude towards safeguarding the interests of investors, the integrity of depository’s systems and the securities market, act in utmost good faith and avoid conflict of interest in the conduct of its functions. Further, a PID has a duty to identify and report to the SEBI, important issues which involve conflict of interests for the depository, or issues which may have a significant impact on the functioning of the depository, or which may not be in the interest of the Indian securities market. We cannot assure you that there will not be a conflict of interest between our responsibilities as a securities depository and our Shareholders’ interests in our Company.

Additionally, any failure to act in accordance with regulatory guidelines and requirements could result in regulatory penalties or damage to our reputation, which could negatively impact our financial results and shareholder value.

47. *Some of our investments in debt instruments are unsecured, or carry interest rates lower than the market rate, and we have not made any provision for a decline in the value of our investments.*

Some of our unsecured investments include investments in interest/dividend bearing liquid debt instruments including investments in debt mutual funds and other financial products, such as principal protected funds, listed debt instruments, rated debentures or deposits with banks and other entities. Some of our unsecured investments carry interest rates which are lower than the prevailing market rates. Market interest rates in India fluctuate on a regular basis. Consequently, some of our investments may continue to carry interest rate lower than the market rates in the future and we had made provisions for decline in our investments in the past. In the event there is such a decline in any of our investments, our financial condition may be adversely affected. Set forth below are the details of the amount of our investments in unsecured debt instruments as on December 31, 2024:

(₹ in million)

Particulars	As of December 31, 2024
Investments in unsecured debt instruments as on December 31, 2024 ⁽¹⁾	6,200.19
Total Investment as on December 31, 2024	19,349.28
Unsecured debt instrument as % the total investments	32.04%

(1) This does not include our investments in Central Government Security (G-Sec), Treasury Bills, State Government Securities (SDL) and Bharat Bond ETF aggregated to Rs. 7,467.00 million constituting 38.59% of the total investments.

48. *In the event of a default in relation to an investment, we will bear a risk of loss of principal and accrued interest. The geographic concentration of our investment portfolio makes us vulnerable to a downturn in the Indian economy.*

We primarily invest in Indian debt securities like bonds, debentures, and government securities, and the interest income from these investments forms a significant portion of our other income. Our investment portfolio is geographically concentrated in India, which means that any difficulties in the Indian economy or debt markets could result in significant losses. We are exposed to fluctuations in market interest rates, which can affect our profitability by impacting the spread between income we receive on our debt securities, the value of our interest-earning investments, our ability to realize gains from the sale of investments. Our investments in debt securities are subject to credit risks associated with the possibility of issuers' declining creditworthiness, default, and potential insolvency during periods of economic downturn or rising interest rates.

49. Our Company may be subject to operational risks, such as failures in execution, wrong execution and/or fraud, in the future impacting our business, financial conditions and results of operation.

Our Company primarily processes transactions based on electronic instructions received in our depository system from Depository Participants or Issuers / Registrar and Transfer Agents (“RTA”) relating to market transfers, off-market transfers, pledge of securities, margin pledge, issuance of securities etc., and executes freezing / unfreezing of demat account holdings based on orders received from SEBI, tax authorities and other statutory bodies, which can be prone to failures or wrong execution on account of human error at the end of the RTA, issuers, Depository Participants, or our Company. We cannot assure that our Company will not be subject to such operational risks in the future, arising from, amongst others, the potential inadequacy or failure of internal processes or systems, system related risks in connection with the integrated trading and bidding platform of stock exchanges or the integration with other intermediaries in the securities market. System integration issues can disrupt critical activities during (i) pre-trade such as e-DIS mandates, margin pledges, and on-market transfers, preventing retail investors from executing trades or availing margin benefits and (ii) post-trading such as pay-in/pay-out delays, inter-depository transfer issues, and disruptions in contract note processing. Ensuring seamless connectivity between stock exchanges, depositories, brokers, and clearing corporations is essential to maintaining market stability. While we have a robust high-availability architecture in production which is strengthened with an automated fail-over from production to the disaster recovery site for business continuity, we cannot assure you that we will be successful in continuing to mitigate all system-related risks. Further, our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. Such failures and frauds could have an adverse impact on our business, financial condition, results of operations and liquidity. While we have not had any past instances of system failures and corrective steps taken with regard to demat related frauds, PAN verification system and various online services known as e-services for the past three Financial Years and the nine months ended December 31, 2024, we cannot assure you that such instances will not happen in the future.

50. Our depository operations are exposed to a financial risk of issuers not paying our annual custody fees for our depository services.

As a depository, we are exposed to the risk of issuers failing to meet their financial obligations and the non-payment of the annual custody fees that we charge issuers of securities for our depository services. This risk poses potential financial and operational challenges for us. Set forth below are details of outstanding annual custody fees due from issuers for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022.

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	(₹ in million)		(₹ in million)		
Outstanding annual custody fees due from issuers	649.17	488.60	461.67	319.02	443.45

To address this concern, we have established a series of remedial measures to ensure the timely collection of our annual custody fees. We begin by sending reminders to issuers when the invoices become due, serving as initial prompts for payment. Recognizing the importance of timely payments, we deploy a multi-channel reminder system, including emails, SMSs, and phone calls, with a frequency of at least once or twice a month. In instances of outstanding dues, we escalate our efforts by directly contacting senior management members of issuers. Additionally, we engage in personalized in-person or virtual meetings with the company secretary or relevant secretarial team members of issuers to resolve outstanding payment issues. To deter delays in payment, we impose an interest rate of 12% per annum on the overdue amount.

51. We have in the past experienced a loss of market share in the depository business due to the rapid emergence of new age fin-tech brokers.

We have in the past experienced a loss of market share in the depository business due to the rapid emergence of new age fin-tech brokers whose market share increased from 5.00% in Financial Year 2016 to 68.80% for the nine months ended December 31, 2024 (Source: CRISIL Report). The non-adaptation of NSDL system and its services by these new age fin-tech brokers could result in a significant loss of potential business and market share to our primary competitor, CDSL, and any failure to do so could lead to a further

erosion of our market share, which may impact our revenue growth with respect to the increase in our expenses, ultimately impacting our revenue, profitability and profit margins. For the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023, 2022 our demat accounts (excluding closed accounts) aggregated to 38.77 million, 34.58 million, 35.77 million, 31.46 million and 26.68 million, respectively, as compared to CDSL, whose demat accounts (excluding closed accounts) for the corresponding periods aggregated to 146.54 million, 104.72 million, 115.61 million, 83.00 million and 63.00 million, respectively. See also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition and Results of Operation – Emergence of new age fin-tech brokers*” and “*Basis for Offer Price – Comparison of our Company and listed peer based on some of the KPIs*” on pages 236 of this Addendum and 103 of the Draft Red Herring Prospectus.

52. *The operations of our core depository business, including introduction of new products and the amount charged for provision of various depository services, are highly regulated.*

The operations of our core depository business, including introduction of new products and the amount charged for provision of various depository services, are highly regulated. This involves a meticulous evaluation of the product’s compliance with existing laws and regulations, its potential impact on the market, and its alignment with the broader financial ecosystem. We may be required to seek approval or clearance from relevant authorities including SEBI before implementing any changes in our depository operations. The regulatory approval process for such products can be time-consuming and may require extensive documentation, market research, and collaboration with regulatory authorities. Such changes may also need to be communicated to clients in a clear and timely manner, with proper regulatory notifications and approvals.

Accordingly, we may not be able to introduce new products in a timely manner that could potentially result in losing market opportunities, or may affect our growth prospects, or operations and cashflow. Further, we may encounter difficulties in navigating the regulatory landscape in connection with the introduction of new products and the amount charged for provision of depository services, which could potentially hinder our ability to exploit market opportunities efficiently or within anticipated timeframes. Such regulatory constraints may, in turn, influence our growth prospects, financial results, and cash flows. See also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition and Results of Operation - Regulatory Oversight and Changes in Governmental Policy and Regulation*” on page 238 of this Addendum.

53. *Our roles and responsibilities as a securities depository may conflict with the interests of the BRLMs and their group companies.*

The BRLMs and a few of their group companies are full service financial institutions engaged in various activities which may include, securities trading, commercial and investment banking, principal investment, hedging, financing and brokerage activities and are also depository participants registered with our Company.

During the nine months period ended December 31, 2024 and the Financial Years ended 2024, 2023 and 2022, several regulatory or penal action were taken by our surveillance and inspection departments against various depository participants who are the BRLMs or the group companies of the BRLMs relating to certain surveillance and compliance activities.

Any such action taken by our Company against any depository participants registered with and on whom we depend for our business could have an adverse impact on our business, financial condition and results of operations.

54. *The risk management system of our Company may not always be adequate and compliant with the SEBI laws.*

Our Company is compliant with the provisions of the SEBI D&P Regulations, the SEBI circular dated January 12, 2015 titled ‘Risk Management Policy at Depositories’, and the SEBI circular dated January 10, 2019 titled ‘Committees at Market Infrastructure Institutions (MIIs)’ prescribing the terms of reference of risk management committee pertaining to the risk management system, and the SEBI circular dated June 25, 2024 titled “Statutory Committees at Market Infrastructure Institutions (MIIs)” prescribing the terms

of reference of risk management committee pertaining to the risk management system. Further, the Risk Management Policy, as approved by the Board, has also been adopted by our Company. For instance, in the past, SEBI vide its letter dated April 3, 2023 (the “SEBI Letter”) highlighted a deficiency in relation to failure to place investor complaints, inspections, system audit etc before the Risk Management Committee. Subsequently, our Company has taken necessary steps to address the above deficiency and started placing the above matters before the Risk Management Committee beginning with their meeting held on July 26, 2023. For further details in relation to the deficiency letter, please see “- SEBI has issued certain observations pursuant to inspections and has also issued administrative warning letters and deficiency letters in relation to certain non-compliances by our Company. There can be no assurance that further observations, administrative warning or deficiency letters would not be issued in the future.” on page 15 of this Addendum. While there have been no other past instance of non-compliance or inadequacy of the risk management system, observed by SEBI inspection, we cannot assure you that SEBI will not make observations in the future.

55. Any delay in payment of statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities and in turn may have an adverse impact on our financial condition and cash flows.

There have been some instances of delay/default in payment of statutory dues by our Company and Subsidiaries in the past which were not material in nature and the same were regularized subsequently. The table below provides details of the delay/default in payments of statutory dues of our Company and Subsidiaries for the past three Financial Years:

Sr No	Particular	Due date of Payment	Actual Date of Payment	Amount paid (₹ in million)
I	NSDL:			
(i)	Employee provident fund (April 2022)	May 15, 2022	July 15, 2022	0.04
(ii)	Employee provident fund (May 2022)	June 15, 2022	July 15, 2022	0.03
(iii)	Employee provident fund (March 2023)	April 15, 2023	April 17, 2023	4.47
(iv)	Employee provident fund (Nov 2024)	December 15, 2024	December 17, 2024	5.09
(v)	Tax deducted at source (Tax Deposit) (March 2022)	April 30, 2022	May 18, 2022	0.16
(vi)	Maharashtra Labour Welfare Fund (June 2024)	July 15, 2024	July 17, 2024	0.03
(vii)	Delhi Labour Welfare Fund (June 2023)	July 15, 2023	July 17, 2023	0.00
(viii)	Delhi Labour Welfare Fund (June 2024)	July 15, 2024	July 18, 2024	0.00
II	NDML			
(i)	Employee provident fund (June 2023)	July 15, 2023	July 17, 2023	1.05
(ii)	Maharashtra Labour Welfare Fund (June 2024)	July 15, 2024	July 29, 2024	0.01
(iii)	Tax deducted at source (tax deposit) (June 2024)	July 7, 2024	July 29, 2024	0.00
(iv)	Tax deducted at source (tax deposit) (August 2024) ⁽¹⁾	September 7, 2024	November 22, 2024	0.03
(v)	Tax deducted at source (tax deposit) (September 2024) ⁽¹⁾	October 7, 2024	November 22, 2024	0.00
(vi)	Tax deducted at source (tax deposit) (October 2024) ⁽¹⁾	November 7, 2024	November 22, 2024	0.01
III	NPBL			
(i)	GST – Maharashtra (October 2024)	November 21, 2024	November 22, 2024	146.44
(ii)	Employee provident fund (September 2023)	October 15, 2023	October 16, 2023	1.32
(iii)	Maharashtra Labour Welfare Fund (June 2024)	July 15, 2024	July 24, 2024	0.01
(iv)	Tax deducted at source (tax deposit) (September 2022)	October 7, 2022	October 28, 2022	0.67
(v)	Tax deducted at source (tax deposit) (October 2022)	November 7, 2022	November 30, 2022	1.77
(vi)	Tax deducted at source (tax deposit) (October 2022)	November 7, 2022	January 25, 2023	0.44

(1) The delay in depositing TDS was on account of Lower Tax Deduction Certificate issued by the deductee, which was later found to be incorrect, and remedial action taken by NDML after the same was brought to their knowledge.

There can be no assurance that delays or default with respect to payment of statutory dues will not occur in the future, that such delays or default will not result in any regulatory penalties against our Company, our

Subsidiaries, or that our audit reports for any future financial years will not contain any qualifications, matters of emphasis or other observations on account of such delay/default which in turn may affect our reputation and financial results.

56. ***One of our Directors, Sriram Krishnan is a director on the board of directors of India International Depository IFSC, which is in the same line of business as our Company. Any conflict of interest that may occur as a result could adversely affect our business, financial condition, results of operations and cash flows.***

Sriram Krishnan, a Non-Independent Director, is a director on the board of directors of India International Depository IFSC (“**IIDI**”), a company engaged in a line of business same as that of our Company. IIDI may provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures in the segments in which we operate. A conflict of interest may occur between our business and the business of IIDI, which could have an adverse effect on our business, financial condition, results of operations and cash flows. While we will adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

EXTERNAL RISK FACTORS

Risks Related to India

57. ***The securities market in India is influenced by various factors beyond our control. Any disruption in the Indian securities market may adversely affect our financial conditions and revenue from operations.***

The Indian economy and capital markets are influenced by global and domestic economic, political and market conditions, making the securities market in India vulnerable to such adverse eventualities. Unfavorable economic conditions may negatively impact the results of operations of issuers of securities listed or intending to list on Indian stock exchanges. This may result in reduced liquidity and lower trading prices of securities of these companies, along with a drop in the trading volume of securities. Further, this may lead to a decline in the number of trading members and new listings on trading platforms. Additionally, investors’ reactions to developments in other countries can affect the market value, trading volume or trading frequency of financial assets listed in the securities market in India. Conditions outside India may also contribute to a slowdown in the Indian economy or changes in India’s economic policies and regulations, which could adversely affect the level of trading activity in the securities market. Changing market trends may also cause trading volumes among asset classes to fluctuate at the expense of each other. Factors such as availability of alternative investment opportunities, volatility of interest rates and gross domestic product growth, legislative and regulatory changes, and unforeseen market closures or other disruptions in trading, may significantly affect the Indian securities market.

We derive our revenues from, among others, annual fees, custody fees, registration fees and transaction fees, of which, transaction fees contribute significantly to our revenue from operations. Issuers of securities and the depository participants operating in the Indian securities market also contribute significantly to our transactional income. As of December 31, 2024, we had over 38.76 million active demat accounts. Our revenue from operations is sensitive to any disruption in the Indian securities market and the resultant drop in the securities’ transactional volume in India. For instance, the outbreak of the COVID-19 pandemic led to a major disruption of liquidity across the globe, which in turn affected the spending and investing capacity along with the investment propensity of consumers globally. Similar factors, such as the Russia-Ukraine war, power shortages in Europe, and rising inflation rates globally, may affect the investment opportunities or transactional market sentiment in India. Further, the imposition of quotas or tariffs on imports by the U.S. government and/or retaliatory countermeasures by foreign governments could result in changes in political conditions in foreign countries, resulting in market uncertainty and volatility. The uncertainty and the volatility of the stock markets expose us to adversities of the market. Any adverse change in the regulatory environment in India, domestic or international political turmoil, global health scares, adverse economic conditions, rise in the rate of unemployment, fluctuation in foreign currency exchange rates or a significant change in the investment behavior, may have a material adverse effect on our business, results of operations, financial condition and prospects.

58. ***A substantial portion of our business and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.***

We are incorporated in India, and all of our business and all of our personnel are located in India. Consequently, our business, cash flows and results of operations will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. In particular, our profitability is influenced by general economic conditions. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and investing trends which could lead to a decline in our total income and profitability. While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

59. *Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, cash flows, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

Further, the Government of India announced the union budget for Fiscal 2026, following which the Finance Bill, 2025 was enacted by the Parliament of India after receiving the President's assent on March 29, 2025, becoming the Finance Act, 2025. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. There is no certainty on the impact that the Finance Bill may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. Additionally, the Union Cabinet, Government of India has recently approved the Income Tax Bill, 2025 which inter alia, proposes to amend the income tax regime and replace the Income Tax Act, 1961. There is no certainty on the impact of the Income Tax Bill, 2025, once enacted, on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

60. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.*

Our Company's business and future financial performance may be adversely affected by a potential downgrade of India's sovereign debt rating from the current level of BBB-. Such a downgrade could occur due to factors beyond our control, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. This could have an adverse effect on our business and future financial performance.

61. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents is freely permitted (subject to compliance with sectoral norms and certain other restrictions) provided they comply with the pricing guidelines and reporting requirements specified under applicable law. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

Further, in accordance with Rule 6(a) of the FEMA Rules and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Further, the SEBI D&P Regulations also prescribes certain investment restrictions. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms and conditions or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 367 of the Draft Red Herring Prospectus. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows, financial condition, results of operations and prospects.

62. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Furthermore, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy.

In addition, China is one of India’s major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India’s export growth. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

63. *If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.*

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third-party suppliers and contract manufacturers, rents, wages, and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

64. *Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted*

Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition.

Our Restated Consolidated Financial Information included in this Addendum have been compiled from our audited consolidated financial statements as at and for the nine months ended December 31, 2024 and December 31, 2023, and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards (“**Ind AS**”) as prescribed under Section 133 of the Companies Act, read with relevant rules issued thereunder, as amended, and other accounting principles generally accepted in India. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Restated Consolidated Financial Information and financial information included in this Addendum, will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations should limit their reliance on the financial disclosures presented in this Addendum.

65. Our business and activities may be subjected to the Competition Act, 2002 and proceedings may be enforced against us.

The Competition Act, 2002, as amended (the “**Competition Act**”) was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (the “**CCI**”) to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of consumers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise.

The combination regulation (merger control) provisions under the Competition Act require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which exceed any of the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. Any breach of the provisions of the Competition Act by our Company may attract substantial monetary penalties.

The applicability or impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, if we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects.

For instance, our Company and its subsidiary, NDML, have, in the past, been a party of proceedings under the Competition Act, wherein the Registrar Association of India (“**Informant**”) alleged that we had contravened the provisions of Section 3 and Section 4 of the Competition Act by filing an application with the SEBI for registering as a registrar and transfer to the issue and a share transfer agent (“**RTI/STA**”). The Informant alleged that we are trying to enter into the participant market as an RTI/ STA wherein we are also the regulator of such market and that such conduct was likely to cause anti-competitive effect in the market. CCI noted that the allegations made by the Informant were premature as the application of NDML was in the preliminary stage of processing before SEBI and the alleged anti-competitive conduct could not be examined in terms of the provisions of Sections 3 and 4 of the Competition Act and the matter was accordingly closed. As on date, NDML is registered as an RTI/STA with SEBI. Although, we are not currently party to any outstanding proceedings in relation to non-compliance with the Competition Act, any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated

due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

Risks Related to the Offer

- 66. *We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have a formal dividend policy and have declared dividends on the Equity Shares during the last three Financial Years. However, our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future.

Our Company has declared 50.00% dividend on the Equity Shares during the last three Fiscals. For further details of the dividend declared and paid by the Company in the last three Fiscals and until the date of this Addendum, please see “*Dividend Policy*” on page 216 of the Draft Red Herring Prospectus.

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for any contingencies and/or use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on the Shareholders’ investments will depend on the appreciation of the price of our Equity Shares, which cannot be assured.

- 67. *We will not receive any proceeds from the Offer.***

The Offer comprises an offer for sale by the Selling Shareholders. Accordingly, the proceeds from this Offer will be remitted to the Selling Shareholders and we will not receive any proceeds from the Offer. For more information, please see “*Objects of the Offer*” on page 96 of the Draft Red Herring Prospectus.

- 68. *Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchange may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Further, we are not listing on the National Stock Exchange of India Ltd (“NSE”) on account that NSE is our associate as per SEBI D&P Regulations and is one of our Selling Shareholders. As a result, our Equity Shares may face risks of lower trading volume and lower liquidity. NSE will continue to hold approximately 15.00% of Equity Shares after the Offer, and once the holding of NSE falls below 20.00%, and it does not qualify as our associate, our Company may evaluate its options to list on NSE, subject to regulatory approvals.

The determination of the Price Band is based on various factors and assumptions and will be determined by us in consultation with the BRLMs. The Offer Price of the Equity Shares is proposed to be determined by us in consultation with the BRLMs, through a book-building process. The Offer Price will be based on numerous factors, including factors as described under “*Basis for Offer Price*” on page 99 of the Draft Red Herring Prospectus, and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. Further, the current market prices of some securities listed pursuant to certain previous issues managed by the BRLMs are below their respective issue prices. For further details, see “*Other Regulatory and Statutory Disclosures — Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)*” on page 324 of the Draft Red Herring

Prospectus. The market price of our Equity Shares may be subject to significant fluctuations, and may decline below the Offer Price, in response to, among other factors:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- conditions in financial markets, including those outside India;
- announcements by us or our competitors of new products, significant acquisitions, strategic alliances or joint operations;
- claims or proceedings by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry;
- developments relating to our peer companies;
- additions or departures of Key Management Personnel and Senior Management Personnel; and
- general economic and stock market conditions

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. There has been significant volatility in the Indian stock markets in the recent past, and the market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our performance. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

69. *Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchange, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”). STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Further, withholding tax may be applicable on sale of shares by Non- Resident / FPI under section 115E and 115AD.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

In terms of the Finance Bill (No.2), 2024, with effect from July 24, 2024, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 12.5%, where the long-term capital gains exceed ₹125,000. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Short-term capital

gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess) for transfers taking place before July 23, 2024. However, per the amendment sought by the Finance Bill, short-term capital gains will be taxed at 20% for transfers taking place after July 23, 2024.

Further, the Government of India announced the union budget for Fiscal 2026, following which the Finance Bill, 2025 (“**Finance Bill**”) was introduced in the Lok Sabha on February 1, 2025. The above tax related information has been included for informational purposes only. Investors are advised to consult their own tax advisors before investing and to carefully consider the potential tax consequences of owning Equity Shares. Additionally, the Union Cabinet, Government of India has recently approved the Income Tax Bill, 2025 which *inter alia*, proposes to amend the income tax regime and replace the Income Tax Act, 1961. There is no certainty on the impact of the Income Tax Bill, 2025, once enacted, on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate.

70. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are not permitted to withdraw their Bids after Bid/Offer Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on the BSE Limited where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders’ decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders’ ability to sell the Equity Shares allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline upon listing. QIBs and Non-Institutional Bidders will therefore not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Bids and Allotment.

71. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The Offer Price of the Equity Shares is proposed to be determined by our Company in consultation with the Book Running Lead Managers, through a book-building process. This price is based on numerous factors, as described under “*Basis for Offer Price*” on page 99 of the Draft Red Herring Prospectus and may not be indicative of prices that will prevail in the open market following the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company’s performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Offer Price.

72. *Investors may have difficulty enforcing foreign judgments against us or our management.*

Our Company is a public limited company incorporated under the Companies Act, 1956. All of our Directors, KMP and Senior Management are residents of India. All of our assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (“**CPC**”), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall

be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

73. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution.

However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

74. *Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in INR on the BSE. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for

repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The exchange rate between the INR and USD has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

- 75. *Any future issuance of Equity Shares or convertible securities or other equity linked securities by us may dilute your shareholding and any sale, pledge or encumbrance of the Equity Shares by our large Shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any disposal of Equity Shares by our large Shareholders or the perception that such issuance or sales may occur, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or encumber the Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares.

- 76. *Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION II - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is derived from the industry report titled “Assessment of the Depository System, Database Management” dated April 2025 prepared by CRISIL Intelligence, a division of CRISIL Limited (the “CRISIL Report”). We have commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated February 6, 2025. A copy of the CRISIL Report will be made available on the website of our Company at <https://nsdl.co.in/> from the date of filing of the Red Herring Prospectus until the Bid/Offer Closing Date the data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. For further details and risks in relation to commissioned reports, see “Risk Factors – Internal Risk Factors – This Addendum contains information from an industry report prepared by an independent third-party research agency, CRISIL Intelligence (CRISIL), which we have commissioned and paid for exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 54 of this Addendum.

Macroeconomic Scenario

As per IMF, Global economy is expected to grow at 3.3% both in calendar year 2025 and calendar year 2026

As per the International Monetary Fund (IMF) (World Economic Outlook – January 2025), global GDP growth prospects for calendar year 2025 and calendar year 2026 hold steady at 3.3%. The ‘last mile’ of inflation continues to remain sticky across advanced western economies, with the United States, Euro Area and the United Kingdom all recording a pick-up in inflation in November, predominantly driven by core services. Furthermore, the risks to inflation remain significant going forward, with likely tariffs being imposed by US on imports. US GDP grew at an annualised and seasonally adjusted 2.8% in the third quarter of 2024 from 3.0% in the second quarter on account of further decrease in residential fixed investment and downturn in private-inventory investment. The euro area’s GDP rose 0.4% in the third quarter of 2024 vs a growth of 0.2% in the previous quarter. UK’s economic growth moderated to 0.1% on-quarter in the third quarter of 2024 from 0.5% in the second quarter of 2024, owing to significant slowdown in growth of the services sector.

As per IMF, Global headline inflation is expected to decline to 4.2% in calendar year 2025 and to 3.5% in calendar year 2026. The US Federal Reserve cut the federal funds rate by 25 bps to 4.25-4.50% in its latest meeting, while indicating a more cautious approach going forward in 2025. China has indicated a more accommodative monetary policy in 2025, taking cues from continuing weakness in economic activity. Energy prices decreased 1.2% on-month in November, owing to lower crude oil and coal prices.

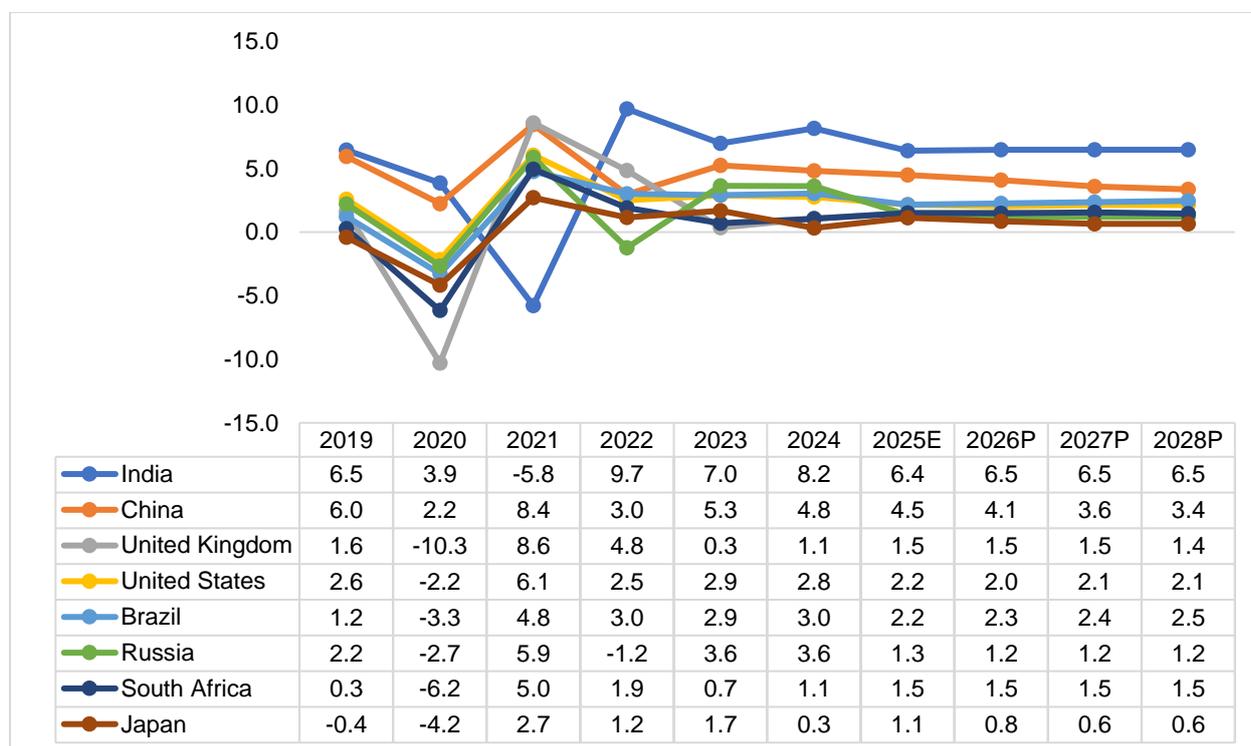
India expected to remain one of the fastest growing economies in the world

The Indian economy was amongst the fastest-growing in the world prior to onset of the Covid-19 pandemic. In the years leading up to the global health crisis which disrupted economic activities, the country’s economic indicators posted gradual improvements owing to strong local consumption and lower reliance on global demand. Despite global geopolitical instability, India continues to maintain its position as one of the fastest-growing economies globally. In January 2025, the National Statistical Office (NSO) in its first advance estimate of national income expects the real GDP to grow at 6.4% year-on-year in Financial Year 2025.

Going forward, Crisil Intelligence expects GDP growth rate to improve to 6.7% in Financial Year 2026. Private consumption is expected to emerge as the primary driver of growth, spurred by a recovery in rural demand because of better agricultural prospects and increase in government consumption expenditure. The Reserve Bank of India’s (RBI) Monetary Policy Committee (MPC) cut policy rates by 25 basis points (bps), a first since May 2020. Easing inflation and a slowing economy prompted the central bank to cut rates. While government capex will remain supportive, continued fiscal consolidation implies that investment prospects hinge on a sustained revival in private capex. Geopolitics will continue to be the key monitorable next fiscal, given the likely wide-ranging changes the Donald Trump administration is expected to bring about. Exports will have to navigate heightened uncertainties given the likelihood of the US tariffs.

Over the past three financial years (Financial Year 2022- Financial Year 2024), Indian economy has outperformed its global counterparts by witnessing a faster growth. In IMF's Oct 2024 update, it raised the GDP growth forecast for India highlighting India's improved prospect for private consumption particularly in rural areas. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.

India is one of the fastest-growing major economies (Real GDP growth, % year-on-year)



Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Data represented is for calendar years, Growth numbers for India till 2026 are for financial year, 2025 is as per first advance NSO estimates for FY25. Post FY25, all estimates for India are as per IMF and in calendar year. Data represented for other countries is for calendar years, E: Estimated, P: Projected; Source: IMF (World Economic Outlook – October 2024), Crisil Intelligence

Macroeconomic outlook for India (Financial Year 2026)

Macro variables	FY24	FY25P	FY26P	Rationale for outlook
Real GDP (y-o-y)	8.2%#	6.8%	6.5%	Lower inflation and RBI's rate cuts are expected to lift growth next fiscal, assuming a normal monsoon and lower crude oil prices. Any substantial pick up in investment growth will hinge on accelerating private capex. Exports face headwinds from tariff hikes initiated by the US.
Consumer Price Index (CPI) inflation (y-o-y)	5.4%	4.6%	4.4%	Inflation is expected to move closer to the RBI's target of 4% on expectations of a normal monsoon, high base effect in food inflation and softer global commodity prices. Some uptick is expected in non-food inflation due to an adverse base.
10-year Government security yield (Financial Year end)	7.1%	6.7%	6.5%	Rate cuts by RBI, lower inflation and softer crude oil prices are expected to lead to a mild softening of yields in Financial Year 2026. A rise in gross market borrowings will cap the downside to yields.
Fiscal Deficit (% of GDP) *	5.6%	4.8%	4.4%	Fiscal consolidation will be made possible via moderating revenue expenditure thrust even as capex focus is broadly maintained. The budget banks on revenue collection to remain robust.
CAD (Current Account Deficit as % of GDP)	-0.7%	-1.0%	-1.3%	Current account deficit (CAD) is expected to increase owing to headwinds to exports from US tariffs. Lower crude oil prices, healthy services trade balance and robust remittances growth will prevent CAD from widening too much.
₹/\$ (March average)	83.0	86.0	87.0	A manageable CAD would mean not much pressure on the rupee, but geopolitical shocks could keep the rupee volatile.

FY: Financial Year; P – Projected, # As per NSO estimates * Financial Year 2024 and Financial Year 2025 numbers are government’s revised and budget estimates; Source: Reserve Bank of India (RBI), National Statistics Office (NSO), Crisil Intelligence

Trend in Market Capitalization to GDP

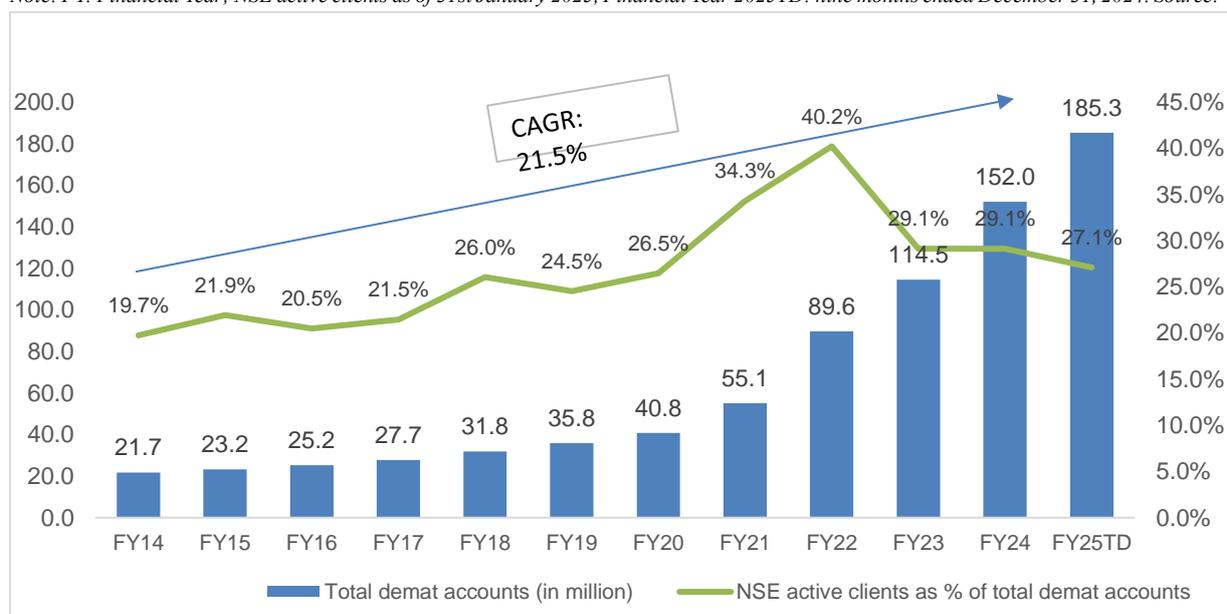
In Financial Year 2024, the equity markets in India have achieved record levels in terms of market capitalization of listed companies and the benchmark index performance. India’s market capitalization to GDP stands at 130% as of Financial Year 2024. India’s market capitalization rose by a strong 52% YoY to ₹394 trillion as of March 31st, 2024, marking the second highest growth in a year in the last 14 years. This translates into an annualized growth of 36% in the last four years from 2020-2024.

Trend in Demat accounts in India

The Demat Accounts in India have grown at 21.5% CAGR from Financial Year 2014 till Financial Year 2024. The above data points suggest the increasing awareness and willingness of the people to participate in capital markets for either trading or with long-term outlook. As of March 31, 2024, the total demat accounts stood at 152 million accounts. As of December 31, 2024, the total demat accounts reached 185.3 million accounts.

Growth in Demat Accounts since Financial Year 2014 onwards and Active Client Base (as % of Demat Account) has improved substantially during last five years

Note: FY: Financial Year; NSE active clients as of 31st January 2025, Financial Year 2025TD: nine months ended December 31, 2024. Source:



NSE, SEBI, CRISIL Intelligence

The NSE Active Client Basis as a % of Demat Accounts increased from almost 19.7% in Financial Year 2014 to 29.1% in Financial Year 2024. As of December 31, 2024, active client base as a % of demat account stood at 27.1%. Going forward, CRISIL Intelligence expects the demat accounts to grow at strong growth over the next five years and Active Client Base on NSE as a % of demat accounts to increase around 45-50%. Increased participation from retail investors is one of the key drivers for capital markets growth. Retail participation is one of the key enablers of rising demand for equity issuances.

Share of new age fin-tech brokers or discount brokers to grow to approximately 70-72% by Financial Year 2026 owing to retail participation, bank-based brokers are also considered safe options

Recently, there has been an emergence of a new kind of Depository Participants known as new age fin-tech brokers or discount brokers, who have revolutionized the Indian capital markets with a low-cost digital business model.

Leveraging their low operational costs, these new age fin-tech brokers have been able to transfer this benefit to their clients by significantly bringing down the cost of investing. This is achieved by charging minimal brokerage

fees and introducing demat accounts with almost zero brokerage fees. As of December 31, 2024, these new age fin-tech brokers had a market share of approximately 68.80% as compared to 5.00% in Financial Year 2016.

The increasing financial literacy among India’s technologically proficient young population, coupled with the availability of almost zero brokerage services offered by these new age fin-tech brokers through digital platforms, has resulted in a rapid expansion of market share for these new age fin-tech brokers.

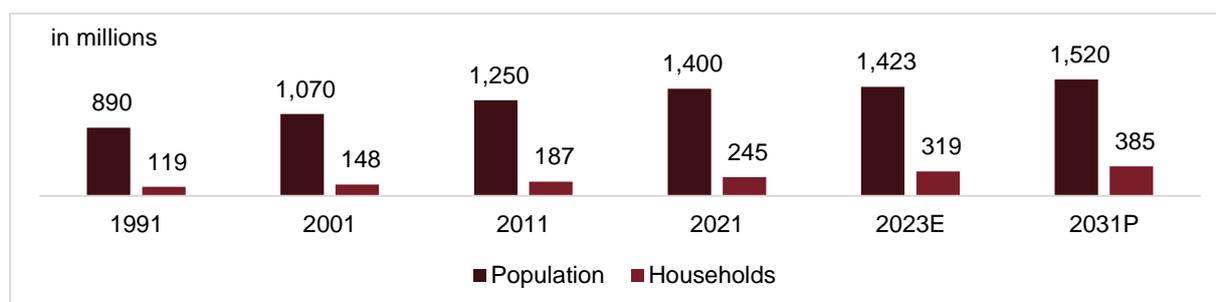
Therefore, rising financial literacy of India’s technologically proficient young population coupled with availability of zero brokerage services offered by new age fin-tech brokers or discount brokers and comfort of transacting through digital platforms led to accelerated market share gains for new age fin-tech brokers or discount brokers. Bank-based brokers on the other hand are also considered secure options for investors as the chances for defaulting or misappropriation is low and are less likely to violate SEBI norms. Although, the transaction costs are high for these brokers, they are considered suitable options for those investors who invest for long-term or are new to the market. Moreover, bank-based brokers offer a host of value-added services including portfolio management services, research outlook, advisory services etc. that would attract investors.

Key growth drivers

India has the world’s largest population

As per Census 2011, India’s population was ~1.3 billion and comprised nearly 187 million households. The population, which grew at nearly 1.5% CAGR between 2001 and 2011, is expected by Crisil Intelligence to have increased at 1.1% CAGR between 2011 and 2021 and reached 1.4 billion. India’s population is more than 1.44 billion as of calendar year 2024. The population is expected to reach 1.5 billion by 2031 from 1.4 billion in 2021, and the number of households are expected to reach to ~385 million in 2031 from 245 million in 2021, reporting a CAGR of 4.6% from Financial Year 2021 to Financial Year 2031.

India’s population growth trajectory and number of households



Note: As at the end of each Financial Year. P: Projected, Source: United Nations Department of Economic and Social Affairs, (<https://population.un.org/wpp/>), Census India, Crisil Intelligence

Rising demand for corporate debt and equity issuance

Indian Capital market over the years played a pivotal role in development of Indian Economy. As India is surging ahead to become an economic powerhouse, Indian Capital Market is expected to play a greater role and remain in forefront in the days ahead. Resource Mobilisation through Public and Rights Issues (Equity and Debt) have seen a steady growth over the years with total capital seeing an increase from ₹919.5 billion in Financial Year 2019 to ₹1022.6 in Financial Year 2024. Capital markets are expected to grow further with capital raised from the primary market through public and rights Issues increasing ~44% y-o-y in nine months ended December 31, 2024 and ~42% y-o-y in Financial Year 2024. One of the crucial elements of Indian Capital Market is Corporate Bond Market. Persistent effort by Government and SEBI in the last few years enabled a nascent Corporate Bond Market to move in the direction of maturity. Also, many companies have equity issuances through IPOs over the last couple of years. This trend is expected to increase going forward as new age companies explore avenues to raise funds from capital markets.

On the demand side, credit default swaps, retail participation, index linked funds, and mechanisms to improve liquidity will be enablers. Besides these, attracting foreign capital is crucial to bridging the emerging supply-demand gap, especially given the crowding-out by gilts stemming from the huge borrowing programme of the government.

CRISIL Intelligence believes that the following measures will enable the Indian debt Capital Market to play an important role:

- Enhancing retail participation via tax sops to investments in debt mutual funds – similar to equity-linked savings schemes – and ensure parity in capital gains tax between equity and debt products.
- Improving liquidity in the market by fast-tracking the setting up of the institution to provide secondary market liquidity to corporate bonds, develop the Limited Purpose Clearance Corporation for corporate bond repos, and allow corporate bonds as collateral under the Reserve Bank of India's liquidity adjustment facility window.
- Attracting both domestic and foreign capital through exchange traded funds and other index-linked bond funds, which offer lower costs, more transparency, better liquidity and potential to build diversified portfolios.
- ESG profiling of Indian corporates to attract foreign capital into the Indian debt capital markets

Digitization aided by technology to play pivotal role in growth of economy

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in fintech adoption in the past few years. Among many initiatives by the government, the Unified Payments Interface (UPI) is playing a pivotal role towards financial inclusion. It provides a single-click digital interface across all systems for smartphones linked to bank accounts and facilitates easy transactions using a simple authentication method. The volume of digital transactions has also seen a surge in the past few years, driven by increased adoption of UPI. Apart from financial services industry, digitization in other industries like retail will also play an important role in the growth of economy.

Financial Inclusion on a fast path in India

Financial inclusion enables vulnerable households and businesses to increase financial literacy, protect confidence, avail formal credit with more ease, and subsequently bridge the credit gap in the country. Emphasizing on the financial inclusion initiatives would fast-track formalization of credit in the economy.

The two key initiatives launched by the Government to promote financial inclusion are the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). Under the PMJDY, the Government's aim is to ensure that every household in India has a bank account which they can access from anywhere and avail all financial services such as savings and deposit accounts, remittances, credit and insurance affordably. PMJJBY is a one-year life insurance scheme that offers a life cover of ₹0.2 million at a premium of ₹436 per annum per member, which can be renewed every year. The Government has also launched the Pradhan Mantri Suraksha Bima Yojana (PMSBY), an accident insurance policy that offers an accidental death and full disability cover of ₹0.2 million at a premium of ₹20 annually. As per the Government, more than 100 million people have registered for these two social security schemes.

As of 4th December 2024, 541.2 million PMJDY accounts had been opened, of which ~ 67% were in rural and semi-urban areas, and total deposits of ₹2,371 billion. (*Source: Pradhan Mantri Jan-Dhan Yojana: Progress Report*)

Financial penetration to rise with increase in awareness and access of financial products

Overall literacy in India was at 77.7% as per the results of NSO survey conducted from July 2017 to June 2018, which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry. The survey defines financial literacy as a combination of awareness, knowledge, skill, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

Government initiatives like Pradhan Mantri Jan Dhan Yojana, financial literacy programs, and continuous focus on financial inclusion have increased financial literacy, resulting in significant uptick in demand for financial products, particularly in smaller cities over the past few years. Going forward, Crisil Intelligence expects financial penetration to increase on account of increasing financial literacy.

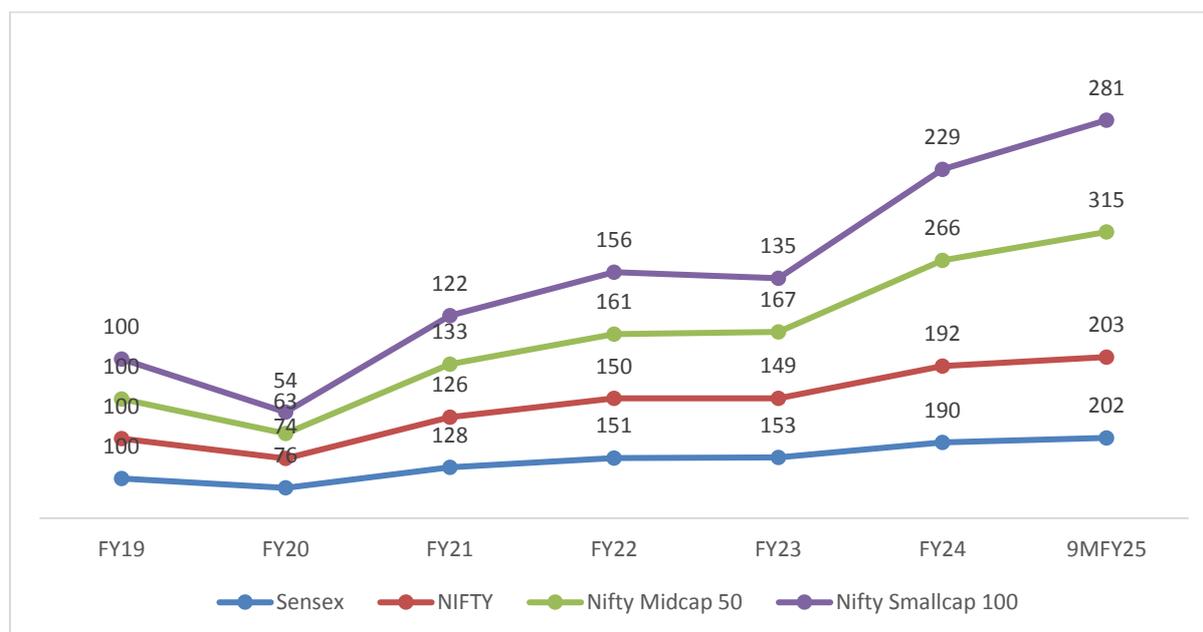
Current scenario of the capital markets in India

Overview of capital markets in India

Capital markets clocked strong growth with NIFTY 50 clocking 10.9% CAGR from Financial Years 2011 to Financial Year 2024

The Indian Capital Market is one of the most dynamic and high growth organised markets in the world. It witnessed strong performance during the period Financial Years 2011 to 2024. The market capitalization of National Stock Exchange (“NSE”) grew at 14.4% CAGR during Financial Year 2011 to Financial Year 2024. The NIFTY 50 index has grown at a CAGR of 10.9% over this period. BSE Sensex has followed a similar growth trajectory to Nifty 50. Indian equities continued to see strong gains in calendar year 2024. Both domestic and global factors were supportive of foreign capital inflows.

BSE and NSE performance, Financial Year 2019 to Financial Year 2024



Note: FY: Financial Year; Indices indexed to 100 in Financial Year 2019

Source: NSE, BSE, CRISIL Intelligence

Type of asset classes available for dematerialization

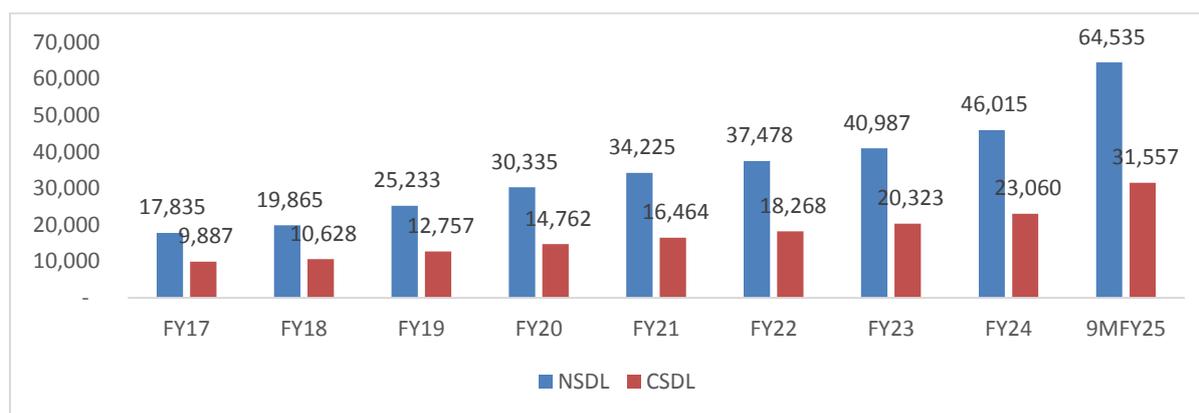
Depository Statistics for NSDL and CDSL witness a steady growth trajectory

Securities such as common equity shares, preferential shares, mutual fund units, debt instruments, government securities, certificates of deposit, commercial papers and others are available to be held in electronic or dematerialized (demat) form by the investors. The number of companies having their securities in demat form have seen an increase from 17,835 in Financial Year 2017 to 46,015 in Financial Year 2024 seeing a growth at 14.5% CAGR for NSDL and 9,887 to 23,060 from Financial Year 2017 to Financial Year 2024 growing at a ~13% CAGR for CDSL. As of December 31, 2024, the number of companies available for dematerialization for NSDL and CDSL stood at 64,535 and 31,557 respectively.

Amongst the depositories, NSDL holds a dominant market share in terms of progress in dematerialisation

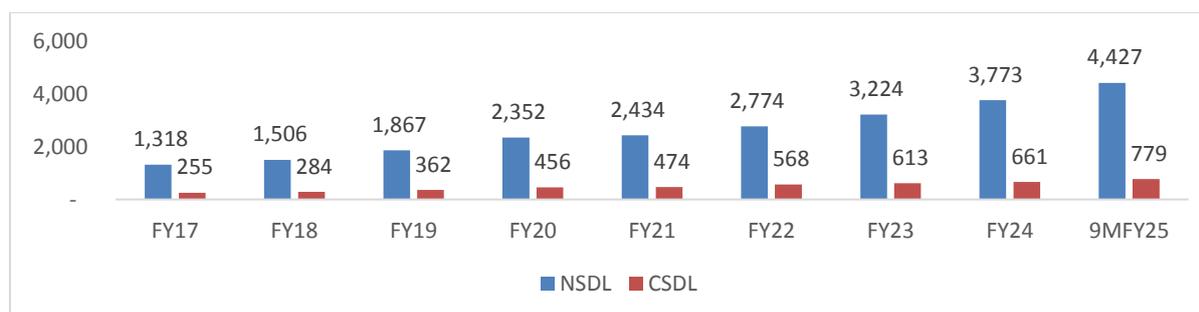
NSDL holds a higher share compared to CDSL amongst the two depositories across the number of companies available for demat, the quantity and value of securities held in demat form.

Trend of number of companies signed up and available for demat (listed and unlisted)



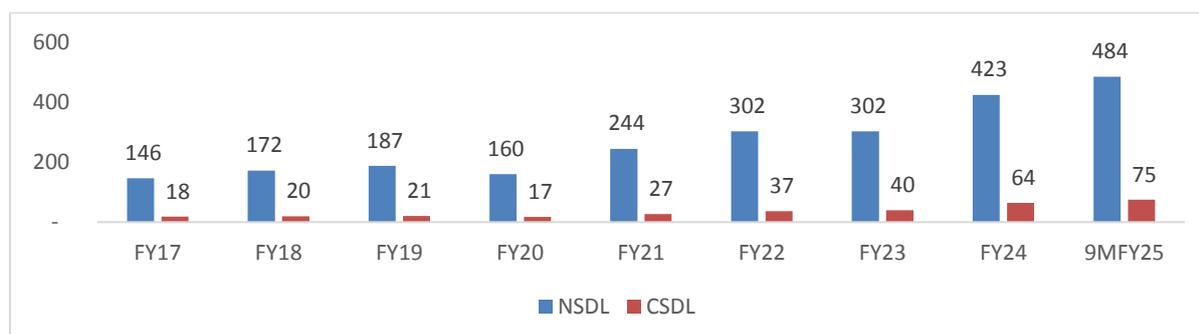
Note: FY: Financial Year; Source: NSDL, CDSL, SEBI Bulletin, CRISIL Intelligence

Quantity of securities held in demat form (in billion)



Note: FY: Financial Year; Source: NSDL, CDSL, SEBI Bulletin, CRISIL Intelligence

Value of securities in demat form (₹ in trillion)



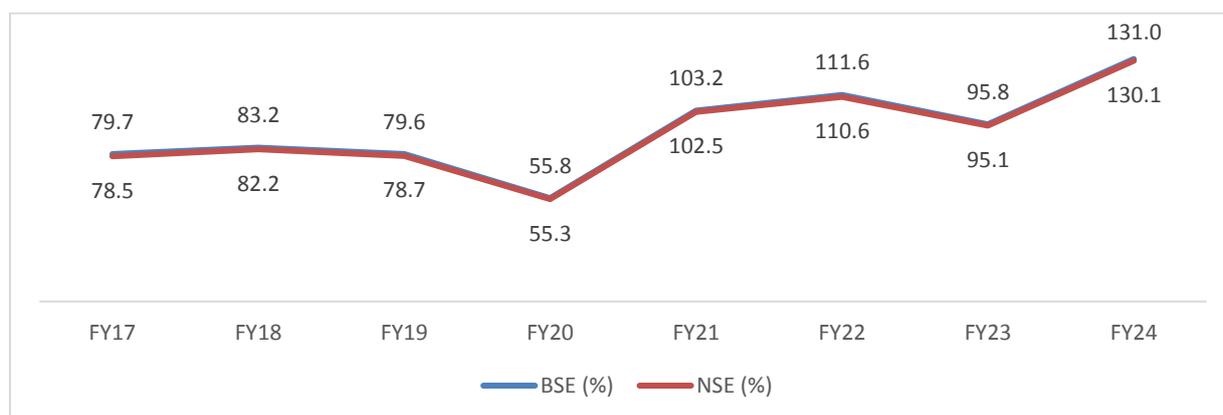
Note: FY: Financial Year; Source: NSDL, CDSL, SEBI Bulletin, CRISIL Intelligence

Key trends in capital markets

After a meteoric rise in Financial Year 2021, market capitalization to GDP stabilized Financial Year 2022 onwards

Market capitalization to GDP (m-cap ratio) ratio provides an overview of the developments in the market against the growth of the overall economy. As of Financial Year 2022, the markets were buoyant and had moderate volatility and the ratio saw an ~8% y-o-y increase in both exchanges. The ratio stood at 131% and 130.1% in BSE and NSE respectively as on 31st March 2024.

Market capitalization to GDP ratio (%) on an upward trend in both exchanges



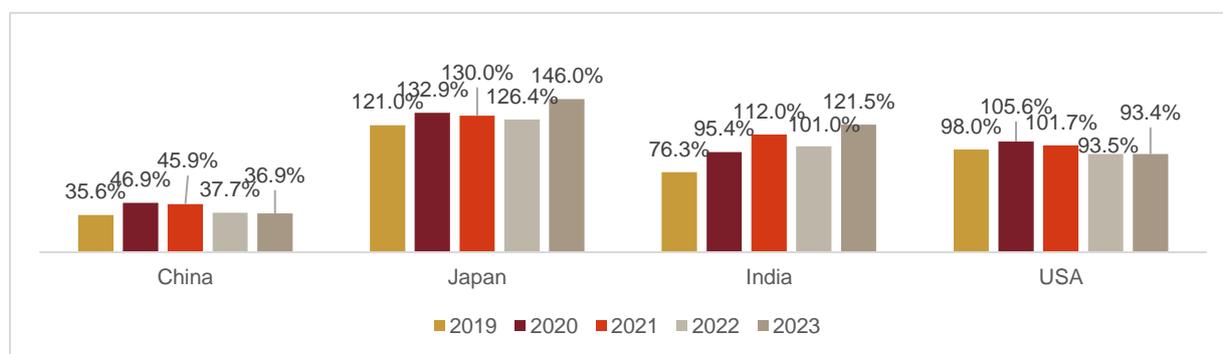
Note: FY: Financial Year; Nominal GDP (GDP at current prices) were considered

Source: BSE, NSE, SEBI, CRISIL Intelligence

Indian capital markets by market capitalization as a proportion of GDP in comparison with other major economies

India's stock market capitalization to GDP has increased from 76.3% in 2019 to 121.5% in 2023. Japan's stock market capitalization to GDP ratio has remain highest for all the years among the countries compared.

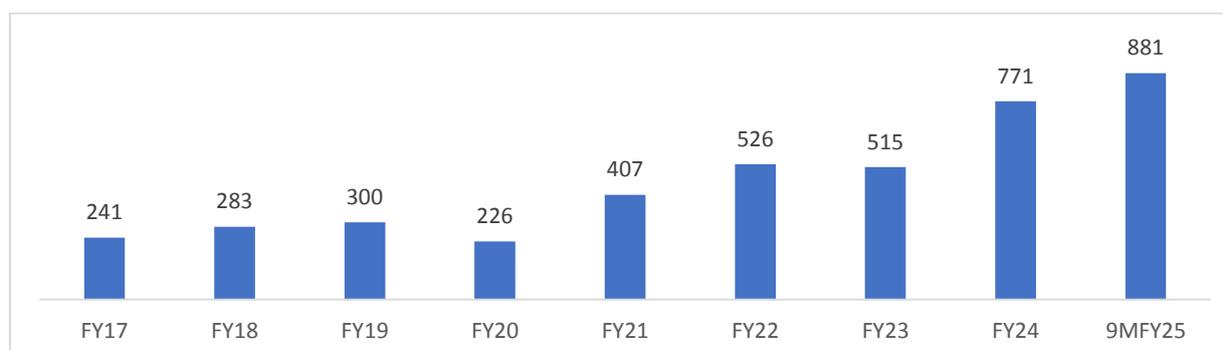
Market capitalization as % of GDP



Note: Market capitalization of Shanghai stock exchange, Japan exchange group, National stock exchange of India and New York stock exchange has been considered. GDP data taken as per IMF database.

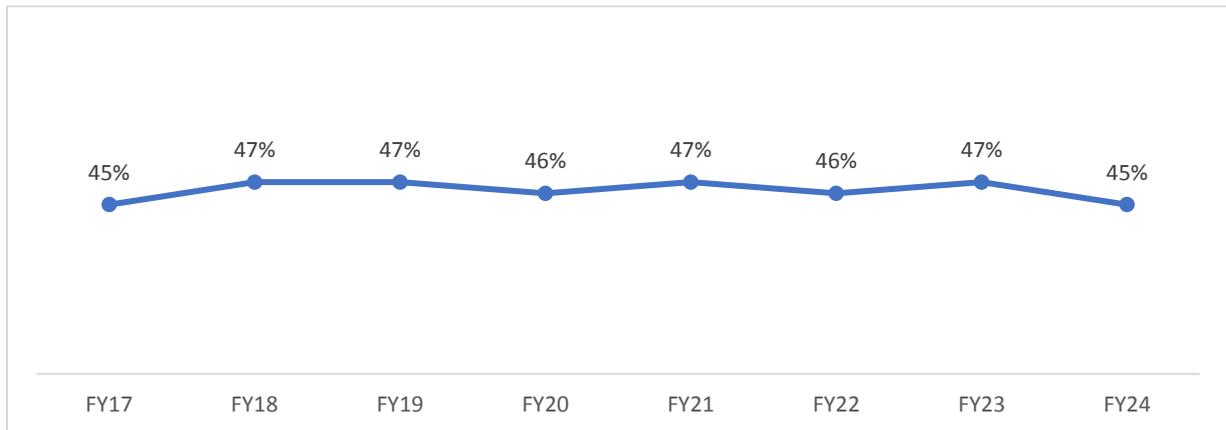
Source: World Federation of Exchanges (WFE), IMF, CRISIL Intelligence

Trend in total market capitalization (in ₹ trillion)



Note: Note: FY: Financial Year; The above chart includes data of BSE and NSE, Source: SEBI, CRISIL Intelligence

Free float market capitalization as a percentage of total market capitalization seeing a marginal decrease

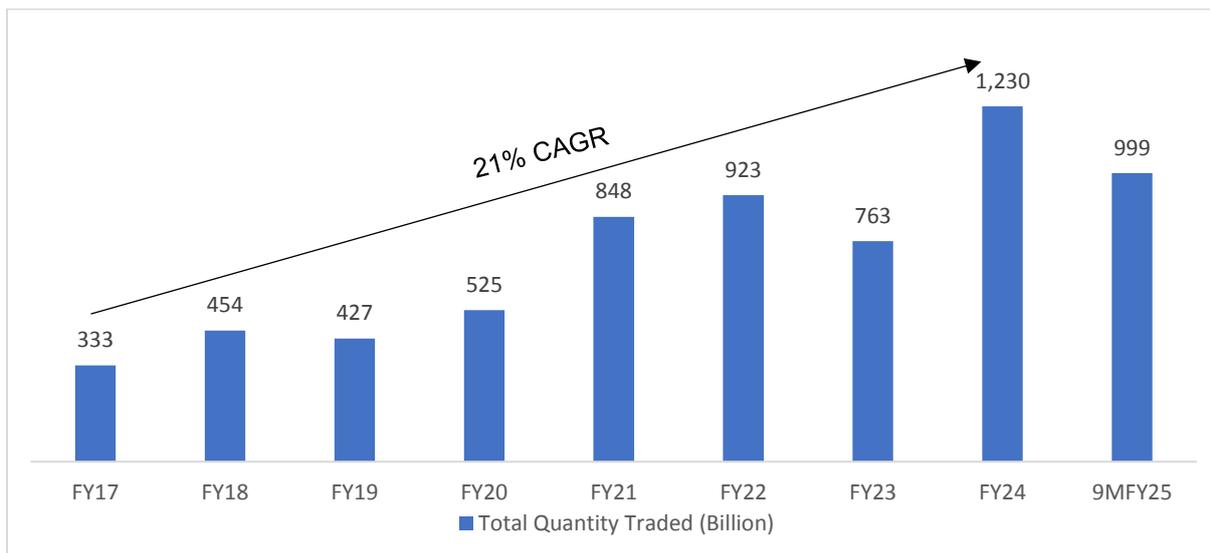


Note: FY: Financial Year; Source: SEBI, CRISIL Intelligence

Equities traded in the secondary market have seen a robust growth

A key trend that had emerged post the Covid-19 pandemic was the substantial rise in secondary market participation. The volume of equity traded in the secondary market saw a meaningful increase reaching record high levels as of Financial Year 2022 at 923 billion traded quantities. It has further increased in Financial Year 2024 to 1,230 billion traded quantities. The increase in participation was propelled by a multitude of factors including increasing retail investor participation driven by digitalization with higher adoption of mobile and digital investing, financial awareness, increasing participation in IPO subscriptions and the need to invest capital in an asset class yielding high returns amidst a low-interest environment.

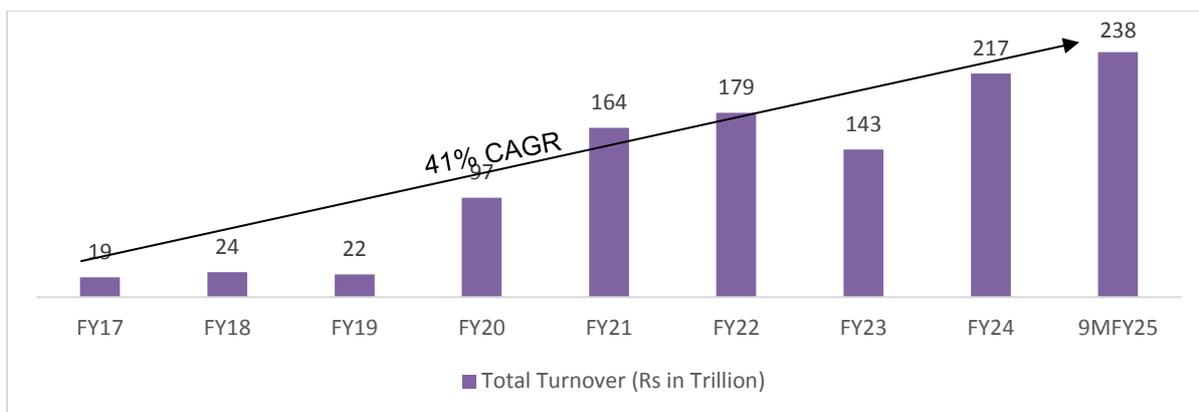
Quantity of equities traded in the secondary market reached record high in Financial Year 2024



Note: FY: Financial Year; Source: SEBI, CRISIL Intelligence

Total turnover (in ₹ trillion) of equities in the secondary market saw a sharp increase over the years

Turnover in cash and equity derivatives segment, grew at ~41% CAGR respectively over Financial Year 2017 to Financial Year 2024 period. The growth was primarily driven by the increase in retail participation due to ease of trading through mobile applications. As of Financial Year 2024, total equity cash segment turnover stood at ₹217.3 trillion. In Financial Year 2023, the total turnover of equities decreased to ₹143 trillion from ₹179 trillion in Financial Year 2022 on account of reasons such as investors shift to derivative trading, market volatility and increased retail participation with smaller trade size.



Note: FY: Financial Year; Source: SEBI, Crisil Intelligence Research

Capital raised in primary markets showed strong performance in Financial Year 2024

Funds raised through equity and debt have seen a steady growth over the years. Equity capital saw a strong 12.7% CAGR from Financial Year 2017 to Financial Year 2024. The total volume of equity capital issuances as of Financial Year 2024 stood at 1,090 issuances and value at ₹1,972 billion. Volume of debt issuances was seeing a downward trend over the years de-growing at ~12% CAGR from Financial Year 2017 till Financial Year 2024. Since the value and volume of debt capital contributed to the lion's share in the capital market, the muted performance of the debt market is reflected in growth of the overall market as well.

Capital raised in primary market through equity gained more traction when compared to debt

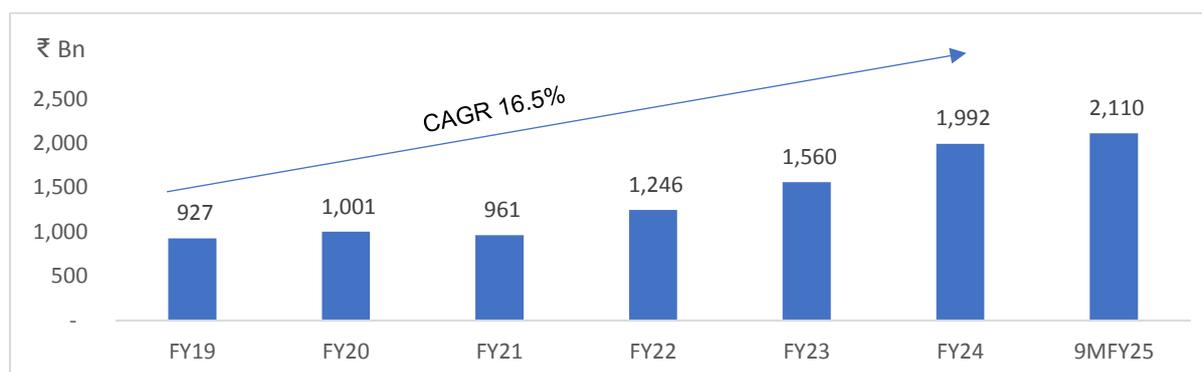
Particulars	Financial Year 2017		Financial Year 2022		Financial Year 2024		7 Yr. CAGR (Financial Year 2017-2024)	
	Volume (In number)	Value (₹ in Billion)	Volume (In number)	Value (₹ in Billion)	Volume (In number)	Value (₹ in Billion)	Volume	Value
Equity	549	855	542	2,310	1,090	1,972	10.3%	12.7%
Debt	3,392	6,700	1,433	5,996	1,392	8,569	-11.9%	3.6%
Total	3,941	7,555	1,975	8,306	2,482	10,541	-6.4%	4.9%

Source: SEBI, CRISIL Intelligence

Mutual fund penetration is upward bound

In recent years, mutual fund assets in India have seen robust growth, largely driven by a growing investor base. This is due to increasing financial awareness, strong performance of capital markets, technological progress, and regulatory efforts aimed at making mutual fund products more transparent and investor friendly. Moreover, the rising awareness among the population about different capital-market related instruments including ELSS, SIPs, ETFs, theme-based investing building customized bucket of stocks as per clients' requirement, etc. have been a key driver in increasing mutual fund penetration in the market. SIPs are preferred by individuals who like to invest in equity with a long-term investing horizon. SIP contribution in Financial Year 2024 stood at ₹1,992.2 billion.

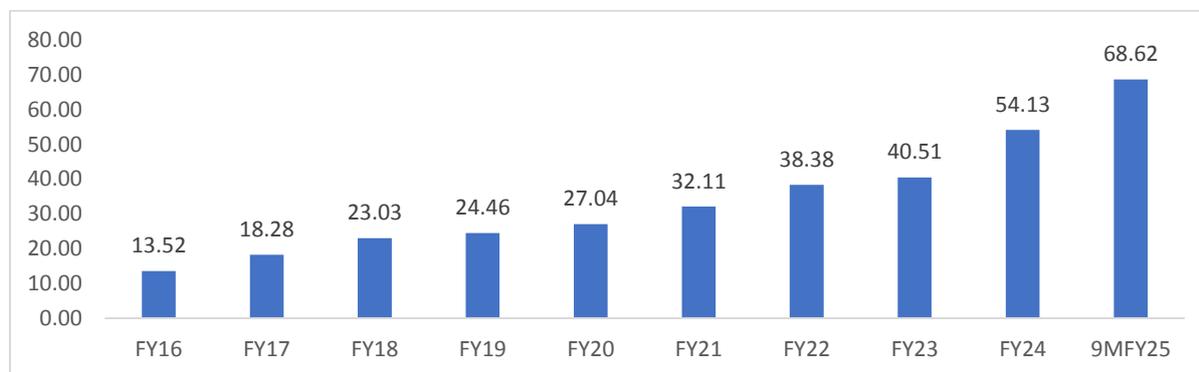
SIP Contribution witnessing a growth over the years (in ₹ billion)



Note: FY: Financial Year; Source: AMFI, CRISIL Intelligence

Overall mutual fund AUM increased from around ₹24.48 trillion in Financial Year 2019 to ₹54.13 trillion at end of Financial Year 2024 logging CAGR of 17.2% between the Financial Year 2019 and 2024. SIP amount (monthly average) has also increased from ₹77.2 bn in Financial Year 2019 to ₹166.0 bn in Financial Year 2024 with the CAGR of ~16.5%. Total SIP amount has increased from ₹927 billion in Financial Year 2019 to ₹1,992 billion in Financial Year 2024 registering CAGR of 16.5%. As of nine months ended December 31, 2024, Total SIP amount stood at ₹2,110 billion.

Growth in overall AUM of mutual funds (in ₹ trillion)

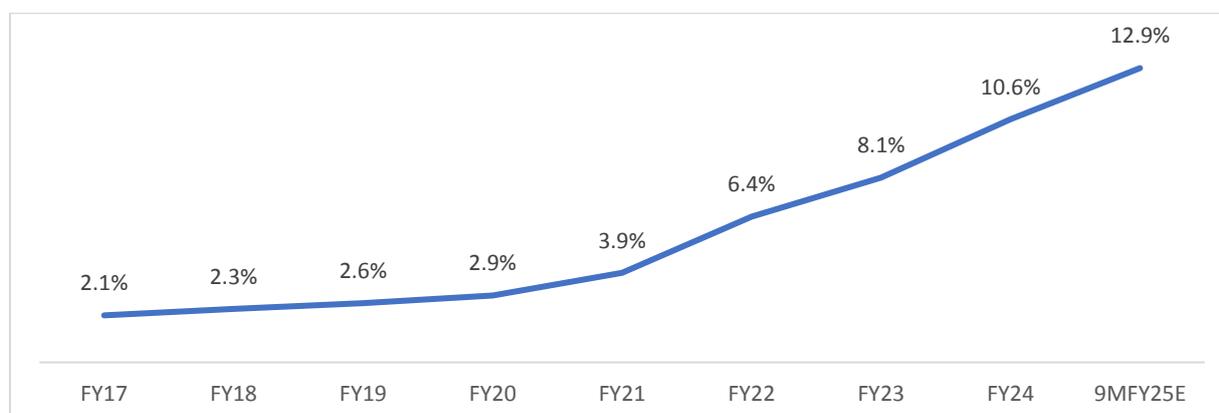


Note: FY: Financial Year; Values in the above chart are based on quarterly average AUM

Source: AMFI, CRISIL Intelligence

The Demat Account penetration in India is 12.9% in the months ended December 31, 2024.

Demat account penetration is low but steadily growing (% of population holding a demat account)

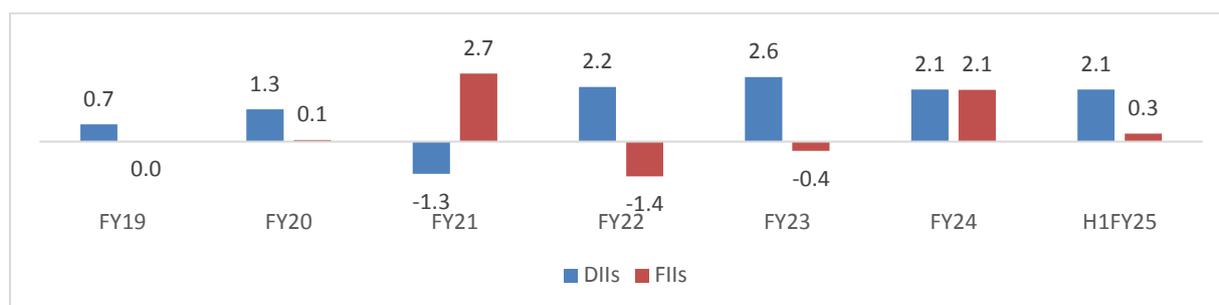


Note: E: estimated, Source: SEBI, World Bank, United Nations, CRISIL Intelligence

Institutional Investment into Equities

With strong participation in Indian capital markets, both FIIs and DIIs maintained record level of inflows in Indian equities due to robust macroeconomic fundamentals and significant return delivered by Indian market in recent years. DIIs remained strong buyers of Indian equities for the third year in a row, with net inflows of approximately ₹2.1 trillion, aggregating to total net buying of more than ₹6.5 trillion in the last three years. On the other hand, after remaining on sidelines in the previous two Financial Years, FIIs turned aggressive buyers of Indian equities in Financial Year 2024 with net inflow of 2.1 trillion.

Net Buying Patterns of DIIs and FIIs in last 5 years (₹Trillion)



Note: FY: Financial Year; For H1FY25, DII data is as of September 2024, FII data is as of August 2024. Source: NSE, SEBI, CRISIL Intelligence

FPI investments in capital markets

Sustained capital inflows - portfolio and direct - are a prerequisite for any economy. In particular, the challenge is to create favourable conditions for continuous inflow of foreign capital, to retain and utilise it for productive purposes like infrastructure and other investment needs. The foreign portfolio investor (FPI) regime commenced with effect from June 1, 2014, wherein the existing FIIs, sub-accounts, and qualified foreign investors (QFIs) were merged to form a new investor class termed as FPI.

Foreign investments in the country can take the form of investments in listed companies (FII investments), investments in listed/unlisted companies other than through stock exchanges (through the foreign direct investment or private equity (PE)/foreign venture capital investment route), investments through American depository receipts/global depository receipts, or investments by non-resident Indians and persons of Indian origin in various forms.

As on December 31, 2024, NSDL serviced almost 100.00% (99.99)% of the value of equity, debt and other securities held by foreign portfolio investors in dematerialized form in India.

FPI/FII net investment details

Financial Year	₹ Bn				
	Equity	Debt	Debt-VRR	Hybrid	Total
2018	256.3	1190.4	0.0	0.1	1446.8
2019	-0.9	-423.6	0.0	35.1	-389.3
2020	61.5	-487.1	73.3	77.0	-275.3
2021	2740.3	-504.4	332.6	102.5	2671.0
2022	-1400.1	16.3	126.4	35.0	-1222.4
2023	-376.3	-89.4	58.1	-1.8	-409.4
2024	2082.1	1210.6	-29.7	127.7	3390.7

Source: NSDL, CRISIL Intelligence

FPIs Assets Under Custody (AUC) data

AUC as of Mar'24 (₹ Bn)	Equity	Debt	Debt-VRR	Hybrid	Total
	64,157	3,469	1,480	434	69,540

Source: NSDL, CRISIL Intelligence

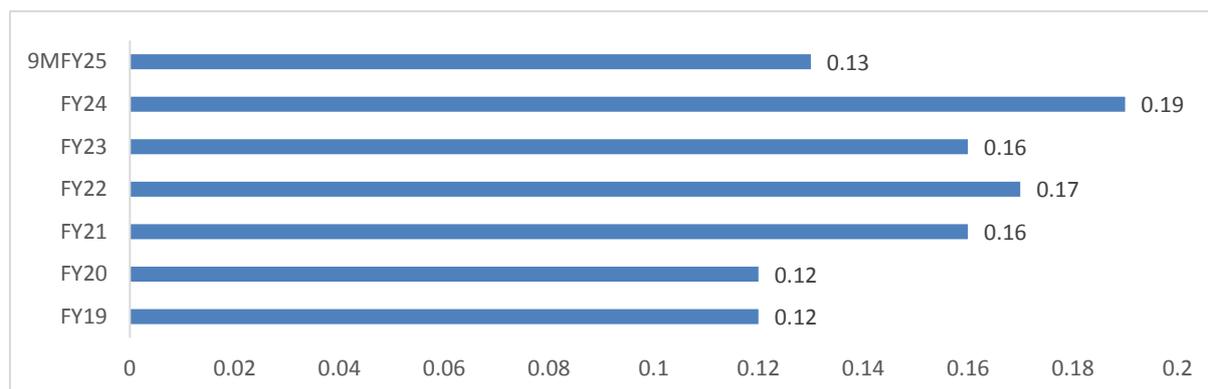
Growth drivers for players in the capital market industry

Number of companies incorporated is on the rise

In Financial Year 2024, the Ministry of Corporate Affairs (MCA) registered the highest ever number of company incorporations at 0.19 million companies as compared to 0.17 million companies in Financial Year 2022. Government initiatives including Ease of Doing Business, make in India and Start up India have accentuated this

trend by building a conducive environment for incorporating businesses and is expected to further improve the start-up climate in the country.

Number of Indian companies incorporated saw a rise



Source: Ministry of Corporate Affairs, CRISIL Intelligence

Increasing participation of domestic players in investments

With strong participation in Indian capital markets, both FIIs and DIIs maintained record level of inflows in Indian equities due to robust macroeconomic fundamentals and significant return delivered by Indian market in recent years. DIIs remained strong buyers of Indian equities for the third year in a row, with net inflows of approximately ₹2.1 trillion, aggregating to total net buying of more than ₹6.5 trillion in the last three years. On the other hand, after remaining on sidelines in the previous two fiscal, FIIs turned aggressive buyers of Indian equities in Financial Year 2024 with net inflow of 2.1 trillion. This trend is indicative of the prominence that DIIs are gaining, thus acting as a driving force in the Indian capital market. Increase in participation from domestic players in the market would further improve growth of other stakeholders in the ecosystem including depositories, depository participants, RTAs, investors etc wherein, the increase in volume of transaction would lead to higher transaction charges, improved market sentiment and would encourage more businesses to get listed on Indian exchanges thereby resulting in higher custodial fees as well.

Regulations and initiatives by SEBI and Exchanges to aid the penetration and growth in capital markets

SEBI has over the past systematically looked to make the Indian Capital Market a more safe and secured industry for investor. The regulator has over time introduced many newer regulations and evolved the existing ones. Some of the regulations and initiatives from the regulator are:

Application Supported by Blocked Amount (ASBA) which is a mechanism used for applying to Initial Public Offerings (IPOs) or Follow-on Public Offerings (FPOs). This mechanism creates a direct channel for flow of funds between the clearing corporation and the investors and ensures reduction in any fraud in handling of investor money by brokers.

Block mechanism facility which involves blocking of shares in the investors' demat whenever he/she wants to make a sale.

Shorter settlement cycle: The markets were functioning on a T+2 settlement cycle for the longest time. In January 2023, T+1 settlement cycle was brought into effect by SEBI. This meant that the trade settlement will be done within a day or 24 hours. The move was made in view of operational efficiency, faster fund remittances, quicker share delivery, and ease of the market participants. The introduction of the depository system brought about a notable transformation in trade settlement practices on stock exchanges and played a pivotal role in the implementation of rolling settlements in India. Prior to NSDL's incorporation, trades were settled on a weekly basis under the account period settlement framework. NSDL's scripless book entry system played a pivotal role in enabling the gradual reduction of settlement cycles and the subsequent implementation of rolling settlements in India. In 1998, SEBI introduced the concept of rolling settlements based on a T+5 timeline, which was further reduced over time following SEBI's decision to implement a T+1 settlement for all traded securities in January 2023. With effect from March 28, 2024, NSDL implemented a beta version of T+0 settlement with 25 scrips and since January 31, 2025, NSDL implemented an option of T+0 settlement in a phased manner to cover additional

top 500 scrips based on market capitalization as on December 31, 2024, for all brokers. This places India among the select countries to achieve such an efficient settlement system and NSDL's contributions have been instrumental in realizing this achievement.

SGX Nifty shifts to GIFT city; GIFT city on the path to become a global hub

The SGX Nifty was shifted to the GIFT city, Gandhinagar in mid-2023. NSE IFSC – SGX Connect was launched in July 2022 which marked the beginning of a transition of liquidity riding on SGX Nifty to NSE IFSC. Starting from July 2023, the SGX Nifty Index was structured from NSE IFSC in Gift City, Gujarat, and was known as the GIFT NIFTY Index, widening the liquidity pool for Nifty products there. This means, that the derivative contracts worth approx. \$750 crore which were earlier traded from Singapore shifted to India. GIFT Nifty includes, GIFT Nifty 50, GIFT Nifty Bank, GIFT Nifty Financial Services and GIFT Nifty IT derivative contracts.

There are many initiatives underway with respect to GIFT International Exchange that will help Indian markets extend their reach among global investors through direct engagement. It's expected that Indian entities will soon be allowed to directly list on NSE IFSC. This would help Indian companies access capital from global investors. This brings GIFT city a step closer to the becoming a global competitor to other financial hubs such as Dubai, Mauritius, Singapore etc.

Increasing Smartphone Penetration in the country will drive growth in mobile stock trading

The rise in smartphone penetration will continue to aid growth of mobile trading among the retail participants. The rise in mobile trading will especially benefit the brokers which continuously invest in Technology and Platforms and thus will be able to provide a superior trading and investing experience as compared to their peers.

Increasing Share of Non-Institutional and Retail Investors to drive growth for the industry

Individual investors (i.e., excluding promoters and institutions) ownership in NSE listed companies has increased steadily over the years, reflecting growing confidence in Indian equity markets. From March 2017 to March 2024, overall retail mutual fund AUM and retail equity mutual fund AUM has increased at a CAGR of 20.8% and 22.9% respectively. Going forward, CRISIL Intelligence expects a significant potential for direct equity investments as the total addressable market including mutual fund folios has seen significant growth in recent times. Moreover, with the increase in financial literacy of investors, direct equity ownership is expected to see an increase in the future.

Wider offering of value-added services & technological innovation to provide reliable and robust infrastructure

In addition to the core services of electronic custody and trade settlement services, depositories provide other services like pledge & hypothecation of securities, automatic delivery of securities to clearing corporations, web-based services like SPEED-e (submission of delivery instructions, freezing of accounts) and IDeAS (viewing of Instructions and holding), distribution of cash and non-cash corporate benefits (such as bonus, rights, and IPOs), stock lending, etc. Moreover, technological innovation at NSDL has played a pivotal role in driving capital market participation such as –

- Introduction of distributed ledger technology (DLT) Blockchain Powered Security & Covenant Monitoring Platform
- Digitization of customer journeys leveraging Mobile First Approach
- Offering B2B2C model to NSDL Partners via APIfication of Services
- Building Platform agnostic, scalable and secure solutions providing high availability

Providing these additional services have added value and have helped depositories such as NSDL, strengthen their position in the capital market ecosystem by endeavouring to redefine the digital journey for capital market participants.

Outlook on Indian capital markets looks encouraging

The Indian stock market recorded a strong performance in calendar year 2024 reaching all-time highs in both indices - Nifty 50 and Sensex, despite facing several headwinds such as fluctuations in crude oil prices, weakness in the rupee and staggering inflationary pressure. Further, CRISIL Intelligence has a constructive outlook on the capital markets largely driven by:

- Initiatives taken by financial regulators towards financial education would empower investors in making informed decisions and encourage participation in the market.
- The push towards the new tax regime as implied in the Union Budget of Financial Year 2025 would provide investors with a higher investable surplus, thereby enabling higher investments.
- Reduction of fiscal deficit and the market borrowing were in line with market expectations thereby having limited impact on government yields. Moreover, with interest rates at peak, the bond market would be conducive to lock in a yield for debt instruments.
- The removal of tax on income up to ₹12 lakh would boost disposable income, encouraging higher savings and investments in capital markets, driving retail participation, and enhancing liquidity in equities and mutual funds.

In a bid to grow the bond market, the government is encouraging cities to float municipal bonds. Further, the financial market measures towards market-linked debentures and listed debentures will plug tax loopholes and would attract investor flows in the future.

Depository System in India

Emergence of depository system in India

Till early 1990s, ownership of equity shares in Indian companies was represented through share certificates in the physical mode, wherein transactions in securities markets were settled based on physical movement of paper. Clearing and settlement of sale of securities were only on 'accounting period basis'. It used to take roughly 10 to 14 days for a seller to receive payment and for a buyer to receive deliver of securities. Such a longer settlement cycle involved higher market and credit risk and therefore higher transaction cost.

In 1970s and 1980s, the Indian capital market grew rapidly with more and more companies accessing capital markets through public issue, rights and bonus issue, private placement, etc. and hence, the supply of share certificates increased greatly. Till early 1990s, retail and small investors were dominant. In the early 1990s, the market opened with entry of private MFs and foreign institutional investors (FIIs) and the turnover in primary and secondary markets grew manifold. This caused disturbances in clearing and settlement, owing to large movement of paper which made trading a prolonged process. This process used to increase market and credit risk and affected smooth functioning of stock exchanges. Along with this, there were multiple problems in dealing with physical shares such as theft, fake or wrong transfer, delay in transfer of shares due to mismatch in signatures, a lot of paperwork requirements in buying, selling and transfer leading to costs of handling, storage and transportation. Hence, there was an urgent need to shift to electronic method of settlements.

Generally, worldwide, depositories hold securities in two forms:

Immobilization – wherein securities are held in physical form, but transfer is done electronically through book entries.

Dematerialization – wherein certificates are destroyed once they are admitted to depository and corresponding credit is given in the account which is maintained electronically.

Dematerialisation is the process by which an investor's physical certificates are converted to an equivalent number of securities in electronic form. A system was devised whereby all securities get stored and only debit and credit entries are passed, representing the status of ownership of securities. To overcome delay in settlement, loss in transit, stolen certificates, litigation, etc. a new system, i.e., a depository system was introduced, which facilitates investors to hold securities in electronic form and trade in these securities.

Thereafter, Depositories Act, 1996 was enacted to provide for regulation of depositories in securities and for other related matters. Consequent to the enactment of Depositories Act, 1996, the first depository in the country, namely, National Securities Depository Limited (NSDL) was set up which pioneered the dematerialization of securities in India in November 1996. NSDL was one of the initial few depositories globally to directly implement dematerialization, bypassing the traditional two-step process of immobilization and subsequent dematerialization. NSDL began the process of dematerialization of securities with 3 participants and 5 securities eligible for dematerialization in November 1996. Currently, there are two depositories in India, NSDL and Central Depository Services Limited (CDSL). CDSL was set up in 1999.

The introduction of the depository system brought about a notable transformation in trade settlement practices on stock exchanges and played a pivotal role in the implementation of rolling settlements in India.

In a rolling settlement, all trades outstanding at the end of day have to be settled, which means that the buyer has to make payments for securities purchased and the seller has to deliver securities sold. In India, we moved from T+5 rolling settlement and uniform settlement cycle to T+1 settlement cycle in which a transaction entered on Day 1 had to be settled on Day 1 + 1 working day. The process of migration to T+1 settlement cycle started in February 2022 and complete migration took place in January 2023. SEBI introduced the T+0 rolling settlement beta version in March 2024, allowing same-day trade settlement in select equity stocks. This initiative aims to enhance liquidity, reduce settlement risks, and improve market efficiency, aligning India's capital markets with global standards.

Key milestones in Indian depository system

Month & Year	Milestones
Aug 1996	Depositories Act published
Oct 1996	NSDL was granted certificate of commencement of business
Nov 1996	NSDL inaugurated
Dec 1996	Trading in Demat Securities on NSE commenced
Dec 1997	Trading in Demat Securities on BSE commenced
Jan 1998	Compulsory trading in demat for 200 scrips T+5 Rolling Settlement introduced in the demat segment of stock exchange
Jan 1999	Compulsory trading in dematerialized securities for all investors
Feb 1999	CDSL was granted certificate of commencement of business
Jul 1999	CDSL starts operations
Apr 2002	Introduction of T+3 rolling settlement
Nov 2002	SEBI mandates the removal of account closure charges
Apr 2003	Introduction of T+2 rolling settlement
Feb 2005	SEBI mandates the removal of charges associated with account opening, credit of securities, and custody of securities payable by the BOs to their DPs.
Jan 2006	SEBI mandates the removal of charges levied by the depository, on the BOs and DPs for shifting of accounts between DPs and depositories
Apr 2006	SEBI mandates the requirement of the PAN card, for all demat account holders, as a Know Your Client (KYC) norm for opening of demat accounts
Sep 2007	Warehousing (Development & Regulation) Act, 2007
Oct 2010	The Warehousing Development and Regulatory Authority (WDRA) was setup
Dec 2011	SEBI releases KYC Registration Agency regulations to grant registrations to KRAs
Sep 2015	SEBI started regulating commodity derivatives market in India
Jun 2017	Warehousing development and regulatory authority (Electronic negotiable warehouse receipts) regulations, 2017
Oct 2018	SEBI introduced amendments related to structuring, shareholding, and governance of depositories in SEBI (Depository and Participants) regulations MCA notified that every unlisted public company shall issue the securities only in demat form and facilitate demat of all existing securities
Jan 2023	Introduction of T+1 rolling settlement
Mar 2024	Launch of Beta version of T + 0 rolling settlement cycle in equity market

Month & Year	Milestones
Oct 2024	Value of securities held in dematerialized form at NSDL reaches ₹500 lakh crore (US \$ 6 Trillion)

Highlights on depository market in India

The growth of depository market is linked to several factors such as rising participation from investors, rising digital services which are being provided by brokers and depositories, reducing cost of transactions, rising awareness about capital markets, etc.

The depository market in India is a duopoly with high barriers to entry as each of the current depositories are promoted by large institutions. As the first and leading depository in the country, NSDL introduced the concept of dematerialization of securities, revolutionizing the securities landscape in India. NSDL is the largest depository in India in terms of number of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody as of December 31, 2024. CDSL is the largest depository in terms of the demat accounts as of December 31, 2024.

The depository market in India grew at rapid pace in past 3 years. Total client accounts grew at ~29% CAGR between Financial Year 2018 to Financial Year 2024 and is expected to grow at 12% CAGR between Financial Year 2024 to Financial Year 2027. Standalone income of depositories in India is around ₹13.14 Bn in Financial Year 2024 and grew at CAGR ~21.2% between Financial Year 2018 to Financial Year 2024 and is expected to grow at CAGR of 11% to 12% from Financial Year 2024 to Financial Year 2027 to reach ₹16 Bn to ₹17 Bn by Financial Year 2027 assuming there will not be any regulatory impact on pricing of products and services.

Impact of technology in the depository system of India

Technology has transformed the securities business in India. It has helped depositories to provide efficient and time-bound services. The depository system has several benefits over physical settlement system due to technology, such as:

1. **Wide DP network and online DP services** – An investor who wants to avail of the services offered by the depository, must open an account with the DP. A DP functions as a bridge between the depository and investors. The number of DPs help to increase the business of any depository. Therefore, every depository tries to increase the depository services across the country. Currently, DPs are located all over the country enabling investors to select DPs of their choice. As of March 2023, there are total 871 DPs registered with depositories and there are more than 78,000 DP service centres across the country. With the help of technology, DPs across different locations are connected to depositories, thereby providing on-line and efficient service to investors. Depositories offer the unique facility for the DPs to extend the services directly through their branch network to reach investors even in the remote areas. SEBI has directed DPs to connect electronically all the branches with the centre for the benefit of the investors through faster settlements.
2. **Wide spectrum of securities available for demat** – The equity shares of all companies are available for dematerialisation on the depository, consisting of all listed companies. These securities include equities, bonds, MF units, government securities, CP, CDs; etc. Thus, an investor can hold securities in one account with a depository. MCA and several unlisted companies are also taking initiative to dematerialize their securities.
3. **Elimination of bad deliveries and risks associated with physical certificates** – Online trading system has improved efficiencies in working of stock markets by means of:
 - Elimination of bad deliveries - In the depository system, once holdings of an investor are dematerialised, the question of bad delivery does not arise, i.e., they cannot be held “under objection”. In the physical environment, buyer was required to take the risk of transfer & face uncertainty of the assets purchased.
 - Elimination of all risks associated with physical certificates - Dealing in physical securities have associated security risks of theft of share certificates, mutilation of certificates, theft/loss of share

certificates during movement through and from the registrars, thus exposing the investor to the cost of obtaining duplicate certificates etc. This problem does not arise in the depository environment.

4. **Immediate transfer and registration of securities** – In the depository environment, once the securities are credited to the investors account on pay-out, he/she becomes the legal owner of the securities. There is no further need to send it to the company's registrar for registration. When securities are purchased in physical form, an investor must send it to the company's registrar so that the change of ownership can be registered. Previously, the process took around three to four months and was rarely completed within the statutory framework thus exposing the investor to opportunity cost of delay in transfer and to risk of loss in transit.
5. **Faster settlement cycle** – Depositories facilitated faster rolling settlement on T+1 (shortened from the previous cycle of T+5, T+3 and T+2). This has enabled faster turnover of stock, more liquidity with less risk to the investor. SEBI introduced the T+0 rolling settlement beta version in March 2024, allowing same-day trade settlement in select equity stocks.
6. **Faster disbursement of non-cash corporate benefits like rights, bonus, etc.** – Depository provides for direct credit of non-cash corporate entitlements to an investors account, thereby ensuring faster disbursement and avoiding risk of loss of certificates in transit.
7. **Reduction in handling of huge volumes of paper** - As the ownership gets transferred electronically, there is no need for handling large volumes of paper.
8. Periodic status reports to investors on their holdings and transactions, leading to better controls.
9. **Elimination of problems related to change of address of investor** - In case of change of address, investors are saved from undergoing the entire change procedure with each company or registrar. Investors have to only inform their DP with all relevant documents and the required changes are made in the database of all the companies, where the investor is a registered holder of securities.
10. **Elimination of problems related to transmission of demat shares** - In case of dematerialised holdings, the process of transmission is convenient as the transmission formalities for all securities held in a demat account can be completed by submitting documents to the DP whereas, in case of physical securities, the surviving joint holder(s)/legal heirs/nominee had to correspond independently with each company in which shares are held.
11. **Elimination of problems related to selling securities on behalf of a minor** - A natural guardian is not required to take court approval for selling demat securities on behalf of a minor.
12. **Ease in portfolio monitoring** - since statement of account gives a consolidated position of investments in all instruments.

Indian depositories are continuously evolving in technology

The financial services industry demands latest technology adoption to safeguard and protect data of customers. In line with the industry trend, the depositories in India are continuously not only trying to enrich existing services but also providing new services that can enhance customer convenience and their revenue earning potential. Since depository is a highly regulated industry, compliance and risk management sits at the core of their business, which is being addressed and made more efficient and secure by means of technology adoption.

Central Server

Both NSDL and CDSL have installed its core depository system based on a centralised architecture due to which data is available to the user instantaneously.

Periodic status report and electronic transaction facility

Both NSDL and CDSL provide periodic status report related to their holdings and transactions and also facilitate electronic transaction facility to investors. These can be accessed through websites as well as mobile applications.

Particular	NSDL	CDSL
Online viewing of statements and account balances	IDEAS	EASI (Electronic Access to Securities Information)
Electronic facilitation of Transaction	SPEED-e enables account holders and CM to submit delivery instructions electronically (SPICE: Submission of Power of attorney-based instructions for Clients Electronically)	Easiest (Electronic Access to securities information and execution of secured transaction)
Straight through processing of trade information	STeADY – enables encrypted straight through processing of trade information to market participants electronically	

Comparison with developed countries

The first depository in the world, Depository Trust Company (DTC) was started in USA, in 1973. South Korea established its Central Securities Depository (CSD) in 1974 followed by Japan in 1984, Taiwan & Malaysia in 1990, Thailand 1992, and India & UK in 1996. Many early entrants including USA, Japan and Korea chose to immobilise securities while some preferred to dematerialise them.

India is one of the few countries to achieve a fast pace of dematerialisation. In less than 3 years (1996-1999), India transformed almost 51% of market capitalisation and 94% settlements in demat form. These two indicators as of December 2000, stood at 60% and 99.5%. The accelerated adoption was primarily because dematerialization was being made mandatory in a progressive manner by the SEBI.

Snapshot of depositories in developed economies in comparison with India

USA	UK	Singapore	India
<ul style="list-style-type: none"> Depository Trust Company (DTC) was set up on May 11, 1973, to immobilise and settle securities in the US. In 1999-2000, DTC and National Securities Clearing Corporation merged to form Depository Trust Clearing Corporation (DTCC). Services offered: Institutional trade processing, clearing services, settlement and asset services, services for wealth management companies, repository and derivative services, data services 	<ul style="list-style-type: none"> In the UK, CRESTCo LTD was established in 1995 and inaugurated on July 15, 1996 to undertake activities of central securities depository CRESTCo was merged with Euroclear in 2002. Euroclear was the central securities depository for Euronext- the Paris, Amsterdam and Brussels exchanges. Services offered: Settlement, transaction reporting, stamp duty collection, settlement discipline, corporate actions, securities lending and borrowing, order routing, margin call support, open position management 	<ul style="list-style-type: none"> The Central Depository Pte Limited (CDP) is a wholly owned subsidiary of the Singapore Exchange Ltd (SGX) established in 1980. The company provides integrated clearing, settlement and depository facilities in the Singapore Securities Market, including both equities and fixed income instruments. Services offered: integrated clearing, settlement and depository services, securities borrowing and lending, handling of corporate actions, asset safekeeping and administration 	<ul style="list-style-type: none"> India has a unique model of central securities depository system, featuring 2 depositories - NSDL and CDSL - that became operational in 1996 and 1999 respectively. Services offered: account maintenance, dematerialization, margin pledge, inter-depository transfer, corporate action, e-voting, CAS, dividend distribution, facilitate securities lending and borrowing, SMS alert, e-delivery instruction slip, depository account validation

One of the key differences between Indian depositories vis-à-vis depositories in some other countries is that Indian depositories (NSDL and CDSL) have a segregated account structure where account of the end investor is opened with the depository as compared to omnibus account structure which is being followed in some other countries.

Growth drivers for depositories in India

Depositories to benefit from rising capital market participation

India's inherent strengths such as large population, growing middle-income households, initiatives taken by the government and SEBI to push for financial literacy, increasing awareness, millennials entering the space for better returns, etc. are benefitting capital markets in India and hence depositories. Details are provided below:

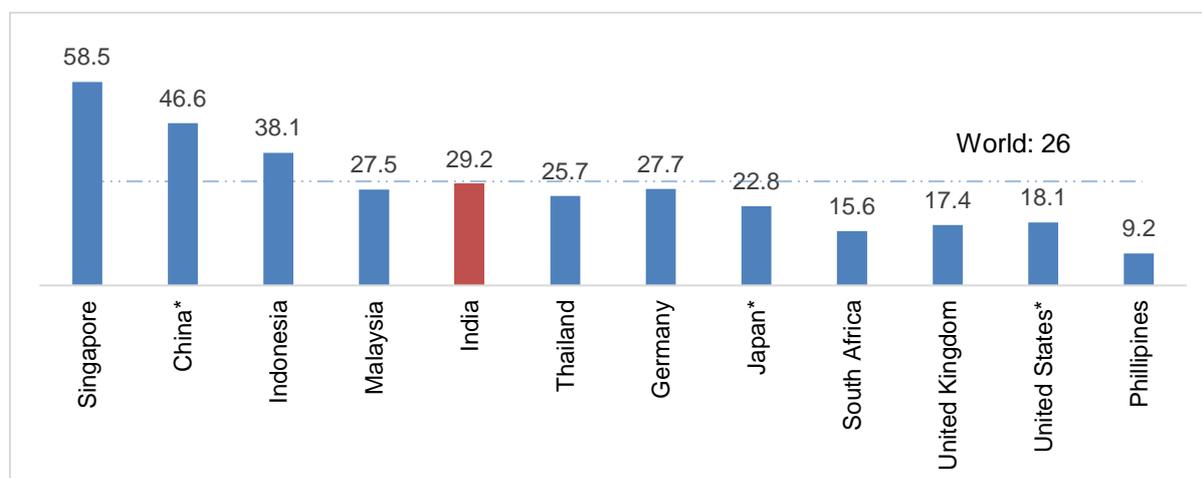
Favourable demographics, increasing per capita GDP and household financial savings

As discussed in the earlier section detailing 'Macro-economic scenario in India', as of calendar year 2020, India has one of the largest young populations in the world, with a median age of 28 years and as per IMF's estimates, India's nominal GDP per capita (at current prices) was ₹0.212 million in Financial Year 2024 and is projected to reach ₹0.33 million in Financial Year 2029 increasing at a CAGR of ~9.5% from Financial Year 2024 to Financial Year 2029. Both these factors could contribute to increase in financial savings and therefore there shall be an increase in demand for depositories.

Household savings expected to increase

In 2023, India's gross domestic savings as a percentage of GDP rose to 29.2%, reflecting an upward trend from 2022 when it reached 28.4%, highlighting the economy's recovery and improved income levels. However, in 2020, this percentage had declined to 27.3% due to the economic disruptions caused by the pandemic. India remains favorable in terms of gross domestic savings rate compared with most other emerging market peers at 29% in 2023, greater than the world average of 26% in 2022.

India's gross domestic savings rate is higher than global average (2023)

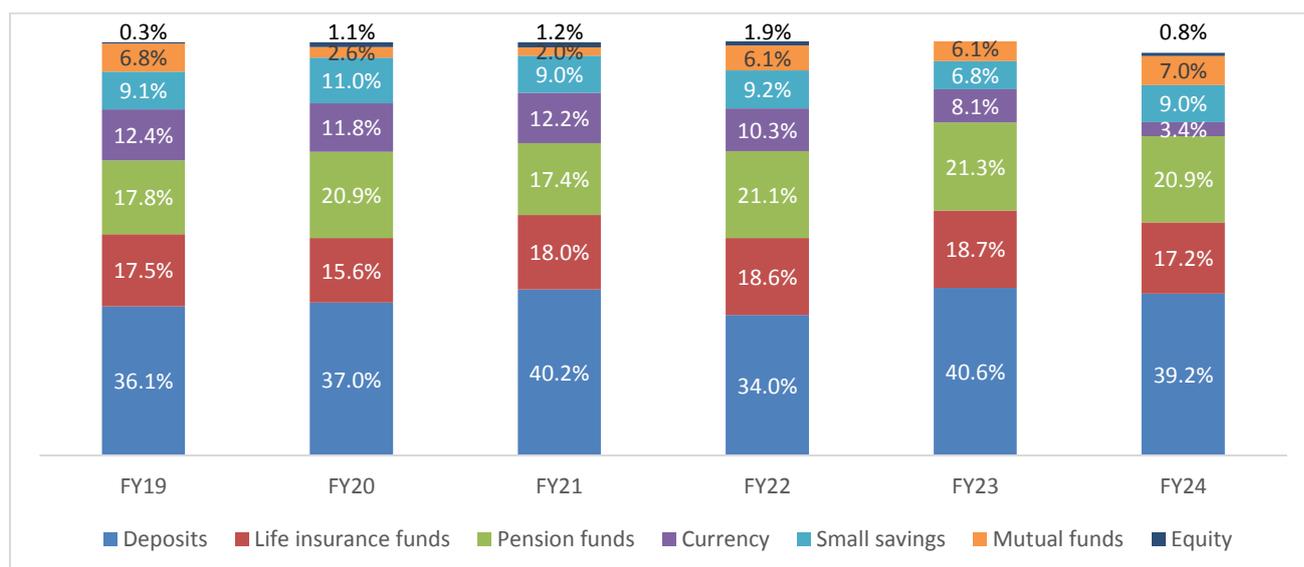


Note: The savings rate is in %, * Data as of 2022

Source: World Bank, CRISIL Intelligence

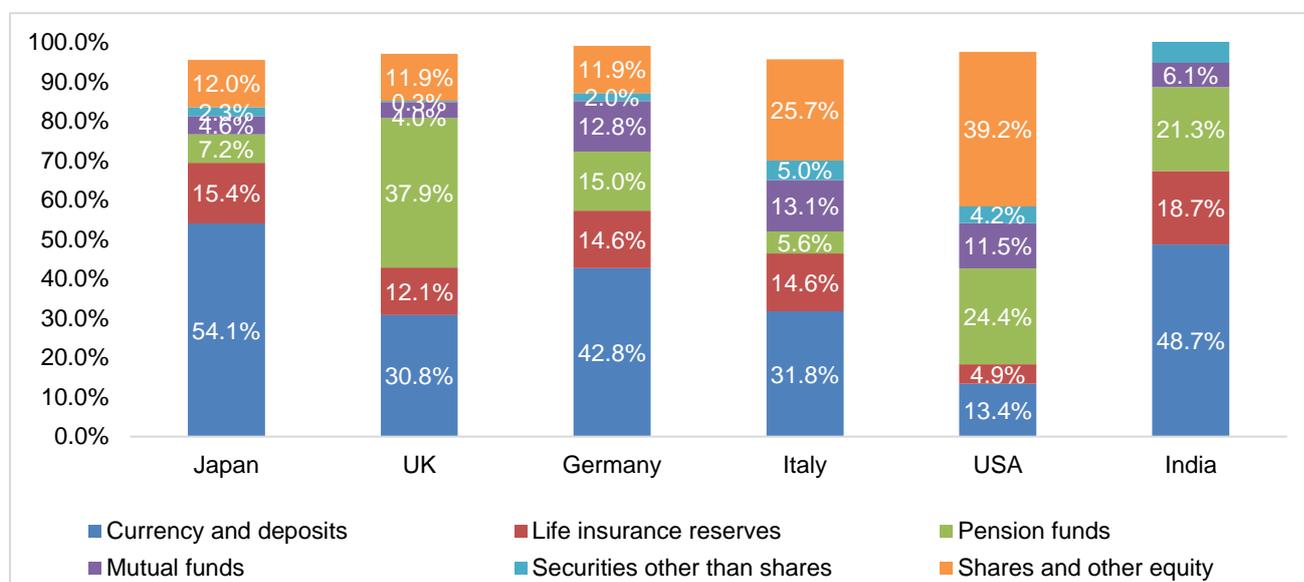
Going forward, CRISIL Intelligence expects the share of financial assets as a proportion of net household savings to increase over the next five years as elevated inflation after the pandemic could have further goaded investors to move to higher-yielding instruments in real terms. Interestingly, households are also preferring to keep more cash with themselves after enduring the pandemic shock. Investments through systematic investment plans (SIPs), mostly opted by individuals in the country, continued to rise in Financial Year 2023. For households, among financial instruments, there is gravitation from savings in deposits to equities, mutual funds and small savings. Going forward, if the amount of savings deployed in securities market sustained, it is expected to boost the capital markets and economy.

Share of equity investments in household financial assets during the year is yet to grow



Source: RBI, CRISIL Intelligence

Share of equity investments in household financial assets for some other countries are higher than India



Source: OECD data, CRISIL Intelligence; Note: Financial Year 2023 Data for India is considered, for other countries calendar year 22 data is considered. For India, Small savings have been added in Currency and deposits category.

Initiatives by SEBI to boost capital market participation

The government, SEBI and other capital market participants are also taking several initiatives such as investor awareness workshops, media campaigns, development of educational materials, etc. As part of promoting investor activity in the capital market, SEBI combines investor education and promotion of financial literacy along with regulatory measures to boost participation in the capital markets. SEBI collaborates with Market infrastructure institutions (MIIs) such as exchanges, depositories, and various trade bodies such as investors' associations to conduct several regional seminars/webinars. These programmes focus on creating awareness among investors/general public about the basic concepts related to securities market, understanding the risks involved, rights and obligations of investors, grievance redressal mechanism in the securities market, etc. These awareness programmes are conducted free of charge for the participants and in various languages besides, Hindi and English.

Besides campaigns, SEBI has embarked on broadcasting important messages to investors through TV, radio, print media and bulk SMSs. These messages are intended to educate people about the SEBI’s grievance redress mechanism named SCORES (SEBI Complaints Redress System) and its toll-free helpline. Its main aim is to caution investors about schemes seeking to mobilise capital for speculative purposes by offering unrealistic returns. It also urges investors not to go by hearsay while investing and do proper due diligence.

Adoption of multi-depository system led to faster growth

The multi depository system adopted in India has led to competition among the depositories and resulted in the following advantages:

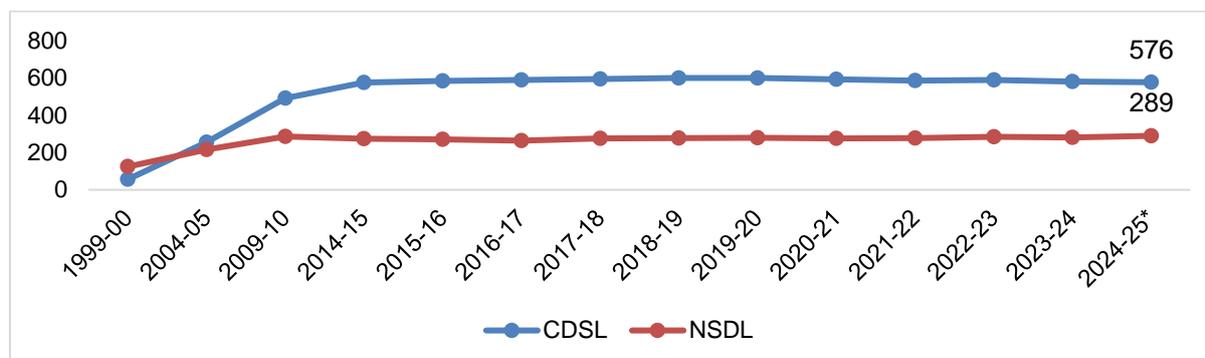
Ease in achieving dematerialisation

Companies admit their securities with depositories to enable security holders to hold and transact them in electronic form. More number of companies available for demat indicates exponential growth of the depository. Therefore, every depository tries to augment its list of securities which is made available for dematerialization.

Increasing number of DP service centres

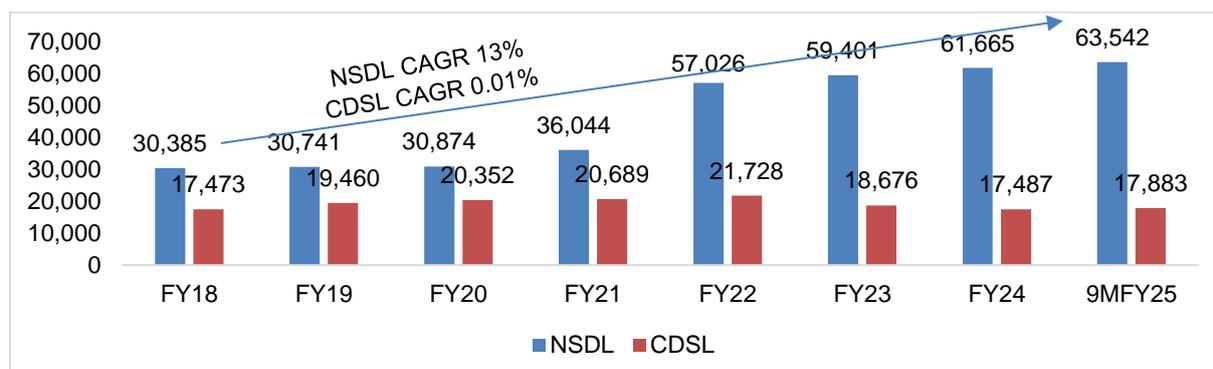
A Depository Participant (DP) is an agent of the depository through which an investor can open a demat account. A DP acts as a link between the company and investor through the depository. The DP maintains securities account balances and intimates’ status of holding to account holders from time to time. The number of DPs have increased in the initial years; however, the numbers have stabilized in past few years. Though, the number of DPs with NSDL is lower as compared to CDSL, total number of DP service centres for NSDL is higher than CDSL and grew at ~13% CAGR from Financial Year 2018 to Financial Year 2024.

Number of DPs increased rapidly in initial years, however, stabilized over past few years



Source: SEBI Bulletin, CRISIL Intelligence. Note: Ddata as of nine months ended December 31, 2024.

Number of DP service centres grew at CAGR (Financial Year 2018- Financial Year 2024) of ~13% and 0.01% for NSDL and CDSL respectively

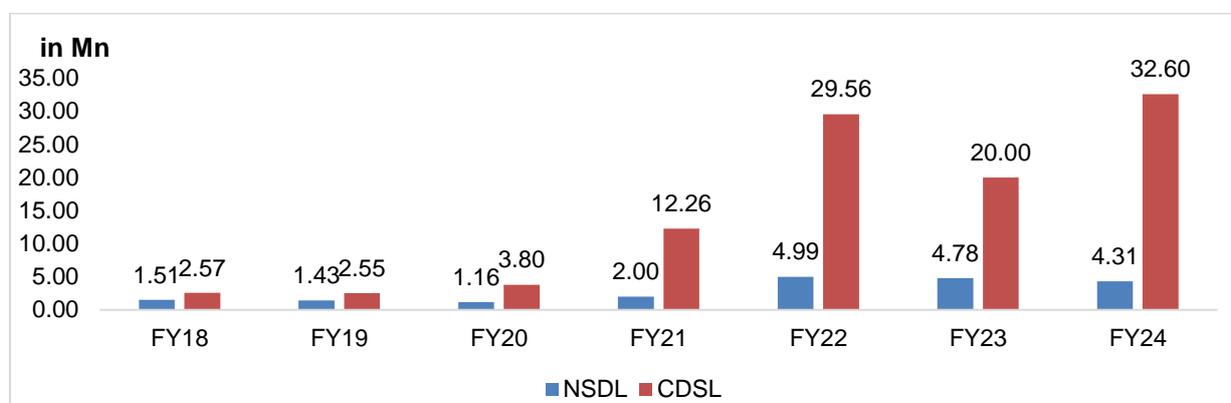


Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

Rapid growth in investors account in recent years

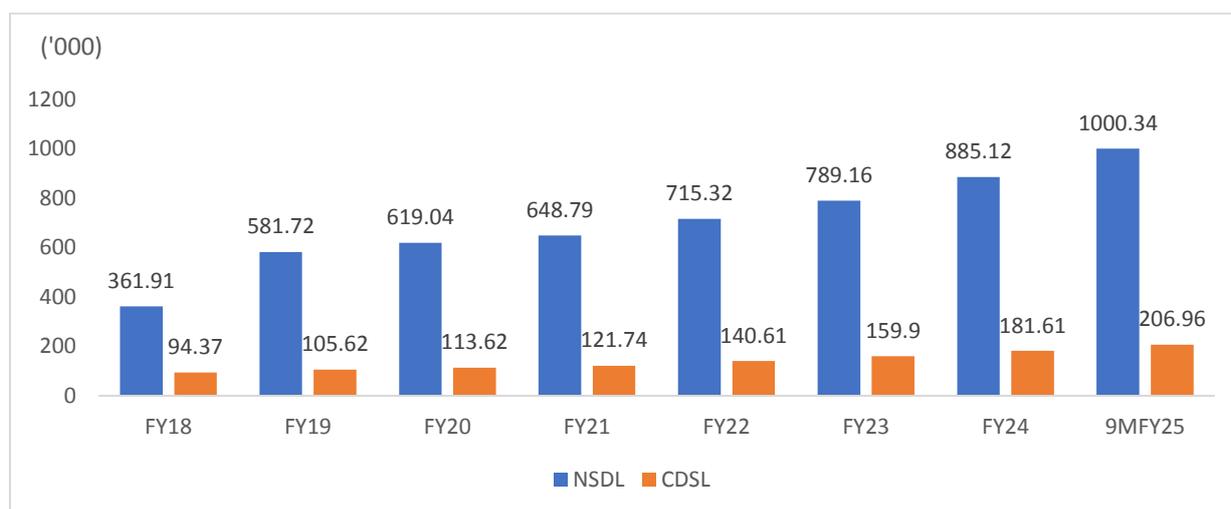
There is a significant scope for the growth of depository business considering that the number of new demat accounts opened with depository participants in India in financial year 2024 was 36.91 million as compared to 4.96 million in financial year 2020. Investors accounts have increased rapidly in Financial Year 2022 and Financial Year 2024 due to ease of account opening process and attractive returns the capital market witnessed in between these two years.

New investors' accounts increased rapidly since Financial Year 2021, reaching record in Financial Year 2024



Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

Investors' accounts (other than resident individuals)



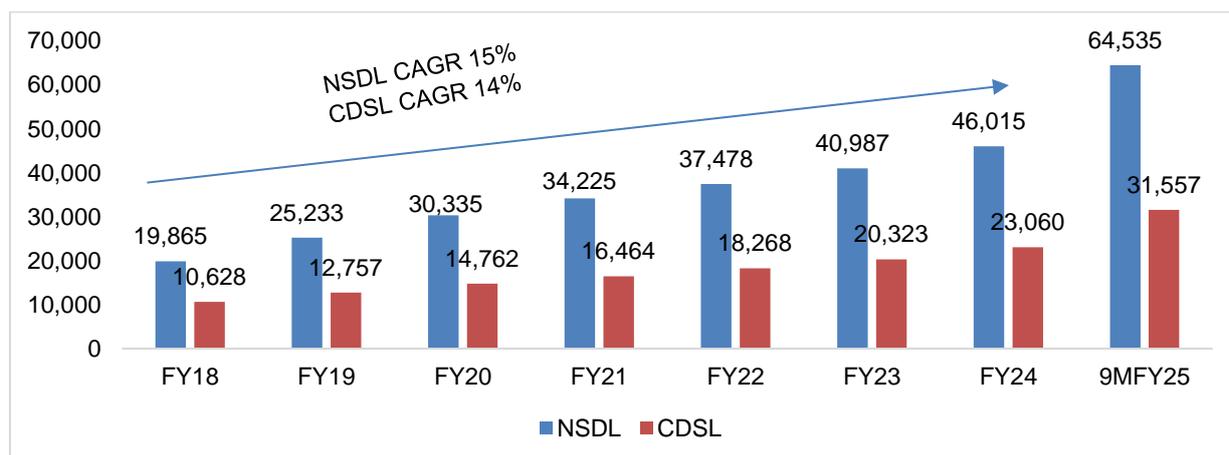
Source: SEBI Bulletin, CRISIL Intelligence

NSDL has higher number of clients (other than resident individuals) which to some extent makes revenue model of NSDL more stable as compared to CDSL which has higher number of individual clients. It could be due to higher risk-taking capacity of non-retail clients, large portfolio size and more financial awareness than retail clients that make them valuable customers even during market downturn.

Increasing number of companies opting for dematerialization

A total of 46,015 and 23,060 listed and unlisted companies are live for dematerialisation at NSDL and CDSL, respectively as of March 2024. The number of companies with securities in dematerialised form grew at a CAGR of about 15% for NSDL and 14% for CDSL from Financial Year 2018 to Financial Year 2024. As of nine months ended December 31, 2024, A total of 64,535 and 31,557 listed and unlisted companies are live for dematerialisation at NSDL and CDSL.

Number of companies live (Listed + Unlisted) on platforms grew at CAGR (Financial Year 2018-Financial Year 2024) 15% and 14% for NSDL and CDSL respectively



Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

As per Ministry of Corporate Affairs (MCA), the total number of companies registered in the country as on January 31, 2025 was 2,805,354, out of which were 18,17,222 were active. Additionally, as per MCA notification in October 2018, all unlisted public companies (except Government companies, Nidhi companies and wholly owned subsidiaries) have to compulsorily get their securities dematerialized. Therefore, there is immense scope for depositories to increase number of companies on their platforms for dematerialization.

As of nine months ended December 31, 2024, NSDL had over 38.77 million demat accounts held with 289 depository participants registered with it. Further, NSDL has an aggregate of 64,535 issuers registered with it, and its standalone operational revenue per investor account was ₹116.60, being substantially higher than its competitor. Whereas as of nine months ended December 31, 2024, CDSL had over 146.53 million demat accounts held with 576 depository participants registered with it. Further CDSL had an aggregate of 31,557 issuers registered with it and its standalone operational revenue per accounts was ₹45.50. As of December 31, 2024, the number of accounts which are common between NSDL and CDSL is 23,53,432.

NSDL has a greater number of unlisted companies registered with it as compared to CDSL. The number of unlisted companies at NSDL grew at CAGR 21.5% between Financial Year 2018 to Financial Year 2024. As of nine months ended December 31, 2024, NSDL had 53,169 unlisted companies registered with it as compared to CDSL with 21,295 unlisted companies.

Market share in number of unlisted companies (equity) registered with NSDL and CDSL

Particulars	No. of unlisted companies at NSDL	No. of unlisted companies at CDSL	Market share of NSDL	Market share of CDSL
FY18	11,022	2,905	79.14%	20.86%
FY19	15,816	5,915	72.78%	27.22%
FY20	21,075	7,900	72.74%	27.26%
FY21	24,910	9,397	72.61%	27.39%
FY22	27,920	10,897	71.93%	28.07%
FY23	31,245	12,623	71.23%	28.77%
FY24	35,416	14,594	70.82%	29.18%
9MFY25	53,169	21,295	71.40%	28.60%

Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

The demat value of unlisted companies at NSDL grew at CAGR of 17% as compared to CDSL which grew at CAGR of 7% between Financial Year 2018 to Financial Year 2024. As of nine months ended December 31, 2024, the demat value of unlisted companies at NSDL and CDSL stood at ₹20,611.50 billion and 1,901.48 billion respectively.

NSDL's market share in terms of number of unlisted companies (equity) registered with a depository was 71.40% during the nine months ended December 31, 2024, and in terms of value of shares settled in demat form was 65.05%.

Market share in demat value (equity) of unlisted companies registered with NSDL and CDSL

Particulars	Demat value of unlisted companies at NSDL (₹ Bn)	Demat value of unlisted companies at CDSL (₹ Bn)	Market share of NSDL	Market share of CDSL
FY18	6,390.24	1,128.13	85.00%	15.00%
FY19	8,695.01	1,394.08	86.18%	13.82%
FY20	10,121.57	1,285.41	88.73%	11.27%
FY21	10,991.20	1,395.84	88.73%	11.27%
FY22	13,544.98	1,522.46	89.90%	10.10%
FY23	14,840.26	1,648.70	90.00%	10.00%
FY24	16,276.19	1,704.15	90.52%	9.48%
9MFY25	20,611.50	1,901.48	91.55%	8.45%

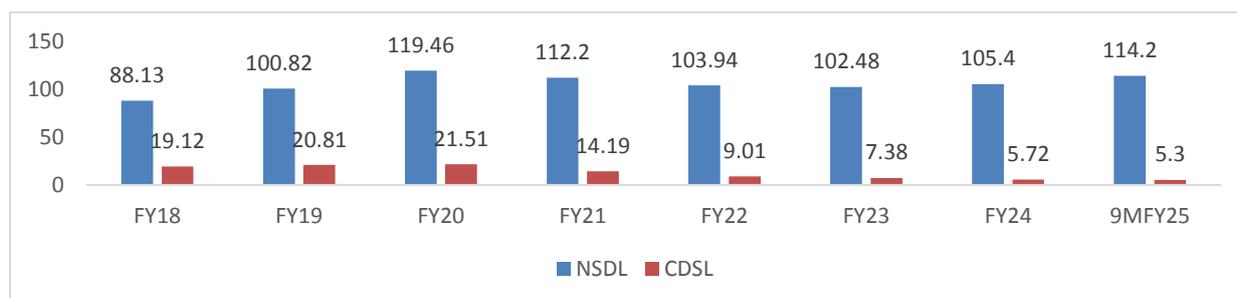
Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

Market share in demat quantity (equity) of unlisted companies registered with NSDL and CDSL

Particulars	Demat quantity of unlisted companies at NSDL (Bn)	Demat quantity of unlisted companies at CDSL (Bn)	Market share of NSDL	Market share of CDSL
FY18	670.64	106.71	86.27%	13.73%
FY19	854.55	143.67	85.61%	14.39%
FY20	1,014.81	162.91	86.17%	13.83%
FY21	1,150.66	175.99	86.73%	13.27%
FY22	1,421.96	206.99	87.29%	12.71%
FY23	1,630.52	210.62	88.56%	11.44%
FY24	1,766.83	218.31	89.00%	11.00%
9MFY25	2,057.33	238.83	89.60%	10.40%

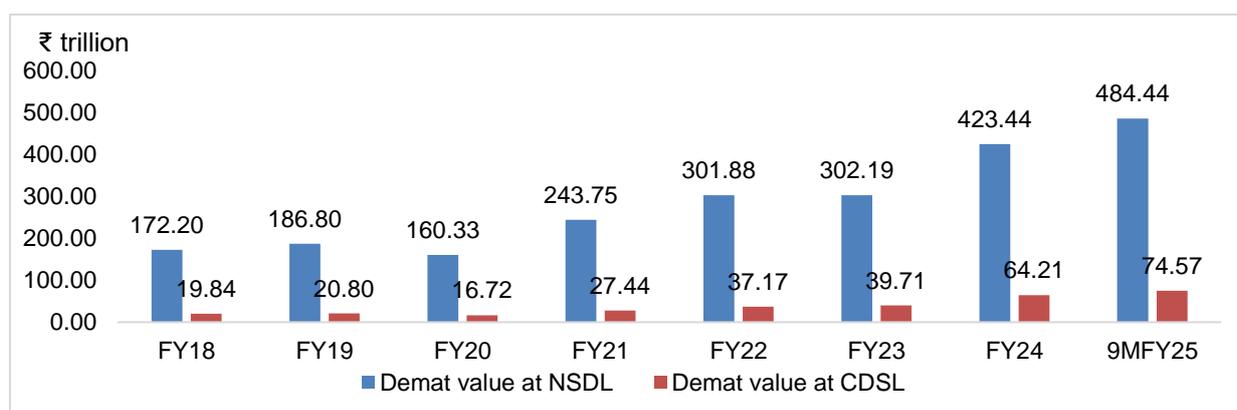
Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

Demat quantity per investor account for NSDL and CDSL ('000)



Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

Market share of players in total demat value



Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

As of December 31, 2024, NSDL held approximately 85.04% and 86.66% of total securities in terms of numbers and values, respectively.

NSDL achieved the milestone of having assets under custody (demat value of securities) of over ₹ 1,00,000 billion in June 2014 i.e. after 18 years of operations, with the next ₹ 1,00,000 billion assets under custody being achieved in November 2020 and thereafter added another ₹ 1,00,000 billion in December 2021. In September 2024, NSDL had assets of over ₹500,000 billion under our custody. Furthermore, as of December 31, 2024, NSDL held assets in custody in relation to individuals and HUFs aggregating to ₹77,814.10 billion, constituting 68.49% of the total value of such assets under custody in dematerialized form, whereas CDSL held assets in custody in relation to individuals and HUFs aggregating to ₹35,802.25 billion, As of December 31, 2024, NSDL held assets in custody in relation to non-residents Indians aggregating to ₹5,091.20 billion, constituting 85.57% of the total value of such assets held by non-residents Indians under custody in dematerialized form across depositories whereas CDSL held assets in custody in relation to non-residents Indians aggregating to ₹858.47 billion. NSDL also had a market share of 98.26% of the dematerialized value of listed corporate debt securities in custody aggregating to ₹45,236.21 billion, as on December 31, 2024.

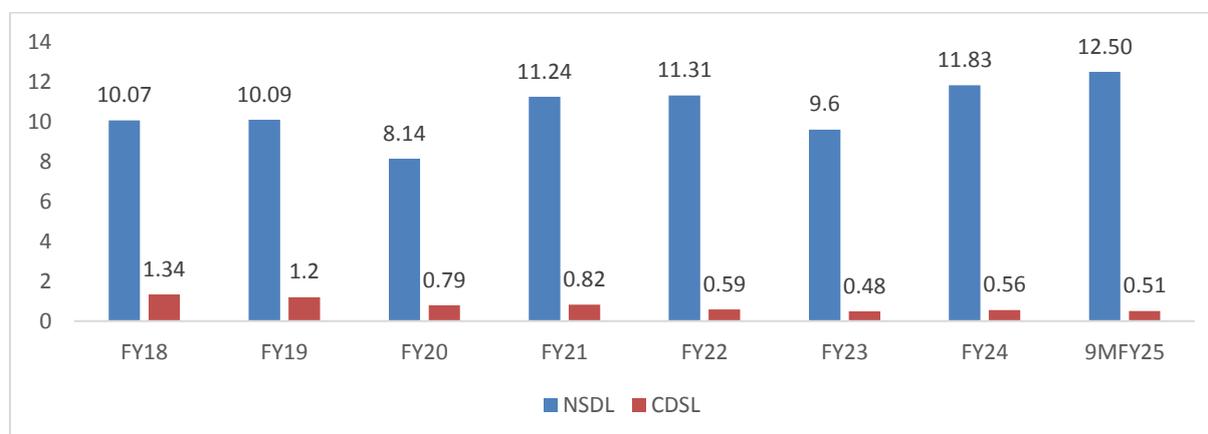
The table below sets forth the average value of assets held in Demat Accounts with NSDL as compared to the overall, as of December 31, 2024. The average value of Assets held in Demat Accounts with NSDL as of December 31, 2024 is ₹12.50 million and the average value of Assets held in Demat Accounts with CDSL is ₹0.51 million as compared to an overall average of ₹ 3.02 million. In relation to Individuals and HUFs, average value of Assets held in Demat Accounts with NSDL as of December 31, 2024, is ₹2.02 million and average value of Assets held in Demat Accounts with CDSL is ₹0.24 million , as compared to an overall average of ₹0.61 million held by Individuals and HUFs in a demat account.

Value of assets held in demat accounts

Particulars (9MFY25)	Holding per Demat Account (In ₹ million)	Holding per Demat Account (held by individuals including NRIs and HUFs) (In ₹ million)
Average Value of Assets (held in Demat Accounts with NSDL)	12.50	2.02
Average value of Assets (held in Demat Accounts with CDSL)	0.51	0.24
Industry average value of assets	3.02	0.61

Note: FY: Financial Year; Source: SEBI Bulletin, Company websites, CRISIL Intelligence

Demat value per investor account for NSDL and CDSL (₹ Mn)



Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL MI&A Research

Settlement volumes

Value of shares settled in demat form at NSDL increased to ₹81,069 Bn in nine months ended December 31, 2024 from ₹76,590 Bn in Financial Year 2024 and quantity of shares settled stood at 225 Bn in nine months ended December 31, 2024 and 256.5 Bn in Financial Year 2024. Similarly, for CDSL, value of shares settled in demat form increased to ₹43,563 Bn in nine months ended December 31, 2024 from ₹36,917 Bn in Financial Year 2024

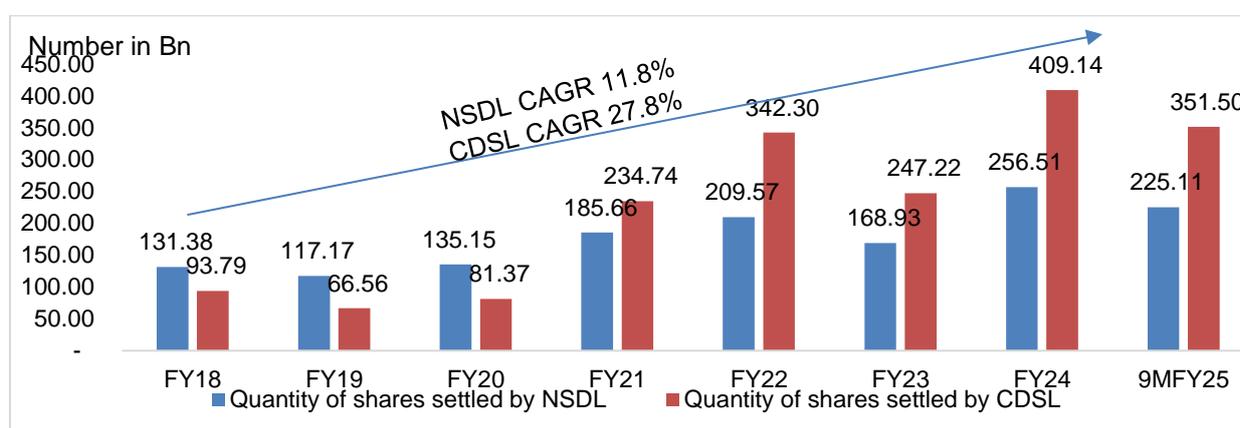
and quantity of shares settled in demat stood at 351.5 Bn in nine months ended December 31, 2024 and 409 Bn in Financial Year 2024. NSDL has larger market share as compared to CDSL in terms of demat value.

Value of shares settled in demat form

Particulars	Value of shares settled in demat form at NSDL (₹ Bn)	Value of shares settled in demat form at CDSL (₹ Bn)	Market share of NSDL	Market share of CDSL
FY18	32,537.52	9,391.19	77.60%	22.40%
FY19	31,162.30	6,975.46	81.71%	18.29%
FY20	33,081.13	7,465.80	81.59%	18.41%
FY21	43,221.64	19,332.59	69.09%	30.91%
FY22	54,720.22	30,746.20	64.03%	35.97%
FY23	49,602.93	22,874.86	68.44%	31.56%
FY24	76,590.08	36,917.93	67.48%	32.52%
9MFY25	81,068.66	43,562.74	65.05%	34.95%

Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

Quantity of shares settled in demat form



Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

Increased activity by market participants

The companies/issuers have been increasingly tapping the capital market for their fund's requirements through various instruments. Number of debt instruments at NSDL and CDSL increased at ~5.6% CAGR each between Financial Year 2018 to Financial Year 2024. Number of dematerialized equity instruments at NSDL and CDSL increased at ~14% CAGR each during the same period.

NSDL's market share in terms of the total active instruments was 64.21% for the nine months ended December 31, 2024.

Market share of players in total active instruments

Particulars	Instruments at NSDL				Instruments at CDSL				NSDL market share	CDSL market share
	Debt	Equity	Other	Total	Debt	Equity	Other	Total		
FY18	17,291	23,447	37,225	77,963	10,786	9,938	19,974	40,698	65.70%	34.30%
FY19	17,080	28,979	41,063	87,122	10,402	12,049	21,685	44,136	66.37%	33.63%
FY20	16,747	34,075	41,190	92,012	10,619	14,018	23,392	48,029	65.70%	34.30%
FY21	18,354	38,203	32,278	88,835	11,644	15,619	22,984	50,247	63.87%	36.13%
FY22	19,474	41,771	33,649	94,894	12,147	17,336	23,364	52,847	64.23%	35.77%
FY23	21,170	45,473	34,289	100,932	13,176	19,304	23,871	56,351	64.17%	35.83%
FY24	23,936	50,304	53,831	128,071	14,378	21,576	35,413	72,367	63.90%	36.10%
9MFY25	25,882	69,021	69,404	164,307	15,193	28,600	47,800	91,593	64.21%	35.79%

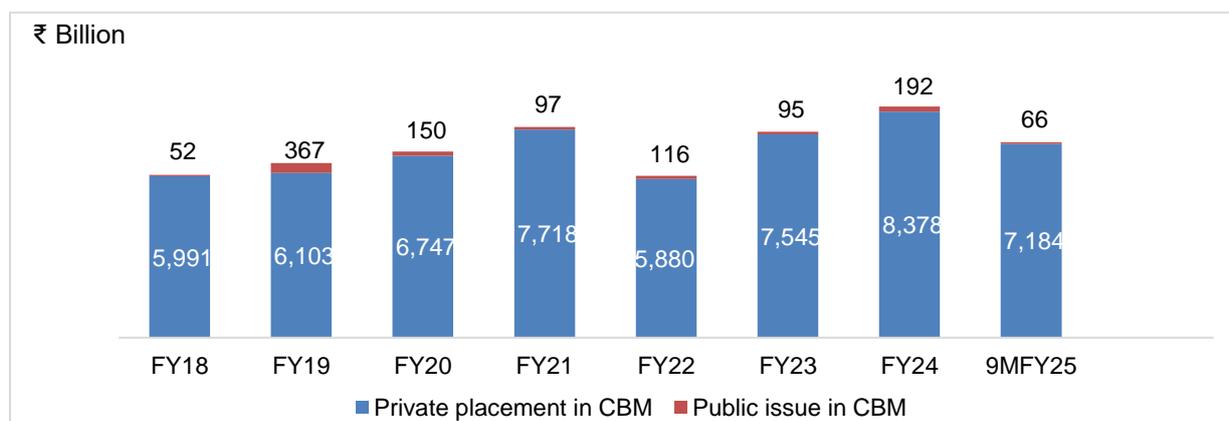
Note: FY: Financial Year; Source: SEBI Bulletin, CRISIL Intelligence

Deepening of corporate bond market

Development of corporate bond market assumes crucial importance for India, especially in the context of channelling funding to long-term infrastructure and other industry projects. Corporate bond market not only provides an alternative to bank finance but also lower the cost of long-term funding. An efficient bond market with lower costs and quicker issuing time can offer an efficient and cost-effective source of longer-term funds for corporates. Also, it provides institutional investors such as insurance companies and pension funds with long-term financial assets.

Over the last few years, total issue size in corporate bond market increased except in Financial Year 2022. Further, over the years, there has been a steady increase in mobilization of resources through the corporate bond route.

Funds mobilized from corporate bond market (CBM)



Note: FY: Financial Year; Source: SEBI, CRISIL Intelligence

Trend in debt securities

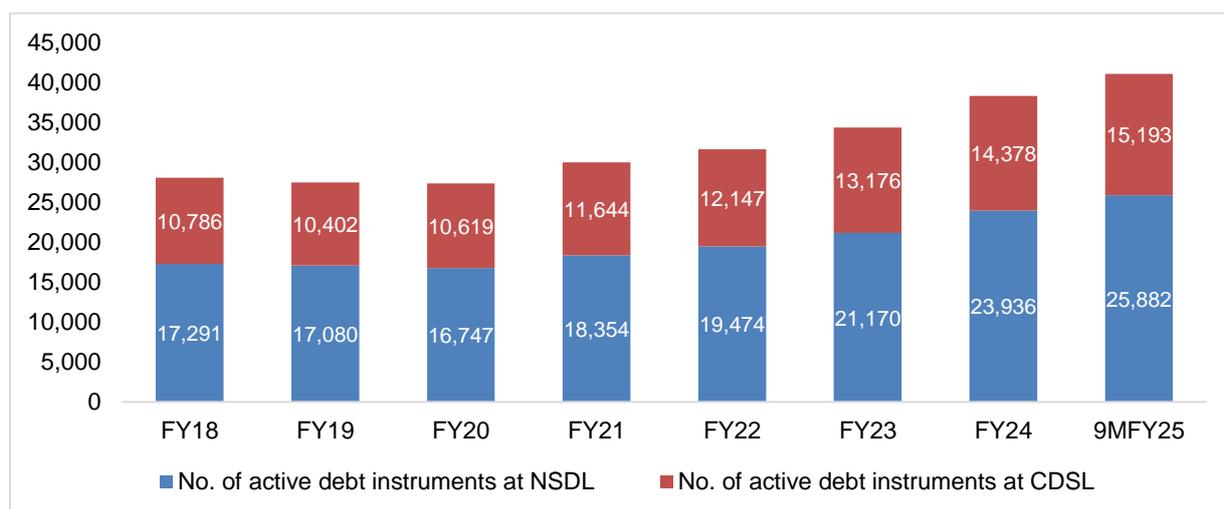
Total demat value of debt securities (at NSDL and CDSL together) was ₹29,677 Bn in Financial Year 2018 and grew at CAGR 8% to reach ₹47,328 Bn in Financial Year 2024. As of nine months ended December 31, 2024, total demat value of debt securities stood at ₹51,851 Bn and NSDL has almost 97% market share of the industry in demat value of debt securities (listed and unlisted). Number of debt issuing companies at NSDL grew at 11% CAGR between Financial Year 2018 to Financial Year 2024 while at CDSL number of debt issuing companies increased at CAGR 9% between Financial Year 2018 to Financial Year 2024. As of nine months ended December 31, 2024, number of debt issuing companies at NSDL and CDSL stood at 4,629 and 1,611 respectively. NSDL accounts for ~74% of market share in number of debt issuing companies as of nine months ended December 31, 2024.

Market share of players in demat value of debt securities and number of debt issuers

Particulars	Total demat value of debt securities at NSDL (₹ Bn)	Total demat value of debt securities at CDSL (₹ Bn)	Market share of NSDL in demat value of debt securities	Market share of CDSL in demat value of debt securities	Number of debt issuers at NSDL	Number of debt issuers at CDSL	Market share of NSDL in number of debt issuers	Market share of CDSL in number of debt issuers
FY18	28,881.26	796.28	97.32%	2.68%	2,238	891	71.52%	28.48%
FY19	31,342.51	982.91	96.96%	3.04%	2,546	963	72.56%	27.44%
FY20	33,101.75	1,078.02	96.85%	3.15%	2,782	1,006	73.44%	26.56%
FY21	37,062.04	1,213.08	96.83%	3.17%	3,192	1,094	74.48%	25.52%
FY22	39,325.67	1,167.45	97.12%	2.88%	3,528	1,241	73.98%	26.02%
FY23	42,144.64	1,341.02	96.92%	3.08%	3,846	1,390	73.45%	26.55%
FY24	45,883.36	1,444.67	96.95%	3.05%	4,218	1,493	73.86%	26.14%
9MFY25	50,261.52	1,589.49	96.93%	3.07%	4,629	1,611	74.18%	25.82%

Note: FY: Financial Year; Source: SEBI, CRISIL Intelligence

Number of active instruments in debt



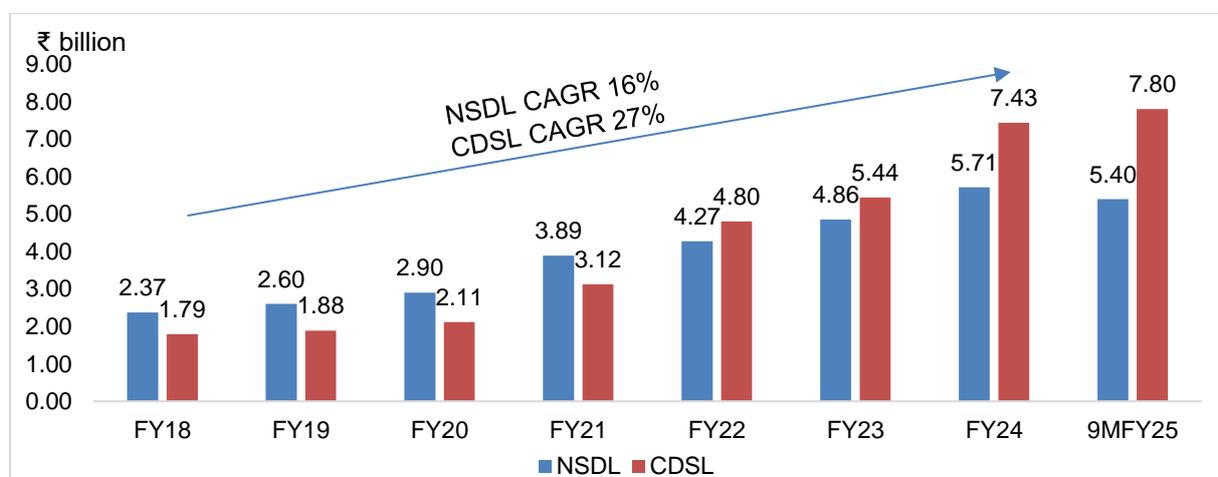
Source: SEBI, CRISIL Intelligence

Revenue mix of depositories in India

The depositories derive their business mainly from activities in primary and secondary capital markets. Revenue of depositories majorly constitutes transactional charges, custodial charges and annual charges. In addition to the core services of electronic custody and trade settlement services, depositories provide other services like pledge of securities, automatic delivery of securities to CC, distribution of cash and non-cash corporate benefits (such as bonus, rights, and IPOs), stock lending, etc. These services have added value in the whole ecosystem of capital markets and depositories could diversify their revenue streams.

Total Standalone income of depositories in India is around ₹13.14 Bn in Financial Year 2024 and grew at CAGR ~21.2% between Financial Year 2018 to Financial Year 2024 and is expected to grow at CAGR of 11% to 12% from Financial Year 2024 to Financial Year 2027 to reach ₹16 Bn to ₹17 Bn by Financial Year 2027 assuming there will not be any regulatory impact on pricing of products and services.

Total income (standalone) of NSDL and CDSL grew at 16% and 27% CAGR respectively between Financial Year 2018- Financial Year 2024

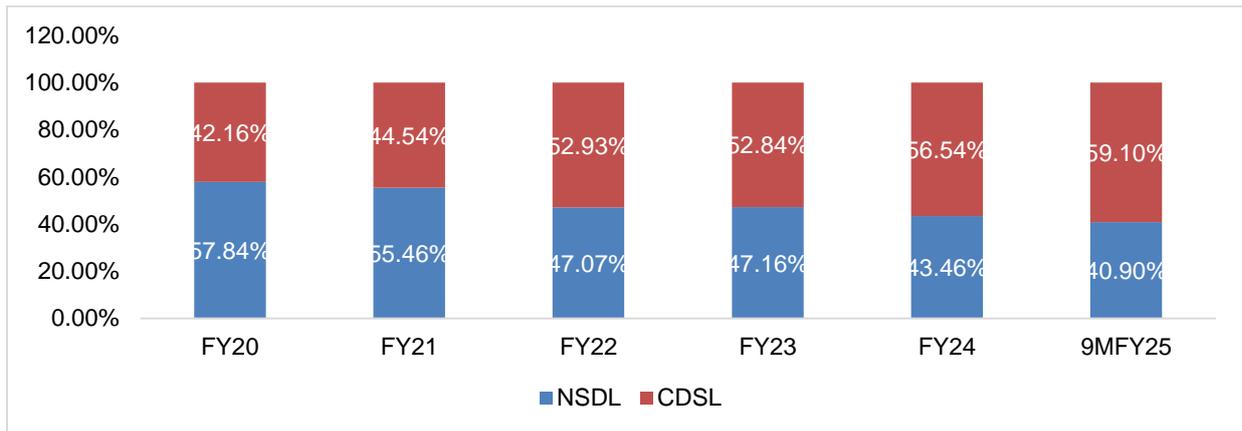


Note: FY: Financial Year; Source: Company annual reports and financial statements, CRISIL Intelligence

Market share of depositories in India with respect to revenues

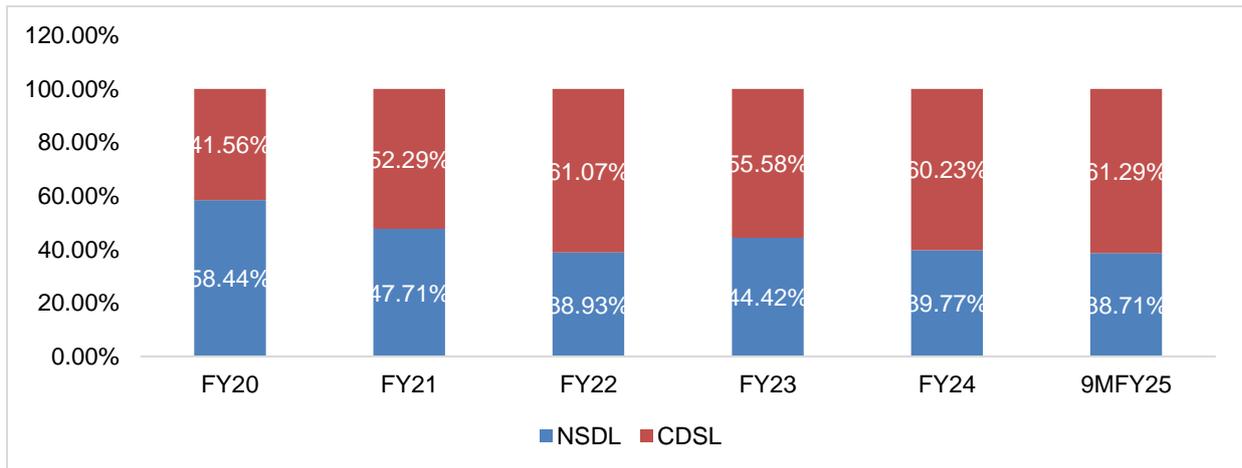
Share of NSDL's and CDSL's standalone revenue stood at 43.36% and 56.54% respectively in Financial Year 2024 and 40.90% and 59.10% respectively as of December 2024.

Revenue Share (standalone)



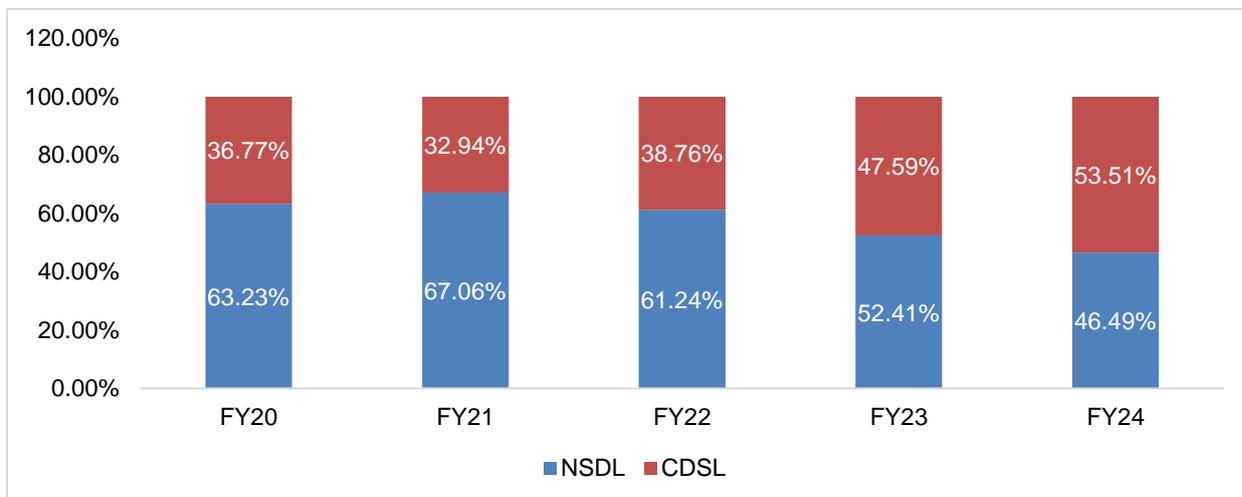
Note: FY: Financial Year; Source: Company annual reports and financial statements, CRISIL Intelligence

Share of NSDL's and CDSL's transactional revenue in depositories' total transactional revenue



Note: FY: Financial Year; Source: Company annual reports and financial statements, CRISIL Intelligence

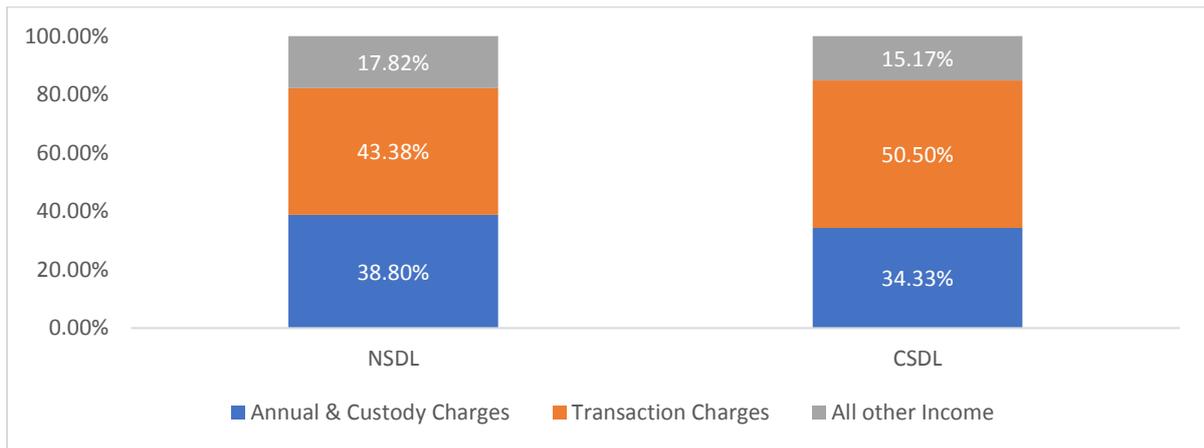
Share of NSDL's and CDSL's annual charges and custody revenue in depositories' total annual and custody charges stood at 46.5% and 53.51% for Financial Year 2024 respectively



Note: FY: Financial Year; Financial Year 2024 numbers for CDSL are calculated approximately Source: Company annual reports and financial statements, CRISIL Intelligence

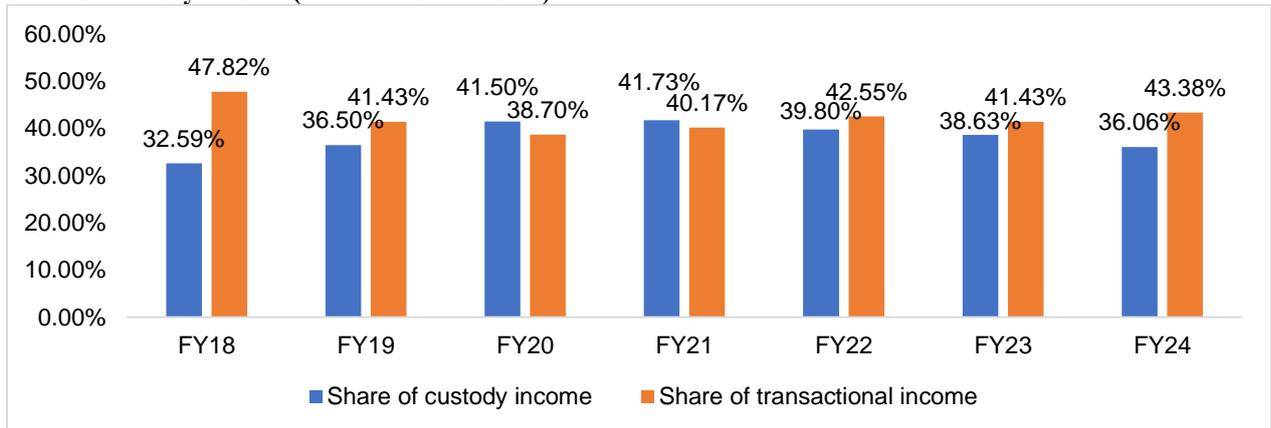
Revenue from annual and custody fee is considered as more stable and recurring kind of revenue source as it is lesser dependent on market cycle as compared to revenue from transaction charges.

Share of annual and custody charges (in standalone income) for NSDL and CDSL (Financial Year 2024)



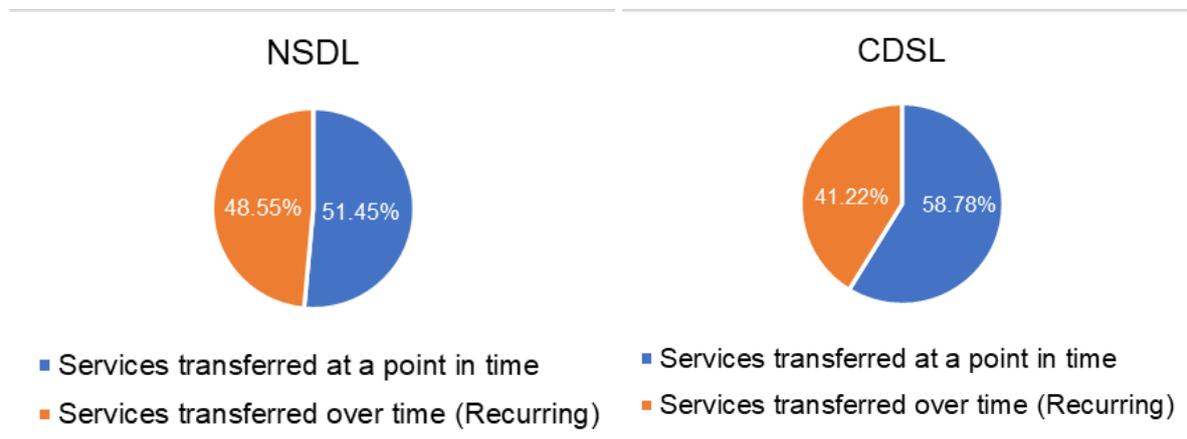
Note: FY: Financial Year; Annual and custody charges include Annual fee and Custody fee, Transaction charges include Transaction fee, E-voting charges, CAS charges and corporate action/IPO charges. Financial Year 2024 numbers for CDSL are calculated approximately.
Source: Company annual reports and financial statements, CRISIL Intelligence

Share of custody income (in standalone income)



Note: FY: Financial Year; Source: Company annual reports and financial statements, CRISIL Intelligence

Share of recurring revenue in standalone operational revenue from contracts with customers



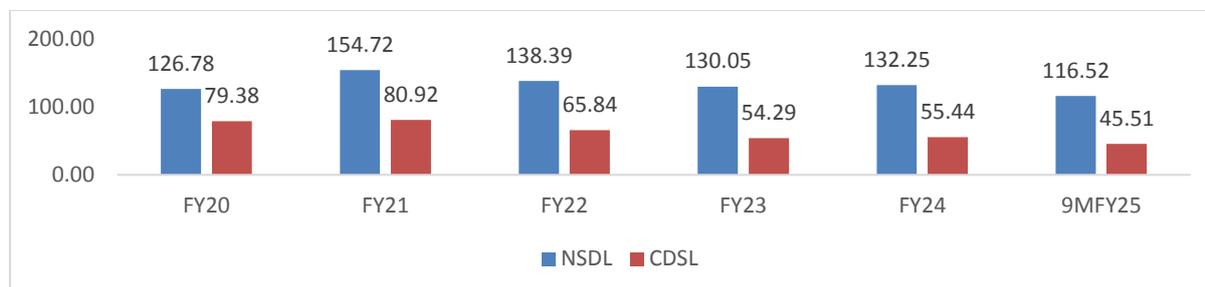
Source: Company annual reports, CRISIL Intelligence

Share of recurring revenue in standalone operational revenue from contracts with customers for NSDL in Financial Year 2024 was 51.45%.

Transaction revenue and operational revenue per account

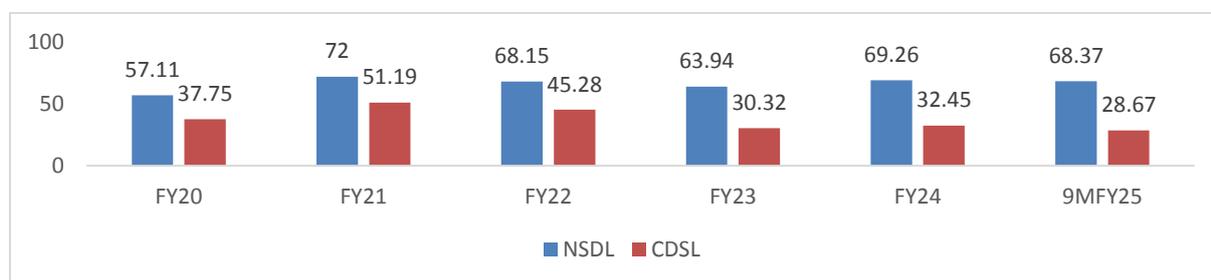
Transaction revenue per account shows the quality of investors accounts depository possesses. As of March 31, 2024, NSDL's standalone operational and transactional revenue per investor account was ₹132.25 and ₹69.26, respectively, as compared to ₹55.44 and ₹32.45, respectively, for CDSL standalone. Recurring revenues from the wide base of market participants lends stability to financial performance.

Standalone operational revenue per investor account (₹.)



Note: FY: Financial Year; Financial Year 2024 numbers for CDSL are calculated approximately
Source: Company annual reports and financial statements, CRISIL Intelligence

Standalone transaction revenue per account (₹.)

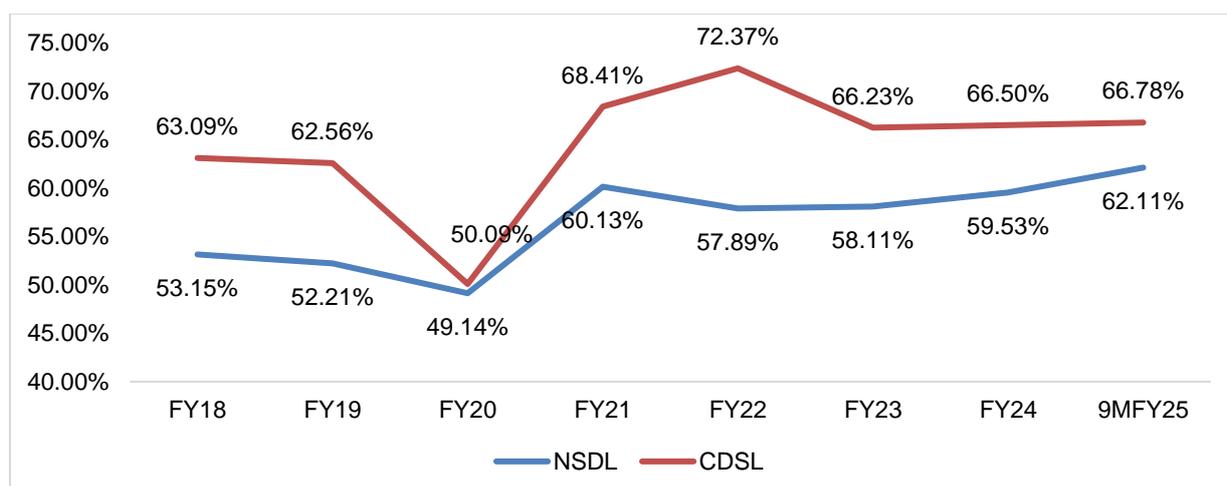


Note: FY: Financial Year; Financial Year 2024 numbers for CDSL are calculated approximately. Transaction revenue includes transaction charges, pledge fee for margin, E-voting charges, CAS, corporate action/IPO charges.
Source: SEBI Bulletin, Company annual reports and financial statements, CRISIL Intelligence

Trend in operating margins and profitability (standalone) for depositories

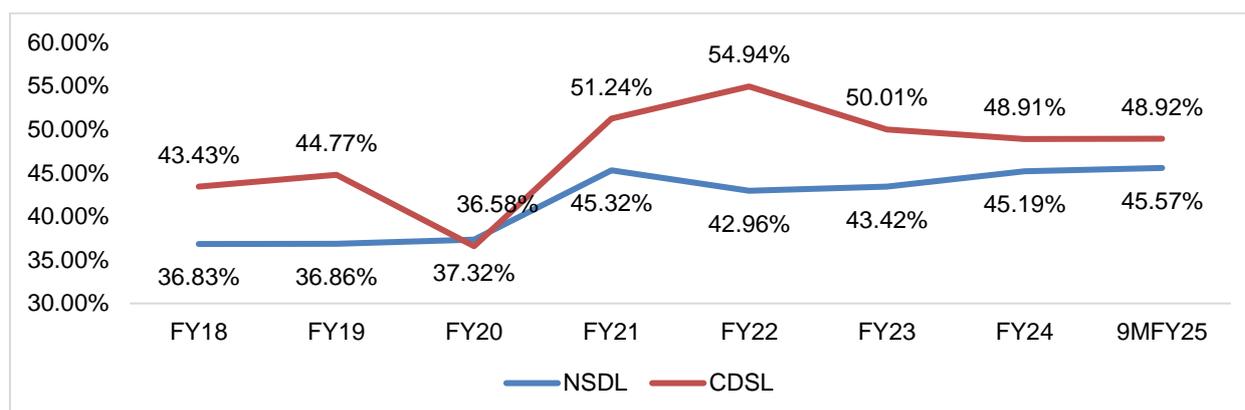
Margins in depository business are dependent on the scale at which they operate. Due to sudden increase in number of investors accounts and their active participation in markets during Financial Year 2021 and Financial Year 2022, it can be observed that the margins of depositories have also increased as compared to previous years.

EBIDTA margins of industry improved after dip in Financial Year 2020



Note: FY: Financial Year; Source: Company annual reports and financial statements, CRISIL Intelligence

PAT margins of industry improved after dip in Financial Year 2020



Note: FY: Financial Year; Data is on standalone basis
 Source: Company annual reports and financial statements, CRISIL Intelligence

Allied businesses of depositories in India

To facilitate and strengthen capital markets community in India, depositories have introduced a number of products, value-added services and initiatives that have resulted in emerging as key enablers for the securities market in India.

In August 2007, NSDL was the first depository to introduce instant messaging alerts (over SMS) to investors. The full-fledged roll out of this facility for all investors commenced from September 2007. CDSL introduced the SMS facility in October 2007.

NSDL has leveraged their technological infrastructure to cater to the diverse needs of the securities market in India and introduced several additional products, e-services and ancillary value-added services and initiatives through NSDL and its subsidiaries NSDL Database Management Limited (NDML) and NSDL Payments Bank Limited (NPBL) thereby emerging as a key enabler for the financial market in India. Similarly, CDSL has also introduced several products and value-added services through its subsidiaries CDSL Ventures Limited (CVL) and Centrico Insurance Repository Limited.

Allied businesses	Description
Electronic delivery instruction platform	It is a common internet infrastructure that enables Depository Participants to provide depository services to their clients. This facility is used extensively by Depository Participants (DPs) to offer an electronic instruction submission facility to their clients. This brings convenience to investors which reduces the risk for DPs as well as to investors. It also provides customer delight thus enhancing the overall customer experience. Demat account holders (including Clearing Members) subscribing to this service can submit delivery instructions to their participants electronically through website instead of submitting Delivery Instruction Slips in paper form.
Power of attorney-based Instructions	Submission of Power of attorney-based Instructions for Clients Electronically facility is in respect of demat accounts operated on the basis of Power of Attorney (POA). Many investors execute POA in favour of their stockbrokers. Based on the POA, Clearing Members (CMs) submit instructions to the Participants (where clients maintain demat accounts) to debit the demat accounts of the Clients. The facility enables such CMs to submit digitally signed instructions to Participant

Allied businesses	Description
	thereby eliminating the need to give paper-based delivery instructions to Participants. The facility enables Clearing Members to debit Client account and credit CM Pool account. For non-POA accounts, the transaction gets authorized only after providing TPIN and OTP which reduces the risk of frauds.
Electronic voting, Virtual annual general meeting and Electronic notices	<p>The e-Voting platforms of depositories have facilitated many leading companies to offer e-Voting services to their Shareholders and thus, have empowered their Shareholders to exercise voting rights by casting their votes electronically. This has enabled investors to take an active part in the company’s overall decision-making process by participating in voting. The platforms offer the companies live-streaming of meeting proceedings and instantaneous results. In addition to this, it also offers tab-based e-Voting services at the AGM venue itself and e-notices service to the companies availing e-Voting platform.</p> <p>Number of Companies which entered into agreement with NSDL for availing e-Voting services is 4,229 as on March 31, 2024. Number of occasions on which companies availed E-voting facility (NSDL) in Financial Year 2024 is 27,156. As on March 31, 2022, total 6,145 companies have signed agreements with CDSL to conduct e-Voting.</p>
ISIN Numbering Agency	<p>NSDL issues the International Securities Identification Number (ISIN) for all securities issued in India regardless of the type of security viz., equity, debt, mutual funds, money market instruments, etc. and therefore has extensive experience of issuing ISINs in India. ISIN is a globally accepted unique identifier for securities. SEBI is the National Numbering Agency (NNA) for India and a member of the Association of National Numbering Agencies (ANNA). SEBI has delegated the responsibility to NSDL for issuance and maintenance of ISIN, Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) codes and reporting to ANNA and to undertake other related activities. ISIN, FISN and CFI codes are defined as per ISO standards. While NSDL has been the traditional NNA in India, CDSL also facilitates ISIN-related services. CDSL can issue ISINs for certain securities or work in tandem with NSDL depending on the issuer’s preference or exchange affiliation.</p>
Securities and covenant monitoring using distributed ledger technology	<p>With an intent of strengthening the regulatory framework for corporate bonds in the Indian market infrastructure domain, NSDL upon guidance from SEBI, is the first company in India to develop a DLT blockchain based platform for the debenture security and covenant monitoring system. The platform has received positive response from industry with numerous issuers and securities onboarded since its launch. CDSL is in the process of developing the same. The platform enables issuer and debenture trustees to manage the entire lifecycle of corporate bonds and facilitate the monitoring of the security given and the covenants to bring about greater transparency in this market segment.</p>

Allied businesses	Description
Corporate bond market database	Depositories have developed a corporate bond market database which provide information on corporate bonds. NSDL has pioneered the same.

Digital LAS

Loan against securities (LAS) is a loan where anyone can pledge their shares, mutual funds or life insurance policies as collateral to the lender against loan amount. It enables funding against securities without selling securities in the market. It is helpful in getting instant liquidity and in sourcing funds for any personal requirements. Financial institutions in India have started providing digital loan against securities which automates and speeds up the process of getting a loan. This has been made possible due to depositories. Financial institutions collaborate with depositories to create a seamless customer experience. Digital LAS empowers the customers to design their own loan against shares at their convenience and avail of the facility within minutes. Customers with shares in their portfolio can leverage it when there is an urgent need for money, for example a medical emergency.

Depositories receive instructions from investors and process it in electronic form. Integration of depositories and lenders' technology reduce the TAT for getting the loan from the lenders.

NSDL has implemented Collateral Management System for LAS product. The banks which are Depository Participants of NSDL can avail this facility to provide online loan to their customers against securities held by the customers in their respective demat accounts. NSDL has enhanced the product feature, which facilitate investors / demat account holders, having demat account with any DP of NSDL, to avail loan against their securities in a digital form with Banks/NBFCs. Investor can continue to maintain their demat account with their existing DP of NSDL for availing Loan against securities with Banks/NBFCs. CDSL also offer Application Programming Interfaces (APIs) for depository participants (DPs), which act as CDSL's agents and offer depository services to the BO of the securities to offer online loan against share facility, facilitating secure, electronic pledging of Demat securities as collateral for loans from lenders, streamlining the process between DPs and CDSL.

Consolidated account statement for one view of portfolio of investors

As a first step towards creating one record for all financial assets of every individual and as per SEBI's instructions, depositories and asset management companies (AMCs)/MF-RTAs created a system to facilitate generation and dispatch of single consolidated account statement (CAS) for investors having mutual fund investments and holding demat accounts.

A consolidated account statement (CAS) is the single statement of all investments in the securities market and includes investments in equity shares, preference shares, mutual funds, bonds, debentures, securitised instruments, money market instruments and government securities held in demat form. All investments held in single or joint names are mentioned in CAS. CAS is being sent to investors on a monthly basis, however, if there are no transactions during the month, then CAS is being sent on a half-yearly basis. CAS is sent to investors electronically using email primarily.

More number of financial products and features can be added in CAS such as details of dematerialized insurance policies, annualized return to provide information on return on investors' investments, etc.

Benefits of CAS to investors

Investment review: Given that CAS provides comprehensive data on summary of all the investments and financial transactions in mutual funds and other securities held in demat form, it offers convenience to investors in keeping track of their investment portfolio. CAS enables investors to monitor their portfolio effectively and accordingly take informed decisions.

Paperwork reduction: CAS minimizes the paperwork requirements of investors as they can monitor their portfolio under one statement, instead of several separate statements for different investments.

Keeps informed: The CAS summarizes investors' detailed information on investments and ensures that investors stay informed about their investments and their performance.

IFSC GIFT City

Being one of the fastest growing economies of the world, India is a large user of the international financial services. International Financial Services Centre (IFSC) will provide a platform to expand its economic and strategic activities globally in an efficient manner. The efforts to develop an IFSC at Gujarat International Finance Tec-City (GIFT City) started in April 2015, to help India realize its potential in the international financial services industry.

An IFSC centres deal with the flow of finance, financial products and services across borders. It is set-up to undertake financial services transactions that are currently carried on outside India by overseas financial institutions and overseas branches/subsidiaries of Indian financial institutions.

Potential for IFSC in India

As India is a large purchaser of International financial services, IFSC can be a major contributor for achieving self-reliance in international financial services raising overseas bonds / capital, trading in INR-USD derivatives. It can become India's gateway to world financial market. It also provides opportunity to global investors to set up business in the areas of asset management, banking, investments, insurance and reinsurance.

Other developments

Real estate investment trusts (REITs) and Infrastructure investment trusts (InvITs) incorporated in FATF¹ (Financial Action Task Force) compliant jurisdictions permitted to list on the stock exchanges in IFSC. Also, eligible listed companies permitted to raise capital through issuance and listing of DRs on the stock exchanges in IFSC.

All these developments would lead to a large business opportunity for depositories which can provide wide range of services related to financial securities. Depositories can earn revenue from transaction charges, account maintenance and settlement levy paid by depository participants.

India International Bullion Holding IFSC Limited

NSDL has become a MII consortium partner after taking necessary regulatory approvals. MII consortium promoted India International Bullion Holding IFSC Limited (IIBH), in which NSDL holds 20% stake. IIBH has a wholly owned subsidiary i.e. India International Bullion Exchange IFSC Limited that is undertaking the Exchange business for Bullion and IIBH also owns majority stake in India International Depository IFSC Limited (IIDL) which will be acting as depository for both Equity and Bullion products. NSDL has provided the software system to IIDL for Equity products, which has facilitated it to issue Unsecured Depository Receipts (UDR) on various NASDAQ & NYSE listed companies, which are traded on NSE IFSC in GIFT City.

Outlook for Depository System in India

Industry outlook

The growth for the depository system is closely intertwined to the rising penetration and participation from various stakeholders such as investors and brokers. The rise of digital services has made access to capital markets easier and reduce the overall cost of transactions for investors. Additionally, due to increasing financial literacy and rising awareness about capital markets, investments in financial assets are gaining preference. This shift in investment strategies by people is attributable to various programmes which are being undertaken by SEBI, AMFI and other market participants.

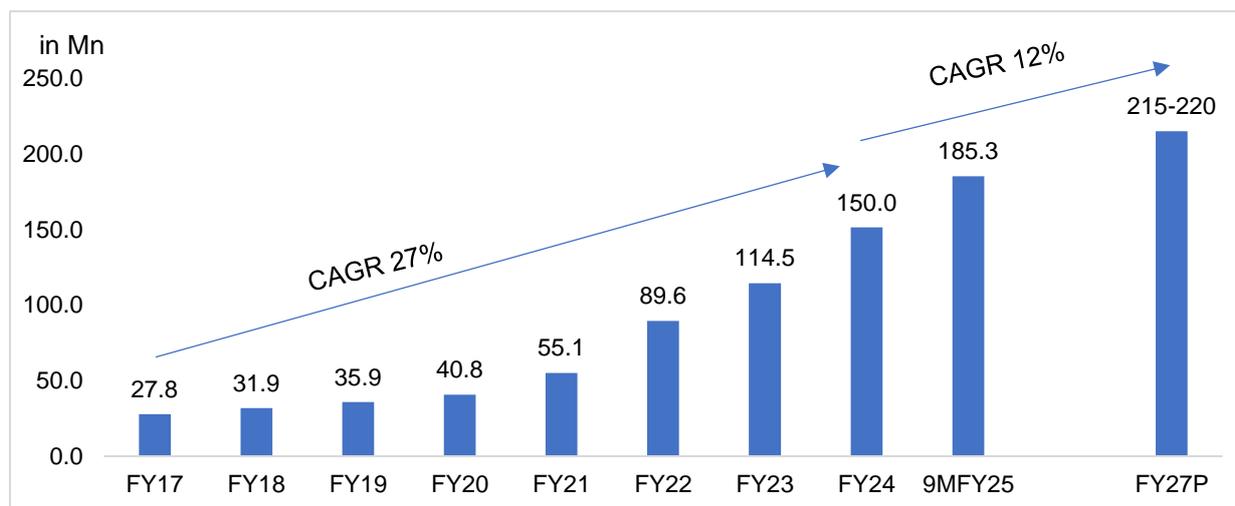
Total Client accounts' growth

Total client accounts (demat accounts) grew at 27.4% CAGR between Financial Year 2017 to Financial Year 2024 to reach 152.0 Mn as of March 2024. The number of demat accounts opened with depository participants in India increased at CAGR of ~39% from Financial Year 2020 to Financial Year 2024. The demat accounts increased rapidly during pandemic (Financial Year 2022 and Financial Year 2023) due to lockdown, attractive returns delivered by equity market, easier digital onboarding of customers, increase in usage of smartphones, however,

¹ FATF is the global money laundering and terrorist financing watchdog. It sets international standards that aim to prevent these illegal activities and the harm they cause to society.

the growth rate is expected to moderate in the next few years as some loss of momentum could be there on account of higher base.

Number of total client accounts to grow at ~12% CAGR between Financial Year 2024- Financial Year 2027



Note: FY: Financial Year; P = Projected
Source: Company websites, CRISIL Intelligence

Trends in new income streams for depositories

Depositories have been diversifying their revenue streams such as facilitating instant LAS, providing platform for conducting e-voting and AGM, database management, etc. These are allied services of depositories’ business and can be expanded to earn huge revenue. Additionally, depositories also have set-up insurance repositories to facilitate holding of all types of insurance policies in electronic form in a single e-insurance account. All such services are expected to generate good amount of revenue for depositories.

Income streams	Description
Digital LAS	Depositories are facilitating collateral management system for Loan against Securities (LAS) product. The Banks which are DPs of NSDL can avail facility to provide online loan to their customers against securities held by the customers in their respective Demat accounts. NSDL facilitates investors / demat account holders, having demat account with any DP of NSDL, to avail loan against their securities in a digital form with Banks/NBFCs. CDSL provides APIs to DPs to enable demat account holders to pledge shares in their CDSL demat account directly from the website of the DPs.
E-voting and online AGM	The e-Voting platforms of depositories have facilitated many leading companies to offer e-Voting services to their Shareholders and thus, have empowered their Shareholders to exercise voting rights by casting their votes electronically. This has enabled investors to take an active part in the company’s overall decision-making process by participating in voting. The platforms offer the companies live-streaming of meeting proceedings and instantaneous results. In addition to this, it also offers tab-based e-Voting services at the AGM venue itself and e-notices service to the companies availing e-Voting platform.
Database management services	Database management services includes services like National Skills Registry to IT / ITeS industry and transactions services like SEZ Online system on behalf of Ministry of Commerce & Industry, KYC registration agency (KRA) for centralization of the KYC records in the securities market and operations pertaining to the Repository of Insurance Policies.
Payments Bank	NSDL Payments Bank, a subsidiary of National Securities Depository Limited (NSDL), offers depositors a new revenue-generating platform through digital banking services, including zero-balance savings accounts, digital debit cards, and

Income streams	Description
	remittance facilities. It promotes financial inclusion and provides depositors access to banking transactions like AePS, and Micro ATMs. This creates opportunities for depositors to earn through transaction fees and partnerships with fintech and government entities.

Regulatory Framework Guiding the Depository System in India

Impact on pricing of services

The Depositories Act confers rights on depositories to frame their own bye-laws and business rules. The bye-laws are approved by the SEBI. While the bye-laws define the scope of the functioning of depositories and its business partners; the business rules outline the operational procedures to be followed by the depositories and its business partners. The business rules govern pricing of the depository services.

Owing to the multi-depository system in India, prices are not only competitive, but services rendered too are better in quality.

Key fees payable by DPs to depositories

Services	NSDL charges (₹)	CDSL charges (₹)
Entry fee at the time of submitting application	25,000/-	20,000/-
Settlement fee	Credit received in CM account from CC	500/- per month
	Inter-settlement transfers in the CM account(s)	
	Transfer from CM account to CM account of another clearing member	
Tariff for debit transaction	4/- per debit transaction	3.5/- per debit transaction
Creation of Pledge	25.0/- per instruction	12.0/- per instruction
Closing of pledge	0	12.0/- per instruction
Annual maintenance – Corporate accounts	500/- per corporate account per annum	500/- per corporate account per annum
Minimum fee to participants	8,000/- per month	8,000/- per month
CAS	0.75/- per transacted BO demat account for email CAS, 8.0/- per transacted BO demat account for physical CAS	0.5/- per transacted BO for E-CAS, 6.0/- per transacted BO for physical CAS

Source: Company tariff documents; Note: The list of charges above is not an exhaustive list

Key fees payable by issuers to depositories

Services		NSDL charges (₹)	CDSL charges (₹)
Joining fee	For listed companies	20,000/-	20,000/-
	For unlisted companies	15,000/-	15,000/-
Distribution of non-cash corporate benefits	Corporate action – for debit or credit to accounts	10.00/- per record, subject to minimum	10.00/- per record, subject to minimum

Services		NSDL charges (₹)	CDSL charges (₹)
		1000/- per corporate action	1000/- per corporate action
	Issue of commercial paper and short-term debt instruments	10,000/- for five instruments. Additional fee of 10,000/- for every additional five issues	10,000/- per annum for CPs issued in electronic form For CDs in electronic form 1000/- per allotment or 25,000/- for all issues in financial year
Appointment as a designated depository to facilitate listed company to monitor foreign investment limits	Companies in Nifty 500 or BSE 500 as on March 31 st of previous financial year	25,000/- per annum	25,000/- per annum
	Other listed issuers	10,000/- per annum	10,000/- per annum

Source: Company tariff documents; Note: The list of charges above is not an exhaustive list.

Annual Custodial Fees

Annual custody/issuer charges are based on SEBI's circular dated December 9, 2015 and is applicable to both CDSL as well as NSDL. As per the SEBI, issuers must pay an annual custodial fee to the depositories at the rate of ₹11.00 per folio based on average number of folios, International Securities Identification Number (ISIN), during the previous financial year or the minimum amount.

This amount is subject to a minimum amount as mentioned in the table below (refer '**Nominal Value of Securities admitted (₹)**'). The average number of folios (ISIN positions) for an issuer is arrived at by dividing the total number of folios for the entire financial year by the total number of working days in the said financial year. However, temporary ISIN is not considered for the purpose of computing the annual charges.

Nominal value of securities admitted (₹)	Annual custodial fee payable by an issuer to each depository (₹) (*)
Up to 2.5 Cr (applicable only for issuer of unlisted shares)	5,000/-
Up to 5 Cr	9,000/-
Above 5 Cr and up to 10 Cr	22,500/-
Above 10 Cr and up to 20 Cr	45,000/-
Above 20 Cr	75,000/-

Source: SEBI and Company tariff documents

Note: *plus taxes as applicable

The presence of a multi depository system in India has resulted in a competitive scenario and helped in reducing the transaction charges for the investors. Although prices are planned by the depositories, the SEBI still has a right to govern and regulate them, as and when required. But at the same time this industry has a strong entry barrier as each of the current depositories are backed by large institutions i.e., CDSL by the BSE, SBI, Bank of India and some other banks and NSDL by IDBI, UTI and NSE.

Database Management Services

Insurance repository

The insurance regulator and development authority of India (IRDAI) is considering steps towards mandating electronic issuance and dematerialization of all insurance policies in electronic insurance account (e-IA) maintained by insurance repository (IR). Dematerialization will reduce the physical paperwork requirements, and the policies will be issued digitally and stored in an e-insurance account (e-IA). Dematerialization of insurance policies would allow a policyholder to create a portfolio of insurance policies and store them in an electronic form with an insurance repository. The e-IA would help policyholders get access to their policies (life and non-life) digitally and keep track of insurance policies under one platform.

Currently, four companies are performing the function of insurance repositories. These companies are:

- NSDL Database Management Limited
- CAMS Repository Services Limited
- Centrico Insurance Repository Limited
- KARVY Insurance Repository Limited

Insurance repositories perform an array of functions for policy holders who have been issued a policy in electronic form. These services to the policy holders are free of cost, convenient and secure and hence are more desirable for them. Even subscribers not holding an electronic policy can have an account with the insurance repository and opt for conversion of physical policy into electronic policy through the repository. The insurance repository provides basic policy related services free of costs to the subscribers. However, for premium services, it can offer extended services against fees. Examples of basic services include online policy maintenance and access, policy status updates, printing facility, annual statements in electronic form, mini statement, etc.

For the insurers, the basket of services are provided by the repositories such as issuance / servicing of policies to the insured against agreed fees help them focus better on the core business capabilities.

Issuance of policies in electronic form on meeting laid-down criteria

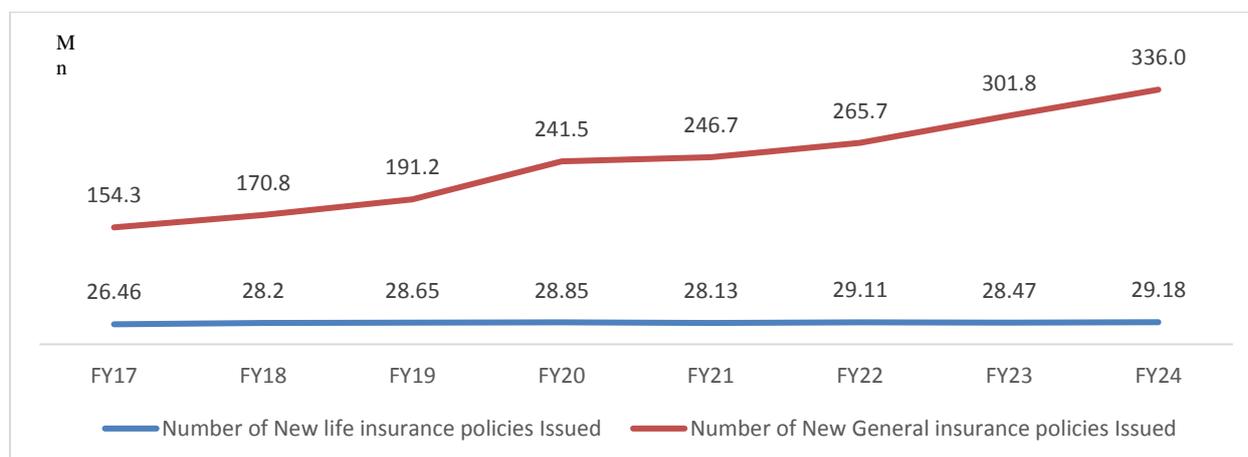
IRDAI issued a regulation in June 2016 on issuance of electronic insurance policies. The regulation made it mandatory for life insurance companies to issue policies in electronic form if the sum assured is ₹10 lakh or more, or annual premium is ₹10 thousand or more. In case of health insurance policy, the sum assured needs to be ₹5 lakh or more, apart from annual premium of ₹10 thousand and above. For general insurance policies, e-insurance is needed if anyone is paying an annual premium of ₹5,000 and above or has a sum insured of ₹10 lakh or more. For Motor retail insurance policies, e-insurance is mandatory for all policies. The rule is applicable irrespective of a policy being bought online or offline. As per IRDAI's master circular on Protection of Policyholder's Interests, 2025, insurer on acceptance of the premium, will have to issue all insurance policies in electronic form.

IRDAI also permitted the players to offer discounts in the premium rates to policyholders for electronic insurance policies, in accordance with the rates filed under the product-approval guidelines. The reason for this was the lowered cost of e-insurance policy issuance, maintenance and handling as against a physical copy. However, a large part of policy holders demands a physical copy in addition to the electronic policy.

Revenue model

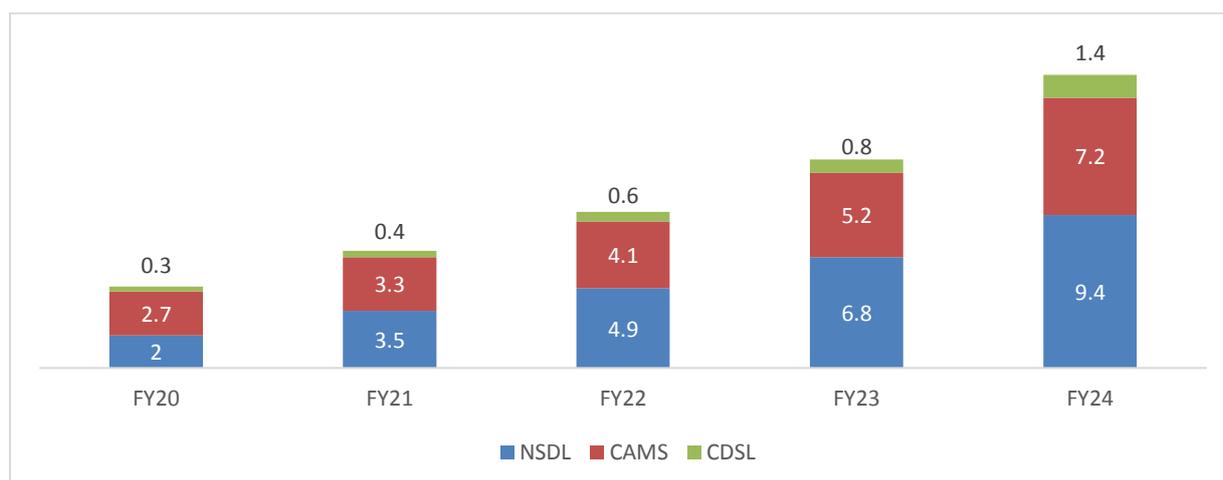
The system enables policy holders buy and keep insurance policies in electronic form and eliminate paper and associated risks. The repositories are paid directly by the insurers and policy holders are not charged. The revenue model of insurance repositories is based on both new policy issuance, existing policy conversion and annual maintenance charges to insurers.

Tremendous scope for repositories considering number of policies generated every year in India



Note: FY: Financial Year; Source: IRDAI, CRISIL Intelligence

Cumulative count of policies dematerialized (Mn)



Note: FY: Financial Year; Data for Karvy Repository not available
Source: Company annual reports, CRISIL Intelligence

At end of Financial Year 22, nearly 10 million policies have been dematerialized, however, every year around 25 million to 30 million policies are generated by all life insurance companies. Therefore, there is a huge opportunity which is yet to be filled by insurance repositories.

KYC Registration Agency (KRA)

With a view to bring uniformity in the KYC requirements in the securities markets, SEBI has stipulated uniform KYC requirements to be adopted by all SEBI registered market intermediaries for their clients and has also issued the SEBI {KYC (Know Your Client) Registration Agency (KRA)}, Regulations, 2011. These Regulations create the framework for maintenance and inter-operability of KYC records amongst SEBI registered intermediaries.

KRAs are facilitating registration and maintenance of KYC records, inquiry of KYC status and download of KYC information to intermediaries through various interfaces including Application Programming Interface (API). KRAs work like a depository of KYC records and facilitates single point of updation and access for investors and intermediaries. Currently, there are five different KYC registration agencies in place to help the investors

- NSDL Database Management Limited (“NDML”)
- CAMS Investor Services Private Limited (“CISPL”)
- NSE Data & Analytics Limited (formerly Dotex International) (“NDAL”)
- Karvy Data Management Services Limited (“KDMSL”)
- CDSL Ventures Limited (“CVL”)

Maintenance of KYC of investors in KRA system is mandatory for SEBI registered intermediaries. The KRA system significantly reduces the efforts in repeated KYC process and also ensures consistency and market wide updation of KYC records. KRA system also provides an additional layer of check on the KYC data and documentation followed by intermediaries.

NDML KRA holds KYC records of more than 17.4 million investors as of Financial Year 2024. Growth of KYC records is closely linked to growth of investor participation in securities’ markets.

KYC User Agency

Authentication User Agency (AUA) is an entity engaged in providing Aadhaar Enabled Authentication Services to market intermediaries using Aadhaar based authentication. KYC User Agency (KUA) means a requesting entity which, in addition to being an AUA, uses e-KYC facility provided by the UIDAI (Unique Identification Authority

of India) to facilitate Aadhaar based secure and online e-KYC of the Aadhaar holders. Aadhaar based e-KYC is one of the most convenient, secure and prevalent method for customers to establish their identity in an online manner and complete KYC requirements. There are several AUA, KUA companies which have received approval from UIDAI to facilitate the intermediaries to perform Aadhaar based e-KYC. NDML has also received approval from UIDAI to operate as a AUA and KUA.

Payment aggregator

As on 16th June 2023, the RBI has granted in-principle authorization to 59 entities (36 existing PAs and 23 new PAs), however, only 36 existing PAs are allowed to operate as Payment aggregators. New PAs cannot commence operations until they are granted 'authorisation' under Section 7 of the Payment and Settlement Systems Act, 2007. NDML was granted certificate of authorisation on May 22, 2024, to operate as an online payment aggregator. RBI has advised submission of System Audit Report (SAR) within specified time. All payment aggregators also have to comply with other requirements under the Guidelines and fulfil additional conditions, if any, stipulated by RBI.

NDML was appointed by Ministry of electronics and information Technology to serve and support government departments and bodies in providing online payment collection services from citizens for Govt. to citizen services. In March 2020, RBI had decided to bring regulatory oversight under Payment and Settlement System Act on Payment Aggregators. Accordingly, NDML complied with RBI guidelines for payment aggregators and has since been authorized to operate as a payment aggregator by RBI. NDML is further expanding its reach of operations from traditional e-Governance for government departments & ministries to Government run educational institutes, universities & colleges, urban local bodies, credit co-op societies, Insurance sectors & capital markets to support digital payments with its stack of technology enabled solutions. NDML also competes with other payment aggregators registered with RBI.

Registrar and Transfer Agents (RTAs)

SEBI guidelines makes it mandatory to appoint Registrars to an issue (RTI) and Share transfer agent (STA), in relation to the management of public offer introduced by the body corporate in general public, and to service the shareholders. Registrar and transfer agents are agencies that record and maintain a complete record of investors & their transactions on behalf of the companies. RTAs also help the companies in ensuring compliance to various regulatory, legal provisions related to disclosures and investor services. RTAs also facilitate the companies to connect with depository system for servicing the investors through depository system.

Given the concentrated nature of this market, Crisil Intelligence believes that there is a significant growth opportunity to further develop this business.

Accreditation Agency

Accredited Investors are capable of dealing in relatively riskier investment products due to their financial capacity, ability to absorb financial losses and understanding of financial products. They may either possibly be well advised due to their ability to hire expert managers/ advisors or be well informed with sufficient financial acumen. SEBI introduced the concept of Accredited Investors with a light-touch regulatory framework for the various securities market products and services envisaging that it may be beneficial to the Indian securities market.

Subsidiaries of recognized stock exchanges (with some conditions) and subsidiaries of depositories are eligible to carry out the accreditation process after making an application to the SEBI. Following are names of the companies which are Accreditation agencies in India which can provide Accredited status to investors:

- NSDL Database Management Limited
- CDSL Ventures Limited

The renewal of recognition of Accreditation agencies are subjected to their satisfactory performance.

National Skills Registry

National Skills Registry (NSR) is a data depository project of NDML in association with nasscom, playing key role in the IT/ITeS industry in recruitment, background checks and employee engagement lifecycle. Many large companies in IT/ITeS industry have adopted NSR registration as a requirement for new employee onboarding. NSR as an industry model enables a good use case and framework for “Employer – Employee – Job Applicant – Background Checker” engagement, facilitate and strengthen recruitment and background check practices throughout the employee onboarding lifecycle.

Around 307 companies had been onboarded on NSR as “Subscriber” companies as of December 2024. These companies participate in NSR system by registering new employees as well as by accessing information of existing registered professionals. These companies add up to significant employee strength in the Indian IT / ITeS industry. At end of Financial Year 2024, 2.38 million knowledge professionals have registered on NSR and have IT Professional Identification Number (ITPIN). In Financial Year 2024, 0.05 million Knowledge Professionals joined NSR.

Registration Count (million)	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Cumulative Registration count	1.6	1.74	1.88	1.95	2.21	2.33	2.38
NSR Registration Count	0.11	0.15	0.14	0.07	0.26	0.12	0.05

Note, FY: Financial Year; Source: Company websites, Annual Reports, CRISIL Intelligence

Digital customer onboarding platforms

Digital customer onboarding platforms facilitates online customer onboarding process primarily for financial services of intermediary companies. Such platforms facilitate these companies in opening of client accounts and perform client identification and verification by performing e-KYC. The platform supports various channels of horizontal and vertical integrations to support services such as verification of Email / Mobile / PAN / DigiLocker / Aadhaar XML / Bank verification / Video IPV / documents upload / KRA integration / e-Sign integration etc. Further, the platform can get integrated with various KRAs to provide KYC data of the client to the companies. The platforms could be evolved further with technological upgrades and systemic integrations to cater to custodians, mutual fund distributors, asset management companies, portfolio management solution providers and the banking industry. Increasing demand for financial services in India could represent increase in opportunity for companies providing digital customer onboarding services as KYC process is mandatory to avail almost all financial services. NDML has also developed a digital customer onboarding platform “Instigo” to assist brokers and depository participants with onboarding new customers.

SEZ Online

SEZ policy intends to make SEZs an engine for economic growth supported by quality infrastructure and administrative support with single window clearance. To install confidence in investors and signal the Government’s commitment to a stable SEZ policy regime, the SEZ Act, 2005, supported by SEZ Rules, came into effect in February 2006, providing for drastic simplification of procedures and for single window clearance on matters relating to central as well as state governments.

On behalf of Ministry of Commerce and Industry, NDML has developed an integrated e-governance solution that facilitates the nationwide processing of transactions by SEZ developers, co-developers, and units with SEZ administration. It was introduced in 2010 and portal facilitates the establishment of SEZs, SEZ units and the submission and approval of multiple clearances. The system also supports online submission and approval of various customs related import, export declarations such as Bill of Entry / Shipping Bill which are subjected to online review and approval by Customs officers in SEZs. SEZ Online system is implemented across 250+ SEZs in the country.

Peer Comparison

In this section, CRISIL Intelligence has analysed the operational performance and key financial indicators of players providing Depository, Insurance Repository, KYC-Registration Authorities, RTAs, Skill registry and database management services, on a standalone basis, like National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL), NSDL National Insurance Repository (NIR), Centrico Insurance

Repository Limited (CIRL) CAMS Insurance Repository Services Limited, KFin Technologies Limited (KFintech), Link Intime, CDSL Ventures Limited (CVL) and NSDL Database Management Limited (NDML).

Financial performance of players (Nine months ended December 31, 2024)

Revenue from operations for players (in ₹million) (Nine months ended December 31, 2024)

Segment	Players	FY20	FY21	FY22	FY23	FY24	9MFY25
Depository	National Securities Depository Limited	2,495.86	3,355.78	3,692.82	4,091.69	4,730.57	4,520.84
	Central Depository Services Limited	1,681.52	2,705.84	4,148.03	4,506.00	6,409.57	6,666.72
Insurance Repository	NSDL National Insurance Repository	22.01	21.96	23.28	48.33	56.46	NA
	Centrico Insurance Repository Limited	4.47	3.57	3.53	5.09	7.14	NA
	CAMS Insurance Repository Services Limited	209.35	148.72	187.77	177.90	174.86	NA
Registrar & Transfer agents	KFintech	4,405.76	4,717.90	6,247.09	6,964.50	8,108.27	7,812.14
	Link Intime\$	437.95	485.31	NA	NA	NA	NA
KYC Registration Agency	CVL	557.60	719.00	1,349.31	1,029.46	1,696.56	NA
	NDML	705.60	685.90	927.49	728.63	765.18	NA

Note: FY: Financial Year; \$Financial year is ending June 2019 and 2020, Above numbers are on a Standalone basis, NA= Not Available, Source: Company Reports, CRISIL Intelligence

Financial performance for peers (Nine months ended December 31, 2024)

CDSL had the highest PAT margin of 48.91% in Financial Year 2024 followed by NSDL which had 45.19% of PAT margin on a standalone basis in the depository segment among the peer group for which data is available. PAT margin for CDSL saw a reduction whereas for NSDL it increased for the Financial Year 2024 period. In the insurance repository segment, Centrico Insurance Repository had PAT of 41.35% in Financial Year 2024. In the KYC Registration Authority (KRA) business, CVL had higher PAT margin of 45.56% as compared to NDML which had PAT margin of 37.59% in Financial Year 2024.

PAT margin - Profitability of Peers (Financial Year 2024)

Segment	Players	FY20	FY21	FY22	FY23	FY24	9MFY25	Average FY20-FY24
Depository	National Securities Depository Limited	37.32%	45.32%	42.96%	43.42%	45.19%	45.57%	42.84%
	Central Depository Services Limited	36.58%	51.24%	54.95%	50.01%	48.91%	48.92%	48.34%
Insurance Repository	NSDL National Insurance Repository	(6.28%)	(37.30%)	32.39%	34.65%	NA	NA	5.87%
	Centrico Insurance Repository Limited	30.78%	57.30%	58.54%	42.51%	41.35%	NA	46.10%
	CAMS Insurance Repository Services Limited	(2.03%)	11.15%	20.65%	6.91%	3.25%	NA	7.99%
Registrar & Transfer agents	KFintech	2.82%	(12.71%)	24.15%	27.51%	29.40%	30.30%	14.23%
	Link Intime\$	15.09%	17.02%	NA	NA	NA	NA	16.06%
KYC Registration Agency	CVL	42.17%	46.95%	49.65%	42.50%	45.56%	NA	45.37%
	NDML	36.50%	38.33%	44.60%	37.62%	37.59%	NA	38.93%

Note: FY: Financial Year; \$Financial year is ending June 2019 and 2020. Above numbers are on a Standalone basis, NA= Not Available, Source: Company Reports, CRISIL Intelligence

CDSL had highest EBITDA margin of 66.50% in Financial Year 2024 followed by NSDL which had 59.53% of EBITDA margin on standalone basis in the depository segment among the peer group for which data is available. EBITDA margin for CDSL saw high variation whereas for NSDL it has been stable. In the insurance repository segment, Centrico Insurance Repository had highest EBITDA of 48.20% in Financial Year 2024.

EBITDA margin of Players (Nine months ended December 31, 2024)

Segment	Players	FY20	FY21	FY22	FY23	FY24	9MFY25	Average FY20-FY24
Depository	National Securities Depository Limited	49.14%	60.13%	57.89%	58.11%	59.53%	62.11%	56.96%
	Central Depository Services Limited	55.09%	68.41%	72.36%	66.23%	66.50%	66.78%	65.72%
Insurance Repository	NSDL National Insurance Repository	6.89%	(22.05%)	39.06%	40.63%	39.06%	NA	16.13%
	Centrico Insurance Repository Limited	75.80%	59.66%	53.34%	58.03%	48.20%	NA	59.01%
	CAMS Insurance Repository Services Limited	24.95%	16.67%	30.35%	13.29%	4.63%	NA	17.98%
Registrar & Transfer agents	KFintech	36.81%	44.96%	46.81%	43.93%	45.77%	46.70%	43.66%
	Link Intime\$	27.49%	30.83%	NA	NA	NA	NA	29.16%
KYC Registration Agency	CVL	58.44%	63.14%	66.25%	63.14%	58.44%	NA	61.88%
	NDML	50.58%	53.05%	61.30%	54.26%	54.58%	NA	54.75%

Note: FY: Financial Year; \$Financial year is ending June 2019 and 2020. Above numbers are on a Standalone basis, NA= Not Available;
Source: Company Reports, CRISIL Intelligence

At end of Financial Year 2024, NSDL had stable 17.25% of employee cost as a % of revenue from operation. Within the depository segment, CDSL had relatively low employee cost of 12.52% in Financial Year 2024 with higher variance as compared to last Financial Year. In the Insurance Repository segment, CAMS Insurance Repository and Centrico Insurance Repository had relatively higher employee cost of 75.86% and 106.95% respectively in Financial Year 2024. CVL had the lowest employee cost of 7.26% followed by NDML with 14.06% of employee cost as a % of revenue from operations.

Employee cost as a % of revenue from operations (Nine months ended December 31, 2024)

Segment	Players	Emp Cost as a % of Revenue					
		FY20	FY21	FY22	FY23	FY24	9MFY25
Depository	National Securities Depository Limited	23.00%	19.33%	18.71%	18.06%	17.25%	14.35%
	Central Depository Services Limited	23.77%	12.63%	9.90%	15.21%	12.52%	11.34%
Insurance Repository	NSDL National Insurance Repository	33.83%	68.95%	32.31%	31.98%	33.20%	NA
	Centrico Insurance Repository Limited	50.69%	130.39%	67.60%	49.06%	106.95%	NA
	CAMS Insurance Repository Services Limited	51.81%	62.02%	46.48%	60.76%	75.86%	NA
Registrar & Transfer agents	KFintech	42.54%	38.91%	36.01%	39.10%	36.65%	35.40%
	Link Intime\$	44.02%	42.83%	NA	NA	NA	NA
KYC Registration Agency	CVL	8.12%	6.12%	4.16%	8.66%	7.26%	NA
	NDML	14.06%	19.30%	17.31%	19.30%	14.06%	NA

Note: FY: Financial Year; \$Financial year is ending June 2019 and 2020. Above numbers are on a Standalone basis, NA= Not Available.
Source: Company Reports, Crisil Intelligence

CDSL Ventures Limited (CVL) had highest cumulative KYC records of 70.7 million in Financial Year 2024 whereas NDML had 17.4 million KYC records in Financial Year 2024. CVL had total of 2,734 registered intermediaries in Financial Year 2024 from 2,140 in Financial Year 2018 whereas NDML had grown to more than 1,550 registered intermediaries in Financial Year 2024 from 1,195 in Financial Year 2018.

Operational parameters for KRAs (Financial Year 2024)

Particular		FY18	FY19	FY20	FY21	FY22	FY23	FY24
Cumulative KYC Record (millions)	NDML	8.3	9.2	10	11.6	14.6	16.3	17.4
	CVL	17.1	18.8	21.6	28.1	43	53.7	70.7
Registered Intermediaries	NDML	1,195	1,299	1,339	1,395	More than 1,500	More than 1,550	More than 1,550
	CVL	2,140	2,598	2,266	2,767	2,097	2,671	2,734

Note: FY: Financial Year; Source: Company websites, Annual Reports, Crisil Intelligence

Payment Banks

In August 2015, the RBI gave “in-principle” licences to eleven payment banks. These new banks were expected to accelerate financial inclusion in India. However, of the 11 in-principle payment licensees, three withdrew their application subsequently. Aditya Birla Idea Payments Bank also closed their operations in September 2019.

The payments bank which are currently operational include Airtel Payments Bank, India Post Payment Bank (IPPB), Fino Payments Bank, PayTM Payments Bank, NSDL Payments Bank and Jio Payments Bank. PayTM Payments Bank was issued a directive by RBI on January 31, 2024, to restrict accepting new deposits or allowing credit transactions after March 5, 2024. However, there was no restriction placed on withdrawal of deposits.

Payments Bank in India

Name of the Payments Bank	Year of Incorporation	Year of Commencement of Operation
Airtel Payments Bank	November 2016	November 2016
Fino Payments Bank	April 2017	June 2017
PayTM Payments Bank	November 2017	November 2017
Jio Payments Bank	November 2016	April 2018
India Post Payments Bank	September 2018	September 2018
NSDL Payments Bank	August 2016	October 2018

Source: Company Website, CRISIL Intelligence

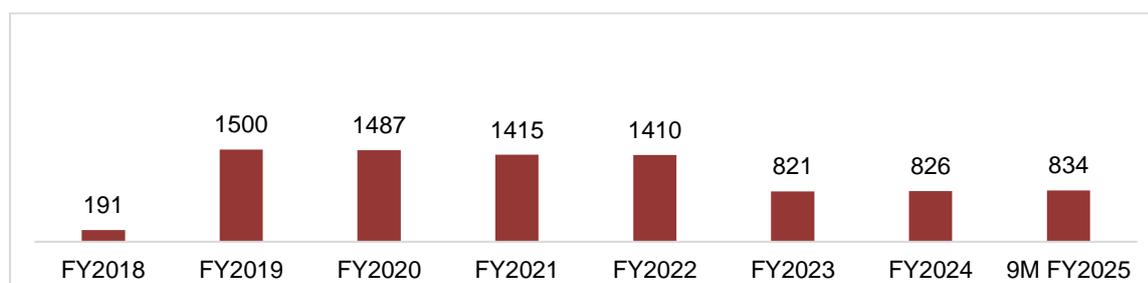
As per the guidelines for on-tap licensing of small finance banks (SFB) in the private sector, released in December 2019, payments banks can also apply for conversion into SFB after five years of operations, if they are eligible otherwise based on the guidelines.

Payment Banks have led to proliferation of non-branch type touchpoints

After granting of Payment Bank licence, it is seen that, true to the form, the payment banks have set up a vast network of touchpoints by leveraging established nature of some of their parent network and through collaboration. This extensive alternative banking channel has brought about a paradigm shift in the way people used to avail banking services. Now, the customers need not travel long to go to a traditional bank branch, instead, they can visit the local banking touchpoint at their convenience and avail assisted digital banking services such as new account opening, deposit, withdrawal, money transfer and utility bill payments.

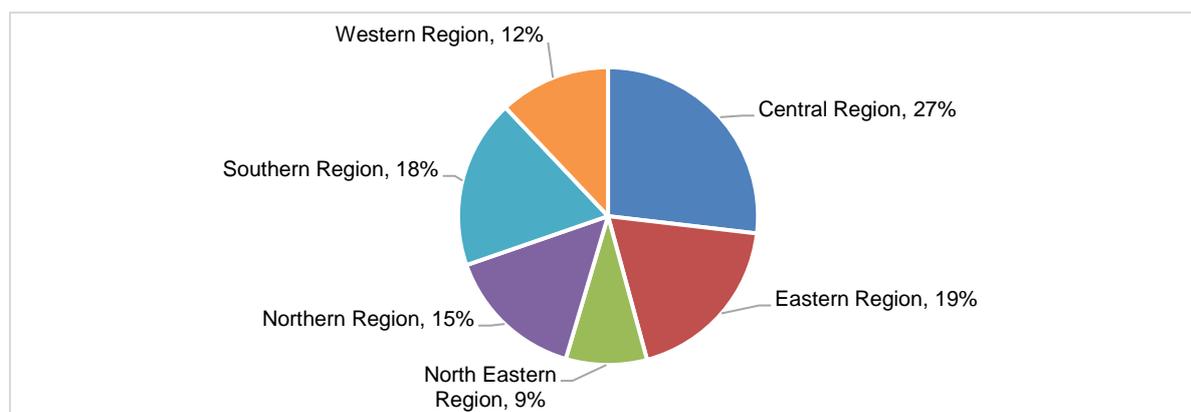
For instance, NSDL Payments Bank has partnered with 45 plus corporate BCs to offer digital banking services, thus ensuring quick rollout across the country. Fino Payments Bank has widened its network through collaboration and partnerships with Bharat Petroleum to use their outlets as digital banking points. Airtel Payments Bank, on the other hand, has leveraged its parent’s network of retailers and Kirana shops and India Post Payment Bank has enabled the post offices in India to provide payment banks services.

Functioning offices of payments banks in India as at end of nine months ended December 31, 2024



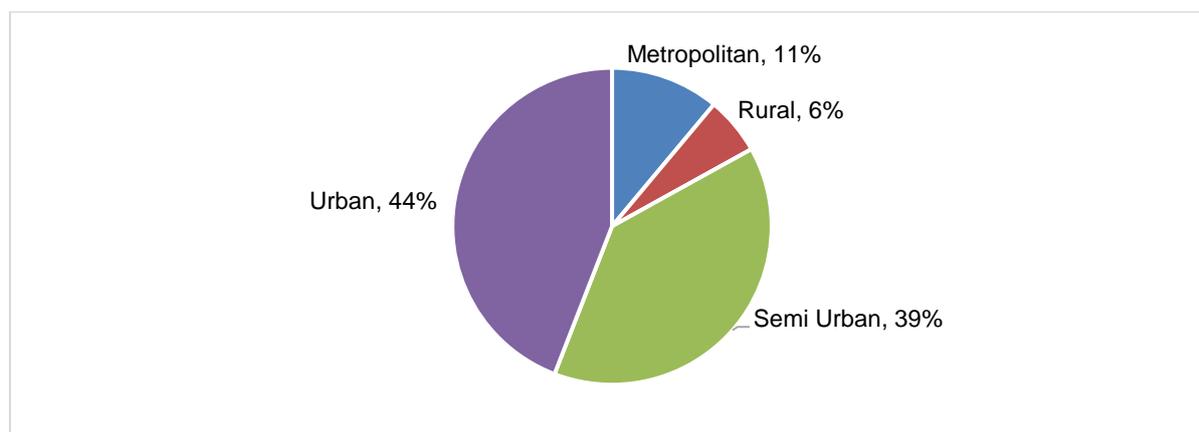
Note: Data includes only functioning offices and no banking touchpoints; Source: RBI, CRISIL Intelligence

Region-wise distribution of the offices of payments bank (Nine months ended December 31, 2024)



Note: Data includes only functioning offices and no banking touchpoints; Source: RBI, CRISIL Intelligence

Population group wise distribution of payments bank offices (Nine months ended December 31, 2024)



Note: Data includes only functioning offices and no banking touchpoints; Source: RBI, CRISIL Intelligence

Rural areas have the least presence of payments bank functioning offices, whereas urban areas have the highest number of functioning offices as of nine months ended December 31, 2024. However, CRISIL believes that with the relatively under penetration in rural centres and increased focus of government towards financial inclusion, the functioning offices of payments bank is likely to witness growth in rural areas.

In the current scenario, these functioning offices form a very small proportion of total number of touchpoints of payments banks, as they leverage on their vast network of merchants and doorstep service providers to provide banking and related services in the last mile. For instance, NSDL Payments Bank had 1.0 million active touchpoints of March 2024 while the Paytm Payments bank had 21 million touchpoints across India as of Financial Year 2021 as per latest available data. India Post Payments Bank had a network of 0.16 million access points and its doorstep bankers who provide financial service to the customer at the end of Financial Year 2024. Airtel Payments Bank, which is the only payments bank with a mobile network operator (MNO) parent had

approximately 0.5 million banking touchpoints, leveraging on its parent’s existing network of retailers who provide mobile connections and recharges at their shop. These touchpoints have enabled payments bank to garner an increasing share of the deposits pie.

NSDL Payments Bank is looking to increase additional CASA accounts through its BC channels and via Owned banking channel, to get scale up account opening and in turn cross sell other banking products. It is also working towards expanding its network of customer service points, enrolling new business partners across the nation, and increasing the breadth of its banking products and services to reach and cater to a larger set of customers.

Customer segment and products of Payments Banks

Payment banks generally focus on four key customer segments – unbanked, underbanked, small size businesses and youth in semi-urban areas through differentiated value propositions. During the start of their operations, the primary channel for payment banks is usually agents, who help their customer in understanding the digital models and gradually shift them to a self-service digital channel to avail banking services using a mobile application.

Customer segment & value proposition of payment banks

Customer segment	Unbanked	Underbanked	Small Size Business	Youth in Semi-urban regions
Target customers	Low income individual, domestic workers and migrant workers	Low income individual, domestic workers and migrant workers	Mobile network operator agents, small merchants and Kirana stores, Agri-traders & small service providers	Youth, students who are well acquainted with mobile wallets
Products	Savings A/c & Mobile wallets, Loan disbursements through tie-ups with Banks and NBFCs and distribution of Insurance & investment products	Savings A/c & Mobile wallets, Loan disbursements through tie-ups with Banks and NBFCs and distribution of Insurance & investment products	Savings A/c, Current A/c, Loan disbursements through tie-ups with Banks and NBFC and distribution of insurance & investment products	Mobile wallets, CASA
Transaction type	Domestic money remittance, Cash-in and Cash-out, Bill payments	Domestic money remittance, Cash-in and Cash-out, Bill payments	Cash-in and Cash-out, Bill payments, Money Transfers	Digital transactions through wallet
Primary Channel	Agents are primary touch points	Agents are primary touch points	Agents, Self-service	Self-service

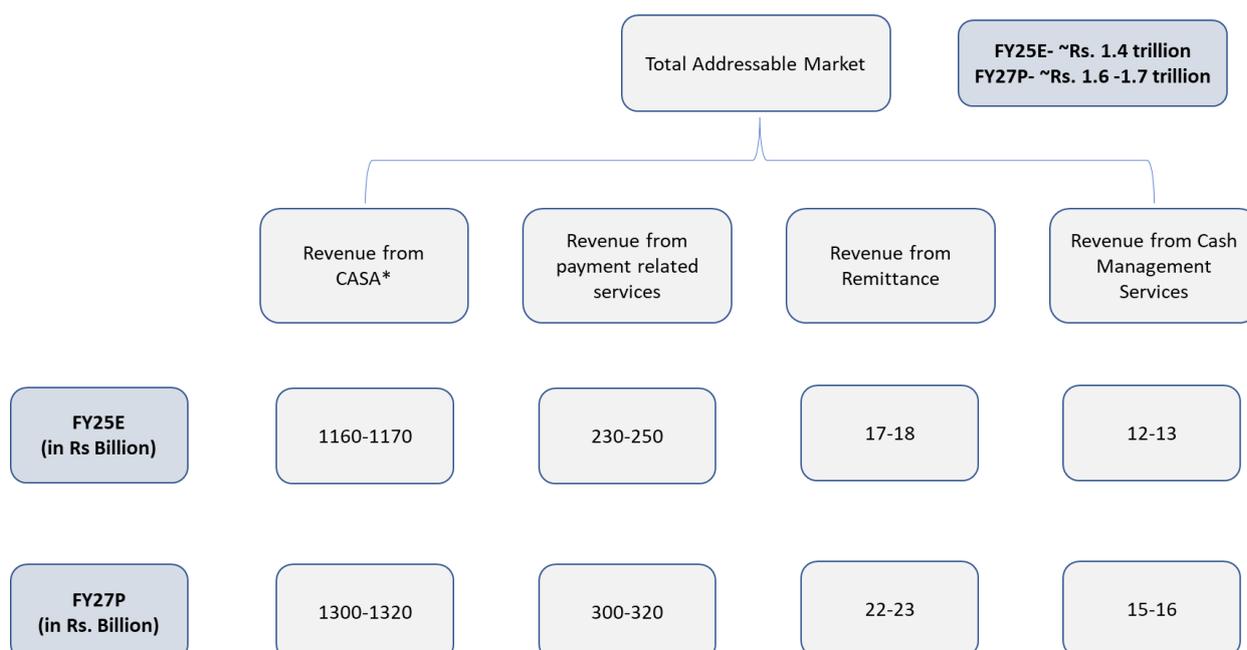
Source: CRISIL Intelligence

Apart from payments bank, there are other players who provide similar services such as cash-in cash out, remittance services, ticket bookings, recharges and bill payment.

Addressable market (revenue from CASA for rural & semi urban region, payment services, remittance and cash collection and management) expected to grow at 7-8% CAGR between Financial Year 2025 and Financial Year 2027

Addressable market refers to the potential revenue pool available for an entity focused on providing CASA deposit accounts in rural and semi-urban areas and the entire range of payment and remittances related services across urban, semi-urban and rural areas. CRISIL Intelligence estimates the addressable market to be approximately ₹1.4 trillion in Financial Year 2025. We project this market to grow at a CAGR of 7-8% over the next few years to reach ₹1.6 - 1.7 trillion by Financial Year 2027, largely driven by strong growth in the payments space due to technology and changing consumer behavior.

Total addressable market is estimated to be at ₹1.4 trillion in Financial Year 2025



Note: E: Estimated. P: Projected; Revenue from CASA* is for rural and semi-urban regions Source: RBI, Company Reports, Company Website, CRISIL Intelligence estimates

Deposits for payment banks grew by ~33% year on year in Financial Year 2024

Deposits collected by payments banks grew by 33% in Financial Year 2024. Cumulatively, the quantum of deposits rose from ₹25.7 billion as at the end of Financial Year 2019 to reach ₹161.6 billion as of Financial Year 2024. As of H1 Financial Year 2025, deposit for payments bank reached ₹175.7 billion.

In the last three financial years (Financial Year 2021 to Financial Year 2024), the payments business (considering only UPI and IMPS) has grown over a 400% in terms of the number of transactions processed and more than 200% in terms of transactions value.

During Financial Year 2021 to Financial Year 2024, payment banks witnessed a 26% CAGR growth in revenues. Their operational expenses also increased by 17% over the last three Financial Years owing to expansion in banking touchpoints, which has increased the aggregate consolidated losses of payment banks. In aggregate, the six payment banks made net losses to the tune of ₹0.58 billion at end of Financial Year 2024.

Payment’s bank focusing on increasing volumes, touch points with customers and cross sell to turn profitable

While payment banks in India cumulatively are not profitable, PayTM Payments Bank, Airtel Payments Bank and Fino Payments Bank are having profitable operations. Payment banks are leveraging their strength to reach out to their core customer base, enhance volumes and turn profitable. They have been launching new products to provide a bouquet of products and services to their customers under the payment banks umbrella and ensure stickiness.

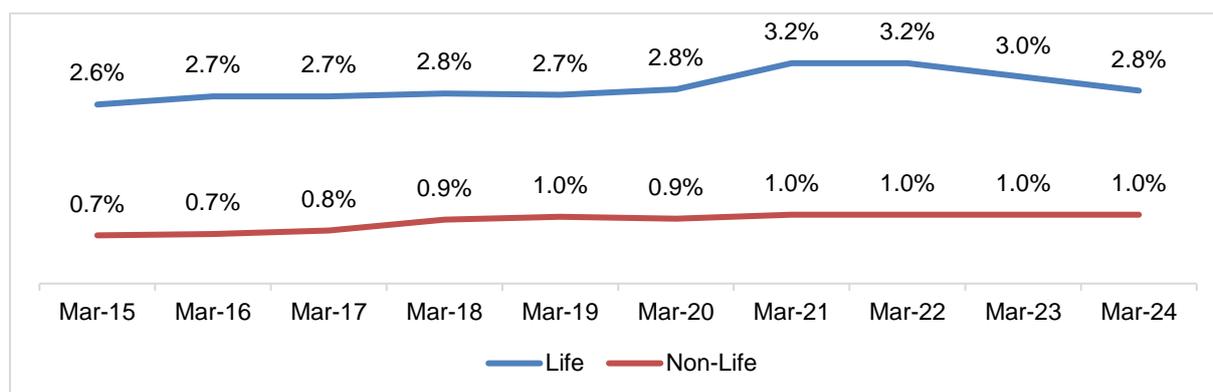
For instance, IPPB, due to its massive distribution network has set up a full suite of banking services and launched its new digital payments app “DakPay” to cater to the financial needs of various sections of the society – be it sending money or making payments enabling cashless ecosystem using a virtual debit card. The DakPay service is aimed at providing not only banking services, but also postal financial services at doorstep, through the postman of Indian Post. Apart from this, IPPB is also focusing on pan India government to customer (G2C) payments, especially rural direct benefit transfers.

Fino Payments Bank is also looking to utilise its massive network to reach out to customers and has enabled microcredit and gold loans on behalf of various banking partners. It has also leveraged its strong capability to manage bulk and retail cash on behalf of various MFIs and NBFCs, which has increased its cash management business.

Airtel Payments Bank has been leveraging its network of retailers to cross sell financial products. It has also entered a partnership with Mastercard to develop customised financing products for farmers and MSMEs in India. One such product is a digital platform to educate farmers on advance farming methods and provide them with means to connect to the marketplace, while enabling them to receive payments directly in their Airtel Payments Bank account.

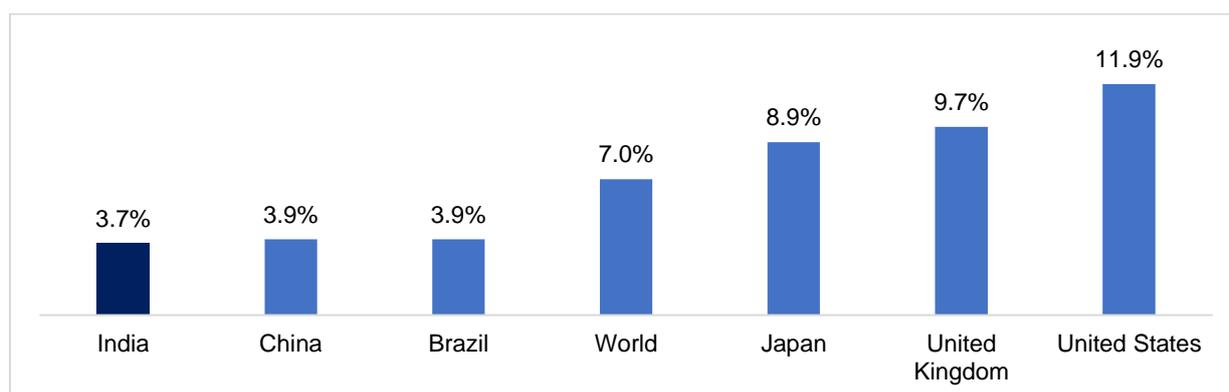
With credit penetration (share of total credit outstanding is about 8% in rural areas, 14% in semi-urban and 79% in urban areas as of September 30, 2024) as well as the penetration of insurance and mutual funds still at a very low level, cross sell to retail unserved and/or underserved customers remains an attractive opportunity for payment banks. For example, although mutual fund penetration (mutual fund AUM as a percentage of GDP) has grown from 4.3% in Financial Year 2002 to ~16% in Financial Year 2024, penetration levels remain well below those in other developed markets, which presents an opportunity for payments banks to cross sell investment products to customers in rural and semi-urban areas.

Lower insurance penetration presents headroom for growth of insurance products



Note: Insurance penetration is measured as ratio of premium to GDP
 Source: IRDA, Swiss Re Sigma, CRISIL Intelligence

Insurance penetration in India is low compared to other countries (calendar year 2023)

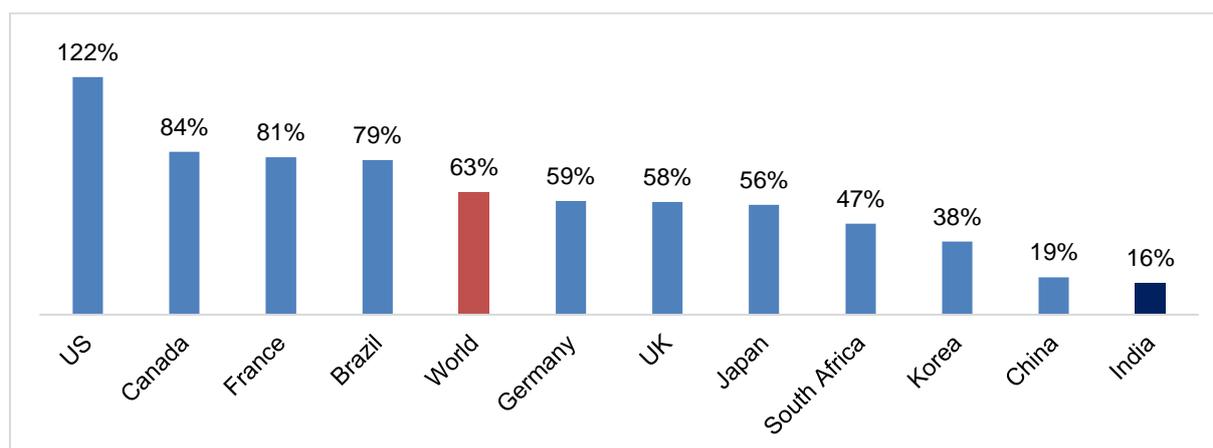


Note: Insurance penetration is measured as ratio of premium to GDP
 Source: Swiss Re, IRDA, CRISIL Intelligence

Mutual fund penetration in India is lower as compared to other countries

India’s mutual fund penetration (AUM to GDP) is significantly lower than the world average of 63% and also lower than many developed economies such as the US (122%), France (81%), Canada (84%) and the UK (58%) and key emerging economies such as Brazil (79%) and South Africa (47%).

AUM as % of GDP (March 2024)



Note: AUM data as of March 2024 for all countries; only open-ended funds have been considered. Includes, equity, debt and others, GDP taken from IMF (Gross Domestic Product at current prices). Penetration calculated as Mutual Fund AUM divided by GDP.
Source: IMF, IIFA, CRISIL Intelligence

Peer Comparison of Payments Banks

NSDL Payments Bank (NPBL) faces close competition from other payments banks such as Fino Payments Bank, PayTM, Airtel Payments Bank, India Post Payments Bank and Jio Payments Bank on parameters such as customer penetration capabilities, efficiency of service provision, technology-integration and satisfactory customer support services. In this section, we have compared these payments banks operating in India based on publicly available information.

Peer comparison (Financial Year 2024)

Players	CASA Deposits	Net worth	CRAR	Branches**
	(in ₹ Billion)	(in ₹ Billion)	(%)	
Airtel Payments Bank	26.31	5.04	38.31%	26
Fino Payments Bank	14.13	6.43	74.50%	109
India Post Payments Bank	115.52	11.77	54.86%	3
Jio Payments Bank	0.88	1.04	557.00%	2
NSDL Payments Bank	0.59	1.46	234.00%	1
PayTM Payments Bank	5.89	3.12	122.60%	4

Note: ** Functioning offices data as of Financial Year 2024, Table is arranged based in alphabetical order.
Source: Company Website, Company Reports, RBI, CRISIL Intelligence

Operational performance of payments banks

The tables below show the transaction done using cards issued by payments bank at ATMs, POS and Online (e-com).

Volume and Value of transactions and card issued (Nine months ended December 31, 2024)

Players	Debit cards outstanding	Value of transaction at ATM & POS	Volume of transaction at ATM & POS
	(In million)	(In ₹ million)	(In million)
Airtel Payments Bank	5.17	12,737.24	4.48
Fino Payments Bank	10.04	68,669.28	21.39
India Post Payments Bank	21.86	812.85	3.27
Jio Payments Bank	0.37	960.61	0.33
NSDL Payments Bank	1.35	7,542.23	3.79
PayTM Payments Bank	30.61	28.55	0.02

Note: Data for value and volume of transactions includes transaction done through both ATM & POS; Table is arranged based in alphabetical order.
Source: RBI, CRISIL Intelligence

Volume and Value of transactions and card issued (Financial Year 2024)

Players	Debit cards outstanding	Value of transaction at ATM & POS	Volume of transaction at ATM & POS
	(In million)	(In ₹ million)	(In million)
Airtel Payments Bank	2.03	6,932.40	3.43
Fino Payments Bank	9.08	88,802.34	28.02
India Post Payments Bank	15.41	2,467.60	4.79
Jio Payments Bank	0.0001	0.05	0.00
NSDL Payments Bank	0.91	890.50	0.55
PayTM Payments Bank	32.30	80,174.71	26.04

Note: Data for value and volume of transactions includes transaction done through both ATM & POS; Table is arranged based in alphabetical order.

Source: RBI, CRISIL Intelligence

Volume and Value of transactions and card issued (Financial Year 2023)

Players	Debit cards outstanding	Value of transaction at ATM & POS	Volume of transaction at ATM & POS
	(In million)	(In ₹ million)	(In million)
Airtel Payments Bank	4.16	2,340.00	2.92
Fino Payments Bank	6.63	70,230.00	23.54
India Post Payments Bank	9.72	3,710.00	4.74
Jio Payments Bank	-	-	-
NSDL Payments Bank	0.53	380.00	0.41
PayTM Payments Bank	37.95	1,15,870.00	46.88

Note: Data for value and volume of transactions includes transaction done through both ATM & POS; Table is arranged based in alphabetical order.

Source: RBI, CRISIL Intelligence

Volume and Value of transactions and card issued (Financial Year 2022)

Players	Debit cards outstanding	Value of transaction at ATM & POS	Volume of transaction at ATM & POS
	(In million)	(In ₹ million)	(In million)
Airtel Payments Bank	1.96	3,113.40	3.70
Fino Payments Bank	4.42	36,273.87	13.35
India Post Payments Bank	4.79	2,501.06	4.32
Jio Payments Bank	-	-	-
NSDL Payments Bank	0.33	208.67	0.27
PayTM Payments Bank	36.62	1,16,054.54	53.59

Note: Data for value and volume of transactions includes transaction done through both ATM & POS in Financial Year 2022; Table is arranged based in alphabetical order.

Source: RBI, CRISIL Intelligence

Volume and Value of transactions and card issued (Financial Year 2021)

Players	Debit cards outstanding	Value of transaction at ATM & POS	Volume of transaction at ATM & POS
	(In million)	(In ₹ million)	(In million)
Airtel Payments Bank	1.73	2,698.37	4.47
Fino Payments Bank	2.27	17,122.16	6.92
India Post Payments Bank	1.11	374.38	0.70
Jio Payments Bank	-	-	-
NSDL Payments Bank	0.14	127.12	0.21
PayTM Payments Bank	63.78	84,533.42	46.06

Note: Data for value and volume of transactions includes transaction done through both ATM & POS; Table is arranged based in alphabetical order.

Source: RBI, CRISIL Intelligence

Payment Infrastructure for Payment Banks

As of December 2024, NPBL was second in India in terms of deployment of micro-ATM devices in banking industry having deployed more than 308,600 devices across India, whereas Fino Payments Bank has the highest

number of M-ATM deployments (437,926). Moreover, NPBL's AePS ranked second in India as an acquiring bank in terms of AePS transaction value for December 31, 2024.

Bank Name	Number – Outstanding (as of December 2024)
	Micro ATMs
Airtel Payments Bank	142,289
Fino Payments Bank	445,603
India Post Payments Bank	196,421
Jio Payments Bank	-
NSDL Payments Bank	308,604
PayTM Payments Bank	-

Note: Table is arranged based in alphabetical order

Source: RBI, CRISIL Intelligence

Product mix of various payments banks

The table below details the products and services being offered by various payment banks in India. Apart from the offering a suite of products and services to customers in the hinterland, payment banks also act as a correspondent for partner banks and enables digital financial transactions for customers at the bottom of the pyramid on behalf of various banking partners.

PayTM Payments Bank was issued a directive by RBI on January 31, 2024, to restrict accepting new deposits or allowing credit transactions after March 5, 2024. However, there was no restriction placed on withdrawal of deposits.

Product wise comparison

Products	Fino Payments Bank	Airtel Payments Bank	India Post Payments Bank	PayTM Payments Bank	NSDL Payments Bank
Savings & Current A/C	✓	✓	✓	✓*	✓
Sweep Account Facility	✓	✓	✓	✓	✓
Mobile Wallet	✓	✓	✗	✓	✗
Debit Card	✓	✓	✓	✓	✓
Payments	✓	✓	✓	✓	✓
Cash Management Services	✓	✓	✓	✗	✓
Insurance	✓	✓	✓	✗	✓
Doorstep Banking	✓	✓	✓	✓	✗
Business Correspondent Business	✓	✓	✓	✓	✓

Note: (*) Restrictions on accepting new deposits by RBI. Source: Company Website, CRISIL Intelligence

Business segment wise comparison

Products	Fino Payments Bank	Airtel Payments Bank	India Post Payments Bank	PayTM Payments Bank	NSDL Payments Bank
CASA Business	Savings and Current A/C, Sweep Account	Savings and Current A/C	Savings and Current A/C, Sweep Account	Savings and Current A/C, Sweep Account	Savings and Current A/C
Remittance	Mobile Wallet, Money Transfer	Mobile Wallet, Money Transfer	Money Transfer	Money Transfer	Money Transfer
POS/Payments	Debit card	Debit card	Debit card	Debit card	Debit card
Cash Management Services	Cash collection	Cash collection	Cash collection	NA	NA
Financial Product Distributor	Insurance	Insurance	Insurance, Mutual Fund	NA	Insurance, Mutual Fund
Banking Service	Doorstep Banking and Business Correspondent	Doorstep Banking	Doorstep Banking	Doorstep Banking	Business Correspondent

Source: Company Website, CRISIL Intelligence

Profitability of Payment Banks

Financial Year 2022

Players	Net Worth	Total Equity	Revenue	Revenue per touchpoint	Net Profit	RoE (%)
	(In ₹ Billion)	(In ₹ Billion)	(In ₹ Billion)	(In ₹)	(In ₹ Billion)	
Airtel Payments Bank	3.47	23.48	9.24	NA	0.09	2.67%
Fino Payments Bank	4.77	0.83	9.94	9,740.66	0.43	13.56%
India Post Payments Bank	4.73	14.55	3.90	28,682.34	-1.60	-34.79%
Jio Payments Bank	1.23	2.64	0.07	NA	-0.34	-27.21%
NSDL Payments Bank	1.36	1.80	3.00	1,301.75	-0.08	-5.39%
PayTM Payments Bank	4.53	4.00	24.88	NA	0.18	4.12%

Note: Players are arranged in alphabetical order

Source: Company Reports, CRISIL Intelligence

Financial Year 2023

Players	Net Worth	Total Equity	Revenue	Revenue per touchpoint	Net Profit	RoE (%)
	(In ₹ Billion)	(In ₹ Billion)	(In ₹ Billion)	(In ₹)	(In ₹ Billion)	
Airtel Payments Bank	3.95	23.74	12.59	NA	0.22	5.83%
Fino Payments Bank	0.94	0.83	11.83	8,631.71	0.65	22.26%
India Post Payments Bank	8.93	16.55	6.72	48,704.97	0.20	2.95%
Jio Payments Bank	1.59	3.44	0.13	NA	-0.44	-31.53%
NSDL Payments Bank	1.44	1.80	5.41	2,704.35	0.08	5.77%
PayTM Payments Bank	4.68	4.00	26.06	NA	0.15	3.16%

Note: Players are arranged in alphabetical order

Source: Company Reports, CRISIL Intelligence

Financial Year 2024

Players	Net Worth	Total Equity	Revenue	Revenue per touchpoint	Net Profit	RoE (%)
	(In ₹ Billion)	(In ₹ Billion)	(In ₹ Billion)	(In ₹)	(In ₹ Billion)	
Airtel Payments Bank	5.04	24.13	17.92	NA	0.35	7.68%
Fino Payments Bank	0.98	0.83	13.99	7,997.03	0.86	78.93%
India Post Payments Bank	11.77	21.05	10.96	67,821.10	0.34	3.31%
Jio Payments Bank	1.04	3.48	0.30	NA	-0.59	-44.50%
NSDL Payments Bank	1.46	1.80	7.20	7,188.63	0.02	1.09%
PayTM Payments Bank	3.12	4.00	24.61	NA	-1.56	-40.06%

Note: Players are arranged in alphabetical order

Source: Company Reports, CRISIL Intelligence

Nine months ended Financial Year 2025

Players	Net Worth	Total Equity	Revenue	Revenue per touchpoint	Net Profit	RoE (%)
	(In ₹ Billion)	(In ₹ Billion)	(In ₹ Billion)	(In ₹)	(In ₹ Billion)	
Airtel Payments Bank	NA	NA	NA	NA	NA	NA
Fino Payments Bank	NA	NA	12.79	6,825.08	0.79	NA
India Post Payments Bank	NA	NA	NA	NA	NA	NA
Jio Payments Bank	NA	NA	NA	NA	NA	NA
NSDL Payments Bank	1.47	1.80	5.43	NA	0.01	0.89%
PayTM Payments Bank	NA	NA	NA	NA	NA	NA

Note: Players are arranged in alphabetical order

Source: Company Reports, CRISIL Intelligence

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 23 of the Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also “Risk Factors” on page 1 of this Addendum for a discussion of certain risks that may affect our business, financial condition, or results of operations, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 172 and 233, respectively, of this Addendum for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled “Assessment of the Depository System, Database Management and Payments Banks in India” dated April 2025 (the “CRISIL Report”), prepared and released by CRISIL Intelligence, a division of CRISIL Limited (“CRISIL”), which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated February 6, 2025, for the purpose of confirming our understanding of the industry we operate in, in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Financial Year. See “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” and “Risk Factors — Internal Risk Factors — This Addendum contains information from an industry report prepared by an independent third-party research agency, CRISIL MI&A (CRISIL), which we have commissioned and paid for exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on pages 23 of the Draft Red Herring Prospectus and 54 of this Addendum, respectively.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the nine months ended December 31, 2024 and 2023, and Financial Years ended March 31, 2024, 2023 and 2022 included herein is derived from the Restated Consolidated Financial Information included in this Addendum. For further information, see “Restated Consolidated Financial Information” on page 172 of this Addendum. Unless otherwise indicated or the context otherwise requires, in this section, references to “we”, “us” and “our” are to the Company together with its Subsidiaries on a consolidated basis.

Overview

We are a SEBI registered market infrastructure institution (“**MI**”) offering a wide range of products and services to the financial and securities markets in India. Following the introduction of the Depositories Act in 1996, through our Company, we pioneered the dematerialization of securities in India in November 1996. As of December 31, 2024, we are the largest depository in India in terms of number of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody (Source: *CRISIL Report*). Further, as of December 31, 2024, we have a network of 63,542 depository participants’ service centres as compared to 17,883 such centres with CDSL.

As a depository, we provide a robust depository framework that enables market participants to participate in the financial and securities markets in India. We also play a central role in developing products and services that will continue to address the growing needs of the financial services industry in India. Using innovative and flexible technology systems, NSDL works to support investors, brokers, issuers and other market participants in the Indian capital markets and aims at ensuring the safety and soundness of Indian securities market by developing settlement solutions that increase efficiency, minimize risk and reduce costs.

Our depository facilitates securities to be held in digital form by investors through accounts known as “Demat Accounts” held with us through depository participants. This includes securities held in dematerialized form with various asset classes namely equities (listed equity and unlisted equity), preference shares, warrants, funds (mutual funds, REITs, InvITs and AIFs), debt instruments (corporate debt, commercial paper, certificate of deposit, pass through certificate, security receipts, government securities, sovereign gold bonds, municipal debt, treasury bill) and electronic gold receipts.

As part of our depository business, we operate a centralized digital book-keeping system that facilitates the holders of securities to hold and transfer their securities in electronic form and enables settlement solutions in an efficient and cost-effective manner. We also facilitate and maintain complete records of the ownership of securities held in dematerialised form with us on behalf of the issuer entity. We provide depository services to investors, issuers, depository participants, financial institutions, stockbrokers, custodians, clearing corporations and other market intermediaries and have established an ecosystem for these entities to integrate with our systems.

Our core depository services provide us with a steady source of recurring revenue, primarily through annual custody fees that we charge issuers of securities and annual maintenance fees we charge depository participants in relation to corporate accounts serviced through our depository platform. We charge a standardized fixed fee per annum for each corporate account, pro-rated according to the month in which such account is opened in our depository platform. We also charge transaction fees to depository participants and issuers of securities for transactions effected through our depository systems. As part of our commitment to the capital markets community in India, we have leveraged our technological infrastructure to cater to the diverse needs of the securities market in India and introduced several additional products, e-services and ancillary value-added services and initiatives directly and through our subsidiaries, NSDL Database Management Limited (“**NDML**”) and NSDL Payments Bank Limited (“**NPBL**”), thereby emerging as a key enabler for the financial market in India (Source: *CRISIL Report*).

The core functions of NSDL are as follows:

- *Maintaining allotment and transfer of ownership records:* One of our core functions is maintaining details of allotment and transfer of ownership records of securities assets held with us through electronic book entries. We deploy and utilize innovative technological systems to support issuers, investors and market intermediaries in the Indian securities market while minimizing risk, reducing operational costs and increasing efficiency of operations.
- *Facilitating asset servicing:* Asset servicing is a core function as it helps ensure the safety and efficient management of all assets held in dematerialised form with us. We hold various asset classes in dematerialised form and leverage our software tools and framework to build a robust and resilient central securities depository system to ensure the continued safekeeping and servicing of assets held with us.
- *Transaction and other services:* The core depository services provided by us include dematerialization of securities, settlement of trades, off-market transfers, pledge of securities, including margin pledges and re-pledges, implementation of client unpaid securities pledgee accounts (“**CUSPA**”) by trading members to ensure the segregation of client securities, and corporate action for issuer companies. In addition to providing core depository services, we also provide several additional services such as e-voting services, consolidated account statement (“**CAS**”), blockchain-based security and covenant monitoring platform for debentures and non-disposal undertakings (“**NDU**”).

Through our Subsidiaries, NDML and NPBL, we offer a range of IT-enabled solutions through multiple verticals such as e-governance, payments solutions, collaborative industry solutions, regulatory platforms, KYC solutions, insurance repository services, digital banking services, amongst others. Through NDML, some additional services include the automation and e-governance project for special economic zones (“**SEZ**”) pursuant to an agreement with the Ministry of Commerce and Industry, Government of India and a national skills registry that seeks to build a credible record of the employees working in the IT / ITeS industry. Through NPBL, we operate our payments bank business that was launched in October 2018. NPBL has a focus on financial inclusion, bringing within the ambit of financial services for the disadvantaged and low-income population in remote areas of India, NPBL operates on a business-to-business (“**B2B**”) model and offers digital banking solutions, inclusive banking products (covering domestic money transfers, savings accounts, micro-ATMs and an Aadhar-Enabled Payment System (“**AePS**”), prepaid cards (including general purpose reloadable payment cards, gift cards and use case-based cards), merchant acquisition services (including UPI-payment services and point-of-sale solutions) and the distribution of third party products such as life insurance, health insurance and mutual fund schemes.

As on December 31, 2024, we had over 38.77 million active demat accounts held with 289 depository participants registered with us, and our accounts holders were located in more than 99.32% of pin codes in India and 218 countries across the world. During the nine months ended December 31, 2024, we witnessed a net increase of 18,520 issuers to 64,535 issuers registered with us as compared to 46,015 issuers as at March 31, 2024. Furthermore, the average number of Demat Accounts opened with us per day for the nine months ended December

31, 2024 was 15,504. Set forth below are the details of the aggregate number of issuers, listed and unlisted, registered with us, as of December 31, 2024 and 2023, and as of March 31, 2024, 2023 and 2022.

Particulars	As of December 31,		As of March 31,		
	2024	2023	2024	2023	2022
Listed Issuers	6,158	5,885	5,942	5,804	5,803
Unlisted Issuers	58,377	38,072	40,073	35,183	31,675
Total number of Issuers	64,535	43,957	46,015	40,987	37,478

As on December 31, 2024 we serviced 99.99% of the value of equity, debt and other securities held by foreign portfolio investors in dematerialized form in India (Source: *CRISIL Report*). We also held assets in custody aggregating to ₹77,814.10 billion for individuals (including NRIs) and Hindu Undivided Family (“HUFs”) accounts, which constituted 68.49% of the total value of such assets under custody in dematerialized across depositories as of December 31, 2024 (Source: *CRISIL Report*). Similarly, as of December 31, 2024, we held assets in custody in relation to non-residents Indians aggregating to ₹5,091.20 billion, constituting 85.57% of the total value of such assets held by non-residents Indians under custody in dematerialized form across depositories (Source: *CRISIL Report*). We also had a market share of 96.93% of the dematerialized value debt securities in custody aggregating to ₹50,261.52 billion, as on December 31, 2024 (Source: *CRISIL Report*).

Our management team led by Vijay Chandok, Managing Director and Chief Executive Officer and comprising qualified and experienced professionals contributes to our growth. We believe that their vision, leadership and adherence to strong corporate governance policies have driven our positive performance in the past and will drive our strategic direction in the future. For details, please see “— *Our Strengths — Experienced senior management team*” below on page 131.

We have an established track record of growth in revenue and profits. Between Financial Years 2022 and Financial Year 2024, our revenue from operations grew from ₹7,611.09 million to ₹12,682.44 million. For the similar period, our profit after tax grew from ₹2,125.94 million to ₹2,754.45 million. For the nine months ended December 31, 2024, our revenue from operations was ₹10,565.46 million and our profit after tax was ₹2,598.26 million. Our EBITDA also grew at a CAGR of 12.80% from ₹2,995.41 million in Financial Year 2022 to ₹3,811.33 million in Financial Year 2024. During the nine months ended December 31, 2024, our EBITDA was ₹3,707.92 million. For a reconciliation of our profit for the period to EBITDA, see “*Financial Information — Other Financial Information*” on page 273 of the Draft Red Herring Prospectus and “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation*” on page 20 of the Draft Red Herring Prospectus.

Key Performance and Financial Indicators

The table below sets out certain Key Performance and Financial Indicators as at and for the nine months ended December 31, 2024 and December 31, 2023 and the Financial Years 2024, 2023 and 2022. Please also see “Basis for Offer Price – Key Performance and Financial Indicators (“KPIs”)” on page 101 of the Draft Red Herring Prospectus for further details:

Sr. No.	KPIs	Nine months ended December 31, 2024	Nine months ended December 31, 2023	Financial Year 2024	Financial Year 2023	Financial Year 2022
1	Demat custody value (in ₹ billion) ⁽¹⁾	484,439.99	398,025.08	423,441.88	302,188.90	301,875.56
	Individuals & HUF	77,814.10	62,039.68	65,110.07	43,060.50	47,009.40
	Non-Individuals	406,625.89	335,985.40	358,331.81	259,128.40	254,866.16
2	Issuers (Nos) ⁽²⁾	64,535	43,957	46,015	40,987	37,478
	Listed	6,158	5,885	5,942	5,804	5,803
	Unlisted	58,377	38,072	40,073	35,183	31,675
3	Total quantity of securities held in demat (in ₹ billion) ⁽³⁾	4,427.28	3,510.01	3,773.30	3,224.33	2,773.53
4	e-Voting ⁽⁴⁾					
	e-Voting Revenue (in ₹ million)	384.47	309.28	355.65	328.86	206.68
	e-Voting events (Nos)	4,135	3,555	4,304	3,951	3,543
5	Depository Participants (Nos) ⁽⁵⁾	289	284	281	283	277
6	DP Service Centres (Nos) ⁽⁶⁾	63,542	61,298	61,665	59,401	57,026

Sr. No.	KPIs	Nine months ended December 31, 2024	Nine months ended December 31, 2023	Financial Year 2024	Financial Year 2023	Financial Year 2022
7	Demat Accounts (excluding closed accounts) ⁽⁷⁾	38.77	34.58	35.77	31.46	26.68
	Individuals & HUF	38.59	34.42	35.61	31.31	26.54
	Non-Individuals	0.18	0.16	0.16	0.15	0.14
8	Demat custody value per demat account (in ₹ million) ⁽⁸⁾	12.50	11.51	11.84	9.61	11.31
	Individuals & HUFs	2.02	1.80	1.83	1.38	1.77
	Non-Individuals	2,259.03	2,099.91	2,239.57	1,727.52	1,820.47
9	Consolidated Operating Revenue ⁽⁹⁾					
	Revenue (in ₹ million)	10,565.46	9,341.96	12,682.44	10,219.88	7,611.09
	Recurring Revenue ⁽¹¹⁾	2,033.42	1,784.43	2,417.95	2,250.26	2,013.78
	Transaction Revenue	8,532.04	7,557.53	10,264.49	7,969.62	5,597.31
10	Standalone Operating Revenue ⁽¹⁰⁾					
	Revenue (in ₹ million)	4,520.84	3,469.82	4,730.57	4,091.69	3,692.82
	Recurring Revenue ⁽¹¹⁾	1,899.53	1,695.10	2,296.56	2,117.78	1,895.46
	Transaction Revenue ⁽¹¹⁾	2,621.31	1,774.72	2,434.01	1,973.92	1,797.37
11	Consolidated EBITDA ⁽¹²⁾ (in ₹ million)	3,707.92	2,703.23	3,811.33	3,286.04	2,995.41
12	Consolidated PAT ⁽¹³⁾ (in ₹ million)	2,598.26	1,959.41	2,754.45	2,348.10	2,125.94
13	Consolidated Basic and Diluted Earnings Per Share ⁽¹⁴⁾ (₹)	12.99	9.80	13.77	11.74	10.63
14	Consolidated Networth ⁽¹⁵⁾ (in ₹ million)	19,221.54	16,034.15	16,840.97	14,288.61	12,116.19
15	Operating Profit Margin (%) ⁽¹⁶⁾					
	NSDL	51.72%	46.55%	48.73%	48.04%	48.77%
	NDML	36.58%	36.02%	37.06%	40.20%	53.37%
	NPBL	0.40%	0.36%	0.31%	1.55%	(2.56)%
16	PAT Margin (%) ⁽¹⁷⁾					
	NSDL	22.76%	19.45%	20.17%	21.35%	25.89%
	NDML	45.57%	44.80%	45.19%	43.42%	42.96%
	NPBL	37.57%	37.11%	37.59%	37.62%	44.60%
	NPBL	0.24%	0.26%	0.22%	1.49%	(2.51)%
17	ROE (%) ⁽¹⁸⁾					
	NSDL	13.52%	12.22%	16.36%	16.43%	17.55%
	NDML	14.19%	13.24%	17.11%	16.58%	16.99%
	NPBL	10.22%	9.52%	12.79%	12.68%	19.69%
	NPBL	0.89%	0.96%	1.09%	5.61%	(5.55)%

To the extent quantifiable rounded off to the nearest rupees in million up to two decimals. December numbers are actuals and not annualised.

Notes:

- Demat custody value is expressed as the total value of securities held in accounts with the company.
- Issuers are the companies (both listed & unlisted) which are registered with our Company for various services such as annual custody fees, corporate action fee etc.
- Total quantity of securities held in demat is the total number of securities held under custody by our Company and a measure to assess the volume of safekeeping of securities of investors in Dematerialized form.
- e-Voting is a measure to assess trust of the corporates issuers that are taking the e-voting services from the company.
- Depository Participants are intermediaries, like brokers or financial institutions, that are registered with the company for services like opening demat account, facilitating of the transfer and settlement of securities.
- DP Centres are service centres providing demat services to investors across different locations within India.
- Demat Accounts (excluding closed accounts) is used to assess the trust of individuals and institutions such as, FIIs, FPIs, Corporates and MFs having active demat accounts with our Company.
- Demat custody value per Demat Account is expressed as the total Demat custody value divided by the total number of Demat account held with the Company.
- Consolidated Operating Revenue as per the Restated Consolidated Financial Statement which represent income arising in the course of our Group's ordinary activities from the services rendered to its customers.
- Standalone Operating Revenue as per the Restated Financial Statement which represent income arising in the course of company's ordinary activities from the services rendered to its customers.

11. *Recurring revenue refers to “services transferred over time” and transaction revenue refers to “services transferred at a point in time”.*
12. *Consolidated EBIDTA as per the Restated Consolidated Financial Statement represents our Group’s operating profits arrived at by adding Interest, Depreciation and Amortization in Profit Before tax.*
13. *Consolidated PAT as per the Restated Consolidated Financial Statement represents our Group’s Profit after Tax.*
14. *Basic Earnings Per Share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period of Restated Financial Statement. Diluted Earnings Per Share, an entity shall adjust profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.*
15. *Consolidated Networth as per the Restated Financial Statement is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation at a group level.*
16. *Operating Profit Margin is defined as Operating Profit as a percentage of Operating Revenue.*
17. *PAT Margin is Profit after Tax expressed as a percentage of Total Income.*
18. *ROE% is Profit after Tax expressed as a percentage of Total Equity.*

Our Strengths

India’s first and leading depository operating a wide range of technology-driven businesses

We are India’s first and leading depository and are the largest depository in India in terms of number of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody as of December 31, 2024 (Source: *CRISIL Report*). As the first and leading depository in the country, we introduced the concept of dematerialization of securities, revolutionizing the securities landscape in India (Source: *CRISIL Report*). We were also one of the initial few depositories globally to directly implement dematerialization, bypassing the traditional two-step process of immobilization and subsequent dematerialization (Source: *CRISIL Report*).

The introduction of the depository system brought about a notable transformation in trade settlement practices on stock exchanges and played a pivotal role in the implementation of rolling settlements in India (Source: *CRISIL Report*). Prior to our incorporation, trades were settled on a weekly basis under the account period settlement framework. Our scripless book entry system played a pivotal role in enabling the gradual reduction of settlement cycles and the subsequent implementation of rolling settlements in India (Source: *CRISIL Report*). In 1998, SEBI introduced the concept of rolling settlements based on a T+5 timeline, which was further reduced over time following SEBI’s decision to implement a T+1 settlement for all traded securities in January 2023. With effect from March 28, 2024, we implemented a beta version of T+0 settlement with 25 scrips and since January 31, 2025, we implemented an option of T+0 settlement in a phased manner to cover additional top 500 scrips based on market capitalization as on December 31, 2024, for all brokers. This places India among the select countries to achieve such an efficient settlement system and our contributions have been instrumental in realizing this achievement (Source: *CRISIL Report*). We have also implemented the UPI block in the secondary market and a direct payout facility in accordance with SEBI’s decision.

The success of our depository business can be attributed to its widespread acceptance of securities regulations in the recent years requiring compulsory dematerialization of securities for its transfer. The system’s emphasis on safety, security, and seamless transactions has led to the widespread opening of depository accounts across India and from various international locations. As of December 31, 2024, we have an aggregate of 64,535 issuers registered on our system with an extensive network of 289 Depository Participants operating through 63,542 service centers across India. These service centers serve over 38.77 million active demat accounts. As of December 31, 2024, the number of accounts which are common between our Company and CDSL is 2.35 million (Source: *CRISIL Report*). Our accounts holders were located in more than 99.32% of pin codes in India and 218 countries across the world as of December 31, 2024. In June 2014, we achieved the milestone of having assets of over ₹100,000 billion under our custody after 18 years of operations, with the next ₹100,000 billion of assets under custody being achieved in November 2020, and thereafter added another ₹100,000 billion in December 2021. In September 2024, we had assets of over ₹500,000 billion under our custody (Source: *CRISIL Report*).

Strong focus on technology-led product innovation

Technology serves as the foundation of our ecosystem. We have consistently invested in technology, enabling the development of a state-of-the-art depository system catering to diverse user groups such as depository participants,

issuers, registrars, transfer agents, and clearing corporations. In August 2007, we were the first depository to introduce instant messaging alerts (over SMS) to investors (Source: *CRISIL Report*). Our comprehensive suite of value-added services includes Speed-e, which facilitates the electronic submission of depository transactions, STeADY (*as defined below*) for trade information exchange and institutional client contract notes, and IDeAS (*as defined below*), an online platform for convenient access to depository accounts.

Our other introductions to the market include the launch of a blockchain based-distributed ledger technology platform for security and covenant monitoring, including the monitoring of asset coverage relating to the issuance of debentures on a real-time basis, the launch of a tax service that addresses the documentation requirements for companies during dividend payments and the launch of our digital commercial paper issuance mechanism in 2021. This platform has received positive response from the industry with numerous issuers and securities onboarded since its launch (Source: *CRISIL Report*). We have also implemented a data processing framework that acts as a centralized repository for multiple datatypes, including master data, transactional data, documentational data, historical data, and archive data. Our strong focus on technology-led product innovation has helped us expand our service capabilities, enhance user experience, and continue to remain relevant in the financial and securities market in India.

Robust IT infrastructure, risk management frameworks and cyber-security measures focused on ensuring the safety and integrity of the depository system

To meet the demands of a fast-growing market, we have endeavoured to actively introduce initiatives to augment our IT infrastructure. We have implemented a comprehensive risk management system that incorporates the principles prescribed by the Committee on Payments and Market Infrastructure and the Technical Committee of the International Organization of Securities Commissions (CPMI – IOSCO) and seek to develop appropriate risk-management tools to address the material risks that we may face. We have established a security operations center (“SOC”) with round-the-clock operations to monitor, detect, analyze, contain, eradicate and respond to any adverse cyber security events. Our SOC is staffed with a team of security analysts and engineers who aim to ensure real-time monitoring and response to cyber-security events. Our SOC is based on an analytical platform and conducts a correlation of logs from network, security and server infrastructure. With an everchanging risk landscape, we continue to update our depository system and associated infrastructure to improve our correlation, analytics, detection and response capabilities. We have adopted the MITRE ATT&CK® framework which is a detailed knowledge base and model for cyber adversary behavior, covering the various phases of an adversary’s attack lifecycle. Further, NDML has obtained the PCI-DSS (Payment Card Industry – Data Security Standard) certification for carrying out its secure payment card transactions.

Between January 2024 to February 2025, we have executed several IT upgrades to bolster both our infrastructure and security. Key infrastructure improvements include (i) upgrading all databases to the latest supported version, (ii) implementing patch management solutions in accordance with SEBI guidelines, (iii) augmentation of backup solutions, and (iv) observability and application performance monitoring (APM) solution implemented with full-stack monitoring for IT environments which has enabled us to detect, diagnose, and optimize application performance, infrastructure, and security on a real time basis. In addition, we have implemented measures such as introducing airgap solutions with vault and clean room setup, implemented multi-homing internet links in our data center and disaster recovery site. Data encryption at rest for offline Hadoop systems, and completing the replacement of end-of-support perimeter firewalls. We have also introduced a privileged identity manager with multifactor authentication to enhance production system security further. Our IT security framework was also strengthened by implementing the Extended Detection and Response (EDR) technology which integrates and correlates data from multiple security tools to enhance threat detection and response, a secure web gateway, a data leakage prevention solution, and a privilege identity and access management system.

We have demonstrated our commitment to ensure the security and protection of our clients’ securities within our depository systems. We deploy robust technology solutions, including encryption, security layers consisting of firewalls, IPS (intrusion prevention systems) and WAF (web application firewall), to establish safeguards against unauthorized access and potential cyber threats. By continuously monitoring and updating our security protocols, we remain at the forefront of mitigating evolving risks in the digital landscape. To ensure regulatory compliance and identify potential vulnerabilities, we conduct routine audits of our systems and processes. These audits serve as a validation of our adherence to regulatory requirements, as well as enable proactive identification, detection and resolution of any weaknesses or deficiencies. Furthermore, we have prudently acquired comprehensive insurance coverage to protect against an array of risks, encompassing fraud, errors, and omissions. This insurance coverage acts as an additional protective layer, fortifying our commitment to preserving the financial security of our clients. Through the implementation of stringent processes, we identify and manage risks associated with our

depository services, thereby ensuring the timely detection and mitigation of potential risks and effectively safeguarding securities held in our systems.

Set forth below are the details of the expenditure incurred by us on repairs and maintenance of our systems for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022.

Expenses	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	<i>(in ₹ million)</i>				
Repairs and maintenance – system	486.98	446.71	552.22	447.00	369.46

As of December 31, 2024, our IT team comprised 147 full-time employees and 244 contract employees. Our full-time employees are also equipped with industry standard certifications such as CEH (Certified Ethical Hacker), CISA (Certified Information Systems Auditor) and CISSP (Certified Information Systems Security Professional). Further, we also conduct periodic audits of our security and risk management practices to ensure that our operations are not exposed to risks and are in compliance with directives issued by regulatory bodies.

Aligned with the regulatory guidelines set forth by SEBI, we have undertaken significant enhancements to our depository systems. These enhancements include the introduction of margin pledge and re-pledge as a new transaction type, validation of market transfers against trade obligations, blocking of client securities, direct pay-out facility, trading supported by block amount in secondary market, and the introduction of e-DIS (electronic delivery instruction slip). Moreover, we have successfully implemented the segregation of client securities by introducing CUSPAs. We have also introduced our Transaction Related Alerts of Demat Account received through SMS (“**TRADeS**”) facility to provide important updates to our clients about their depository accounts to facilitate risk mitigation and provide value added services. As of December 31, 2024, 37.34 million investors were registered for TRADeS as compared to 33.15 million investors as of December 31, 2023.

Stable revenue base with a significant proportion of recurring revenue

Revenue from annual fees and annual custody fees is considered as a more stable and recurring source of revenue due to its lesser dependence on market cycle compared to revenue from transaction charges (Source: *CRISIL Report*). Our core depository services provide us with a steady source of recurring revenues and stability to our business model. In addition to our core depository services, we generate recurring revenue from certain other services. Set forth below are the details of our recurring revenue for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022:

Revenues	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	<i>(₹ in million)</i>		<i>(₹ in million)</i>		
Recurring revenue from our Depository Business	1,899.53	1,695.10	2,296.56	2,117.78	1,895.45
Recurring revenue*	2,033.42	1,784.43	2,417.95	2,250.26	2,013.78

*Refers to services transferred over time. See “Restated Consolidated Financial Information – Note 20(a) Timing of revenue recognition as per Ind AS 115” on page 207 of this Addendum.

We derive recurring revenues from the following sources:

- **Annual Custody Fees charged to Issuers and Annual Fees charged to Depository Participants:** At the beginning of each financial year, we charge issuers annual custody fees for the securities held in dematerialized form and annual fees from the depository participants for all corporate demat accounts registered with us. For the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, our revenue from custody fees and annual fees charged to depository participants aggregated to 86.84%, 88.06%, 88.18%, 86.52% and 87.66% of our recurring revenues, respectively.
- **Other Services:** In addition to the above, we provide a range of other services that generate recurring revenues to us. This includes:
 - annual fees charged to issuers for foreign investment limit monitoring,
 - annual fees from brokers for our IDeAS service;

- license fees to DPs for providing our DPM software;
- annual fees from DPs for value-added services provided to DPs;
- annual fees from mutual funds towards statement downloads,
- annual fees from SEZ units towards system usage and transaction charges;
- annual fees from insurance companies in relation to credit of policies;
- annual usage fees for generation of IT professional identification number for registration of NSR;
- annual fees for STeADY;
- annual fees in relation to usage of Cloud DPM; and
- annual usage fees from issuers for our provision of RTA services;

For the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, our revenue from these other services aggregated to 13.16%, 11.94%, 11.82%, 13.48% and 12.34% of our recurring revenues, respectively. See also “—Our Revenue Model” on page 143 of this Addendum.

As of December 31, 2024, we had over 38.77 million demat accounts held with 289 depository participants registered with us. Further, we have an aggregate of 64,535 issuers registered with us, and our standalone operational revenue per investor account was ₹116.60, being substantially higher than our competitor (Source: *CRISIL Report*). We believe that recurring revenues from this wide base of market participants lends stability to our financial performance.

Diversified Asset Classes held in Demat Accounts and Well-diversified Business Verticals

We hold a strong position in the depository market with regard to the diversified asset classes held in demat accounts with us. These accounts hold various asset classes, including equities (listed and unlisted), preference shares, warrants, funds (mutual funds, REITs, InvITs and AIFs), debt instruments (corporate debt, commercial paper, certificates of deposit, pass-through certificates, structured obligations, government securities, sovereign gold bonds, municipal debt, treasury bills, state development loans), and electronic gold receipts. As of December 31, 2024, NSDL held approximately 85.04% and 86.66% of total securities in terms of numbers and values, respectively (Source: *CRISIL Report*).

Our demat account holders benefit from the ability to hold a wide variety of securities within their demat accounts, providing them with a comprehensive investment portfolio. Over the years, our depository participants have witnessed a significant increase in new demat accounts, with a substantial portion of these accounts being held by first-time demat account holders (in terms of PAN) across all our DPs. The table below sets forth the average value of assets held in Demat Accounts with us as compared to the overall, as of December 31, 2024:

Particulars	Holding per Demat Account (₹ in million)	Holding per Demat Account (held by individuals, including NRIs, and HUFs) (₹ in million)
Average Value of Assets (held in Demat Accounts with NSDL)	12.50	2.02
Overall market average value of assets	3.02	0.61

Source: *CRISIL Report*

Furthermore, as of December 31, 2024, we held assets in custody in relation to individuals and HUFs aggregating to ₹77,814.10 billion, constituting 68.49% of the total value of such assets under custody in dematerialized form (Source: *CRISIL Report*). These figures indicate the substantial holdings and confidence that our demat account holders have in our system.

The higher custody value allows us to leverage a range of additional services, including pledges, margin pledges and loan against security (LAS). The table below sets forth the revenue generated from pledges / margin pledges and from annual fees LAS/Digital LAS for the nine months ended December 31, 2024 and December 31, 2023 and for the Financial Years 2024, 2023, and 2022.

Revenues	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	(₹ in million/ %)		(₹ in million/ %)		
Pledge/ Margin Pledge Revenue	394.61	277.28	400.23	184.78	146.75
As a % of our total Depository Revenue	8.73%	7.99%	8.46%	4.52%	3.97%
Annual Fees LAS/ Digital LAS Revenue	3.86	3.92	5.41	1.88	2.47

Revenues	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	(₹ in million/ %)		(₹ in million/ %)		
As a % of our total Depository Revenue	0.09%	0.11%	0.11%	0.05%	0.07%

In addition to the core depository services offered by our Company, we offer various other services through our Subsidiaries, NDML and NPBL.

NDML is a technology solutions and product services company focused on developing e-Governance solutions, payment solutions, regulatory support systems, market infrastructure services, industry solutions and digital customer onboarding products. NDML also offers end-to-end business automation, process transformation and other managed services for the Government and industry associations such as SEZ Online and National Skill Registry, respectively. As of December 31, 2024, NDML supported more than 1,686 SEBI registered intermediaries in India and held approximately 18.50 million KYC records. Through Instigo, NDML's online customer onboarding platform introduced in July 2020, we can complete digital-KYC verification and the entire onboarding process relating to the opening of new accounts for capital market products. During the nine months ended December 31, 2024 and the Financial Year 2024, NDML acted as a registrar and transfer agent for more than 5,660 ISINs and 4,380 ISINs, respectively. NDML received approval from IRDAI for establishing an insurance repository to facilitate holding of all types of insurance policies in electronic form through a single and central e-insurance account. NDML has also been serving the Ministry of Commerce and Industry with an online platform for supporting approvals and transactions in SEZs across India. NDML has received approval from RBI for providing services as a payment aggregator. NDML has also been serving the IT & ITeS industry in India with its National Skills Registry platform which seeks to assist employee onboarding and verifications.

Through NPBL, we offer a range of financial products and services on a B2B basis, including digital banking solutions, inclusive banking products (covering domestic money transfers, savings accounts, micro-ATMs and Aadhar-enabled Payment System), prepaid cards (including general purpose reloadable payment cards, gift cards and use case-based cards), merchant acquisition services (including UPI-payment services and point-of-sale solutions), cash management services and the distribution of third party products such as life insurance, health insurance and mutual fund schemes. As of December 31, 2024, NPBL had facilitated the opening of more than 998,000 accounts in India through its mobile application, Jiffy, out of which more than 207,500 had been opened directly through our mobile application Jiffy in the nine months ended December 31, 2024. NPBL has a customer base of more than 2 million accounts as on December 31, 2024. Moreover, NPBL's AePS ranked second in India as an acquiring bank in terms of AePS transaction value for December 31, 2024 (Source: *CRISIL Report*). The volume of micro-ATM services processed through NPBL aggregated to ₹99,796.44 million as of December 31, 2024. As of December 31, 2024, NPBL was second in India in terms of deployment of micro-ATM devices in banking industry having deployed more than 308,600 devices across India (Source: *CRISIL Report*). These services are provided through a network of more than 50 corporate business correspondents with over 1 million agents across India. As of December 31, 2024, NPBL distributed mutual funds schemes of 28 major asset management companies in India through digital channels, including its mobile application. Revenue from banking services offered by NPBL for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, amounted to ₹5,413.62 million, ₹5,323.03 million, ₹7,192.40 million, ₹5,407.78 million and ₹2,992.45 million, respectively, representing 51.24%, 56.98%, 56.71%, 52.92% and 39.31% of our revenue from operations, respectively.

Experienced senior management team

Our management team comprises qualified and experienced professionals with an average experience of over two decades. We believe that their vision, leadership and adherence to strong corporate governance policies has contributed to our consistent and positive performance in the past and will drive our strategic direction in the future. Our management team is led by Vijay Chandok, Managing Director and Chief Executive Officer, who has over 31 years of experience in the financial services industry in India. Gopalan Srinivasa Raghavan, who previously worked and was associated with our depository operations for about 10 years since its inception in 1996, and who was one of the founding team members, instrumental in setting up our depository system, was appointed as an executive director in January 2023 and is responsible for our overall business operations and regulatory affairs, and Prashant Pramod Vagal, our executive vice president and chief operating officer, has over 30 years of experience in business development and operations. Kothandaraman Prabhakaran is our chief technology officer and has over 19 years of experience in the field of technology. Jigar Harshad Shah is our Chief Financial Officer and has over 17 years of experience in the fields of finance, treasury and banking. We have also

benefitted from the support of our four Public Interest Directors with experience across the banking, economic policy and reforms, risk advisory services and teaching and research sectors. For further details of our management team, please see “*Our Management*” on page 150 of this Addendum.

Our Strategies

Continue to focus on our growth potential and increase market penetration by leveraging our strengths

The Demat Accounts in India have grown at 21.5% CAGR from 21.7 million in Financial Year 2014 to 152.0 million in Financial Year 2024. Further, the Demat Account penetration in India is 12.9% in the months ended December 31, 2024 and 10.6% in the Financial Year 2024, and presents a huge opportunity to depositories for growth in the overall business considering India’s population is more than 1.44 billion as of calendar year 2024. (Source: *CRISIL Report*). The number of companies having their securities in demat form have seen an increase from 17,835 in Financial Year 2017 to 46,015 in Financial Year 2024 seeing a growth at 14.5% CAGR for NSDL and 9,887 to 23,060 from Financial Year 2017 to Financial Year 2024 growing at an approximately 13% CAGR for CDSL (Source: *CRISIL Report*). Additionally, as per MCA notification in October 2018, all unlisted public companies (except Government companies, Nidhi companies and wholly owned subsidiaries) have to compulsorily get their securities dematerialized. Therefore, there is immense scope for depositories to increase number of companies on their platforms for dematerialization. (Source: *CRISIL Report*). As part of our commitment to the capital markets community in India, we have leveraged our technological infrastructure to cater to the diverse needs of the securities market in India and introduced several additional products, e-services and ancillary value-added services and initiatives directly and through our subsidiaries, NDML and NPBL, thereby emerging as a key enabler for the financial market in India (Source: *CRISIL Report*). We offer multiple services providing core depository services and through our subsidiaries, offer a range of IT-enabled solutions through multiple verticals such as e-governance, payments solutions, collaborative industry solutions, regulatory platforms, KYC solutions, insurance repository services and digital banking solutions, amongst others. India is one of the fastest-growing major economy with expected real GDP growth of 6.4% to 6.5% each year during 2025 to 2028 (Source: *CRISIL Report*).

As a depository, we play a central role in developing products and services and our focus is to continue to leverage on product development and differentiation to address the growing needs of the financial services industry in India. Using innovative and flexible technology systems, we will work to support investors, brokers, issuers and other market participants in the Indian capital markets and aim at ensuring the safety and soundness of Indian securities market by developing settlement solutions that increase efficiency, minimize risk and reduce costs.

We aim to continue to focus on attracting new investors to the securities market in India and increase the user base of our depository business by increasing the number of our customers through depository participants registered with us.

We aim to further increase our market penetration through the following key initiatives:

- We engage with our depository participants to grow their business by providing access to a robust and secure technology infrastructure, API stacks, setting up a hosted infrastructure, providing value added services in addition to various training and development programs and aiding them in their marketing and promotional activities. Our approach focuses on building deeper, more meaningful relationships with existing depository participants. As we continuously engage with business partners, particularly depository participants who are banks, we aim to create a stronger and more loyal partner ecosystem. This engagement will be further amplified through rewards and recognition programs, which celebrate and reinforce top-tier performance. Additionally, expanding our reach through strategic alliances through bank-broker tie-ups will help create a unified service model, benefiting both investors and partners alike;
- We will work on expanding the reach of our products to broader investor demographics, improving penetration in both high-potential urban areas and untapped rural regions. Our expansion efforts are specifically directed towards underserved regions, namely Tier III and IV cities, where there is an emerging demand for financial products. By targeting early-stage investors, we aim to establish trust and drive adoption of depository services. We will also implement digital awareness programs in various regional languages to increase demat account adoption and educate investors about the benefits of our services. We plan to specifically target under-served investor segments, focusing on the untapped markets of smaller cities and remote areas. By leveraging on digital platforms, we will be able to address regional disparities in financial service access, while introducing bespoke financial education and services tailored to these groups;

- Our engagement with fintech brokers is key to reaching a broader investor base. To ensure that we maintain a significant market share of the depository service market in India, we strive to increasingly onboard such new age fin-tech brokers. Such brokers have an ever-growing digital presence that would allow us to scale. We are actively educating these brokers about the importance of risk management, including mitigating concentration risk of opening accounts with only one depository;
- In response to market demands, we are focusing on making mutual fund investments more accessible and efficient through dematerialization. This move will significantly reduce the operational complexity for investors by eliminating the need for physical statements. It will also streamline the monitoring of corporate actions and reduce tracking errors through automated reconciliation. This transformation aims to improve the overall mutual fund investment experience and regulatory compliance, leveraging our depository infrastructure. This will also enable such dematerialised mutual funds to be offered as collateral for loans/ margin trading;
- We plan to explore creating new, localized financial products to appeal to a wider variety of customers, enhancing the overall product portfolio. We intend to continuously engage with SEBI to align our offerings with evolving regulations and market needs. By staying ahead of regulatory changes, we can ensure that our products and solutions are always customer-centric and compliant with dynamic regulatory landscapes;
- Our market research strategy focuses on gathering and analyzing data to better understand investor needs, preferences, and emerging market trends. By continuously evaluating competitor strategies and customer feedback, we will refine our approach to better serve current and potential customers;
- By collaborating with our subsidiaries, we can maximize our impact and leverage synergies across various business functions. Cross-functional collaboration will allow us to optimize resources, enhance customer experiences, and drive growth more efficiently;
- We aim to expand our services to the youths of India and announced the launch of ‘YUva Plan’ (“YUP”) on October 22, 2024. Under YUP, youths below the age of 24 can open new demat accounts with the benefit of zero settlement fees per debit instruction for the first 36 months from the date of opening of a new demat account.
- We aim to collaborate with the relevant stakeholders while simplifying the overall process and thereby facilitating more asset classes to be held in a dematerialized form with us. Such securities include sovereign gold bonds, electronic gold receipts, government securities, securities issued by private limited companies, units of AIFs, and mutual fund units;
- We regularly conduct investor awareness programmes such as ‘Market Ka Eklavya’ to encourage further participation in the capital markets;
- We aim to deepen our existing relationships with listed issuers and to facilitate seamless services to such listed issuers;
- We aim to continue our focus towards facilitating unlisted issuers to join the depository system and providing seamless services for their needs;
- We aim to deepen our relationship with registrar and transfer agents;
- We explore opportunities to provide additional value-added services within the e-Voting and e-AGM platform; and
- We are exploring prospects to enhance our distributed ledger technology-based product offerings for other asset classes, following the successful implementation of phase-I and II of our blockchain based-distributed ledger technology platform for security and covenant monitoring.

Continue to invest in and upgrade our IT infrastructure systems for the enhancement of operational efficiency, service quality and operational resilience.

As a securities depository, enhancement of our IT infrastructure is a critical aspect of our business as it serves as the foundation for future growth and expansion plans, while ensuring the safety and reliability of India's securities market ecosystem. We place a strong emphasis on operational resilience, strong information security systems and strengthening our IT infrastructure systems to withstand and promptly recover from unforeseen disruptions. Our primary objective is to mitigate the impact of any potential issues, ensuring uninterrupted operations and business continuity, even in the event of unforeseen circumstances.

Since our inception, we have allocated significant resources towards our information technology systems. To keep our systems and processes current, we constantly strive to enhance our technology stack, augment technology infrastructure to manage increasing transaction volumes, adopt a mobile-first approach in relevant areas, transform applications to enhance operational efficiency, improve system performance, resiliency, and scalability. We are also focused on enhancing efficiency by digitizing operational processes, enabling do it yourself (DIY) journeys across various depository functions such as client onboarding, centralized servicing, and re-evaluating process flows to enable seamless journeys with minimal manual intervention and first-time resolution.

Diversify our offerings and enhance our database management business

As part of our growth strategy for NDML, we aim to continue to diversify our offerings through the introduction of new products and services, thereby serving the evolving needs of our customers. Some of the proposed strategic initiatives for our existing business verticals under NDML are set out below:

- ***KYC Registration Agency:*** As a regulated KYC registration agency, we seek to meet the needs of market participants to efficiently complete their KYC verification processes through us with a reduced turnaround time. We also aim to increase our market share as a KYC registration agency by leveraging our existing association with our wide network of depository participants. We are also in continued discussions with stock brokers and other intermediaries in relation to our product and service offerings for their KYC processing and customer onboarding requirements.
- ***Insurance Repository:*** In light of the proposed regulatory proposition providing for all insurance policies to be mandatorily held in dematerialised form, we anticipate an opportunity to leverage our existing leadership position in this business. We anticipate this to further increase our market share as an insurance repository along with acting as an enabler of efficiency, cost reduction and providing accessibility.
- ***Payment Aggregator Business:*** NDML has received authorisation from the RBI to operate as a payment aggregator. We seek to build upon our relationships to expand our product and service offerings to newer segments and increase our market share. We are also exploring potential synergies for cost efficiency and customisation through a unified, well-leveraged aggregator service for merchants.
- ***Registrar and Transfer Agent:*** As a registrar and transfer agent registered with SEBI, we provide robust, compliant and efficient services of a registrar and transfer agency from the stage of onboarding new issuers to providing related services. We seek to expand our capabilities on the strength of our efficient and transparent service model and extend our range of services from debt instruments to equity securities and to alternative investment funds and unlisted issuers. Given the concentrated nature of this market, we believe that there is a significant growth opportunity to further develop this business. We have also undertaken and completed the development of an IPO application software and are in the process of engaging with market participants and issuers for utilizing our services for proposed initial public offerings in India.
- ***National Skills Registry:*** We offer a collaborative industry solution for the IT / ITeS industry in association with The National Association of Software and Service Companies (“**nasscom**”). Through this product, we aim to prospectively build digitally integrated solutions for employee-verification processes and expedite hiring processes.

Increase the market share of our payments bank business

We continue to scale our payments bank business to include a number of ancillary products and services such as zero-balance accounts, digital payment cards, online bill payments and recharges, mutual funds and other investment services and insurance products. Some of our proposed initiatives for the growth of this business are set out below:

- *Financial Inclusion:* In line with the Government of India’s ‘financial inclusion’ vision, we are focused on extending the reach of our banking services to remote regions in India by further developing and growing our network of inclusive banking partners and business correspondents. As of December 31, 2024, NPBL had 4,157 customer service points across India. This network typically operates through neighbourhood shops, local stores and pharmacies that are easily accessible to our customers and includes basic banking services offered through AEPS, micro-ATMs and other remittance products offered through NPBL. We also offer account opening services through customer service points to achieve equitable and inclusive banking across the country.
- *Digital Banking:* Our NSDL Jiffy mobile application has been built with a focus on personalization, consumer intuition and simplicity, and aims to deliver a superior user experience to our consumers. To scale the user base for this application, we aim to acquire new customers through business partnerships, a 3-in-1 account service and generating new users directly through the NSDL Jiffy mobile application. We also aim to introduce new products and services such as co-branded credit cards, subject to approval from the RBI. In addition to introducing new products, we actively seek to grow the market share of our prepaid cards business by onboarding additional partners and exploring alternate product initiatives such as transit cards, multi-wallet cards, fuel cards, fleet management cards and transit cards.
- *Merchant Acquisition:* We offer a digital payment collection mechanism for merchants to process and receive online payments from customers through a number of different channels, thereby helping merchants increase their sales. We have identified this model as an emerging line of business and are focused on further developing this business to enable merchants to process transaction payments received through payment cards, net banking and UPI transactions.
- *Cash Management Services:* In July 2023, we launched our Cash Management Services (“CMS”). Through our platform, we facilitate the collection of loan EMIs and cash payments whereby transactions are processed through agents. We collaborate with micro-finance institutions and NBFCs and streamline cash collection processes and leverage the extensive network of agents, through business correspondents, to enhance reach and efficiency. For the nine months ended December 31, 2024, we recorded transactions through CMS at a value aggregating to ₹196,591.71 million.
- *Third Party Product Distribution:* We also aim to expand our third-party product distribution capabilities by facilitating the sale and distribution of insurance policies and mutual funds schemes through our platforms, including NSDL Jiffy and our business correspondents. As on December 31, 2024, we had entered into online distribution agreements with 28 asset management companies and two insurance companies.

Description of Our Business

Products and Service Offering of our Depository Business

We commenced operations in November 1996 as the first depository in India and have since introduced a wide range of products and services to the financial and securities market in India. We commenced our core depository business to facilitate the trading of securities in digital form and have since leveraged our technological infrastructure to cater to the diverse needs of the securities market in India through the expansion of our portfolio of additional products and ancillary value-added services.

A summary of our core depository services is set out below:

- *Maintaining Allotment and Transfer of Ownership Records:* Through our depository services, we maintain details of allotment and transfer of ownership records of securities assets held with us through electronic book entries and provide a safe and secure environment for the storage of such securities.
- *Account Opening and Management:* As a depository our core depository function includes the opening of demat accounts for demat holders through depository participants and providing various services including updating KYC details, nomination facility and updating demographic details.
- *Settlement of market and off-market transfers:* Through our depository system, we facilitate the transfer of securities by investors by providing a mechanism to clearing members to settle trades carried out on stock exchanges. All clearing corporations registered with us can receive securities delivered for clearance in

electronic form. Our network of depository participants also assists their clients with carrying out off-market transfers of securities for transfers not settled through clearing corporations.

- *Dematerialisation of Securities:* We provide dematerialization services to investors, listed and unlisted issuers and registrar and transfer agents and charge onboarding and service fees to issuers for providing these services.
- *Corporate Actions:* We assist issuers with carrying out corporate actions relating to the disbursement of monetary benefits such as dividends and non-monetary benefits such as bonus payments to investors. The number of corporate actions undertaken on our platform was 624,832 during the Financial Year 2024 and 583,568 during the nine months ended December 31, 2024.
- *Pledge:* Our depository services offer the flexibility for securities held in a depository account to be pledged or hypothecated, enabling clients to avail themselves of loan or credit facilities. The pledging of securities with us requires both the borrower (pledgor) and the lender (pledgee) to hold an account with our depository.
- *Margin Pledge:* We have introduced a transaction in the depository system that allows clients to utilize their securities as margin with their trading members. Through the process of marking a pledge of securities, clients can provide their securities as collateral to their trading members. These pledged securities can then be repledged by the trading members to the clearing members and subsequently repledged by the clearing members to the clearing corporation. This facilitates the posting of client collateral and ensures the segregation of client collateral at the clearing corporation level, thereby enhancing the safety and security of clients' securities.
- *Non-Disposal Undertakings (NDUs):* This is a specialised service that allows Demat Account holders to record NDUs in the depository system. In relation to loan obligations undertaken by corporate debtors, NDUs are typically issued in favour of a lender as an undertaking by the promoter(s) of the corporate debtor not to transfer or otherwise alienate the security. Operating as a negative lien in favour of the lender, NDUs help ensure that the promoter(s) of the corporate debtor do not transfer the shares held by it by way of outside arrangements resulting in the creditor losing access to significant assets of the promoter(s).
- *Consolidated Account Statement (CAS):* CAS is a unique offering from NSDL that provides information of all securities held in dematerialized form in a client's portfolio in a single statement. This includes investments in equity shares, preference shares, mutual funds, bonds, debentures, securitized instruments, money market instruments and government securities held in demat form. CAS also includes details of insurance policies held in electronic form through the National Insurance Repository of NDML. We also offer the facility to view and download CAS through IDeAS on our e-services portal. Further, we have enhanced CAS to include details of investments in the National Pension System based on opt-ins by our customers. During the nine months ended December 31, 2024, NSDL dispatched 72.63 million CAS to investors as compared to 59.24 million CAS during the nine months ended December 31, 2023.
- *Providing a comprehensive suite of APIs:* We provide a comprehensive suite of APIs for seamless processing of data between the depository participants and NSDL. Such APIs include services relating to account opening, e-DIS, early pay-in margin pledge, digital LAS and verification of DP ID, Client ID and PAN.
- *Cash Benefit Services:* We process interest payments on government bonds and sovereign gold bonds to investors holding these securities in demat accounts with depository participants registered with us.

Some key products and e-services introduced by us are set out below:

- *SPEED-e:* a common internet infrastructure facility used exclusively by our depository participants to provide depository services to clients. Through SPEED-e, account holders and clearing members can submit delivery instructions to depository participants electronically instead of using delivery instruction slips in paper form. We have recently enhanced our Speed-e app to provide a secure unified investor platform that consolidates financial data from both the depositories, stock exchanges and clearing corporations, enabling investors to make informed decisions. The app offer investors access to a consolidated view of their holding and transaction statements across depositories and exchanges and enable investors to monitor their open positions and margin details across various exchanges and clearing corporations.

- Submission of Power of Attorney-based Instructions for Clients Electronically (SPICE): this facility enables clearing members to digitally submit signed instructions to depository participants through SPEED-e, thereby eliminating the need to provide paper-based delivery instructions. These instructions can be submitted based on power of attorney or demat debit and pledge instructions or electronic delivery instruction slips. The total number of clients registered for this facility as on December 31, 2024, was 39.30 million.
- Internet-based Demat Account Statement (IDeAS): this is our secure internet service for account holders (and clearing members) having demat accounts with us to view their account balance and transaction history online. Through IDeAS, users also have the option to view transaction statements on a month-wise basis. Some additional recently introduced capabilities include a single sign-on facility for clients accessing our e-voting system, the generation of electronic verification codes in connection with the electronic filing of income tax returns and access to download e-CAS. During the nine months ended December 31, 2024, the number of clients using IDeAS increased to 1.79 million as compared to 1.65 million during the nine months ended December 31, 2023. As on December 31, 2024, 401 clearing members and 289 depository participants had subscribed to IDeAS.
- Securities Trading-information Easy Access and Delivery (STeADY): our internet-based facility that enables encrypted straight-through processing of trade information to market participants electronically. Through STeADY, electronic contract notes are made available to institutional investors and custodians for matching and settlement. During the nine months ended December 31, 2024, 6.19 billion trade details for 13.63 million notes were submitted through STeADY.
- e-Voting: our e-Voting platform primarily helps investors in public listed companies to cast their votes online and actively participate in the decision-making process. This platform also offers additional value-added services such as live-streaming capabilities for meetings, instant voting results, e-notice services and other online voting services at annual general meetings. During the nine months ended December 31, 2024, 4,135 e-voting events were conducted as compared to 3,555 e-voting events in the nine months ended December 31, 2023.
- Commercial Paper Issuance Platform: we provide an online service for the issuance of commercial paper, thereby facilitating issuers, investors and issuer and paying agents to undertake the primary issuance process in an efficient and seamless manner.
- e-AGM: our e-AGM service enables companies to hold their general meeting proceedings electronically and shareholders can attend general meetings electronically from anywhere with their secured login credentials. During the nine months ended December 31, 2024, our e-AGM services were utilised in relation to 2,423 events as compared to 2,061 events in the nine months ended December 31, 2023.

Ancillary Products and Value-Added Services

With our depository business, we also provide a range of other value-added services, a brief description of which is set out below:

- Digital Loans Against Security (Digital LAS): through this facility, clients can avail loans by instantly pledging securities held in dematerialized form. As of December 31, 2024, several private sector banks and NBFCs have integrated our service onto their respective portals, enabling demat account holders to avail instant loan facilities. During the nine months ended December 31, 2024, 4,895 demat account holders availed this facility and availed loans aggregating to ₹14,104.97 million.
- FPI Monitor: Through our FPI Monitor portal, we provide the following services:
 - Common Application Form (CAF): in Financial Year 2020, we launched a single common application form for foreign portfolio investors to register with SEBI, apply for allotment of PAN, complete KYC procedures, and open bank and demat accounts in India. During the nine months ended December 31, 2024, 1,159 applications were registered through our common application form of which 879 applicants were allotted PAN.
 - Foreign Investment Limit Monitoring (FILM): Through this service, listed issuers can appoint a designated depository for monitoring foreign investment in listed Indian entities. As on December 31, 2024, we were appointed as the designated depository for this service by 3,050 issuer entities.

- FPI Investments Data: Through this service we provide a source of information for public dissemination on FPI investment and divestment in the Indian markets across various assets and through various investment route over a period of time.
- Depository Account Validation (DAN): DAN is a secured internet-based facility which provides an online interface enabling subscribers to validate DP ID, Client ID and PAN of investors through a file upload. This facility is available to issuer of securities for initial public offerings. We also provide this service through our API stack.
- Mutual Fund Redemption API: Our mutual fund redemption API provides clients with the convenience of placing redemption requests for mutual fund units held in their demat account. These APIs enable clients to perform this action seamlessly and in a fully digitalized manner, eliminating the need for manual processing and paperwork.
- Issuer Service Portal: As a part of our continuous endeavor to service Issuers, we have introduced an issuer service portal which gives access to our issuer related services and information. Services offered through this portal include FILM, system driven disclosure and corporate actions. The portal also incorporates a self-registration function for various services such as ISIN generation, corporate action and billing information.

Other Recent Initiatives

Leveraging our technological expertise and leadership position in the market, we have launched a number of initiatives, details of which are set out below:

- Demat gateway (eDIS): this is our demat gateway that assists holders of demat securities to digitally provide instructions to depository participants. Authentication for such transfers is linked to portals maintained by our depository participants to ensure seamless transfer of instructions and efficient implementation.
- Securities and Covenant Monitoring platform: we introduced a blockchain-based security and covenant monitoring platform for debentures that enables issuers and debenture trustees to manage the entire life cycle of corporate bonds from issuance to redemption, and to facilitate the monitoring of securities and its covenants. As on December 31, 2024, out of 618 issuers having outstanding listed bonds and debentures, NSDL has onboarded 579 listed bonds/debentures issuers along with 12 debenture trustees.
- Operations in GIFT City (IFSC): We are a member of the India International Bullion Holding IFSC Limited (“IIBH”) consortium and have contributed towards the establishment of a bullion exchange at GIFT City, Gandhinagar. IIBH has two wholly owned subsidiaries, India International Bullion Exchange IFSC Limited (“IIBX”) and India International Depository IFSC Limited (“IIDL”). IIBX has been conceptualised to provide a gateway to import bullion into India and provide bullion exchange ecosystem to promote bullion trading, investment in bullion financial products and vaulting facilities in IFSCs. IIDL has been established as an international depository for dematerialization and immobilisation of bullion and securities at the International Financial Services Centre.
- Tax Services: Our Company’s tax services offer an efficient solution to market participants by establishing a repository of investor-related documents, including those from mutual funds, insurance companies and FPI clients which can be shared with companies declaring dividend. By leveraging information and documents available with us, companies can determine the applicable withholding tax rate and applicable TDS rate for dividend payments based on the investor category. As of December 31, 2024, ten market participants have used this service.
- Securities Block Mechanism: To enhance the safety of client assets held with us and promote secure market transactions, SEBI has introduced guidelines for the implementation of a block mechanism across all demat accounts involved in sale transactions in the Indian securities market. Under this mechanism, the securities held in demat accounts are matched with the corresponding trading obligations in respect of trades executed on the stock exchange, thereby ensuring greater transparency and security.
- Direct Pay-out facility: Following guidelines issued by SEBI, we have implemented a direct payout system that allows securities to be directly credited to the investor’s demat account from a clearing corporation account through the clearing member’s and/or broker’s pool account(s) maintained in the depository, ensuring

a more efficient process for the credit of securities to investors. This system aims to protect clients' securities and ensure that the stock broker segregates securities in a manner that they are not vulnerable to misuse.

- Trading supported by Block Amount in secondary market (i.e. United Payments Interface (“UPI”) Block Mechanism): SEBI has introduced a new process for trading in the secondary market via the UPI block facility. This facility aims to enhance the protection of cash collateral by integrating RBI-approved UPI mandate service of single-block-and-multiple-debits with the secondary market trading and settlement process. It was introduced as a non-mandatory facility to be provided by certain stockbrokers to clients. Following the SEBI circular dated November 11, 2024, it is mandatory for qualified stockbrokers to facilitate trading supported by blocked amounts in the secondary market (cash segment) using the UPI block mechanism or the 3-in- trading account facility, to their clients.
- CUSPA Implementation: Following guidelines issued by SEBI to safeguard client funds and securities and prevent their unauthorized use, we have implemented the establishment of a ‘CUSPA’ by trading members to ensure the segregation of client securities, and thereby ensuring investor protection. In line with the guidelines, any unpaid securities are transferred to the respective client’s demat account, followed by the creation of an auto-pledge with the reason ‘unpaid’.
- Mutual Funds Overnight Scheme (“MFOS”): Following the SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/84 dated June 08, 2023 regarding the upstreaming of clients’ funds, MFOS units are now permitted to be used by stockbrokers and clearing members for this purpose, subject to the units being held in dematerialized (demat) form. The stock broker and clearing members shall maintain a dedicated demat account for MFOS subscription and redemption, and provide pledge, repledge, and margin pledge facilities for these units.
- T+1 settlement: Effective February 25, 2022, we implemented the T+1 settlement mechanism for trades carried out on stock exchange platforms, on an optional basis. This was implemented following the roadmap created by market infrastructure institutions (stock exchanges, clearing corporations and depositories) for the faster settlement of securities. Since January 27, 2023, the T+1 settlement mechanism is mandatory for all trades carried out on stock exchange platforms.
- T+0 settlement: With effect from March 28, 2024, we implemented a beta version of T+0 settlement with 25 scrips and since January 31, 2025, we implemented an option of T+0 settlement in a phased manner to cover additional top 500 scrips based on market capitalization as on December 31, 2024, for all brokers.
- Online Nomination Updation: Through this facility we enable holders of Demat Accounts to update nomination preferences directly through an online web portal, subject to confirmation by the relevant DP.
- Email and income range updation: Through this facility we enable holders of Demat Accounts to update their email address or income range in their Demat Accounts.

Products and Services offered by NPBL

Through our Subsidiary, NPBL, we provide digital banking services through innovative and technology-driven measures. In line with the Government of India’s vision of ‘financial inclusion’, we have launched multiple products to facilitate ease of banking and have adopted scalable steps to enable the financial inclusion of disadvantaged and low-income population in various unbanked and underbanked areas in India. As of December 31, 2024, we witnessed an increase in the total number of users of our mobile application, NSDL Jiffy, to more than 998,000 users out of which, more than 207,500 users had opened their accounts directly through our mobile application Jiffy. In the last three Financial Years, the payments business (considering only UPI and IMPS) has grown over a 400% in terms of the number of transactions processed and more than 200% in terms of transactions value. (Source: *CRISIL Report*) As on December 31, 2024, there were 2,011,694 active users on the NPBL system. For additional details, see “– Our Strategies – Increase the market share of our payments bank business” on page 134 above.

The graphic below lists some of the key products and services provided by NPBL:



A brief summary of the key products and services provided by NPBL is below:

- ***NSDL Jiffy***: built with a focus on delivering a simplified banking experience to our customers, NSDL Jiffy that offers a number of banking services to our customers through a mobile-based application. These services include digital zero-balance savings accounts, classic savings accounts and premium savings accounts. Through NSDL Jiffy, customers are also able to avail additional facilities such as access to a basic savings bank deposit account (for customer groups covered under the Pradhan Mantri Jan Dhan Yojana) along with a digital bill payment facility and current account. Some additional services provided by us include access to our corporate internet banking portal and a virtual debit card to effectuate the vision of financial inclusion. During the nine months ended December 31, 2024, we opened 1,201,387 new user accounts of which more than 207,500 new user accounts were directly through our mobile application, Jiffy. NPBL has witnessed an increase in monthly user base from 27,812 in December 31, 2023 to 160,927 in December 31, 2024.
- ***Domestic money transfer***: we provide a domestic money transfer service that facilitates fund transfers by non-account holders to any bank account in India. These services are provided through our network of business correspondents and are subject to applicable transfer limits, with a transaction limit of ₹5,000 with a monthly transaction limit of ₹25,000 per customer. For the nine months ended December 31, 2024, we recorded domestic money transfers aggregating to ₹163,503.59 million through this service.
- ***Aadhar-Enabled Payment System (AePS)***: AePS is a bank-led model that uses AADHAR authentication to allow interoperable transactions at POS terminals. We provide AePS services to offline banking customers for carrying out banking transactions such as cash withdrawals, subject to applicable transaction limits and a maximum transaction amount of ₹10,000 per transaction (and ₹50,000 per month). These services are provided through a network of over 50 business correspondents with over one million agents across India. As of December 31, 2024, we recorded cash withdrawals aggregating to ₹356,539.25 million through AePS.
- ***Micro-ATMs***: in furtherance to achieving the vision of ‘financial inclusion’ of the Government of India, we have established an extended network of banking and remittance facilities through 4,157 customer service points across India, as on December 31, 2024. As a part of our micro-ATM facility initiative, we also offer essential banking services such as cash withdrawal and balance enquiry through our banking correspondents as a part of our micro-ATM facility initiative. During the nine months ended December 31, 2024, we recorded

transactions amounting to ₹99,796.44 million through our micro-ATM facility. These services are provided through a network of more than 50 corporate business correspondents and over one million agents across India.

- Cash Management Services: through our platform, we facilitate the collection of loan EMIs and cash payments whereby transactions are processed through agents. We collaborate with micro-finance institutions and NBFCs and streamline cash collection processes and leverage the extensive network of agents, through business correspondents, to enhance reach and efficiency. For the nine months ended December 31, 2024, we recorded transactions value aggregating to ₹ 1,96,591.71 million.
- Customer Service Points (CSPs): these act as mini banks for carrying out withdrawal, deposit and money transfer and help with sourcing new business by facilitating the opening of new customer accounts. As of December 31, 2024, we had 4,157 customer service points across the country.
- Mutual fund investment and linked trading accounts: through our digital platform, customers can invest in mutual funds as well as benefit from curated investment solutions provided by fund houses.
- Prepaid cards: through our prepaid cards offering, we offer corporate gift cards, student cards, meals cards and payroll cards, and during the nine months ended December 31, 2024, we recorded transactions aggregating to ₹59,339.37 million through prepaid cards issued by NPBL.

Products and Services offered by NDML

NDML is a technology solutions and product services company focused on developing e-Governance solutions, payment solutions, regulatory support systems, market infrastructure services, industry solutions and digital customer onboarding products. NDML also offers end-to-end business automation, process transformation and other managed services such as SEZ Online for the Government of India and National Skills Registry on behalf of nasscom, the industry association. A list of approvals and registrations obtained by NDML is set out below:

- IRDAI: NDML had obtained an approval from IRDAI to act as an insurance repository for digitization, collation, storage and management of insurance policies issued across India. On February 23, 2024 and May 13, 2025, IRDAI advised NDML to operate its insurance repository business *via* a separate company. NDML is in the process of deciding its next course of action. For further details see – “*Risk Factors – We may on our own accord pursuant to commercial requirements or pursuant to directions from regulators, divest our stake in our Subsidiaries, or may demerge certain of our businesses into a new entity*” on page 51 of this Addendum.
- SEBI: NDML is registered with SEBI to provide services as a KYC registration agency (“**KRA**”) for the collection, validation, storage and dissemination of KYC information of investors in capital markets. NDML is also registered with SEBI for providing services as a registrar and transfer agent (“**RTA**”) and as an accreditation agency for providing accreditation services to investors.
- RBI: NDML has received authorization from the RBI to operate as online payment aggregator for facilitating the online collection of payments.
- UIDAI: NDML is registered with UIDAI as a “KYC User Agency” for facilitating online Aadhaar-based e-KYC of clients of SEBI registered intermediaries.
- Ministry of Commerce and Industry: NDML was appointed by the Ministry of Commerce and Industry to establish and operate an online platform for supporting approvals and transactions in SEZ across the country. SEZ Online is a total integrated solution offered by NDML for the administration of SEZs to facilitate speedy processing of various transactions that SEZ developers/units have with SEZ administration. Our services are aimed at improving the efficiency and transparency in the manner transactions are processed within SEZ, reduce operational and compliance cost and act as a repository of all the transactions with the DC’s office.

Details of some of our initiatives and services are set out below:

- Payment Services Platforms (SurePay): NDML operates as a payment aggregator and primarily assists government institutions in introducing and processing digital payment solutions. As an online payment aggregator, more than 400 merchants have been on-boarded which primarily includes state and central government departments, union territories, education institutes and universities. Following the introduction

of the Guidelines on Regulation of Payment Aggregators and Payment Gateways, dated March 17, 2020, by the RBI and amendments thereafter, NDML has received authorization from the RBI to operate as an online payment aggregator.

NDML operates its payment platforms under brand names “SurePay” and ‘PayGov India’. The “PayGov India” platform was established to facilitate State and Central Government departments and ministries to collect online payments for the services provided to the citizens by the Government.

- NSDL National Insurance Repository (NIR): NDML received approval from IRDAI for establishing an insurance repository to facilitate holding of all types of insurance policies in electronic form through a single and central e-insurance account. During the Financial Year 2024, over 2.54 million policies were issued through NIR, and as on December 31, 2024, cumulatively 11.30 million policies were held through NIR.

NIR has received ISO: 27001 certification for information security and ISO: 22301 certification for business continuity management systems. A graphic illustrating the features of NIR is set out below:



- Registrar and Transfer Agent: We received approval from SEBI to provide services as a Category I registrar to issue and share transfer agents, and we currently provide RTA services to issuers of various types of securities, such as listed and unlisted equities, and debt instruments such as commercial paper, certificates of deposit, debentures and securitized instruments. For the nine months ended December 31, 2024, we had acted as RTA for over 5,660 ISINs.
- KYC Registration Agency: We are registered with SEBI as a KRA and facilitate inquiry of KYC status and download of KYC information to intermediaries through various interfaces including API. Operating as a depository of KYC records, we provide a single point solution for updating and accessing KYC records to investors and intermediaries. As on December 31, 2024, we served over 1,680 SEBI registered intermediaries, and held 18.50 million KYC records.
- Instigo: We have developed a digital customer onboarding platform to assist brokers and depository participants with onboarding new customers to our platforms. It is an end-to-end digital account opening software, which facilitates intermediaries in opening of client accounts and perform client identification and verification by performing online KYC.
- National Skills Registry (NSR) on behalf of nasscom: Through this centralized digital system, we facilitate a number of processes for companies in the IT / ITeS sector. This includes assistance with employee onboarding, storing employee records and processing employee background checks and exit confirmations. As of December 31, 2024, 325 clients had subscribed to this service and more than 2.45 million knowledge personnel registered for this service were allotted an IT professional identification number. A graphic illustrating the benefits available to stakeholders due to NSR is set out below:



- **SEZ online on behalf of the Ministry of Commerce and Industry:** We have developed an integrated e-governance portal that facilitates the nationwide processing of transactions by SEZ developers, co-developers and units with SEZ administration. Introduced in 2010, our portal facilitates the establishment of SEZ, and the submission and approval of multiple clearances. As on December 31, 2024, more than 5,800 SEZ units and over 550 SEZ developers and co-developers were registered and were active on our portal.
- **Accreditation Agency:** We had received approval from SEBI to act as an accreditation agency to facilitate certification of certain classes of investors based on accreditation guidelines. Through this process, accredited investors are enabled to invest in various financial market products with streamlined regulatory supervision.
- **KYC User Agency:** We received approval from the Unique Identification Authority of India to operate as a local authentication user agency and an e-KYC user agency. In carrying out this role, we assist market intermediaries in carrying out online KYC of Aadhaar-based records of investors.

Our Revenue Model

We derive our revenue from a number of sources including transaction fees that we charge depository participants and issuers of securities, custody fees that we charge issuers and annual fees that we charge Depository Participants and issuers, and fees from other ancillary services provided to market participants through our Company and our Subsidiaries, NDML and NPBL. A list of sources of revenue is set out below:

- **Annual Fees:** We charge an annual fee from depository participants for all corporate demat accounts registered with us and DMS software provided by us to depository participants. We also charge annual fees from issuers of securities for monitoring their foreign investment limits, from mutual funds for the downloading facility for beneficial owners' statements and transfer feeds, from SEZ units for our system usage, from insurance companies in relation to credit of policies in a dematerialized format, annual usage fees for generation of IT professional identification number for registrations with NSR and annual fees for STeAdey, annual fees in relation to usage of Cloud DPM, annual fees from depository participants for value-added services such as DPM plus, STP navigator, E-signer, auto-download provided to them, and annual usage fees from issuers to provide RTA services. Such fee is generally charged at the beginning of each financial year or charged on a recurring basis annually on the date when the entity registered with us.
- **Custody Fees:** We charge issuers and other corporate clients custody fees to admit their securities to our platform and offer demat facilities to their shareholders. This fee is calculated at ₹11 per folio, subject to a minimum amount based on slab of the nominal value of admitted securities.
- **Registration Fees:** We charge registration fees from issuers and RTAs to register themselves on our platform and to avail our services.

- Transaction Fees: We charge our corporate clients and depository participants transaction fees in relation to transactions such as securities settlements and corporate actions effected through our depository systems. Further, transaction fees also include charges in relation to our e-Voting and CAS facilities, pledge fees, margin pledge fees, non-disposal undertaking fees, fees for providing digital contract notes, SEZ transaction fees, fees for uploading and downloading KRAs and fees for insurance policy credits.
- Software License Fees: Depository participants registered with us are required to deploy requisite technology infrastructure for their operations. Consequently, we charge an annual software license fees for the software provided by us to the depository participants for operational efficiency.
- Communication Fees: We charge annual communication fees to depository participants for connectivity charges determined by the bandwidth utilization of their operations.
- Income from Banking Services: This relates to income generated from the banking services provided by our Subsidiary, NPBL. Such income includes interchange fees in relation to transactions undertaken through AePS, micro-ATMs and domestic money transfer services and issuance of prepaid cards.
- Other Operating Income: This includes fees charged by us for carrying out a change of RTAs and fees for training provided by us to Depository Participants in relation to our depository participant management software.

Technology

We are a market infrastructure institution and are known for our capabilities in establishing and operating core infrastructure for the Indian securities market. We leverage our software tools and frameworks to build a technology-driven and efficient system and continue to explore means to enhance the operational resilience and efficiency of our systems. Our focus is on minimizing risk, reduction of operational costs and increasing efficiency. For details in relation to usage of technology in our products and services, primarily pertaining to our mobile applications, e-voting services, SPEED-e, Digital LAS, STeADY, eDIS and SPICE, please refer to “–Description of Our Business – Our Products and Services –Ancillary Products and Value-added Services” on page 137 of this Addendum.

As of December 31, 2024, we had 147 full-time employees engaged with us as part of our IT team. Our full-time employees have an educational background in engineering and are equipped with additional certifications including CEH (Certified Ethical Hacker), CISA (Certified Information Systems Auditor) and CISSP (Certified Information Systems Security Professional).

Distributed Ledger Technology (Blockchain): In order to enhance the regulatory framework for listed corporate bonds, safeguard the interests of debenture holders and promote transparency, SEBI has issued operational guidelines for security and covenant monitoring using a distributed ledger technology platform. We have developed a cutting-edge DLT blockchain-based platform for the debenture security and covenant monitoring system, enabling efficient monitoring of securities and covenants, thereby fostering greater discipline and transparency within this market segment.

Application Programming Interface (API): through our API-based platform, we facilitate secure data exchange between market intermediaries and provide various essential services such as the account opening, validation and maintenance of customer accounts, settlement of mandates for brokers, depository transactions, mutual fund folio conversions and redemption, margin pledge, client data verification and Digital LAS.

Big Data Platform: we have implemented Hadoop, a software framework for data processing. Hadoop acts as a centralized repository for multiple datatypes, including master data, transactional data, documentary data, historical data and archive data. It has also facilitated the introduction of new initiatives such as the inclusion of unique client codes in demat accounts, generating periodic alerts to stock exchanges and e-voting notifications to investors. It also provides ease in accessing invoices, demand letters and ledgers, and assists in regulatory reporting and integration with the issuer’s portal.

Technology for Client Protection and Awareness

We employ technological upgradations and enhancement framework not just for efficiency and ease of operations, but to also ensure protection of our clients and to create awareness amongst investors. For instance, we have introduced TRADES facility to provide important updates to our clients about their depository accounts to facilitate risk mitigation and provide value added services. As on December 31, 2024, 37.34 million investors were registered for TRADES.

We also introduced our hosted depository participant module (“DPM”) system that facilitates participants to access their local DPM system on NSDL’s infrastructure. We have also made available a number of value added services to our participants, which include NSDL STP Navigator, NSDL e-signer and NSDL auto download, to facilitate automation and secure data transmission.

Cyber Security Initiatives

We have established a SOC with round the clock operations to detect, analyze, contain, eradicate and respond to any adverse cyber security events. Our SOC is based on an analytical platform and comprises a correlation of network, security and server infrastructure. Our SOC is staffed with a team of security analysts and engineers who operate on a 24x7 basis to ensure real-time active monitoring and response to cyber-security events. As on December 31, 2024, we have a team of 14 members in our information security department with relevant experience. With an everchanging risk landscape, we continue to update our system and associated infrastructure to improve our analytics, correlation, detection and response capabilities. For log analysis and correlation of network, security and server infrastructure, we use industry standard tools and technology. We conduct periodic reviews to assess the current maturity and securing capabilities of our SOC.

Our Business Relationships

We operate our businesses primarily through arrangements with depository participants, RTAs and issuers of securities. Furthermore, for our payments bank and database management businesses, we have arrangements with correspondent banks, government organizations and independent agencies as well as a number of intermediaries including digital services providers for services such as consultancy services and software development. Our typical arrangements with depository participants, issuers of securities, and digital service providers are set out below.

Agreements with depository participants

We engage depository participants who use our depository services and other related products. We have entered into standardized agreements with the majority of our depository participants.

Agreements with RTAs and issuers of securities

We enter into agreements with RTAs and issuers of securities for use of our depository services relating to the issuance of securities. These agreements are standardized and the terms and conditions of such agreements include the bye laws and business rules of our Company.

Agreements with digital service providers

We also engage certain third-party digital service providers for providing services relating to the development and maintenance of software and consultancy services to our platforms. These agreements vary based on the nature of the service provided and are usually terminable without cause by either party with a prior written notice.

Risk Management

We have an institutionalized implementation of risk management system that includes a risk management policy providing for a risk management framework and risk mitigation measures. Our risk management framework incorporates principles prescribed by the International Organization of Securities Commissions (IOSCO) and Committee on Payments and Market Infrastructures (CPMI) and seeks to address the material risks that we may face and seeks to develop appropriate risk-management processes to address these risks. We have also established a risk management committee to monitor the implementation of the risk management policy, oversee the overall risk management process. Our risk management and compliance and legal teams are responsible for advising and

monitoring compliance with internal policies and procedures, supplemented with proactive reporting to senior management and the relevant committees constituted under the Board.

Further, we have undertaken certain additional risk management initiatives including the implementation of a business continuity and disaster recovery policy. Following a directive issued by SEBI to ensure that primary data centre and disaster recovery sites are located in different seismic zones, in March 2021, as a prudent measure, we relocated our disaster recovery data centre operations to a different seismic zone more than 500 kilometres away from our primary data centre. Further, pursuant to the SEBI circular no. SEBI/HO/MRD/TPD-1/P/CIR/2024/119 dated September 12, 2024, in addition to data recovery sites, stock exchanges, clearing corporations and depositories are mandated to establish a near site to ensure zero data losses. We have developed a near site for our critical applications pursuant to SEBI's recommendation. Our Information Security Management System has been certified with the ISO-27001 standard and we were awarded the ISO-22301 certification for our Business Continuity Management System. We have also established an ITAC (information technology advisory committee) consisting of IT experts to advise us on use of technology and cyber risk management.

Investor Education and Awareness Programs

We connect with investors through a series of awareness programs conducted across the country in association with SEBI, stock exchanges, depository participants and other institutions. These initiatives are organized in various languages to spread awareness amongst Demat Account holders and potential investors about depository services, new services and updates for investors, precautions to be taken, Do's and Don'ts, information on grievance redressal system, and other investor safeguards.

Our approach involves establishing connections with investors through a series of awareness programs conducted across the country in partnership with SEBI, stock exchanges, depository participants, and other market institutions. These initiatives are designed to reach out to Demat Account holders and potential investors, providing them with valuable information about depository services, updates, precautions, best practices, grievance redressal systems, and other essential investor safeguards. The programs are conducted in various languages including English, Hindi, Marathi and other regional languages to ensure widespread awareness and accessibility. During the nine months ended December 31, 2024, we conducted 1,689 investor awareness programmes which were attended by more than 105,015 participants. Of these, 201 programmes were conducted in collaboration with SEBI, certain stock exchanges and 125 with our depository participants.

Our '*Market Ka Eklavya*' program was launched by the Hon'ble Finance Minister Smt. Nirmala Sitharaman on May 7, 2022. The primary objective of this initiative is to enhance awareness about the securities market among college students, in online mode. By doing so, we aim to lay the foundation for future investors and equip them with the necessary knowledge and skills to navigate the real world. This program focuses on imparting basic financial literacy and money management skills to students from an early age. It introduces them to various asset classes available for investment and seeks to instil a sense of financial discipline. The program is delivered online in English, Hindi, and other regional languages, ensuring accessibility to a wider audience. During the nine months ended December 31, 2024, we successfully organized 1,113 programs, benefiting 71,750 students across different academic institutions.

We also issue two monthly newsletters namely 'The Financial Kaleidoscope' and 'NSDL Update', and issue brochures on personal finance and the Indian securities market.

Corporate Social Responsibility Initiatives

We have established a corporate social responsibility committee and are guided by the purpose of socio-economic empowerment and giving back to society. During the nine months ended December 31 2024 and 2023, and Financial Years 2024, 2023 and 2022, our corporate social responsibility expenditures actually incurred aggregated to ₹47.71 million, ₹43.84 million, ₹45.50 million, ₹33.46 million and ₹26.18 million, respectively. Some of our CSR initiatives include:

- *Project Artha SAMARTH*: through this program, we aim to impart employable and livelihood-linked skills to underprivileged youth, thereby creating a skilled workforce in the banking, financial, services and insurance ("BFSI") sector. As on December 31, 2024, we had supported more than 20,500 underprivileged members of the society through this project.

- *Project Yogdan*: through this program, we aim to support underprivileged patients suffering from thalassemia by providing essential medical devices and diagnostic services. During the nine months ended December 31, 2024, we helped over 290 patients in the state of Maharashtra by providing them bedside leukocyte filters. Further, we assist these patients by funding their annual DXA Scans and MRI investigations.
- *Night School Transformation Program*: through this program, in association with a non-governmental organization, Masoom, we aim to enhance the quality of education in night schools by fulfilling the educational needs of underprivileged students from Tier – II and Tier – III cities in India. As on December 31, 2024, we continue to assist over 700 underprivileged students across nine night schools in the state of Maharashtra.
- *Mid-Day-Meal Program*: through this program, in association with the Akshaya Patra Foundation, during the nine months ended December 31, 2024, we distributed over 180,945 mid-day-meals to more than 1,500 students in 26 government and government-aided schools in India.
- *Eye Care for Salt-pan Workers and Farmers*: introduced in Financial Year 2022 in association with Medical Research Foundation’s clinical unit, Sankara Nethralaya, through this program we conduct free comprehensive eye screening for various categories of marginalized community people who were engaged in unorganized occupations such as fishermen, hair-dressers, tailors, drivers, welders and farmers in the state of Tamil Nadu. During the nine months ended December 31, 2024, over 1,099 community people had benefitted from our program. Post eye screening, the beneficiaries are provided with spectacles for daily occupational activities based on their need and diagnosis.
- *Project Shiksha Sahyog*: through this project, we initiated an educational scholarship program to support underprivileged bright students who lack adequate financial resources. During the nine months ended December 31, 2024, we provided benefit to 216 students across India through our scholarship support for academic year 2024-25.
- *Project Sanjeevani*: through this project, we have deployed five Mobile Medical Units (“MMUs”) called ‘Sanjeevani’, also known as “Clinic on Wheels”, in Mumbai and Thane (Maharashtra), Baksa-Tamulpur (Assam), and Chandauli, Hardoi and Gorakhpur (Uttar Pradesh). The objective of this initiative is to deliver primary healthcare services to vulnerable communities residing in urban-slum, rural, and tribal areas. Equipped with state-of-the-art diagnostic facilities and staffed with a dedicated medical team, the MMUs aim to provide preventive, curative, and diagnostic care services, including referral services for critical illness. In addition to the MMUs, we also focus on the organization of specialized community health camps and awareness programs on hygiene practices, sanitation and waste management within the targeted communities. All five units are operational in the targeted communities across the abovementioned locations. The areas of focus for this project include Mumbai and Thane in Maharashtra, Gorakhpur & Chandauli district in Uttar Pradesh and Baksa-Tamulpur district in Assam. During the nine months ended December 31, 2024, MMU services has reached around 29,479 beneficiaries by providing healthcare services across five locations in India.
- *Chalo School Chale*: Under this campaign, we provide school kits to underprivileged students to fulfil the basic educational needs. These kits include essential items such as school bags, notebooks, and pencil sets. During the period April 2022 to March 2024, we had distributed more than 8,000 school kits in 46 schools.
- *Project SAMEIP (Skill Development for Persons with Disabilities)*: launched in association with another organisation, NSDL introduced *Artha Samarth*, a specialized skill development program for persons with disabilities (“PwD”). As part of this program, during the period April 2022 to June 2023, 376 PwD youth personnel had been trained on BFSI and IT sector specific skills across Mumbai, Hyderabad and Bengaluru.
- *Project Sanjeevani Nirantar Seva*: This is an advanced life support ambulance service on Mumbai-Pune Express Way and Samruddhi Highway in Maharashtra dedicated for road accident victims. The services include on-the-spot first aid services, emergency medical support during golden hour and platinum 10 minutes of accident, medical support till the time a patient is transported to a nearby healthcare facility.
- *Infra Support in School*: This project was introduced to promote education for the less-privileged students, thereby supporting the educational eco-system. We undertake infra development projects in schools.

Employees

As of December 31, 2024, NSDL had 439 permanent full-time employees engaged in a range of business activities and had 328 contract employees engaged in a range of business activities. A list of various functions (within NSDL) in which full-time employees were engaged as of December 31, 2024, is set out below:

Functions	Number of employees
Management	3
Business Development and Products	77
Operations	56
Technology (Software Development and Infrastructure)	133
IT Security	14
Human Resources & Administration	21
Secretarial	4
Finance and Accounts	26
Regulatory (Legal and Compliance), Inspection and Surveillance	102
Risk Management	3
Total	439

Competition

We operate one of the two securities depositories in India. As part of our depository business, we compete with CDSL on parameters such as the number of depository participants registered with us, the number of instruments processed, and the suite of innovative products introduced to the market. We are the largest depository in India in terms of number of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody, as of December 31, 2024 (Source: *CRISIL Report*). Our market share in terms of number of unlisted companies (equity) registered with a depository was 71.40% during the nine months ended December 31, 2024, and in terms of value of shares settled in demat form was 65.05%. (Source: *CRISIL Report*) Our market share in terms of the total active instruments was 64.21% for the nine months ended December 31, 2024. (Source: *CRISIL Report*)

Our Subsidiary, NPBL, operates in a highly competitive environment. In the payments bank business, it faces competition across all its product and service segments, including domestic money transfer services, micro-ATMs, AePS and cash management service offerings. It faces close competition from other payments banks such as Fino Payments Bank, PayTM, AirTel Payments Bank, India Post Payments Bank and Jio Payments Bank on parameters such as customer penetration capabilities, efficiency of service provision, technology-integration and satisfactory customer support services (Source: *CRISIL Report*). Further, NPBL may face competition from certain fintech companies, micro finance institutions, small finance banks, as well as from scheduled commercial banks, public sector banks, private sector banks, non-banking financial companies and foreign banks with branches in the country.

Our Subsidiary, NDML, as part of its KRA and RTA businesses, competes with other KRAs and RTAs registered with SEBI. NDML also faces close competition from other insurance repositories registered with IRDAI for its insurance repository business. NDML also operates as a payment aggregator and in this role, competes with other payment aggregators registered with RBI.

Insurance

We maintain insurance coverage under various insurance policies such as business operational risk insurance, policies covering losses due to fire, burglary, earthquake, terrorism, machinery breakdown, electronic equipment, and money insurance.

In order to indemnify the beneficial owners in accordance with the Depositories Act, our insurance coverage includes a business operational risk insurance policy (with an excess business operational risk insurance policy) up to an overall limit of ₹2,000 million, covering cyber liability for up to ₹1,000 million, and a provision for reinstatement under the business operational risk insurance policy up to ₹1,000 million, to maintain an insurance cover in respect of error, omission, fraud and system failure. In addition, we have taken director and officers' liability insurance policy to cover the liability of directors and officers of our Company and its Subsidiaries.

While we believe that the level of insurance coverage we maintain is reasonably adequate to cover the normal risks associated with the operation of our business, we do not have insurance policies to cover all possible events. For further details, see “*Risk Factors — Internal Risk Factors — We may not be sufficiently protected or insured for certain losses that we may incur or claims that we may face against us.*” on page 40 of this Addendum.

Regulatory Requirements

As a securities depository, we are subject to the rules and regulations of SEBI, and in particular the SEBI Act and the SEBI D&P Regulations. We are also subject to other legislations such as the Depositories Act and the SCRA.

As a company incorporated in India, we are also subject to the requirements of the Companies Act, which regulates many areas of our business and operations including corporate governance, investor protection, director responsibility and reporting frameworks. Our regulatory requirements are vast and complex, and we regularly monitor our responsibilities. For more information, see “*Key Regulations and Policies in India*” on page 176 of the Draft Red Herring Prospectus.

Awards and Certifications

In Financial Year 2022, we received the ISO 27001:2013 certification for depository systems and ISO 22301:2012 certification for business continuity management systems.

NPBL was awarded as one of the best BFSI Brands at the Economic Times Best BFSI Brands Concave, 2023, and received India’s Fastest Growing Payments Bank, 2022 award from Alden Global; NPBL was awarded Payments Bank of the Year and received an award for API banking at the 3rd BFSI & Fintech Conclave Awards, 2022 organised by B2B Infomedia in association with the Finance Industry Development Council (FIDC); and NPBL has won an award under the Customer and Program Impact category at the IBSi NeoChallenger Bank Awards in October 2022; and NPBL was awarded for the Best Blended HR Strategy Award by Gain Skills. For further details on awards and accolades received by us, see “*History and Certain Corporate Matters – Awards and Accreditations*” on page 184 of the Draft Red Herring Prospectus.

Intellectual Property

Our Subsidiaries do not hold any registered trademarks in their names. Pursuant to the memorandum of understanding dated August 26, 2022 between Protean eGov Technologies Limited (“**Protean**”) and our Company, entered into a (i) trademarks assignment agreement dated October 12, 2022 (“**Trademark Assignment Agreement**”); (ii) trademark license agreement dated October 12, 2022; and (iii) domain name transfer agreement dated October 12, 2022. Subsequently, the registered trademarks of Protean under the classes 16 and 35 were assigned to our Company, in accordance with the Trademark Assignment Agreement. Our Company has entered into trademark license agreements with our Subsidiaries, NSDL Database Management Limited and NSDL Payment Bank Limited, both agreements dated March 5, 2024 (“**TLA**”), allowing the Subsidiaries to use Company’s trademark and domain names for their business activities, in accordance with the terms and conditions as mentioned in the TLA.

For details, see “*History and Certain Corporate Matters- Other subsisting material agreements*” on page 189 of the Draft Red Herring Prospectus. For risks related to our intellectual property, see “*Risk Factors — Internal Risk Factors — If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected*” on page 53 of this Addendum.

Properties

The registered office of our Company is located at 301, 3rd Floor, Naman Chambers, G Block, Plot No- C-32, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India, which is owned by us. We also own the 4th, 5th, 6th and 7th floors, in the same building. We also own the property at Trade World, ‘A’ Wing, 3rd 4th and 5th Floor, part basement, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, Maharashtra, India. In addition, all of the other properties used for our operations throughout India are held on a leasehold basis or on sharing arrangement basis. Further, we have entered into service agreements with certain service centres in different cities across the country to use their premises and in certain cases, maintain a liaison office.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting. Under SEBI D&P Regulations, the Board is required to include Non-Independent Directors, Public Interest Directors, and a Managing Director. Further, the number of Public Interest Directors should not be less than the number of Non-Independent Directors.

As on the date of this Addendum, our Board comprises seven Directors, including one Managing Director, four Public Interest Directors and three Non-Independent Directors (including the Managing Director). Our Board also includes one woman Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations, SEBI D&P Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as of the date of this Addendum:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p>Vijay Chandok</p> <p><i>Designation:</i> Managing Director and Chief Executive Officer</p> <p><i>Date of birth:</i> February 23, 1968</p> <p><i>Address:</i> Flat No. 102, Building No. 1, Sumer Trinity Towers, New Prabhadevi Road, Near Samana Press, Mumbai – 400 025, Maharashtra</p> <p><i>Occupation:</i> Company executive</p> <p><i>Current term:</i> For a period of five years, not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since November 28, 2024</p> <p><i>DIN:</i> 01545262</p>	57	<p><i>Indian companies:</i></p> <ul style="list-style-type: none"> • NMIMS Business School Alumni Association; • NSDL Database Management Limited; and • NSDL Payments Bank Limited. <p><i>Foreign companies:</i></p> <p>Nil</p>
<p>Parveen Kumar Gupta</p> <p><i>Designation:</i> Chairman and Public Interest Director</p> <p><i>Date of birth:</i> March 13, 1960</p> <p><i>Address:</i> Flat No. 702, C Wing, Amaltas CHS, Juhu Versova Link Road, Andheri West, Mumbai – 400 053, Maharashtra</p> <p><i>Occupation:</i> Independent professional</p> <p><i>Current term:</i> For a period of three years, with effect from September 6, 2022 till September 5, 2025, not liable to retire by rotation.</p> <p><i>Period of directorship:</i> Since September 6, 2022</p> <p><i>DIN:</i> 02895343</p>	65	<p><i>Indian companies:</i></p> <ul style="list-style-type: none"> • Bank of India Investment Managers Private Limited; • Future Generali India Insurance Company Limited; • India Shelter Finance Corporation Limited; • Midland Microfin Limited; • Protium Finance Limited; and • Utkarsh Small Finance Bank Limited. <p><i>Foreign companies:</i></p> <p>Nil</p>
<p>Madhu Sudan Sahoo</p> <p><i>Designation:</i> Public Interest Director</p> <p><i>Date of birth:</i> May 2, 1959</p> <p><i>Address:</i> Flat no - 77, IES Apartments, Plot no. - 9, Sector - 4, Dwarka, N.S.I.T Dwarka, South West Delhi – 110 078, Delhi</p>	66	<p><i>Indian companies:</i></p> <ul style="list-style-type: none"> • Acer Credit Rating Private Limited; and • Axis Mutual Fund Trustee Limited <p><i>Foreign companies:</i></p> <p>Nil</p>

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>Occupation:</i> Legal practice</p> <p><i>Current term:</i> For a period of three years, with effect April 18, 2023, till April 17, 2026, not liable to retire by rotation.</p> <p><i>Period of directorship:</i> Since April 18, 2023</p> <p><i>DIN:</i> 01968430</p>		
<p>Rajat Moona</p> <p><i>Designation:</i> Public Interest Director</p> <p><i>Date of birth:</i> March 28, 1965</p> <p><i>Address:</i> Director Bungalow, IIT Gandhinagar, Palaj, Gandhinagar – 382 355, Gujarat</p> <p><i>Occupation:</i> Professor</p> <p><i>Current term:</i> For a period of three years, with effect from January 9, 2024 till January 8, 2027</p> <p><i>Period of directorship:</i> Since January 9, 2024</p> <p><i>DIN:</i> 09036263</p>	60	<p><i>Indian companies:</i></p> <ul style="list-style-type: none"> • Airawat Research Foundation; • Gujarat International Finance Tec-City Company Limited; • Gujarat Urja Vikas Nigam Limited; • IIT Gandhinagar Competency Development Foundation; • IIT Gandhinagar Innovation and Entrepreneurship Center; • IIT Gandhinagar Research Park; and • Innovatrix Foundation. <p><i>Foreign companies:</i></p> <p>Nil</p>
<p>Sripriya Kumar</p> <p><i>Designation:</i> Public Interest Director</p> <p><i>Date of birth:</i> September 26, 1973</p> <p><i>Address:</i> B-705, The Atlantic Residences, No. 3, Montieth Road, Egmore, Chennai – 800 008, Tamil Nadu</p> <p><i>Occupation:</i> Chartered accountant and insolvency professional</p> <p><i>Current term:</i> For a period of three years, with effect from May 23, 2024 till May 22, 2027</p> <p><i>Period of directorship:</i> Since May 23, 2024</p> <p><i>DIN:</i> 03319979</p>	51	<p><i>Indian companies:</i></p> <ul style="list-style-type: none"> • ICAI Accounting Research Foundation; • Indian Institute of Insolvency Professionals of ICAI; • Institute of Social Auditors of India; and • Sundaram Finance Holdings Limited. <p><i>Foreign companies:</i></p> <p>Nil</p>
<p>Sanjay Panicker</p> <p><i>Designation:</i> Non-Independent Director</p> <p><i>Date of birth:</i> December 6, 1971</p> <p><i>Address:</i> A-233, Twin Tower, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025, Maharashtra</p> <p><i>Occupation:</i> Banking</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since January 1, 2025</p> <p><i>DIN:</i> 03531776</p>	53	<p><i>Indian companies:</i></p> <p>Nil</p> <p><i>Foreign companies:</i></p> <p>Nil</p>
<p>Sriram Krishnan</p> <p><i>Designation:</i> Non-Independent Director</p>	52	<p><i>Indian companies:</i></p> <ul style="list-style-type: none"> • Cogencis Information Services Limited;

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
<p><i>Date of birth:</i> June 15, 1972</p> <p><i>Address:</i> A-1002, Lodha Bellissimo, N M Joshi Marg, Mahalaxmi, Mumbai – 400 011, Maharashtra</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> Liable to retire by rotation</p> <p><i>Period of directorship:</i> Since August 23, 2023</p> <p><i>DIN:</i> 07816879</p>		<ul style="list-style-type: none"> • India International Bullion Exchange IFSC Limited; • India International Bullion Holding IFSC Limited; • India International Depository IFSC Limited; • NSE Academy Limited; • NSE IFSC Limited; • NSE Indices Limited; and • NSE Investments Limited. <p><i>Foreign companies:</i></p> <p>Nil</p>

Brief profiles of our Directors

Vijay Chandok is the Managing Director and Chief Executive Officer of our Company. He has been associated with our Company since November 28, 2024. He holds a bachelor’s degree in mechanical engineering from Banaras Hindu University, Varanasi and a master’s degree in management studies from Narsee Monjee Institute of Management Studies, Mumbai. He is responsible for overall functioning of the Company as a MII and overlooks corporate governance, strategy, business and administration related aspects of the Company. He has over 31 years of experience in the financial services industry. Prior to joining our Company, he was associated with ICICI Bank Limited as its executive director and with ICICI Securities Limited as a managing director and chief executive officer.

Parveen Kumar Gupta is the Chairman and Public Interest Director of our Company. He has been associated with our Company since September 6, 2022. He holds a bachelor’s degree in commerce from Guru Nanak Dev University, Amritsar and has been admitted as an associate of the Institute of Company Secretaries of India. He is also a certified associate of the Indian Institute of Bankers. He has over 40 years of experience in the banking industry and has been a part of an expert committee constituted by the RBI on micro, small and medium enterprises. Prior to joining our Company, he has held various positions in the State Bank of India including managing director (compliance and risk), managing director (retail and digital banking), managing director and chief executive officer, SBI Capital Markets Limited, DMD and chief financial officer, additional charge of DMD and GE (global markets), deputy chief executive officer, SBI Macquarie Infrastructure Management Private Limited and chief general manager (global markets). He has also served as senior advisor in Bank of Baroda.

Madhu Sudan Sahoo has been a Public Interest Director of our Company since April 18, 2023. He practices law and is enrolled as an advocate with the Bar Council of Maharashtra and Goa. He holds a bachelor’s degree in arts (honours in economics), a bachelor’s degree in law and a master’s degree in arts in economics from Utkal University, Bhubaneswar. He holds a post graduate diploma in management from the Management Development Institute, Gurgaon and a master’s degree in philosophy from the University of Glasgow, United Kingdom. He has been admitted as a fellow of the Institute of Company Secretaries of India and has also been conferred the degree of doctor of philosophy (arts) from the University of Mumbai. Further, he has also completed the post graduate diploma course in securities laws from Government Law College, Mumbai. He has over four decades of experience in economic policy and reforms, including two decades in regulations relating to financial markets. He has served as the chairperson of the Insolvency and Bankruptcy Board of India (“IBBI”) and also served as a director in the Department of Economic Affairs, Ministry of Finance, as a member of the Competition Commission of India, the secretary of the Institute of Company Secretaries of India, a whole-time member of the Securities and Exchange Board of India, and the economic adviser with the NSE. He had previously also served as a distinguished professor at the National Law University, Delhi. As a member of the Indian Economic Service, he served several Ministries of the Government of India. He played a key role in the development of the insolvency ecosystem and the establishment of the IBBI. He has also served as a part-time non-official director on the board of directors of the Oriental Bank of Commerce. He has also led several expert committees, including the committee to review the framework of access to domestic and overseas capital markets (Indian depository receipts, global depository receipts, and foreign currency borrowings), the committee of experts on the institutional framework for regulation and development of valuation professionals, and the committee for drafting a legal framework for allowing variable capital company structure in the International Financial Services Centres. He has also led expert committees in relation to international arbitration, insolvency law and competition law.

Rajat Moona is the Public Interest Director of our Company. He has been associated with our Company since January 9, 2024. He holds a bachelor's degree in technology (electrical engineering) from Indian Institute of Technology, Kanpur and has also been conferred the degree of doctor of philosophy from Indian Institute of Science, Bengaluru. He has over 33 years of experience in teaching and research for development and standards. He is currently a director and professor at Indian Institute of Technology, Gandhinagar and Indian Institute of Technology, Kanpur. He was also previously a director of the Indian Institute of Technology, Bhilai.

Sripriya Kumar is the Public Interest Director of our Company. She has been associated with our Company since May 23, 2024. She holds a bachelor's degree in commerce from University of Madras and is a member of the Institute of Chartered Accountants of India. She is serving as an elected member on the Central Council of the Institute of Chartered Accountants of India from the Southern India Regional Constituency. She has over 23 years of experience in the field of accountancy. She is also a registered professional member of Indian Institute of Insolvency Professionals of ICAI and is currently a director on the board of Sundaram Finance Holdings Limited. Prior to joining our Company, she has worked at Price WaterhouseCoopers. She is also a partner at SPR & Co., Chartered Accountants.

Sanjay Panicker is a Non-Independent Director of our Company. He has been associated with our Company since January 1, 2025. He holds a bachelor's degree in mechanical engineering and a master's in business administration from the University of Pune. He also holds a post graduate diploma in financial analysis program from the Institute of Chartered Financial Analysts of India. He is a certificated associate of the Indian Institute of Banking & Finance. He is also currently appointed as the executive director at IDBI Bank Limited. He has over 28 years of experience in corporate financing and accounts. Prior to joining our Company, he was associated with Vans Information and Investor Services Limited.

Sriram Krishnan is the Non-Independent Director of our Company. He has been associated with our Company since August 23, 2023. He holds a bachelor's degree in commerce from Bharathiar University, Coimbatore. He has passed the final examinations held by the Institute of Chartered Accountants of India and of the Institute of Cost and Works Accountants of India. He has over 26 years of experience in banking and capital markets. He is currently appointed as the chief business development officer at the National Stock Exchange of India Limited wherein he manages the business strategy and relationships. Prior to joining our Company, he was associated with Stock Holding Corporation of India Limited, Templeton Asset Management (India) Private Limited, HSBC Asset Management (India) Private Limited, Citibank N.A. and Deutsche Bank AG.

Relationship between Directors

None of our Directors are related to each other.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Addendum, during the term of his/her directorship in such company.

None of our Directors is or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

There is no conflict of interests between the suppliers of raw materials and third-party service providers of our Company (crucial for operations of our Company) and our Directors and Key Managerial Personnel.

There is no conflict of interests between the lessors of the immovable properties of our Company (crucial for operation of our Company) and our Directors and Key Managerial Personnel.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrower issued by the RBI.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Other than statutory benefits payable upon termination of employment of our Managing Director and Chief Executive Officer, our Company has not entered into any service contracts with any of our Directors, which provide for benefits upon termination of employment.

Terms of appointment of our Executive Director:

Vijay Chandok

Vijay Chandok was appointed as our Managing Director and Chief Executive Officer for a period of five years with effect from November 28, 2024, pursuant to the SEBI approval letter dated August 30, 2024, and a resolution passed by our Board at its meeting held on September 24, 2024, which was approved by the Shareholders through postal ballot on January 23, 2025. Vijay Chandok's entitlement and other terms of his employment are enumerated below:

- (a) He is entitled to a salary not exceeding ₹ 40 million per annum, inclusive of all allowances and performance linked incentive ("PLI").
- (b) Variable pay (PLI), as may be determined by the Nomination Remuneration Committee/Board, in the range of 25% to 50% of the total pay. The PLI will be 40% of the total pay i.e. ₹ 24 million will be fixed pay and ₹ 16 million will be the PLI.
- (c) 50% of the PLI shall be paid on a deferred basis after three years, subject to malus and claw-back agreements.
- (d) Annual increments to be determined by the Nomination and Remuneration Committee and the Board, subject to approval of SEBI.
- (e) In addition to the above, he is also entitled to the following:
 - (i) Insurance cover which would include group mediclaim, group term insurance and group accident insurance;
 - (ii) Leave encashments as per the staff rules of the Company;
 - (iii) Membership fee for one club, life membership fee for such club will not be allowed;
 - (iv) Reimbursement of entertainment expenses actually and properly incurred by him for the purpose of the Company's business; and
 - (v) He shall also be entitled to such other benefits as are made available by the Company to members of the staff from time to time and as approved by the NRC and our Board.

Terms of appointment of our Public Interest Directors

Pursuant to the Board resolution dated May 8, 2017 and November 12, 2024, our Public Interest Directors are entitled to receive sitting fees of ₹ 100,000 per meeting for attending meetings of the Board and the Regulatory Oversight Committee, Standing Committee on Technology, Risk Management Committee and the Audit Committee, and ₹ 60,000 for attending meetings of the other committees of the Board, within the limits prescribed under the Companies Act, 2013.

Terms of appointment of our Non-Independent Directors

Pursuant to the Board resolution dated May 8, 2017 and November 12, 2024, our Non-Independent Directors are entitled to receive sitting fees of ₹ 100,000 per meeting for attending meetings of the Board and the Regulatory

Oversight Committee, Standing Committee on Technology, Risk Management Committee and the Audit Committee, and ₹ 60,000 for attending meetings of the other committees of the Board, within the limits prescribed under the Companies Act, 2013.

Payments or benefits to Directors

Our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Addendum.

In Fiscal 2025, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2025 is as follows:

1. Executive Director

The details of the remuneration paid to our Executive Director in Fiscal 2025 is set out below:

Name of Director	Designation	Remuneration (in ₹ million)
Vijay Chandok	Managing Director and Chief Executive Officer	7.71

2. Public Interest Directors

The details of the sitting fees paid to our Public Interest Directors in Fiscal 2025 is set out below:

S. No.	Name of Director	Sitting fees (in ₹ million)
1.	Rajat Moona	1.90
2.	Sripriya Kumar	2.76
3.	Madhu Sudan Sahoo	3.82
4.	Parveen Kumar Gupta	3.86

3. Non-Independent Directors

The details of the sitting fees to our Non-Independent Directors in Fiscal 2025 is set out below:

S. No.	Name of Director	Sitting fees (in ₹ million)
1.	Sanjay Panicker	0.10
2.	Sriram Krishnan	1.56

Remuneration paid by our Subsidiaries or Associate

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries or Associate in Fiscal 2025.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

None of our Directors hold any Equity Shares, as on the date of this Addendum.

Borrowing Powers

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013 and the regulations made thereunder, the Board may, from time to time, by a resolution passed at a meeting of the Board accept deposits or borrow moneys from members or from public and may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit.

Bonus or profit-sharing plan for our Directors

Except as mentioned in “- *Terms of appointment of our Executive Director* on page 154 of this Addendum, none of our Directors are party to any bonus or profit-sharing plan.

Interest of Directors

All our Directors, except Managing Director and Chief Executive Officer, may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board of Directors and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them, and commission as approved by our Board.

Our Managing Director and Chief Executive Officer may be deemed to be interested to the extent of the remuneration payable to him by our Company as Managing Director and Chief Executive Officer of our Company. For further details, see “- *Terms of appointment of our Executive Director*” on page 154 of this Addendum.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them, their relatives (together with other distributions in respect of Equity Shares) or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members, or trustees and any dividend and other distributions payable in respect of such Equity Shares.

Interest of Directors in the promotion or formation of our Company

None of our Directors have any interest in the promotion or formation of our Company.

Our Directors have no interest in any property acquired or proposed to be acquired of or by our Company.

Further, our Directors have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

No loans have been availed by our Directors from our Company or the Subsidiaries.

Except in the ordinary course of business and as disclosed in “*Restated Consolidated Financial Information - Note 26 - Related Party Disclosures*” on page 213 of this Addendum, our Directors do not have any other business interest in our Company.

Changes to our Board in the last three years

The changes in our Board during the three years immediately preceding the date of this Addendum are set forth below.

Name	Date of appointment/cessation	Designation (at the time of appointment/cessation)	Reason
Sanjay Panicker	January 1, 2025	Non-Independent Director	Appointment
Shailendra Govind Nadkarni	December 31, 2024	Non-Independent Director	Retirement
Vijay Chandok	November 28, 2024	Managing Director and Chief Executive Officer	Appointment
Padmaja Chunduru	August 31, 2024	Managing Director and Chief Executive Officer	Retirement
Sripriya Kumar	May 23, 2024	Public Interest Director	Appointment
Rajani Rajiv Gupte	May 22, 2024	Public Interest Director	Retirement
Rajat Moona	January 9, 2024	Public Interest Director	Appointment
Sivakumar Gopalan	January 9, 2024	Public Interest Director	Retirement
Sriram Krishnan	August 23, 2023	Shareholder Director*	Appointment
Priya Subbaramman	May 29, 2023	Shareholder Director*	Resignation
Banavar Anantharamaiah Prabhakar	May 7, 2023	Public Interest Director	Retirement
Madhu Sudan Sahoo	April 18, 2023	Public Interest Director	Appointment
Shailendra Govind Nadkarni	January 11, 2023	Shareholder Director*	Appointment
Rajeev Kumar	January 11, 2023	Shareholder Director*	Retirement
Sambamurthy Boggarapu	September 6, 2022	Public Interest Director	Retirement

Name	Date of appointment/cessation	Designation (at the time of appointment/cessation)	Reason
Parveen Kumar Gupta	September 6, 2022	Public Interest Director	Appointment
Priya Subbaramman	August 8, 2022	Shareholder Director*	Re-appointment

*Pursuant to the SEBI D&P Regulations, the term 'Shareholder Director' has been substituted by 'Non-Independent Director' with effect from August 28, 2023. Accordingly, appointments and cessations of the Non-Independent Directors before August 28, 2023, have been termed as Shareholder Directors.

Note: This table does not include changes pursuant to regularisations or change in designations.

Corporate Governance

As per the SEBI D&P Regulations, corporate governance norms as specified for the listed companies shall mutatis mutandis apply to a depository. Under Regulation 25 read with Part C of Schedule II of the SEBI D&P Regulations, shareholders' approval shall not be necessary for the appointment of Public Interest Directors. Accordingly, shareholders will not approve the appointment of Public Interest Directors on our Board. For further details, see "Risk Factors – We operate under a stringent regulatory regime and our inability to comply with our legal and regulatory obligations may expose us to regulatory proceedings and legal actions by concerned authorities" on page 9 of this Addendum. In addition, the appointment and re-appointment of all Directors on our Board shall be with the prior approval of the SEBI. The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, are applicable to our Company. As on the date of this Addendum, our Company is in compliance with the requirements of the applicable provisions in respect of corporate governance in accordance with the SEBI Listing Regulations, the SEBI D&P Regulations and the Companies Act, 2013, including in relation to the constitution of the Board and committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI D&P Regulations, SEBI Listing Regulations and the Companies Act, 2013, as applicable.

Committees of our Board

In terms of the SEBI Listing Regulations, the SEBI D&P Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

I. Audit Committee

The Audit committee was constituted by a resolution of our Board dated November 15, 2012 and last reconstituted pursuant to a circular resolution of our Board dated May 14, 2024 and the constitution was effective from May 23, 2024. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Sripriya Kumar	Chairperson	Public Interest Director
Sriram Krishnan	Member	Non-Independent Director
Parveen Kumar Gupta	Member	Public Interest Director
Madhu Sudan Sahoo	Member	Public Interest Director

The scope and function of the Audit Committee is in accordance with SEBI D&P Regulations, Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

A. The Roles of the Audit Committee shall include the following:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management of the Company;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions; and
 - (g) modified opinion(s) in the draft audit report.
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
 7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed the Companies Act, 2013 and SEBI Listing Regulations;

Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning or oversee of the whistle blower/ vigil mechanism established by the Company, with the Chairman of the Audit Committee directly hearing complaints of victimization by a whistle blower, who used whistle blower/ vigil mechanism to report genuine complaint in appropriate and exceptional cases;

19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other functions as is mentioned in the terms of reference of the audit committee;
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances /investments existing as on the date of coming into force of this provision;
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
23. carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

B. The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
3. internal audit reports relating to internal control weaknesses;
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
5. statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

C. The powers of the Audit Committee will include the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee;
3. to obtain outside legal or other professional advice;
4. to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules notified thereunder) and SEBI Listing Regulations;
5. to approve the disclosure of the Key Performance Indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company and to confirm that verified details for all the key performance indicators pertaining to the company have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing of the updated draft red herring prospectus/red herring prospectus are disclosed under 'Basis for offer Price' section of the offer documents;
6. to have full access to information contained in records of Company; and
7. such other powers as may be prescribed under the Companies Act, 2013, the SEBI Listing Regulations or any other law.

2. Nomination and Remuneration Committee ("NR Committee")

The NR Committee was constituted by a resolution of our Board dated November 15, 2012 and last reconstituted pursuant to a circular resolution of our Board dated January 13, 2025. The current constitution of the NR Committee is as follows:

Name of Director	Position in the Committee	Designation
Sripriya Kumar	Chairperson	Public Interest Director
Sriram Krishnan	Member	Non-Independent Director
Parveen Kumar Gupta	Member	Public Interest Director
Madhu Sudan Sahoo	Member	Public Interest Director

The scope and function of the NR Committee is in accordance with SEBI D&P Regulations, Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, and its terms of reference are as follows:

A. The Roles and Responsibility of the Nomination and Remuneration Committee (“NRC”):

1. Identify persons who are qualified to become Directors or who may be appointed in senior management/ key managerial personnel in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance;
2. For every appointment of a Public Interest Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board as per requirements prescribed under SEBI D&P Regulations and on the basis of such evaluation, prepare a description of the role and capabilities required of a Public Interest Director. The person recommended to the Board for appointment as Public Interest Director shall have the skills and capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use references/ professional networks and/or the services of an external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates;
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department;
6. Selection and recommendation of the managing director to the Board;
7. Recommending whether to extend or continue the term of appointment of the Public Interest Director, on the basis of the report of performance evaluation of such Public Interest Director;
8. Recommend to the board, all remuneration, in whatever form, payable to senior management or key management personnel;
9. Recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits.
10. Analysing, monitoring and reviewing various human resource and compensation matters;
11. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration/compensation for the directors, key managerial personnel, key management personnel and other employees as per applicable norms;
12. The NRC, while formulating the above policy, shall consider the following:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and key management personnel of the quality required to operate the Company;

- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
 - (d) compensation norms for key management personnel prescribed by SEBI from time to time;
 - (e) Any other factors as may be deemed necessary by the NRC.
13. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the NRC; and
14. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulation.

3. Corporate Social Responsibility Committee (“CSR Committee”)

The CSR Committee was constituted by a resolution of our Board dated November 15, 2012 and last reconstituted by a resolution of our Board dated January 13, 2025. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the Committee	Designation
Rajat Moona	Chairperson	Public Interest Director
Vijay Chandok	Member	Managing Director and Chief Executive Officer
Sripriya Kumar	Member	Public Interest Director
Sanjay Panicker	Member	Non-Independent Director

The scope and function of the CSR Committee is in accordance with Section 135 of the Companies Act, 2013 and its terms of reference are as follows:

A. The Roles and Responsibility of the Corporate Social Responsibility Committee (“CSR”):

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
2. Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (1) above, from time to time;
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
4. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:
 - (a) List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
 - (b) The manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
 - (c) The modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (d) Monitoring and reporting mechanism for the projects or programmes;
 - (e) Details of need and impact assessment, if any, for the projects undertaken by the Company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

5. The CSR Committee/Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year;
6. Monitor and ensure that any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the unspent CSR account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year; and
7. Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

4. Stakeholders Relationship Committee (“SR Committee”)

The SR Committee was originally constituted as the Shareholders’ Grievance Committee pursuant to a resolution of our Board dated November 15, 2012. The name of Shareholders’ Grievance Committee was changed to Stakeholders Relationship Committee pursuant to a resolution of our Board dated September 16, 2016 and was last reconstituted by a resolution of our Board dated December 5, 2024. The current constitution of the SR Committee is as follows:

Name of Director	Position in the Committee	Designation
Madhu Sudan Sahoo	Chairperson	Public Interest Director
Vijay Chandok	Member	Managing Director and Chief Executive Officer
Sriram Krishnan	Member	Non-Independent Director
Sripriya Kumar	Member	Public Interest Director

The scope and function of the SR Committee is in accordance with the Section 178(6) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

A. The Roles and Responsibility of the Stakeholders Relationship Committee (“SRC”):

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
5. To take necessary action on the matters delegated by the Board from time to time.

5. Risk Management Committee (“RM Committee”)

The RM Committee was constituted by a resolution of our Board dated February 14, 2019 and last reconstituted by a circular resolution of our Board dated March 27, 2025. The current constitution of the RM Committee is as follows:

Name of Director	Position in the Committee	Designation
Parveen Kumar Gupta	Chairperson	Public Interest Director
Vijay Chandok	Member	Managing Director and Chief Executive Officer

Name of Director	Position in the Committee	Designation
Rajat Moona	Member	Public Interest Director
B. Rajendran	Member	Independent external persons
Sanjay Panicker	Member	Non-Independent Director
Sripriya Kumar	Member	Public Interest Director

The scope and function of the RM Committee is in accordance with the SEBI D&P Regulations, Regulation 21 of the SEBI Listing Regulations and the applicable provisions of the Companies Act, 2013, and its terms of reference are as follows:

A. The Roles and Responsibility of the Risk Management Committee (“RMC”):

1. To formulate a detailed risk management policy, approved by the governing board which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To review and update the risk management framework & risk mitigation measures from time to time;
5. To monitor and review enterprise wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimisation procedures.
6. To meet periodically in order to continuously identify, evaluate and assess applicable risks in depository system through various sources such as investor complaints, inspections, system audit etc.;
7. To suggest measures to mitigate risk wherever applicable;
8. To monitor and assess the adequacy and effectiveness of the risk management framework and the system of internal control;
9. To periodically review the risk management policy including by considering the changing industry dynamics and evolving complexity;
10. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
11. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee;
12. The head of the risk management department shall report to the RMC and to the managing director of the Company;
13. The RMC shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any;
14. Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
15. The RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors; and

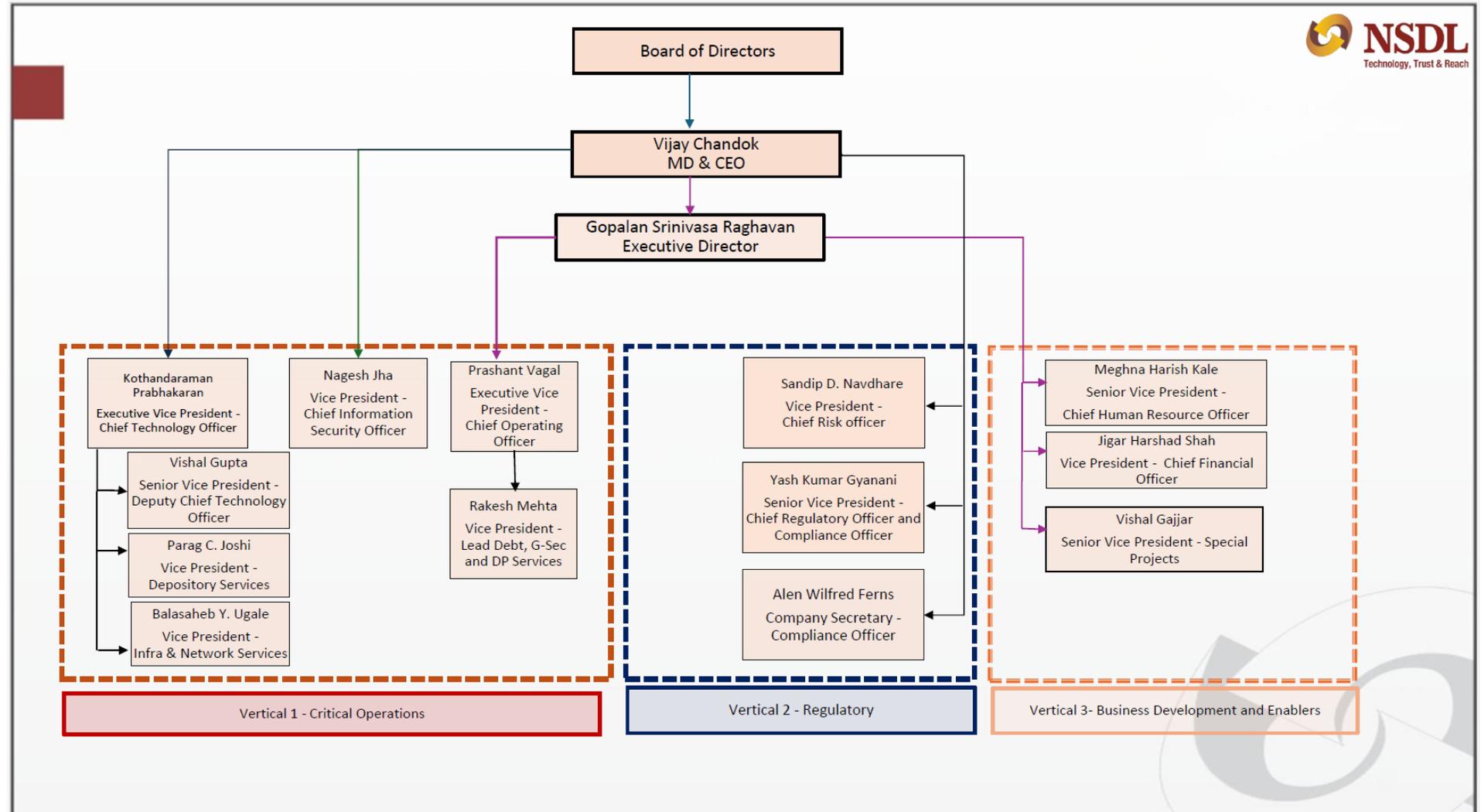
16. Such other functions and activities as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, and responsibilities and other requirements provided in SEBI circular January 12, 2015 or such other circulars/notification/other communications issued by SEBI, or other applicable law from time to time in this regard.

Other Committees of our Board as per SEBI D&P Regulations

In addition to the above committees, our Company has also constituted the following statutory committees in accordance with the SEBI D&P Regulations:

1. *Member Committee;*
2. *Regulatory Oversight Committee;*
3. *Standing Committee on Technology; and*
4. *Investment Committee.*

Management organization chart



* The Company is in the process of appointing Chief Business Officer under vertical 3.

Key Management Personnel and Senior Management

Key Management Personnel

In addition to Vijay Chandok, our Managing Director and Chief Executive Officer, whose details are provided in “– *Brief profiles of our Directors*” on page 152 of this Addendum, the details of our other Key Management Personnel, identified in accordance with the Companies Act, SEBI ICDR Regulations and SEBI D&P Regulations, as on the date of this Addendum are set forth below:

Alen Wilfred Ferns is the Company Secretary of our Company. He is also the Compliance Officer as per the SEBI LODR Regulations of our Company. He has been associated with our Company since April 5, 2024 and has been appointed to hold such position for a period of three years. He is responsible for secretarial and compliance functions under the Companies Act and the SEBI LODR Regulations. He is an associate member of the Institute of Company Secretaries of India. He holds a bachelor’s degree in commerce from the University of Mumbai and a master’s degree in business administration from the ICFAI University, Dehradun. He has more than 21 years of experience in handling corporate secretarial work. Prior to joining our Company, he was associated with Multi Commodity Exchange of India Limited, CG Power and Industrial Solutions Limited, GOL Offshore Limited, HLV Limited and JSW Steel Limited. In Fiscal 2025, he received remuneration of ₹ 3.91 million from our Company.

Jigar Harshad Shah is the vice president - Chief Financial Officer of our Company. He has been associated with our Company since March 3, 2025 and is responsible for managing all the financial information of our Company, including supervising finance teams, undertaking financial planning and analysis, taxation, budgeting, cost control, investor relations, investment decision-making, procurement, overseeing vendor payments and purchases and plays a role in the formulation and execution of our Company’s financial goals and strategies. He holds a bachelor’s degree in commerce (specialization in accounting and auditing) from the University of Mumbai. He is a member of The Institute of Chartered Accountants of India. He has also completed the chief financial officer programme from Indian Institute of Management, Calcutta. He has over 17 years of experience including articleships with BSR & Co. and Atul C. Shah and Associates, in the field of treasury, finance and banking. Prior to joining our Company, he was associated with S.V. Ghatalia & Associates LLP, Yes Bank Limited, Standard Chartered Bank, IDFC First Bank Limited and NSDL Payments Bank Limited. In Fiscal 2025, he received remuneration of ₹ 0.52 million from our Company.

Gopalan Srinivasa Raghavan is an executive director* of our Company. He has been associated with our Company since January 30, 2023. Prior to joining as an executive director, he had served as an assistant vice president from September 19, 1996 to March 31, 2000 and as a vice president from April 1, 2000 to October 31, 2006, of our depository business. He is currently responsible for our overall business operations and regulatory affairs of our Company. He holds a bachelor’s degree in arts from University of Madras. He is a fellow member of the ICAI and as an associate member of the Institute of Company Secretaries of India. He has over 25 years of experience in the capital markets and financial service industry. Prior to joining our Company, he was associated with Religare Capital Markets Limited as a head of compliance and has also been associated with the SEBI, Credit Market Services Limited, Refnol Oil Refineries Private Limited, GIC Asset Management Company Limited, OTC Exchange of India and CLSA India Limited. In Fiscal 2025, he received remuneration of ₹ 14.11 million from our Company.

* *Gopalan Srinivasa Raghavan is not a Director on our Board.*

Prashant Pramod Vagal is the executive vice president – chief operating officer of our Company. He has been associated with our Company since January 1, 1997. He is responsible for ensuring operation activities in respect to issuer services, identification of digitization and automation initiatives on a continuous basis, establishing customer service processes, settlement activities, monitoring of foreign investment limits, facilitating interactions with IT for timely requirements and testing. He holds a bachelor’s degree in engineering (mechanical branch) from V. J. Technical Institute, University of Bombay and a master’s degree in management studies from Sydenham Institute of Management Studies and Research and Entrepreneurship Education, University of Mumbai. He has over 30 years of experience in business development and operations. Prior to joining our Company, he was associated with Special Steels Limited and CIFCO Finance Limited. In Fiscal 2025, he received remuneration of ₹ 14.23 million from our Company.

Rakesh Mehta is the vice president – lead debt, government securities and depository participant services of our Company. He has been associated with our Company since September 3, 2001. He is responsible for implementing effective processes and standards, managing customer service, ensuring compliance with regulations, and

providing reports on operational progress. He holds a bachelor's degree in engineering (industrial branch) from Vishwakarma Institute of Technology, University of Pune and a master's degree in business administration (specialising in financial management) from University of Pune. He has over 24 years of experience in business operations. Prior to joining our Company, he was associated with Stock Holding Corporation of India Limited, Jayaswals Neco Limited as a sales executive and has also been associated with New Allenberry Works (Deepak Industries Limited). In Fiscal 2025, he received remuneration of ₹ 6.06 million from our Company.

Vishal Gajjar is the senior vice president – special projects of our Company. He has been associated with our Company since August 6, 2007. He is responsible for handling various automation/regulatory projects to efficiently meet business, compliance, risk and regulatory expectations. He holds a bachelor's degree and a master's in commerce Devi Ahilya Vishwavidyalaya, Indore. He has cleared the examination for a master's degree in business administration from Prestige Institute of Management and Research, Devi Ahilya University, Indore. He has over 19 years of experience in roles pertaining to inspection and surveillance. Prior to joining our Company, he was associated with Exclusive Broking House Limited as an officer in-charge in their demat section. In Fiscal 2025, he received remuneration of ₹ 6.97 million from our Company.

Parag Chandrakant Joshi is the vice president – depository services of our Company. He has been associated with our Company since April 2, 2007. He is responsible for development and implementation of new functionalities for core depository, cloud/local DPM and e-voting systems, support and implementation of peripheral systems, addressing issues related to application-level security, providing support for disaster recovery (DR), and business continuity management (BCM) activities and interfacing with regulators for incident management. He holds a bachelor's degree in engineering (electronics and telecommunication engineering branch) from University of Mumbai. He has over 18 years of experience in the field of software application development and maintenance. Prior to joining our Company, he has worked with Western College of Commerce and Business Management as a visiting faculty. In Fiscal 2025, he received remuneration of ₹ 6.03 million from our Company.

Vishal Gupta is the senior vice president - deputy chief technology officer of our Company. Currently he heads the "Digital Initiatives Office" and is responsible for driving strategic initiatives focused on business transformation and technology modernization. He has been associated with our Company since November 9, 2018. He is responsible for development, implementation, enhancement and support of digital products and services, website presence, project management, delivering high class and cost-effective digital channel technology platform with high class digital customer experience for end investors of our Company, IT strategy for digital portfolio, evaluation of third-party products platform engineering solutions, explore new technologies for modernization of Company's tech portfolio, adoption of cloud technologies as well as institutionalization of IT service management practice across the Company. He holds a bachelor's degree in technology (mechanical engineering) from Regional Engineering College, Kurukshetra University. He has over 25 years of experience in information technology and computer consultancy. Prior to joining our Company, he was associated with Tata Consultancy Services Limited as a consultant. In Fiscal 2025, he received remuneration of ₹ 8.00 million from our Company.

Balasaheb Yashwant Ugale is the vice president – infra and network services of our Company. He has been associated with our Company since April 3, 2023. He is responsible for overseeing the implementation and maintenance of technology infrastructures, data centres, and helpdesk operations, ensuring smooth functioning, timely issue resolution, and compliance with business continuity and vendor management. He holds a bachelor's degree in science from University of Poona and a master's degree in computer management from University of Poona. He has also been recognised as a Microsoft certified professional systems engineer. He has over 30 years of experience in the field of information technology, application software and system management. Prior to joining our Company, he was associated with DCB Bank Limited as a vice president in IT – infrastructure and has also been associated with Capri Global Capital Limited, Reliance Securities Limited, UTI Securities Limited, Network Dignitech, Silverttech Computer Education and Padmashree Electronics. In Fiscal 2025, he received remuneration of ₹ 6.03 million from our Company.

Sandip Dinesh Navdhare is the vice president – chief risk officer of our Company. He has been associated with our Company since June 26, 2023 and has been appointed to hold such position for a period of three years. He is responsible for the development of risk management policies, conducts risk assessments for new initiatives, and formulates strategic action plans to minimize and manage primary risks. He also evaluates operational risks, enhances risk management readiness, and identifies threats to operational efficiency and financial stability. He has passed the examination for the bachelor's degree in commerce (banking and insurance) from University of Mumbai and has been awarded the executive post graduate program in business management from SIES College

of Management Studies. He has also been granted the designation of financial risk manager by global association of risk professionals. He has over 17 years of experience in the field of risk management and compliance. Prior to joining our Company, he was associated with Bajaj Finserv Asset Management Limited as a national manager – risk and has also been associated with Mahindra Manulife Investment Management Private Limited, Indiabulls Asset Management Company Limited, HDFC Standard Life Insurance Company Limited, Edelweiss Asset Management Limited, HSBC Asset Management (India) Private Limited and HSBC Electronics Data Processing India Private Limited. In Fiscal 2025, he received remuneration of ₹ 5.77 million from our Company.

Kothandaraman Prabhakaran is the executive vice president - chief technology officer of our Company. He has been associated with our Company since June 5, 2024 and is responsible for formulating and implementing the IT Strategy and leading all aspects of our Company's technology development, ensuring new solutions in application development and infrastructure, consolidation of technology platforms, review, modernize and create technology solutions for various products of the Company, oversee all system design and changes in system architecture and working with all stakeholders, regulators, business partners and system integration partners to deliver technology solutions. He holds a diploma in telecommunication (S&TV) from Department of Technical Education, Government of Karnataka and a bachelor's degree in engineering (computer science) from the Bangalore University. He has over 19 years of experience in the field of technology. Prior to joining our Company, he was associated with Adecco India Private Limited and Cisco Systems (India) Private Limited. In Fiscal 2025, he received remuneration of ₹ 13.06 million from our Company.

Meghna Harish Kale is the senior vice president - chief human resources officer of our Company. She has been associated with our Company since July 19, 2024 and is responsible for developing and implementing human resource strategies and initiatives aligned with the business strategy, performance management process, crafting talent acquisition strategies, managing admin budget and ensure cost-effectiveness and establish policies and procedures for administrative functions in accordance with objectives in our Company. She holds a diploma in business management from K.J. Somaiya Institute of Management Studies & Research and a diploma in personal management from Tata Institute of Social Sciences. She has also cleared the examinations of master's degree in commerce from the University of Mumbai. She has over 24 years of experience in the field of human resource management. Prior to joining our Company, she was associated with Axis Asset Management Company Limited, ICICI Bank Limited, Axis Bank Limited and Kotak Mahindra Bank Limited. In Fiscal 2025, she received remuneration of ₹ 4.85 million from our Company.

Nagesh Bihari Jha is the vice president – chief information and security officer of our Company. He has been associated with our Company since September 20, 2023 and is responsible for developing and implementing security architecture, maintaining and staying updated with the threat landscape, establishment of cyber security program and business continuity programme, vulnerability assessment & penetration testing of all websites, portals and IT systems and establishing and reviewing the risk assessment methodology in our Company. He holds a bachelor's degree and a master's degree in computer applications from Indira Gandhi National Open University. He has also a certified information systems security professional from the International Information System Security Certification Consortium, and a certified information security manager, information systems auditor and governance of enterprise IT from ISACA. He has also completed the Certified Associate of the Indian Institute of Bankers (CAIIB) risk management examination from the Indian Institute of Banking & Finance. He has over 20 years of experience in the field of cyber security. Prior to joining our Company, he was associated with Bank of Baroda and Daemons Software Services. In Fiscal 2025, he received remuneration of ₹ 8.27 million from our Company.

Yash Kumar Gyanani is the senior vice president - compliance officer* and the chief regulatory officer of our Company, appointed to hold such position for a period of three years. He has been associated with our Company since February 9, 2024 and is responsible for overseeing surveillance, investigation, and participant registration processes, while managing issuer or securities admission. He also ensures enforcement, grievance redressal, investor protection, and legal compliance through arbitration and adherence to regulations in our Company. He holds a bachelor's degree in commerce (honours) from the University of Delhi and master's in business administration (computer aided management) from the Guru Gobind Singh Indraprastha University. He has also cleared the examinations for bachelor's degree in law from the University of Delhi. He has over 23 years of experience in the field of regulatory and compliance. Prior to joining our Company, he was associated with the Citicorp Services India Private Limited, Hong Kong Shanghai Banking Corporation Limited, India, J.P. Morgan Asset Management India Private Limited, National Commodity and Derivatives Exchange Limited, Reliance Capital Asset Management Limited, the SEBI and Uttam Financial Services Limited. In Fiscal 2025, he received remuneration of ₹ 8.47 million from our Company.

**Yash Kumar Gyanani has been appointed as the compliance officer with effect from December 18, 2024, pursuant to the requirement under Regulation 81 of the SEBI D&P Regulations.*

Senior Management

All the “*Key Management Personnel*” on page 166 of this Addendum, are also the members of the Senior Management in our Company.

Status of Key Management Personnel and Senior Management

All the Key Management Personnel and the members of the Senior Management are permanent employees of our Company.

Retirement and termination benefits

Except gratuity, superannuation benefits and other applicable statutory benefits upon termination of their employment in our Company, none of our Key Management Personnel or Senior Management would receive any benefits on their retirement or on termination of their employment with our Company.

Relationship among Key Management Personnel and Senior Management

None of our Key Management Personnel and Senior Management are related to any of our Directors or other Key Management Personnel or Senior Management.

Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Management Personnel and Senior Management have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Management Personnel and Senior Management

None of our Key Management Personnel and Senior Management hold any Equity Shares as on the date of this Addendum.

Service contracts with Key Management Personnel and Senior Management

Other than statutory benefits payable to our Key Managerial Personnel and Senior Management, our Company has not entered into any service contracts with any of our Key Managerial Personnel and Senior Management, which provide for benefits upon termination of employment.

Contingent and deferred compensation payable to our Key Management Personnel and Senior Management

Fifty percent of the total variable component forming part of the remuneration payable to our Key Managerial Personnel, is paid to them on a deferred basis after a minimum period of three years, in accordance with Regulation 28 of the SEBI D&P Regulations.

Except as disclosed above, there is no contingent or deferred compensation payable to our Key Management Personnel and Senior Management.

Bonus or profit-sharing plan of the Key Management Personnel and Senior Management

There is no bonus or profit-sharing plan for our Key Management Personnel and Senior Management, however, our Key Management Personnel and Senior Management are entitled to receive performance linked bonus in accordance with their terms of appointment.

Interest of Key Management Personnel and Senior Management

For details of the interest of our Executive Director in our Company, see “– *Interest of Directors*” on page 156 of this Addendum.

Our Key Management Personnel and Senior Management are interested in our Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Changes in the Key Management Personnel and Senior Management in last three years

The changes in the Key Management Personnel and Senior Management in the last three years are provided in the table below. For additional details of the changes in our Managing Director and Chief Executive Officer, see “– Changes to our Board in the last three years” on page 156 of this Addendum.

Name	Designation	Date of change	Reason for change
Rahul Pratap Singh	Vice president – head – business development and products	April 7, 2025	Resignation
Jigar Harshad Shah	Chief Financial Officer	March 3, 2025	Appointment
Vaishali Vaidya	Interim chief financial officer	March 2, 2025	Ceased to be the interim chief financial officer pursuant to appointment of Jigar Harshad Shah
Yash Kumar Gyanani	Chief regulatory officer and Compliance officer	December 18, 2024	Additionally appointed as the Compliance officer
Malav Rajesh Shah	Vice president – head – legal and compliance officer	December 17, 2024	Resignation
Pradip Sanjay Bhattacharya	Vice president – head – software development and maintenance	December 1, 2024	Resignation
Gopalan Srinivasa Raghavan	Interim managing director	November 27, 2024	Ceased to be the interim managing director pursuant to appointment of Vijay Chandok
Gopalan Srinivasa Raghavan	Interim managing director	September 15, 2024	Additionally appointed as interim managing director
Vishal Gupta	Deputy chief technology officer	August 27, 2024	Redesignation
Meghna Harish Kale	Chief human resources officer	July 19, 2024	Appointment
Pramit Sen	Chief human resources officer	July 18, 2024	Resignation
Vaishali Vaidya	Interim chief financial officer	July 18, 2024	Appointment
Pratik Dilip Punjabi	Chief financial officer	July 18, 2024	Termination
Kothandaraman Prabhakaran	Chief technology officer	June 5, 2024	Appointment
Vishal Gupta	Interim chief technology officer	June 4, 2024	Ceased to be the interim chief technology officer pursuant to appointment of Kothandaraman Prabhakaran
Prashant Pramod Vagal	Chief operating officer	May 8, 2024	Redesignation
Rahul Pratap Singh	Interim in-charge of overall BDP-1	May 8, 2024	Additionally appointed as interim in-charge of overall BDP-1
Amit Jindal	Senior vice president – chief operating officer	May 7, 2024	Resignation
Vishal Gupta	Interim chief technology officer	April 24, 2024	Additionally appointed as interim chief technology officer
Sunil Gianchand Batra	Executive vice president – chief technology officer	April 23, 2024	Resignation
Chandresh Mahendra Shah	Chief financial officer	April 17, 2024	Resignation
Pratik Dilip Punjabi	Chief financial officer	April 8, 2024	Appointment
Alen Wilfred Ferns	Company Secretary and Compliance Officer	April 5, 2024	Appointment
Malav Rajesh Shah	Interim company secretary	April 4, 2024	Ceased to be the interim company secretary

Name	Designation	Date of change	Reason for change
			pursuant to appointment of Alen Wilfred Ferns
Manoj Kumar Sarangi	Senior vice president – chief information and security officer	April 3, 2024	Resignation
Nagesh Bihari Jha	Chief information security officer	April 1, 2024	Appointment
Vishal Gajjar	Senior vice president – special projects	March 16, 2024	Additionally appointed as senior vice president – special projects
Yash Kumar Gyanani	Chief regulatory officer	February 9, 2024	Appointment
Vishal Gajjar	Chief regulatory officer – senior vice president	February 9, 2024	Ceased to be the chief regulatory officer – senior vice president pursuant to appointment of Yash Kumar Gyanani
Malav Rajesh Shah	Interim company secretary	February 6, 2024	Additionally appointed as interim company secretary
Nikhil Arya	Company secretary and compliance officer	February 5, 2024	Resignation
Samar Pawnkumar Banwat	Executive director - business	February 2, 2024	Resignation
Prashant Pramod Vagal	Chief business officer	November 15, 2023	Additionally appointed as chief business officer
Vishal Gajjar	Chief regulatory officer – senior vice president	September 1, 2023	Additionally appointed as chief regulatory officer – senior vice president
Sandip Dinesh Navdhare	Vice president – head of risk	June 26, 2023	Appointment
Balasaheb Yashwant Ugale	Vice president – infra & network services	April 3, 2023	Appointment
Gopalan Srinivasa Raghavan	Executive director*	January 30, 2023	Appointment
Manoj Kumar Yadav	Vice president – head - infra	July 4, 2022	Resignation
Pramit Sen	Chief human resources officer	May 12, 2022	Appointment

*Gopalan Srinivasa Raghavan is not a Director on our Board, for further details, see “– Key Management Personnel” on page 166 of this Addendum.

Payment or benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company including Key Management Personnel or Senior Management within the two years preceding the date of filing of this Addendum or is intended to be paid or given, other than in the ordinary course of their employment for their services rendered in our Company.

Employee stock options

As on the date of this Addendum, our Company does not have any employee stock option scheme.

SECTION III – FINANCIAL INFORMATION
RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To,

The Board of Directors

National Securities Depository Limited

Corporate Office Nos 301,401,501,601 & 701,

Naman Chambers, Floor No. 3,4,5,6 & 7,

G Block, Bandra Kurla Complex,

Bandra (East)

Mumbai 400 051

Maharashtra, India

Dear Sirs/Madam,

1. We have examined the attached Restated Consolidated Financial Information of National Securities Depository Limited (the "Company" or the "Issuer"), its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), and its associate company, comprising the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2024, December 31, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the nine month periods ended December 31, 2024 and December 31, 2023 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of material/significant accounting policies, and other explanatory information including the notes to the Restated Consolidated Financial Information (collectively, the "Restated Consolidated Financial Information"), as approved by the board of directors of the Company ("**Board of Directors**") at their meeting held on April 9, 2025 for the purpose of inclusion in filing of an offer document or addendum thereto, prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in filing of an offer document or addendum thereto to be filed with Securities and Exchange Board of India (the "SEBI") and BSE Limited (the "Stock Exchange") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in note 2.1 to the Restated Consolidated Financial Information. The responsibility of the respective board of directors' of the companies included in the Group and the associate company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective board of directors are also responsible for identifying and ensuring that the Group and the associate company comply with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 8, 2025, in connection with the proposed IPO of equity shares of the Issuer;
 - b) The Guidance Note, which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from the:
 - a) Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Group and its associate company as at and for the nine month periods ended December 31, 2024 and December 31, 2023 prepared in accordance with the Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Financial Statements") which have

been approved by the Board of Directors at their meeting held on April 9, 2025 and February 14, 2025 respectively.

b) Audited Consolidated Ind AS financial statements of the Group and the associate company as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (“Consolidated Financial Statements”), which have been approved by the Board of Directors at their meeting held on May 14, 2024, May 23, 2023 and May 26, 2022 respectively.

5. For the purpose of our examination, we have relied on:

a) Auditors’ reports issued by us dated May 14, 2024 and May 23, 2023 on Consolidated Financial Statements of the Group and the Associate Company as at March 31, 2024 and March 31, 2023 respectively as referred in Paragraph 4 above;

b) Auditors’ reports issued by us dated April 9, 2025 and February 14, 2025 on Special Purpose Interim Consolidated Financial Statements of the Group and the Associate Company as at and for the nine months period ended December 31, 2024 and December 31, 2023 respectively as referred in Paragraph 4 above; and

c) Auditors’ Report issued by the previous auditors, Deloitte Haskins & Sells Chartered Accountants LLP, Chartered Accountants, (the “Previous Auditors”) dated May 26, 2022 on the Consolidated Financial Statements of the Group and the Associate Company as at and for the year ended March 31, 2022 as referred in Paragraph 4 above.

The audit for the financial year ended March 31, 2022 was conducted by the Company’s previous auditors, and accordingly reliance has been placed on the Restated Consolidated Statement of assets and liabilities and the Restated Consolidated statements of profit and loss (including other comprehensive income), the Restated Consolidated statements of changes in equity, the Restated Consolidated cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information including the notes thereto and (collectively, the “2022 Restated Consolidated Financial Information”) examined by them for the said year. The examination report included for the said year is based solely on the report dated June 27, 2023 submitted by the Previous Auditors in this connection. They have also confirmed that the 2022 Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial

year ended March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the financial year ended March 31, 2023;

- b) do not require any adjustments for the matters giving rise to modifications mentioned in paragraph 6 below; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
6. The audit reports on the Special Purpose Interim Consolidated Financial Statements and Consolidated Financial Statements issued by us and the Previous Auditors, respectively, were not modified.
7. As indicated in our audit report for the Special Purpose Interim Consolidated Financial Statements referred above:
- a) We did not audit the financial statements of the subsidiaries whose total assets, total revenues, net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant years is tabulated below, which have been audited by other auditors, Khandelwal Jain & Co. and K. Gopal Rao & Co for nine months ended on December 31, 2024, and Khandelwal Jain & Co. and V. Sankar Aiyar & Co for nine months ended on December 31, 2023 and for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022 (“Other Auditors”), and whose reports have been furnished to us by the Company’s management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the Other Auditors:

Particulars	As at/ for the nine-month period ended December 31, 2024 (₹ in Million)	As at/ for the nine-month period ended December 31, 2023 (₹ in Million)	As at/ for the year ended March 31, 2024 (₹ in Million)	As at/ for the year ended March 31, 2023 (₹ in Million)	As at/ for the year ended March 31, 2022 (₹ in Million)
Total assets	7,815.22	6,117.81	6,586.79	7,055.21	5,310.60
Total revenue	6,053.32	5,879.39	7,961.93	6,291.02	4,054.86
Net cash inflows/ (outflows)	(286.20)	(1,091.92)	(784.64)	488.59	521.73

- b) We did not audit the financial statements of one associate company. The proportionate share of the company in Profit/(loss) of the said associate company included in the Restated Consolidated

Financial Information, for the relevant period/years is tabulated below. The financial statements of this associate company have been reviewed and audited by other auditors, Vidya & Co. (“Other Auditors”) for nine months ended on December 31, 2024, December 31, 2023 and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 respectively, and whose reports have been furnished to us by the Company’s management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of this associate company, is based solely on the reports of the Other Auditors:

Particulars	For the nine month period ended December 31, 2024 (₹ in Million)	For the nine month period ended December 31, 2023 (₹ in Million)	For the year ended March 31, 2024 (₹ in Million)	For the year ended March 31, 2023 (₹ in Million)	For the year ended March 31, 2022 (₹ in Million)
Share of profit/(loss) in its associate	16.18	(3.25)	13.63	(48.37)	(9.04)
share in Other Comprehensive Income	10.61	0.27	3.48	17.44	-

The Other Auditors of the subsidiaries and associate company, as mentioned above, have examined the Restated Consolidated Financial Information and have confirmed that the Restated Consolidated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the nine month periods ended December 31, 2024 , December 31, 2023 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended December 31, 2024;
- b) do not require any adjustment for modification as there is no modification in the underlying audit report; and
- c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. Based on examination report dated June 27, 2023, provided by the Previous Auditors, the audit report on the Consolidated Financial Statements issued by the Previous Auditors included following other matters:

“ We did not audit financial statements of certain subsidiaries and an associate company whose share of total assets, total revenues, net cash inflows / (outflows) and share of losses in its associate included in the consolidated Ind AS financial statements of the Group, for the relevant year is tabulated below, which have been audited by other auditors and whose report have been furnished to us by the Company’s management and our opinion on the consolidated Ind AS financial statements of the Group, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors :

Rs. in Million

Particulars	As at/ for the year ended March 31, 2022
Total assets	5,310.60
Total revenue	4,054.86
Net cash inflow/(outflows)	521.73
Share of (profit)/loss in its associate	9.04

9. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the Previous Auditors and Other Auditors for the respective periods, we report that the Restated Consolidated Financial Information:
- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the nine months ended December 31, 2024, December 31, 2023 and year ended on March 31, 2024, 2023 and 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended December 31, 2024;
 - b) do not require any adjustment for modification as there is no modification in the underlying audit report; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Interim

Consolidated Ind AS Financial Statements and Audited Consolidated Financial Statements mentioned in paragraph 4 above (except for the effect of the sub-division of equity shares as described in Note 30.1 of the Restated Consolidated Financial Information).

11. Based on our examination and procedures carried out and according to the information and explanations given to us, we report that there has been no material adjustments for the changes in accounting policies, material errors and material regrouping/reclassifications subsequent to examination report of previous auditors dated June 27, 2023 till December 31, 2024.
12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for use of the Board of Directors for inclusion in the offer document or addendum thereto to be filed with SEBI and the Stock Exchange in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or whose hands it may come without our prior consent in writing.

For K C Mehta & Co LLP
Chartered Accountants
Firm's Registration No. 106237W/W100829

Shripal Shah
Partner
Membership No. 114988
ICAI UDIN:
Place: Mumbai
Date: April 9, 2025

NATIONAL SECURITIES DEPOSITORY LIMITED
Restated Consolidated Statement of Assets and Liabilities

(₹ in Million)

Particulars	Notes	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
ASSETS						
Non-Current Assets						
a) Property, plant and equipment	3	2,665.23	2,446.01	2,548.39	338.16	327.88
b) Capital work-in-progress	3(a)	25.59	142.96	4.10	2.44	-
c) Intangible assets	3	329.47	188.23	223.26	188.09	179.49
d) Intangible asset under development	3(a)	174.40	90.92	125.02	48.56	33.05
e) Right of use of assets	3	88.47	127.34	117.41	156.78	25.38
f) Financial assets						
i) Non-current investments	4	13,500.46	11,848.02	12,202.09	11,190.11	6,298.55
ii) Other financial assets	5	745.92	311.16	868.56	389.57	1,911.18
g) Deferred tax assets (net)	6(a)	53.73	94.30	91.67	83.00	67.16
h) Income tax assets (net)		70.93	78.89	73.52	71.09	71.58
i) Other non-current assets	7	20.86	17.28	17.52	112.04	11.51
Total Non-Current Assets		17,675.06	15,345.11	16,271.54	12,579.84	8,925.78
Current Assets						
a) Financial assets						
i) Current investments	8	5,848.82	2,844.50	2,732.87	3,327.08	2,997.84
ii) Trade receivables	9	1,338.47	975.32	831.39	856.28	1,022.40
iii) Cash and cash equivalents	10	829.02	760.21	1,060.12	1,906.94	1,444.60
iv) Bank balances other than (iii) above	11	1,979.23	1,516.63	1,344.61	1,962.91	2,243.86
v) Other financial assets	5	90.11	146.48	55.37	70.98	51.18
b) Other current assets	7	480.53	314.66	281.45	230.72	241.81
Total Current Assets		10,566.18	6,557.80	6,305.81	8,354.91	8,001.69
Total Assets		28,241.24	21,902.91	22,577.35	20,934.75	16,927.47
EQUITY AND LIABILITIES						
Equity						
a) Equity share capital	12	400.00	400.00	400.00	400.00	400.00
b) Other equity	13	18,821.54	15,634.15	16,440.97	13,888.61	11,716.19
Total Equity		19,221.54	16,034.15	16,840.97	14,288.61	12,116.19
Liabilities						
Non-Current Liabilities						
a) Financial liabilities						
i) Lease liability	27	69.04	113.39	100.89	135.32	13.66
ii) Other financial liabilities	14	50.99	49.89	51.46	48.53	41.95
b) Deferred tax liability (Net)	6(b)	-	1.03	0.74	0.12	2.19
c) Other non-current liabilities	15	64.15	59.95	60.66	58.37	44.24
d) Provisions	18	7.95	6.88	6.88	6.43	16.88
Total Non-Current Liabilities		192.13	231.14	220.63	248.77	118.92
Current Liabilities						
a) Financial liabilities						
i) Trade payables						
a) Total outstanding dues of micro enterprises and small enterprises	16	202.55	183.96	142.68	130.47	57.79
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	656.28	597.88	553.67	481.38	255.40
ii) Lease liability	27	45.63	34.71	35.35	32.85	15.59
iii) Other financial liabilities	17	5,608.45	3,263.40	3,595.74	4,702.25	3,260.47
b) Provisions	18	318.97	292.19	304.54	280.39	291.22
c) Current tax liability (net)		133.81	27.01	96.75	81.06	130.65
d) Other current liabilities	19	1,861.88	1,238.47	787.02	688.97	681.24
Total Current Liabilities		8,827.57	5,637.62	5,515.75	6,397.37	4,692.36
Total Liabilities		9,019.70	5,868.76	5,736.38	6,646.14	4,811.28
Total Equity and Liabilities		28,241.24	21,902.91	22,577.35	20,934.75	16,927.47

See accompanying notes forming integral part of the Restated Consolidated Financial Information 1 to 50

In terms of our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W / W100829

For and on behalf of the Board of Directors of
NATIONAL SECURITIES DEPOSITORY LIMITED

Shripal Shah
Partner
Membership No. 114988

Vijay Chandok
Managing Director & CEO
DIN: 01545262

Parveen Kumar Gupta
Chairman
DIN: 02895343

Place : Mumbai
Date : 9th April, 2025

Alen Ferns
Company Secretary
A30633

Jigar Shah
Chief Financial Officer

NATIONAL SECURITIES DEPOSITORY LIMITED
Restated Consolidated Statement of Profit and Loss

(₹ in Million)

Particulars	Notes	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
INCOMES						
Revenue from operations	20	10,565.46	9,341.96	12,682.44	10,219.88	7,611.09
Other income	21	848.63	733.36	974.61	778.26	601.83
Total Income		11,414.09	10,075.32	13,657.05	10,998.14	8,212.92
EXPENSES						
Employee benefits expense	22	1,015.89	922.47	1,231.99	1,098.07	1,037.87
Depreciation and amortisation expense	3	252.47	170.27	241.23	216.89	189.32
Finance cost	27	28.66	15.34	20.60	18.73	24.10
Contribution to investor protection fund	31	115.82	79.94	114.83	98.86	89.55
Other expenses	23	6,590.64	6,337.15	8,485.27	6,466.80	4,076.02
Total Expenses		8,003.48	7,525.17	10,093.92	7,899.35	5,416.86
Profit before Share of Profit / (Loss) of investment accounted for using equity method and Tax		3,410.61	2,550.15	3,563.13	3,098.79	2,796.06
Share of Profit / (Loss) of Associate		16.18	(32.53)	(13.63)	(48.37)	(14.07)
Profit before Tax		3,426.79	2,517.62	3,549.50	3,050.42	2,781.99
Tax Expense						
Current tax		791.34	568.61	803.10	720.24	676.96
Deferred tax charge / (credit)	6	37.19	(10.40)	(8.05)	(17.92)	(20.91)
Total Tax Expenses		828.53	558.21	795.05	702.32	656.05
Profit after Tax		2,598.26	1,959.41	2,754.45	2,348.10	2,125.94
Other Comprehensive Income						
Items that will not be reclassified to profit or loss :						
i) Actuarial gain/(loss) on post retirement benefit plans		(39.28)	(26.87)	(12.86)	7.35	(10.15)
ii) Income tax relating to items that will not be reclassified to profit or loss		9.58	6.93	3.38	(1.77)	2.43
Items that will be reclassified to profit or loss :						
i) Share of Profit of Associate		10.61	2.66	3.48	17.44	5.02
Total Other Comprehensive Income		(19.09)	(17.28)	(6.00)	23.02	(2.70)
Total Comprehensive Income for the period / year		2,579.17	1,942.13	2,748.45	2,371.12	2,123.24
Basic and Diluted earnings per equity share of ₹2 each (₹)	30	12.99	9.80	13.77	11.74	10.63

See accompanying notes forming integral part of the Restated Consolidated Financial Information 1 to 50

In terms of our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W / W100829

**For and on behalf of the Board of Directors of
NATIONAL SECURITIES DEPOSITORY LIMITED**

Shripal Shah
Partner
Membership No. 114988

Vijay Chandok
Managing Director & CEO
DIN: 01545262

Parveen Kumar Gupta
Chairman
DIN: 02895343

Place : Mumbai
Date : 9th April, 2025

Alen Ferns
Company Secretary
A30633

Jigar Shah
Chief Financial Officer

NATIONAL SECURITIES DEPOSITORY LIMITED
Restated Consolidated Statement of Cash Flows

(₹ in Million)

Particulars	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash Flow from Operating Activities					
Profit before tax	3,426.79	2,517.62	3,549.50	3,050.42	2,781.99
Adjustments for :					
Depreciation and amortisation expense	252.47	170.27	241.23	216.89	189.32
Provision for compensated absences	2.38	8.23	3.70	(8.77)	7.24
Provision for investor awareness	51.74	48.94	65.81	64.03	56.04
Provision for doubtful trade receivables	154.02	103.78	120.73	70.47	62.49
Bad debts written off	1.02	26.67	11.28	9.96	30.32
Provision for doubtful rent deposit	-	(3.55)	(3.55)	9.56	-
Contribution to investor protection fund	115.82	79.94	114.83	98.86	89.55
Fair value gain on investments in mutual funds	(125.78)	(131.94)	(170.07)	(65.20)	(78.89)
Dividend income from current investments	-	(9.84)	(10.62)	(6.98)	(4.45)
Loss / (Profit) on sale of property, plant and equipment	9.30	-	-	6.09	168.74
Profit on sale of investments / assets	(5.40)	(4.07)	(4.34)	(2.06)	(1.67)
Interest income	(685.74)	(558.80)	(751.07)	(656.69)	(475.09)
Operating Profit before Working Capital Changes	3,196.62	2,247.25	3,167.43	2,786.58	2,825.59
Changes in Working Capital :					
(Increase) / decrease other assets	(207.92)	(82.79)	(45.85)	9.69	38.50
(Increase) / decrease other financial assets	75.88	5.63	(458.91)	1,490.17	(433.71)
(Increase) / decrease trade receivables	(662.10)	(249.50)	(107.12)	85.70	(27.24)
Increase / (decrease) trade payables	162.47	169.99	84.50	359.35	(89.64)
Increase / (decrease) other financial liabilities	1,473.48	(1,189.14)	(774.73)	1,147.60	2.88
Increase / (decrease) provisions	(56.32)	(58.77)	(46.99)	(52.22)	(74.95)
Increase / (decrease) other liabilities	1,078.36	551.07	100.33	21.87	9.38
Cash generated from Operations	5,060.47	1,393.74	1,918.66	5,848.74	2,250.81
Net income tax paid	(751.71)	(630.47)	(789.84)	(769.35)	(774.28)
Net Cash generated from Operating Activities (A)	4,308.76	763.27	1,128.82	5,079.39	1,476.53
B. Cash Flow from Investing Activities					
Capital expenditure on property, plant and equipment, intangible assets, capital advance	(486.14)	(2,335.65)	(2,438.54)	(488.46)	(92.11)
Proceeds from sale of property, plant and equipment	0.78	-	-	0.09	3.04
Bank balances not considered as cash and cash equivalents					
i) Placed	(409.83)	(154.50)	(104.50)	(250.00)	(809.10)
ii) Matured	104.50	250.00	250.00	809.10	1,702.40
Purchase of non-current investments	(2,172.92)	(766.08)	(2,095.49)	(6,072.59)	(1,703.52)
Sale / Redemption of non-current investments	183.51	433.58	1,751.87	934.63	630.59
Proceeds / (Purchase) of current investments (Net)	(2,293.71)	303.02	110.88	(8.60)	(854.39)
Interest received	697.77	559.63	750.14	658.78	479.90
Net Cash used in Investing Activities (B)	(4,376.04)	(1,710.00)	(1,775.64)	(4,417.05)	(643.19)
C. Cash Flow from Financing Activities					
Dividend paid	(163.82)	(200.00)	(200.00)	(200.00)	(200.00)
Net Cash used in Financing Activities (C)	(163.82)	(200.00)	(200.00)	(200.00)	(200.00)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(231.10)	(1,146.73)	(846.82)	462.34	633.34
Cash and Cash Equivalents at the beginning of the year	1,060.12	1,906.94	1,906.94	1,444.60	811.26
Cash and Cash Equivalents at the end of the period / year (Refer Note 10)	829.02	760.21	1,060.12	1,906.94	1,444.60

See accompanying notes forming integral part of the Restated Consolidated Financial Information 1 to 50

In terms of our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W / W100829

**For and on behalf of the Board of Directors of
NATIONAL SECURITIES DEPOSITORY LIMITED**

Shripal Shah
Partner
Membership No. 114988

Vijay Chandok
Managing Director & CEO
DIN: 01545262

Parveen Kumar Gupta
Chairman
DIN: 02895343

Place : Mumbai
Date : 9th April, 2025

Alen Ferns
Company Secretary
A30633

Jigar Shah
Chief Financial Officer

NATIONAL SECURITIES DEPOSITORY LIMITED
Restated Consolidated Statement of changes in Equity

A. Equity Share Capital

(₹ in Million)

As at 1st April, 2021	400.00
Changes in equity share capital during the year (Note 12)	-
As at 31st March, 2022	400.00
Changes in equity share capital during the year (Note 12)	-
As at 31st March, 2023	400.00
Changes in equity share capital during the year (Note 12)	-
As at 31st March, 2024	400.00
As at 1st April, 2023	400.00
Changes in equity share capital during the period (Note 12)	-
As at 31st December, 2023	400.00
As at 1st April, 2024	400.00
Changes in equity share capital during the period (Note 12)	-
As at 31st December, 2024	400.00

B. Other Equity

(₹ in Million)

Particulars	Reserves and Surplus						Total
	General Reserve	Retained Earnings	OCI Actuarial Gains / (Losses)	Share Based Payment Reserve	Statutory Reserves	Investment Fluctuation reserves	
Balance as at 1st April, 2021	3,631.28	6,163.18	(1.51)	-	-	-	9,792.95
Profit after tax	-	2,125.94	-	-	-	-	2,125.94
Dividends	-	(200.00)	-	-	-	-	(200.00)
Other Comprehensive Income	-	-	(2.70)	-	-	-	(2.70)
Balance as at 31st March, 2022	3,631.28	8,089.12	(4.21)	-	-	-	11,716.19
Profit after tax	-	2,348.10	-	-	-	-	2,348.10
Dividends	-	(200.00)	-	-	-	-	(200.00)
Other Comprehensive Income	-	-	23.02	-	-	-	23.02
Addition to Share based payment reserve	-	-	-	1.30	-	-	1.30
Transferred from retained earning to statutory reserves	-	(20.24)	-	-	20.24	-	-
Balance as at 31st March, 2023	3,631.28	10,216.98	18.81	1.30	20.24	-	13,888.61
Profit after tax	-	2,754.45	-	-	-	-	2,754.45
Dividends	-	(200.00)	-	-	-	-	(200.00)
Other Comprehensive Income	-	-	(6.00)	-	-	-	(6.00)
Addition to Share based payment reserve	-	-	-	3.91	-	-	3.91
Transferred from retained earning to statutory reserves	-	(4.28)	-	-	4.28	-	-
Transferred from retained earning to Investment Fluctuation reserves	-	(12.84)	-	-	-	12.84	-
Balance as at 31st March, 2024	3,631.28	12,754.31	12.81	5.21	24.52	12.84	16,440.97
Balance as at 1st April, 2023	3,631.28	10,216.98	18.81	1.30	20.24	-	13,888.61
Profit after tax	-	1,959.41	-	-	-	-	1,959.41
Dividends	-	(200.00)	-	-	-	-	(200.00)
Other Comprehensive Income	-	-	(17.28)	-	-	-	(17.28)
Addition to Share based payment reserve	-	-	-	3.41	-	-	3.41
Balance as at 31st December, 2023	3,631.28	11,976.39	1.53	4.71	20.24	-	15,634.15
Balance as at 1st April, 2024	3,631.28	12,754.31	12.81	5.21	24.52	12.84	16,440.97
Profit after tax	-	2,598.26	-	-	-	-	2,598.26
Dividends	-	(200.00)	-	-	-	-	(200.00)
Other Comprehensive Income	-	-	(19.09)	-	-	-	(19.09)
Addition to Share based payment reserve	-	-	-	1.40	-	-	1.40
Balance as at 31st December, 2024	3,631.28	15,152.57	(6.28)	6.61	24.52	12.84	18,821.54

See accompanying notes forming integral part of the Restated Consolidated Financial Information 1 to 50

In terms of our report attached.

For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W / W100829

For and on behalf of the Board of Directors of
NATIONAL SECURITIES DEPOSITORY LIMITED

Shripal Shah
Partner
Membership No. 114988

Vijay Chandok
Managing Director & CEO
DIN: 01545262

Parveen Kumar Gupta
Chairman
DIN: 02895343

Place : Mumbai
Date : 9th April, 2025

Alen Ferns
Company Secretary
A30633

Jigar Shah
Chief Financial Officer

Note 3 : Property, Plant and Equipment, Other Intangible Assets, and Right of Use of Assets

(₹ in Million)

Gross Carrying Value											
Description of Asset	Property, Plant and Equipment									Other Intangible Assets	
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total	Computer Software (acquired)	Right of Use of Assets
As at 1st April, 2021	351.78	812.53	154.54	21.70	41.90	28.03	4.52	4.63	1,419.63	1,393.31	158.34
Additions during the year	-	83.62	0.65	-	10.14	0.01	0.37	-	94.79	92.51	-
Deductions	-	(333.08)	(112.26)	(4.46)	(8.57)	(5.26)	-	(4.63)	(468.26)	(126.47)	(26.46)
As at 31st March, 2022	351.78	563.07	42.93	17.24	43.47	22.78	4.89	-	1,046.16	1,359.35	131.88
Additions during the year	-	73.54	10.51	1.55	4.78	0.43	-	-	90.81	107.69	192.75
Deductions	-	(7.01)	(2.04)	(0.81)	(0.94)	(0.95)	(2.78)	-	(14.53)	(5.22)	(109.46)
As at 31st March, 2023	351.78	629.60	51.40	17.98	47.31	22.26	2.11	-	1,122.44	1,461.82	215.17
Additions during the year	2,147.07	153.27	16.05	1.95	2.48	5.73	-	-	2,326.55	120.00	0.72
Deductions	-	(1.15)	-	-	-	-	-	-	(1.15)	-	(0.01)
As at 31st March, 2024	2,498.85	781.72	67.45	19.93	49.79	27.99	2.11	-	3,447.84	1,581.82	215.88
As at 1st April, 2023	351.78	629.60	51.40	17.98	47.31	22.26	2.11	-	1,122.44	1,461.82	215.17
Additions during the period	2,147.07	26.47	-	1.67	2.22	7.02	-	-	2,184.45	63.66	0.72
Deductions	-	(1.15)	-	-	-	-	-	-	(1.15)	-	(0.01)
As at 31st December, 2023	2,498.85	654.92	51.40	19.65	49.53	29.28	2.11	-	3,305.74	1,525.48	215.88
As at 1st April, 2024	2,498.85	781.72	67.45	19.93	49.79	27.99	2.11	-	3,447.84	1,581.82	215.88
Additions during the period	61.00	54.44	14.66	15.88	34.74	80.27	-	-	260.99	193.85	1.33
Deductions	-	-	(0.68)	(0.70)	(4.74)	-	-	-	(6.12)	(13.79)	-
As at 31st December, 2024	2,559.85	836.16	81.43	35.11	79.79	108.26	2.11	-	3,702.71	1,761.88	217.21
Accumulated Depreciation and Amortisation											
Description of Asset	Property, Plant and Equipment									Other Intangible Assets	
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total	Computer Software (acquired)	Right of Use of Assets
As at 1st April, 2021	306.04	569.37	132.00	19.17	37.15	23.87	1.06	2.04	1,090.70	1,142.96	72.63
Additions during the year	0.89	60.98	3.57	0.25	2.14	0.70	0.73	0.31	69.57	85.88	33.87
Deductions	-	(314.97)	(107.32)	(4.22)	(8.13)	(5.00)	-	(2.35)	(441.99)	(48.98)	-
As at 31st March, 2022	306.93	315.38	28.25	15.20	31.16	19.57	1.79	-	718.28	1,179.86	106.50
Additions during the year	0.89	68.15	3.64	0.20	3.12	0.38	0.33	-	76.71	96.73	43.45
Deductions	-	(6.23)	(1.77)	(0.25)	(0.77)	(0.37)	(1.32)	-	(10.71)	(2.86)	(91.56)
As at 31st March, 2023	307.82	377.30	30.12	15.15	33.51	19.58	0.80	-	784.28	1,273.73	58.39
Additions during the year	25.24	80.42	5.08	0.40	3.57	1.39	0.22	-	116.32	84.83	40.08
Deductions	-	(1.15)	-	-	-	-	-	-	(1.15)	-	-
As at 31st March, 2024	333.06	456.57	35.20	15.55	37.08	20.97	1.02	-	899.45	1,358.56	98.47
As at 1st April, 2023	307.82	377.30	30.12	15.15	33.51	19.58	0.80	-	784.28	1,273.73	58.39
Additions during the period	10.44	58.10	3.69	0.29	2.68	1.23	0.17	-	76.60	63.52	30.15
Deductions	-	(1.15)	-	-	-	-	-	-	(1.15)	-	-
As at 31st December, 2023	318.26	434.25	33.81	15.44	36.19	20.81	0.97	-	859.73	1,337.25	88.54
As at 1st April, 2023	333.06	456.57	35.20	15.55	37.08	20.97	1.02	-	899.45	1,358.56	98.47
Additions during the period	45.55	74.77	6.59	1.79	7.44	7.41	0.17	-	143.72	78.48	30.27
Deductions	-	-	(0.65)	(0.66)	(4.38)	-	-	-	(5.69)	(4.63)	-
As at 31st December, 2024	378.61	531.34	41.14	16.68	40.14	28.38	1.19	-	1,037.48	1,432.41	128.74
Net Carrying Value											
Description of Asset	Property, Plant and Equipment									Other Intangible Assets	
	Buildings	Computers	Data and Tele-Communication Equipment	Electrical Installations	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicle	Total Tangible Assets	Computer Software (acquired)	Right of Use of Assets
As at 31st March, 2022	44.85	247.69	14.68	2.04	12.31	3.21	3.10	-	327.88	179.49	25.38
As at 31st March, 2023	43.96	252.30	21.28	2.83	13.80	2.68	1.31	-	338.16	188.09	156.78
As at 31st March, 2024	2,165.79	325.15	32.25	4.38	12.71	7.02	1.09	-	2,548.39	223.26	117.41
As at 31st December, 2023	2,180.59	220.67	17.59	4.21	13.34	8.47	1.14	-	2,446.01	188.23	127.34
As at 31st December, 2024	2,181.24	304.82	40.29	18.43	39.65	79.88	0.92	-	2,665.23	329.47	88.47

1 General Information

Corporate Information

National Securities Depository Limited (“the Holding Company”) was incorporated on 27th April 2012. The Holding Company is a Depository registered with Securities Exchange Board of India under the provisions of Depositories Act, 1996, and Rules and Regulations framed thereunder. The Holding Company and its wholly owned subsidiaries constitute the Group. The Group provide electronic infrastructure for dematerialisation of securities, facilitates electronic settlement of trades in Indian Securities Market, offers services as a managed service provider, sets-up system infrastructure, connectivity, software application, database management systems, and banking services.

2.1 Basis of Preparation

The Restated Consolidated Financial Information of the Group comprise of the Restated Consolidated Statement of Assets and Liabilities as at 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022, the Restated Consolidated Statement of Profit and Loss including other comprehensive income, the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the period / years ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022, and accompanying Restated Statement of Material Accounting Policies, and notes to Restated Financial Information along with other explanatory notes (hereinafter collectively referred to as, the ‘Restated Consolidated Financial Information’).

The Restated Consolidated Financial Information has been prepared by the Management of the Holding Company for the purpose of inclusion in the Red Herring Prospectus (‘RHP’) to be filed by the Holding Company with the Securities and Exchange Board of India (‘SEBI’), and BSE Limited in connection with proposed Initial Public Offering (‘IPO’) of its equity shares (referred to as ‘Issue’).

These Restated Consolidated Financial Information have been prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the ‘Act’);
- b) Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (‘ICDR Regulations’); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (‘ICAI’), as amended from time to time (the ‘Guidance Note’).

The Restated Consolidated Financial Information have been compiled from the audited consolidated financial statements of the Group as at and for the period / years ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022, prepared in accordance with the Indian Accounting Standards (referred to as ‘Ind AS’) as prescribed under Section 133 of the Act read with relevant rules issued thereunder, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on January 31st, 2025, February 7th, 2024, May 14, 2024, May 23, 2023 and May 26, 2022, respectively.

The accounting policies have been consistently applied by the Group in preparation of the restated consolidated financial Information to all the period / years presented.

The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting on audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information have been prepared on the historical cost basis, except for the certain assets and liabilities (refer accounting policy regarding financial instruments) and share based payments which have been measured at fair value as per Ind AS 102.

The Restated Consolidated Financial Information has been prepared on a going concern basis as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The Restated Consolidated Financial Information:

- a) have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, if any, and regrouping / reclassifications retrospectively as at and for the period / years ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022.
- b) do not require any adjustment for qualifications as there are no qualifications in the underlying auditor’s reports which require any adjustments.

2.2 Presentation of the Restated Consolidated Financial Information

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, Level 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety which are described as follows:

Level 1 — inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 — inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability either directly or

Level 3 — inputs are unobservable inputs for the assets or liability.

The Restated Consolidated Financial Information are presented in Indian Rupees (INR), which is also the functional currency of the Holding Company, and all values are rounded to the nearest million, except when otherwise indicated.

2.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company, its subsidiaries, and its share of profit/(loss) including other comprehensive income in associate company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group. Total comprehensive income of subsidiaries is attributed to the owners of the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Principles of Consolidation

The Restated Consolidated Financial Information relate to National Securities Depository Limited (the 'Holding Company'), its subsidiaries and it includes share of profit/(loss) including other comprehensive income in associate company. The Consolidated Financial Information have been prepared on the following basis:

- a) The restated financial information of the subsidiary companies is drawn upto the same reporting date as that of the Group for each of the reporting period covered by restated consolidated financial Information.
- b) The restated financial information of the Holding Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- c) **Investment in Associates** - Investments in entities where the Group has significant influence (associate) is accounted under the equity method as prescribed by Indian Accounting Standard 28 Investments in Associates and Joint Ventures ("Ind AS 28"). Under the equity method, on initial recognition the investment in an associate has been recognized at cost, and the carrying amount has been increased or decreased to recognize the Group's share of the profit or loss of the investee after the date of acquisition. The Group's share of the investee's profit or loss has been recognized in the statement of profit or loss.
- d) Following companies have been considered in the preparation of the restated consolidated financial Information:

Name of the Entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly at each reporting period covered under these Consolidated Financial Statements.
NSDL Database Management Limited	Subsidiary	India	National Securities Depository Limited	100%
NSDL Payments Bank Limited	Subsidiary	India	National Securities Depository Limited	100%
India International Bullion Holding IFSC Limited	Associate	India	National Securities Depository Limited	20%

- e) The Restated Consolidated Financial Information has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group's separate restated financial statements.

Material Accounting Policies

2.4 Revenue Recognition

- a) The Group has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for rendering services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances related to contracts with their customers.
- b) The Group derive revenue primarily from services to corporates and capital market intermediary services. The Group recognise revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The Group recognise revenue based on two main models: services rendered at a point in time and services rendered over time:

Services rendered at a point in time: Revenues and costs relating to time and service contracts are recognised as the related services are rendered.

Services rendered over time: Revenue from annual fee contracts is recognised proportionately over the period of the contract. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period or under some other method that better represents the stage of completion.

The Group accounts for pricing incentives to customers by reducing the amount of revenue.

- c) Interest income is accounted on accrual basis. For financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.
- d) Dividend income is accounted for when the right to receive it is established.

2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

As a Lessee -

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been adjusted towards rent expenses in the Statement of Profit and Loss.

2.6 Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, and compensated absences.

Defined Contribution Plan

The Group's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

i. Superannuation

The Group contributes a sum equivalent to 15% of annual basic salary of the eligible employees to an insurance company which administers the fund. The Group recognises such contributions as an expense during the period they are incurred.

ii. Provident Fund

Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary).

Defined Benefit Plans

i. Gratuity

The Group accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the Balance Sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit cost are categorised as follows:

- a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b) Net interest expense or income; and
- c) Remeasurement

ii. Other Employee Benefits

Performance Incentive and Compensated Absences

The amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the services. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The Group accounts for the net present value of its obligations for compensated absences based on an independent external actuarial valuation carried out at the Balance Sheet date. The cost of short-term compensated absences is accounted as under:

- a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b) in case of non-accumulating compensated absences, when the absences occur.

Employee stock option schemes

Share Based Payment Reserve: Our Subsidiary NSDL Payments Bank Limited has Employee stock option schemes under which the eligible employees and key management personnel are granted stock options. Stock options granted are measured at fair value on the grant date using Black-Scholes model and amortised over the vesting period as share based payment with corresponding credit in share-based payment reserve. On exercise of the stock options, balance in share-based payment reserve is transferred to securities premium account.

Method used for Accounting for Share Based Payment Plan: The stock options granted to employees pursuant to the Bank Stock options Schemes, are measured at the fair value of the options at the grant date using Black-Scholes model. The fair value of the options determined at grant date is recognised as employee compensation cost over the vesting period on straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity.

2.7 Tax on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii. Deferred Tax

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

iii. Current and Deferred Tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Property, Plant and Equipment

Property, Plant & Equipment carried at cost less accumulated depreciation and amortisation and impairment losses, if any. The cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital Work-in-Progress

Projects under which tangible fixed assets that are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses, and interest attributable.

2.9 Intangible Assets

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortization and accumulated impairment, if any.

Intangible Assets under Development

Projects under which Intangible assets that are not yet ready for their intended use are carried at cost, comprising Development expenses and software expenses.

2.10 Depreciation and Amortisation

Depreciation is charged so as to write off the cost of assets other than Capital work-in-progress less its estimated residual value over the useful lives as prescribed in Schedule II to the Companies Act, 2013, using the straight-line method.

Intangible assets are amortized on a straight line basis. Computer software is amortised over 24 months or useful life, whichever is lower. However, In case of its subsidiary NSDL Database Management Limited, Computer software is amortised over 48 months or useful life, whichever is lower.

2.11 Provision and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised / disclosed in the financial statements.

Contingent Liabilities and Assets

Contingent liabilities are when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised but are disclosed in the notes.

Contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent assets are neither recognised nor disclosed in the financial statements.

2.12 Foreign Currency Transactions and Balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

2.13 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. All financial instruments are recognised initially at fair value.

2.14 Financial Assets

Financial assets are (Investment in Mutual Funds, Non- Convertible Debentures, Bonds and Government Securities) classified into the following specified categories: financial assets “at amortised cost”, “fair value through other comprehensive income”, “fair value through Profit or Loss”. The classification depends on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset at the time of initial recognition.

Financial assets are recognised by the Group as per its business model. All Financial Assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

All equity instruments are measured at fair value other than investments in unquoted equity shares including investment in subsidiaries and associates. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis.

Income and expense is recognised on an effective interest basis for debt instrument. All other investments are classified as Fair Value Through Profit or Loss (FVTPL). The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include -

- a) Significant financial difficulty of the users or counterparty; or
- b) Default or delinquency in interest or principal payments; or
- c) It becoming probable that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Expected Credit Losses on Trade Receivables

For trade receivables the Group measures the loss allowance at an amount equal to life time expected credit losses. Further, for the purpose of measuring life time expected credit losses for trade receivables, the company follows simplified approach as permitted under Ind AS 109.

De-recognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.15 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is any observable evidence that a non-financial asset or a company of non-financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in Statement of profit and loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through statement of profit and loss.

2.16 Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deduction all of its liabilities.

Financial Liabilities

i. Initial Recognition and Measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

ii. Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.17 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, balances in current account and demand deposits with banks having an original maturity of three months or less. These do not include bank balances earmarked/restricted for specific purposes

Bank balances other than cash and cash equivalents comprises of demand deposits with banks having an original maturity of more than three months.

2.18 Use of Estimates and Judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

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Notes to the Restated Consolidated Financial Information

i. Useful lives of Property, Plant and Equipment/ Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The depreciation / amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

ii. Contingent Liabilities and Assets

Contingent Liabilities are disclosed when there is a possible obligation arising from the past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

iii. Income Taxes

The Group's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, deferred tax assets and liabilities including the amount expected to be paid or recovered in connection with uncertain tax positions.

iv. Expected Credit Losses on Trade Receivables

The Group estimates the probability of collection of trade receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances are made.

v. Employee Benefits

Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.

2.19 Earnings / Loss per share

The basic Earnings Per Share ("EPS") is computed by dividing the net profit/(loss) after tax for the year attributable to the Equity Shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year.

2.20 Operating cycle

Based on the activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.21 Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest millions as per the requirement of schedule III, unless otherwise stated.

2.22 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During nine month period ended December 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note 3(a) : Capital work-in-progress (CWIP) and Intangible Asset Under Development (IAUD)

Particulars	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Capital work-in-progress	25.59	142.96	4.10	2.44	-
Intangible Asset Under Development	174.40	90.92	125.02	48.56	33.05
Total	199.99	233.88	129.12	51.00	33.05

3 (a)(i) Movement of Capital work-in-progress (CWIP) and Intangible Asset Under Development (IAUD)

Capital work-in-progress (CWIP)	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	4.10	2.44	2.44	-	39.99
Additions during the period / year ended	543.14	180.28	210.65	58.60	39.81
Capitalised during the period / year ended	(521.65)	(39.76)	(208.99)	(56.16)	(79.80)
Balance as at the end of the period / year	25.59	142.96	4.10	2.44	-

Intangible Asset Under Development (IAUD)	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	125.02	48.56	48.56	33.05	106.14
Additions during the period / year ended	297.11	95.76	149.58	114.98	45.95
Write off during period / year	-	-	-	-	(70.81)
Capitalised during the period / year ended	(247.73)	(53.40)	(73.12)	(99.47)	(48.23)
Balance as at the end of the period / year	174.40	90.92	125.02	48.56	33.05

3 (a)(ii) Capital work-in-progress and Intangible Asset Under Development Aging Schedule as on 31st December, 2024

Particulars	Amount in CWIP and IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Capital work-in-progress					
Projects in progress	25.11	0.48	-	-	25.59
Intangible Asset Under Development					
Projects in progress	134.38	40.02	-	-	174.40
Total	159.49	40.50	-	-	199.99

3 (a)(iii) Capital work-in-progress and Intangible Asset Under Development Aging Schedule as on 31st December, 2023

Particulars	Amount in CWIP and IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Capital work-in-progress					
Projects in progress	142.96	-	-	-	142.96
Intangible Asset Under Development					
Projects in progress	89.85	1.07	-	-	90.92
Total	232.81	1.07	-	-	233.88

3 (a)(iv) Capital work-in-progress and Intangible Asset Under Development Aging Schedule as on 31st March, 2024

Particulars	Amount in CWIP and IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Capital work-in-progress					
Projects in progress	3.62	0.48	-	-	4.10
Intangible Asset Under Development					
Projects in progress	95.93	29.09	-	-	125.02
Total	99.55	29.57	-	-	129.12

3 (a)(v) Capital work-in-progress and Intangible Asset Under Development Aging Schedule as on 31st March, 2023

Particulars	Amount in CWIP and IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Capital work-in-progress					
Projects in progress	2.44	-	-	-	2.44
Intangible Asset Under Development					
Projects in progress	38.23	2.96	2.78	4.59	48.56
Total	40.67	2.96	2.78	4.59	51.00

3 (a)(vi) Capital work-in-progress and Intangible Asset Under Development Aging Schedule as on 31st March, 2022

Particulars	Amount in CWIP and IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Capital work-in-progress					
Projects in progress	-	-	-	-	-
Intangible Asset Under Development					
Projects in progress	6.39	12.30	5.10	9.26	33.05
Total	6.39	12.30	5.10	9.26	33.05

3 (a)(vii) For Capital work-in-progress and Intangible Asset Under Development whose completion is overdue or has exceeded its cost compared to its original plan

There is no time and cost overrun for any of the projects forming part of Capital work-in-progress and and IAUD in view of readiness of an asset for intended management use.

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Note 4 : Non-Current Investments

Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	(₹ in Million)				
					As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
(a) Investment in Equity Instruments of Associate (Accounted using Equity Method)									
India International Bullion Holding IFSC Ltd			50,00,00,000	1	476.38	229.95	249.67	259.90	190.90
Sub-total					476.38	229.95	249.67	259.90	190.90
(b) Investment in Equity Instruments of Other Entity (at FVTPL)									
Open Network For Digital Commerce			10,00,000	100	100.00	100.00	100.00	100.00	-
Sub-total					100.00	100.00	100.00	100.00	-
(c) Investment in Debentures or Bonds (at amortised cost)									
1 India Infrastructure Finance Company Limited	9.41	2.037	3	10,00,000	3.39	3.40	3.47	3.48	3.49
2 Power Finance Corporation of India Limited *	7.35	2.035	50,000	1,000	51.63	51.68	52.58	52.63	52.69
3 National Housing Bank *	8.76	2.034	8,000	5,000	45.28	45.38	42.70	42.85	42.97
4 Housing and Urban Development Corporation Limited*	8.76	2.034	5,000	1,000	5.75	5.77	5.43	5.45	5.47
5 India Infrastructure Finance Company Limited*	8.66	2.034	70,000	1,000	87.59	88.49	88.08	84.62	85.47
6 NTPC Limited*	8.66	2.033	92,899	1,000	107.81	109.00	110.71	111.85	112.93
7 NHPC Ltd*	8.67	2.033	49,420	1,000	58.34	58.86	59.81	60.29	60.73
8 India Infrastructure Finance Company Limited*	7.40	2.033	50,000	1,000	57.40	57.52	54.67	54.99	55.29
9 India Infrastructure Finance Company Limited*	7.46	2.033	1,500	100,000	156.17	156.15	158.94	-	-
10 National Highway Authority of India Limited *	7.35	2.031	1,89,883	1,000	208.11	208.87	212.09	213.13	214.38
11 Indian Renewable Energy Development Agency Limited*	7.49	2.031	50,000	1,000	53.74	53.77	50.94	50.98	51.00
12 National Bank for Agriculture and Rural Development*	7.35	2.031	4,40,010	1,000	491.81	494.10	468.90	472.45	475.47
13 Indian Railway Finance Corporation Limited *	7.35	2.031	99,000	1,000	105.23	105.72	107.39	108.09	108.60
14 Housing and Urban Development Corporation Limited*	7.39	2.031	1,00,000	1,000	108.05	109.09	110.69	111.64	112.58
15 Indian Railway Finance Corporation Limited *	7.28	2.030	11,074	1,000	11.98	12.08	12.26	12.36	12.45
16 National Bank for Agriculture and Rural Development*	6.49	2.030	50	1,000	47.56	48.88	48.04	47.82	-
17 Rural Electrification Corporation Limited *	7.96	2.030	9	10,00,000	9.55	-	-	-	-
18 National Housing Bank *	8.68	2.029	30,000	5,000	168.13	168.12	157.90	159.32	160.50
19 Indian Railway Finance Corporation Limited *	8.40	2.029	63,000	1,000	70.42	69.63	70.83	71.59	71.97
20 Rural Electrification Corporation Limited *	8.80	2.029	100	1,000	109.77	110.67	113.41	113.41	-
21 Power Finance Corporation of India Limited *	8.85	2.029	100	1,000	109.83	110.68	112.68	113.46	-
22 Indian Railway Finance Corporation Limited *	7.48	2.029	100	1,000	104.95	105.00	106.88	106.81	-
23 Rural Electrification Corporation Limited *	8.97	2.029	8	10,00,000	8.94	-	-	-	-
24 NHPC Ltd*	8.54	2.028	81,428	1,000	90.89	91.91	93.46	94.21	94.87
25 Power Finance Corporation of India Limited *	8.46	2.028	40	10,00,000	52.92	41.16	42.01	41.96	41.96
26 Rural Electrification Corporation Limited *	8.46	2.028	60,000	1,000	207.09	66.11	-	68.15	69.13
27 Power Finance Corporation of India Limited *	8.46	2.028	40	10,00,000	41.16	-	-	-	-
28 Rural Electrification Corporation Limited *	8.46	2.028	157	10,00,000	65.01	175.47	67.11	180.44	183.09
29 Rural Electrification Corporation Limited *	8.46	2.028	157	10,00,000	172.78	-	178.13	-	-
30 Indian Railway Finance Corporation Limited *	8.48	2.028	100	10,00,000	109.92	110.41	112.33	113.47	114.23
31 Indian Railway Finance Corporation Limited *	7.34	2.028	60,000	1,000	61.21	61.27	62.35	62.44	62.49
32 India Infrastructure Finance Company Limited*	8.26	2.028	80	10,00,000	84.91	85.52	87.03	87.61	88.09
33 National Housing Bank *	8.46	2.028	90	10,00,000	96.44	97.34	99.02	99.88	100.82
34 Housing and Urban Development Corporation Limited*	8.56	2.028	20	10,00,000	21.99	22.33	22.67	23.00	23.30
35 PFC (SERIES 172)	7.74	2.028	250	10,00,000	267.14	266.44	252.39	251.76	-
36 7.59% PFC 2028	7.59	2.028	45	10,00,000	44.92	-	-	-	-
37 National Highway Authority of India Limited *	8.30	2.027	1,40,000	1,000	145.15	146.06	148.72	149.52	150.57
38 Power Finance Corporation of India Limited *	8.30	2.027	50,000	1,000	51.36	51.48	52.48	52.64	52.81
39 Indian Railway Finance Corporation Limited *	7.38	2.027	100	10,00,000	106.13	107.51	109.01	110.33	111.62
40 Indian Railway Finance Corporation Limited *	8.10	2.027	50,000	1,000	53.11	54.06	54.84	55.77	56.63
41 Rural Electrification Corporation Limited *	8.12	2.027	1,00,000	1,000	108.49	109.94	111.41	113.63	115.27
42 Rural Electrification Corporation Limited *	7.70	2.027	50	10,00,000	50.33	-	-	-	-
43 Power Grid Corporation of India Limited	7.20	2.027	150	10,00,000	158.22	159.56	161.65	163.19	164.45
44 Power Grid Corporation of India Limited	9.25	2.027	50	10,00,000	56.64	57.95	54.11	55.36	-
45 IRFC	7.33	2.027	200	10,00,000	210.06	209.93	213.18	212.98	-
46 SIDBI	7.79	2.027	1,000	1,00,000	100.95	-	-	-	-
47 National Bank for Agriculture and Rural Development	7.70	2.027	500	1,00,000	51.04	-	-	-	-
48 Power Finance Corporation of India Limited	6.09	2.026	100	10,00,000	101.87	101.73	103.28	102.72	103.04
49 NHPC Ltd	7.13	2.026	1,000	20,00,000	214.97	216.64	205.86	207.80	209.74
50 Power Grid Corporation of India Limited	7.36	2.026	150	10,00,000	155.48	157.65	159.99	161.03	162.69
51 Power Finance Corporation of India Limited	6.09	2.026	250	10,00,000	249.17	-	-	-	-
52 Rural Electrification Corporation Limited *	7.52	2.026	50	5,00,000	51.37	51.80	52.63	53.05	-
53 SIDBI	7.44	2.026	500	1,00,000	51.08	-	-	-	-
54 NHPC Ltd	7.52	2.026	50	5,00,000	52.46	52.67	53.54	53.74	-
55 NABARD	7.40	2.026	250	10,00,000	266.98	267.37	252.99	252.92	-
56 Rural Electrification Corporation Limited *	-	-	-	-	-	-	197.36	-	-
57 NTPC Limited*	-	-	-	-	-	182.45	184.46	188.52	192.54
58 IDFC FIRST Bank Limited	-	-	-	-	-	5.44	5.56	5.56	5.56
59 IDFC FIRST Bank Limited	-	-	-	-	-	4.15	4.24	4.24	4.24
60 Indian Renewable Energy Development Agency Limited*	-	-	-	-	-	61.14	62.20	62.14	62.31
61 Power Grid Corporation of India Limited	-	-	-	-	-	53.42	54.18	55.50	56.79
62 Power Grid Corporation of India Limited	-	-	-	-	-	29.01	29.43	30.28	31.09
63 National Bank for Agriculture and Rural Development	-	-	-	-	-	152.98	155.20	154.61	152.09
64 Power Finance Corporation of India Limited	-	-	-	-	-	50.43	51.31	51.03	-
65 Indian Railway Finance Corporation Limited *	8.63	2.029	40,000	1,000	43.32	-	44.29	-	-
66 Housing and Urban Development Corporation Limited *	8.56	2.028	100	10,00,000	106.79	-	109.59	-	-
67 India Infrastructure Finance Company Limited *	8.66	2.034	30,000	1,000	35.34	-	33.55	-	-
68 Housing and Urban Development Corporation Limited *	8.51	2.028	50,000	1,000	52.88	-	54.27	-	-
69 NHPC Limited *	8.67	2.033	10,000	1,000	11.53	-	11.79	-	-
70 NTPC Limited*	7.37	2.035	12,491	1,000	12.72	-	12.94	-	-
71 Power Finance Corporation of India Limited *	7.35	2.035	1,540	1,000	1.56	-	1.59	-	-
72 Rural Electrification Corporation Limited *	7.18	2.035	11,450	1,000	11.52	-	11.73	-	-
73 National Highway Authority of India *	7.28	2.030	50	10,00,000	53.18	-	54.12	-	-
74 Indian Railway Finance Corporation Limited *	7.28	2.030	12,080	1,000	12.27	-	12.49	-	-
75 National Highway Authority of India *	7.35	2.031	28,313	1,000	29.89	-	30.39	-	-
76 National Highway Authority of India *	7.35	2.031	50,000	1,000	54.74	-	55.83	-	-
77 National Bank For Agriculture And Rural Development *	7.35	2.031	1,20,000	1,000	133.41	-	127.41	-	-
78 India Infrastructure Finance Company Limited *	7.40	2.033	50,000	1,000	57.20	-	54.68	-	-
79 National Housing Bank *	8.46	2.028	50	10,00,000	54.89	-	56.54	-	-
80 NTPC Limited*	8.48	2.028	1,00,000	1,000	108.88	-	112.36	-	-
81 National Housing Bank *	8.68	2.029	20,000	5,000	99.59	-	94.32	-	-
82 Rural Electrification Corporation Limited *	-	-	-	-	-	48.93	52.13	49.27	-
83 Power Finance Corporation of India Limited	8.03	2.026	50	10,00,000	53.89	-	55.52	-	-
84 Power Finance Corporation of India Limited	6.09	2.026	50	10,00,000	51.12	-	51.90	-	-
85 Rural Electrification Corporation Limited	7.52	2.026	50	10,00,000	51.56	-	52.94	-	-
86 Rural Electrification Corporation Limited	-	-	-	-	-	-	50.81	-	-
87 Rural Electrification Corporation Limited	7.54	2.026	50	10,00,000	51.13	-	52.44	-	-
88 Power Finance Corporation of India Limited	6.09	2.026	50	10,00,000	50.87	-	51.55	-	-
89 Power Finance Corporation of India Limited	9.46	2.026	21	10,00,000	22.71	-	23.58	-	-
90 Power Finance Corporation of India Limited	7.23	2.027	50	10,00,000	53.60	-	50.89	-	-
91 Indian Railway Finance Corporation Limited	10.04	2.027	50	10,00,000	54.36	-	56.51	-	-
92 National Bank For Agriculture And Rural Development	-	-	-	-	-	-	-	-	-
93 National Bank For Agriculture And Rural Development	7.40	2.026	50	10,00,000	53.41	-	50.62	-	-

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Note 4 : Non-Current Investments

Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	(₹ in Million)				
					As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
94 Indian Railway Finance Corporation Limited	7.33	2.027	50	10,00,000	52.54	-	53.42	-	-
95 Indian Railway Finance Corporation Limited	6.92	2.031	50	10,00,000	50.70	-	51.40	-	-
96 National Bank For Agriculture And Rural Development	7.62	2.028	500	1,00,00,000	53.39	-	-	-	-
97 National Bank For Agriculture And Rural Development	7.62	2.028	1,000	1,00,00,000	105.48	-	-	-	-
98 National Bank For Agriculture And Rural Development	7.70	2.027	1,000	1,00,00,000	102.29	-	-	-	-
99 Power Finance Corporation of India Limited	9.10	2.029	50	10,00,000	53.09	-	-	-	-
100 National Bank For Agriculture And Rural Development	-	-	-	-	-	-	51.04	-	-
101 National Bank For Agriculture And Rural Development	-	-	-	-	-	-	50.49	-	-
102 REC	-	-	-	-	-	145.05	-	146.31	-
103 HDB Financial Services Limited	-	-	-	-	-	-	-	-	1.02
104 Housing and Urban Development Corporation Limited*	-	-	-	-	-	-	-	-	52.79
105 National Housing Bank*	-	-	-	-	-	-	-	-	142.90
106 Indian Railways Finance Corporation Limited*	-	-	-	-	-	-	-	-	57.84
107 National Bank for Agriculture and Rural Development	-	-	-	-	-	-	-	52.31	52.34
108 India Infrastructure Finance Company Limited*	-	-	-	-	-	-	-	-	54.42
109 Power Finance Corporation of India Limited	-	-	-	-	-	-	-	6.78	6.35
110 NTPC Limited*	-	-	-	-	-	-	-	-	158.86
111 NHPC LIMITED*	-	-	-	-	-	-	-	-	37.04
117 Indian Railway Finance Corporation Limited *	-	-	-	-	-	43.47	-	44.43	44.58
118 Housing and Urban Development Corporation Limited *	-	-	-	-	-	107.68	-	110.43	111.23
119 India Infrastructure Finance Company Limited *	-	-	-	-	-	35.55	-	33.74	33.93
120 Housing and Urban Development Corporation Limited *	-	-	-	-	-	53.33	-	54.70	55.10
121 NHPC Limited *	-	-	-	-	-	11.59	-	11.86	11.92
122 NTPC Limited*	-	-	-	-	-	12.71	-	12.94	12.94
123 Power Finance Corporation of India Limited *	-	-	-	-	-	1.56	-	1.59	1.59
124 Rural Electrification Corporation Limited *	-	-	-	-	-	11.52	-	11.72	11.72
125 National Highway Authority of India *	-	-	-	-	-	55.22	-	54.17	54.21
126 Indian Railway Finance Corporation Limited *	-	-	-	-	-	12.27	-	12.49	12.48
127 National Highway Authority of India *	-	-	-	-	-	29.88	-	30.39	30.39
128 National Highway Authority of India *	-	-	-	-	-	54.98	-	56.08	56.30
129 National Bank For Agriculture And Rural Development *	-	-	-	-	-	134.30	-	128.26	129.02
130 India Infrastructure Finance Company Limited *	-	-	-	-	-	57.54	-	55.00	55.31
131 National Housing Bank *	-	-	-	-	-	55.69	-	57.31	58.04
132 NTPC Limited*	-	-	-	-	-	110.71	-	114.11	115.78
133 NTPC Limited*	-	-	-	-	-	-	-	-	52.95
134 National Housing Bank *	-	-	-	-	-	101.23	-	95.87	97.36
135 Rural Electrification Corporation Limited *	-	-	-	-	-	51.41	-	52.80	53.43
136 Power Finance Corporation of India Limited	-	-	-	-	-	54.72	-	56.30	56.02
137 Power Finance Corporation of India Limited	-	-	-	-	-	51.15	-	51.92	51.80
138 Rural Electrification Corporation Limited	-	-	-	-	-	52.15	-	53.49	54.02
139 Rural Electrification Corporation Limited	-	-	-	-	-	50.08	-	50.79	50.79
140 Rural Electrification Corporation Limited	-	-	-	-	-	55.41	-	52.93	53.20
141 Power Finance Corporation of India Limited	-	-	-	-	-	50.76	-	51.44	50.06
142 Power Finance Corporation of India Limited	-	-	-	-	-	23.21	-	24.06	23.26
143 Power Finance Corporation of India Limited	-	-	-	-	-	53.61	-	50.89	-
144 Indian Railway Finance Corporation Limited	-	-	-	-	-	55.54	-	57.61	-
145 National Bank For Agriculture And Rural Development	-	-	-	-	-	50.17	-	50.42	-
146 National Bank For Agriculture And Rural Development	-	-	-	-	-	53.40	-	50.61	-
147 Indian Railway Finance Corporation Limited	-	-	-	-	-	52.50	-	52.80	-
148 Indian Railway Finance Corporation Limited	-	-	-	-	-	50.49	-	50.28	-
Sub-total					7,472.52	7,260.00	7,274.88	7,162.80	5,936.40
(d) Investment in Government Securities (at amortised cost)									
1 7.54% GOI 2036	7.54	2.036	10,00,000	100	356.25	357.66	363.63	363.50	-
2 7.40% GOI 2035	7.40	2.035	10,00,000	100	102.51	102.48	100.61	100.66	-
3 6.64% GOI 2035	6.64	2.035	10,00,000	100	95.00	94.67	96.43	96.11	-
4 6.54% GOI 2032	6.54	2.032	25,00,000	100	445.28	442.75	435.73	432.73	-
5 7.95% GOI 2032	7.95	2.032	5,00,000	100	53.35	52.98	52.10	52.24	-
6 7.26% GOI 2032	7.26	2.032	10,00,000	100	102.94	102.38	100.67	100.01	-
7 6.10% GOI 2031	6.10	2.031	30,00,000	100	487.41	475.14	481.57	470.12	-
8 6.68% GOI 2031	6.68	2.031	10,00,000	100	198.51	197.82	194.40	193.84	-
9 9.20% GOI 2030	9.20	2.030	5,00,000	100	55.90	56.12	54.82	57.70	-
10 7.10% GOI 2029	7.10	2.029	10,00,000	100	100.59	100.48	102.26	102.22	-
11 6.79% GOI 2029	6.79	2.029	10,00,000	100	98.17	97.65	99.44	99.10	-
12 6.45% GOI 2029	6.45	2.029	10,00,000	100	97.64	97.13	99.01	98.76	-
13 6.79% GOI 2027	6.79	2.027	15,00,000	100	149.80	149.12	151.84	151.24	-
14 8.15% GOI 2026	8.15	2.026	20,00,000	100	205.80	206.11	210.86	211.41	-
15 8.20% GOI 2025	-	-	-	-	-	20.88	20.40	20.65	-
16 8.20% GOI 2025	-	-	-	-	-	31.32	30.60	30.97	-
17 6.10% GOI 2031	6.10	2.031	10,00,000	100	97.08	96.40	95.04	94.39	-
18 6.68% GOI 2031	6.68	2.031	5,00,000	100	49.59	49.43	48.63	48.48	-
19 6.54% GOI 2032	6.54	2.032	12,50,000	100	122.66	122.02	120.14	119.53	-
20 6.64% GOI 2035	6.64	2.035	7,00,000	100	66.61	66.39	67.60	67.39	-
21 7.54% GOI 2036	7.54	2.036	10,00,000	100	101.64	101.69	103.56	102.00	-
22 7.26% GOI 2033	7.26	2.033	5,00,000	100	51.39	50.29	50.47	-	-
23 7.50% GOI 2034	7.50	2.034	5,00,000	100	52.40	51.09	51.51	-	-
24 7.10% GOI 2029	7.10	2.029	5,00,000	100	51.74	49.69	49.68	-	-
Sub-total					3,142.26	3,178.12	3,174.57	3,013.05	-
(e) Investment in State Development Loans (at amortised cost)									
1 7.45% Maharashtra 2039	7.45	2039	15,00,000	100	153.72	-	-	-	-
2 7.68% Karnataka SDL 2037	7.68	2037	15,00,000	100	152.43	-	-	-	-
3 7.77% Haryana SGS 2036	7.77	2036	15,00,000	100	156.94	-	153.92	-	-
4 7.73% Maharashtra 2036	7.73	2036	15,00,000	100	158.52	-	-	-	-
5 7.66% Haryana 2036	7.66	2036	15,00,000	100	157.72	-	-	-	-
6 7.74% Karnataka 2036	7.74	2036	5,00,000	100	52.76	-	-	-	-
7 7.47% Haryana SDL 2035	7.47	2035	5,00,000	100	52.09	-	51.07	-	-
8 7.67% Haryana SDL 2035	7.67	2035	15,00,000	100	150.43	-	153.54	-	-
9 7.49% Haryana 2035	7.49	2035	10,00,000	100	101.97	-	-	-	-
10 7.73% Maharashtra SGS 2034	7.73	2034	5,00,000	100	51.40	-	50.29	-	-
11 6.91% Maharashtra SDL 2034	6.91	2034	5,00,000	100	49.66	-	48.73	-	-
12 7.66% Tamil Nadu SDL 2033	7.66	2033	10,00,000	100	100.18	-	102.14	-	-
13 7.87% Tamil Nadu SDL 2033	7.87	2033	5,00,000	100	53.48	-	52.48	-	-
14 7.39% Tamil Nadu SDL 2033	7.39	2033	5,00,000	100	50.65	50.75	51.69	-	-
15 7.48% Karnataka SGS 2033	7.48	2033	10,00,000	100	102.91	49.57	101.20	-	-
16 7.7% Maharashtra 2033	7.7%	2033	5,00,000	100	51.64	53.55	-	-	-
17 7.65% Tamil Nadu 2033	7.65	2033	5,00,000	100	52.62	52.04	-	-	-
18 7.75% Tamil Nadu SDL 2032	7.75	2032	5,00,000	100	52.46	150.44	-	-	-
19 7.67% Karnataka 2032	7.67	2032	10,00,000	100	102.00	100.19	-	-	-
Sub-total					1,803.58	456.54	765.06	-	-

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 4 : Non-Current Investments

Particulars	Rate of Interest (%)	Year of Maturity	Nos.	Face Value / NAV (₹)	(₹ in Million)					
					As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022	
(f) Investment in Mutual Funds (at FVTPL)										
1 AXIS AAA Bond Plus SDL ETF 2026 (TMF)					-	85.42	-	81.68	-	
2 ICICI Prudential PSU BOND PLUS SDL 40:60 Index 2027			19,67,050	11.73	23.41	21.61	22.07	20.53	-	
3 SBI CPSE Bond PLUS SDL SEP 2026 50-50 Index Fund			1,01,66,743	11.62	120.04	111.20	113.48	105.72	-	
4 AXIS AAA Bond Plus SDL ETF 2026 (TMF)			75,00,000	12.06	92.03	-	87.00	-	-	
5 Nippon India ETF Nifty CPSE Bond Plus SDL 2024					-	-	-	51.41	-	
6 Axis AAA Bond Plus SDL ETF - 2026 Maturity			75,00,000	11.21	92.13	85.54	87.21	81.28	-	
7 ICICI Prudential PSU Bond Plus Index Fund - Sep 2027					-	-	-	104.79	-	
8 IDFC G-Sec Fund Constant Growth			13,38,811	39.35	59.10	53.76	55.35	50.86	-	
9 Nippon India Nivesh Lakhsay Fund			34,98,506	15.49	61.46	55.05	57.60	52.35	-	
10 Axis Corporate Debt Fund			33,46,979	15.55	57.55	52.95	54.13	50.11	-	
11 ICICI Prudential Corporate Bond Fund - Direct Plan - Growth					-	99.19	101.25	-	-	
12 Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan					-	-	-	-	-	
Sub-total					505.72	564.72	578.09	598.73	-	
(g) Investment in ETF Bonds (at FVTPL)										
1 Edelweiss Bharat Bond ETF					-	58.69	59.82	55.63	54.21	
2 Edelweiss Bharat Bond ETF					-	-	-	-	117.04	
Sub-total					-	58.69	59.82	55.63	171.25	
Total					13,500.46	11,848.02	12,202.09	11,190.11	6,298.55	
* Investment in tax free bonds										
Aggregate amount of quoted investment						12,924.09	11,518.07	11,852.43	10,830.21	6,107.65
Aggregate market value of quoted investment						12,853.16	11,392.16	11,798.82	10,815.33	6,412.19
Aggregate amount of unquoted investments						576.38	329.95	349.67	359.90	190.90

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 5 : Other Financial Assets

(₹ in Million)

Particulars	As at 31st December, 2024		As at 31st December, 2023		As at 31st March, 2024		As at 31st March, 2023		As at 31st March, 2022	
	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current
Security deposits#	483.43	34.13	177.52	3.61	468.62	8.20	147.42	6.76	125.06	20.87
Interest accrued on investments	-	5.30	-	2.46	-	0.15	-	3.08	-	3.91
Interest accrued on fixed deposits	1.62	1.98	6.12	10.58	9.84	10.94	3.34	13.59	1.08	17.10
Deposits with original maturity of more than twelve months*	237.11	-	110.20	-	378.15	-	214.41	21.93	1,759.84	-
Margin money deposits with a bank (earmarked as security for performance guarantee and other commitments)	5.00	1.50	-	-	5.90	19.30	24.40	0.80	25.20	-
Others	18.76	47.20	6.50	18.70	-	-	-	24.82	-	9.30
Total	745.92	90.11	311.16	146.48	868.56	55.37	389.57	70.98	1,911.18	51.18

* Includes FD earmarked for future payments.

Includes Rs.3232.72 Lakhs paid in relation to the service tax and GST litigation matter.

Note 6 : Deferred Tax Asset and Liability (net)

Note 6(a) : Deferred Tax Asset

(₹ in Million)

Particulars	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Asset :					
Lease Liability (Refer Note 27)	4.40	0.30	0.30	0.25	0.26
Employee benefits	33.13	28.16	26.91	27.38	27.52
Disallowances under Section 40(a)(i) and 43B of the Income Tax Act, 1961	1.50	-	1.50	-	-
Expected credit loss	131.26	87.58	91.55	61.34	45.34
	170.29	116.04	120.26	88.97	73.12
Less: Deferred Tax Liability :					
Property, plant and equipment	61.40	21.74	28.59	5.97	5.96
Fair value gain on investments	55.16	-	-	-	-
	116.56	21.74	28.59	5.97	5.96
Net Deferred Tax Asset	53.73	94.30	91.67	83.00	67.16

The movement in Deferred Tax Asset and Liabilities:

(₹ in Million)

Particulars	As at 1st April, 2024	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st December, 2024
Deferred Tax Asset :				
Lease Liability (Refer Note 27)	0.30	4.10	-	4.40
Employee Benefit	26.91	(3.36)	9.58	33.13
Disallowances under Section 40(a)(i) and 43B of the Income Tax Act, 1961	1.50	-	-	1.50
Expected credit loss	91.55	39.71	-	131.26
	120.26	40.45	9.58	170.29
Less: Deferred Tax Liability :				
Property, plant and equipment	28.59	32.81	-	61.40
Fair value gain on investments	-	55.16	-	55.16
	28.59	87.97	-	116.56
Net Deferred Tax Asset	91.67	(47.52)	9.58	53.73

The movement in Deferred Tax Asset and Liabilities:

(₹ in Million)

Particulars	As at 1st April, 2023	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st December, 2023
Deferred Tax Asset :				
Lease Liability (Refer Note 27)	0.25	0.05	-	0.30
Employee Benefit	27.38	(6.15)	6.93	28.16
Expected credit loss	61.34	26.24	-	87.58
	88.97	20.14	6.93	116.04
Less: Deferred Tax Liability :				
Property, plant and equipment	5.97	15.77	-	21.74
Fair value gain on investments	-	-	-	-
	5.97	15.77	-	21.74
Net Deferred Tax Asset	83.00	4.37	6.93	94.30

The movement in Deferred Tax Asset and Liabilities:

(₹ in Million)

Particulars	As at 31st March, 2023	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st March, 2024
Deferred Tax Asset :				
Lease Liability (Refer Note 27)	0.25	0.05	-	0.30
Employee Benefit	27.38	(3.85)	3.38	26.91
Disallowances under Section 40(a)(i) and 43B of the Income Tax Act, 1961	-	1.50	-	1.50
Expected credit loss	61.34	30.21	-	91.55
	88.97	27.91	3.38	120.26
Less: Deferred Tax Liability :				
Property, plant and equipment	5.97	22.62	-	28.59
	5.97	22.62	-	28.59
Net Deferred Tax Asset	83.00	5.29	3.38	91.67

The movement in Deferred Tax Asset and Liabilities:

Particulars	(₹ in Million)			
	As at 31st March, 2022	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st March, 2023
Deferred Tax Asset :				
Lease Liability (Refer Note 27)	0.26	(0.01)	-	0.25
Employee Benefit	27.52	1.63	1.77	27.38
Expected credit loss	45.34	16.00	-	61.34
	73.12	17.62	(1.77)	88.97
Less: Deferred Tax Liability :				
Property, plant and equipment	5.96	0.01	-	5.97
	5.96	0.01	-	5.97
Net Deferred Tax Asset	67.16	17.61	(1.77)	83.00

The movement in Deferred Tax Asset and Liabilities:

Particulars	(₹ in Million)			
	As at 1st April, 2021	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st March, 2022
Deferred Tax Asset :				
Lease Liability (Refer Note 27)	0.23	0.03	-	0.26
Employee Benefit	27.31	(2.22)	2.43	27.52
Expected credit loss	30.12	15.22	-	45.34
	57.66	13.03	2.43	73.12
Less: Deferred Tax Liability :				
Property, plant and equipment	9.22	(3.26)	-	5.96
	9.22	(3.26)	-	5.96
Net Deferred Tax Asset	48.44	16.29	2.43	67.16

Note 6(b) : Deferred Tax Liability

Particulars	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liability :					
Property, plant and equipment	-	6.21	6.27	6.53	5.72
Fair value gain on investments	-	5.40	4.88	2.49	3.79
	-	11.61	11.15	9.02	9.51
Less: Deferred Tax Asset :					
Employee benefits	-	6.01	6.38	5.35	4.96
Expected credit loss	-	1.19	0.96	1.49	2.24
Lease Liability (Refer Note 27)	-	3.38	3.07	2.06	0.12
	-	10.58	10.41	8.90	7.32
Net Deferred Tax Liability	-	1.03	0.74	0.12	2.19

The movement in Deferred Tax Asset and Liabilities:

Particulars	(₹ in Million)			
	As at 1st April, 2024	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st December, 2024
Deferred Tax Liability :				
Property, plant and equipment	6.27	(6.27)	-	-
Fair value gain on investments	4.88	(4.88)	-	-
	11.15	(11.15)	-	-
Less: Deferred Tax Asset :				
Employee benefits	6.38	(6.38)	-	-
Expected credit loss	0.96	(0.96)	-	-
Lease Liability (Refer Note 27)	3.07	(3.07)	-	-
	10.41	(10.41)	-	-
Net Deferred Tax Liability	0.74	(0.74)	-	-

The movement in Deferred Tax Asset and Liabilities:

Particulars	(₹ in Million)			
	As at 1st April, 2023	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st December, 2023
Deferred Tax Liability :				
Property, plant and equipment	6.53	(0.32)	-	6.21
Fair value gain on investments	2.49	2.91	-	5.40
	9.02	2.59	-	11.61
Less: Deferred Tax Asset :				
Employee benefits	5.35	0.66	-	6.01
Expected credit loss	1.49	(0.30)	-	1.19
Lease Liability (Refer Note 27)	2.06	1.32	-	3.38
	8.90	1.68	-	10.58
Net Deferred Tax Asset	0.12	0.91	-	1.03

The movement in Deferred Tax Asset and Liabilities:

Particulars	(₹ in Million)			
	As at 31st March, 2023	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st March, 2024
Deferred Tax Liability :				
Property, plant and equipment	6.53	(0.26)	-	6.27
Fair value gain on investments	2.49	2.39	-	4.88
	9.02	2.13	-	11.15
Less: Deferred Tax Asset :				
Employee benefits	5.35	1.03	-	6.38
Expected credit loss	1.49	(0.53)	-	0.96
Lease Liability (Refer Note 27)	2.06	1.01	-	3.07
	8.90	1.51	-	10.41
Net Deferred Tax Liability	0.12	0.62	-	0.74

The movement in Deferred Tax Asset and Liabilities:

Particulars	(₹ in Million)			
	As at 31st March, 2022	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st March, 2023
Deferred Tax Liability :				
Property, plant and equipment	5.72	0.81	-	6.53
Fair value gain on investments	3.79	(1.30)	-	2.49
	9.51	(0.49)	-	9.02
Less: Deferred Tax Asset :				
Employee benefits	4.96	0.39	-	5.35
Expected credit loss	2.24	(0.75)	-	1.49
Lease Liability (Refer Note 27)	0.12	1.94	-	2.06
	7.32	1.58	-	8.90
Net Deferred Tax Liability	2.19	(2.07)	-	0.12

The movement in Deferred Tax Asset and Liabilities:

Particulars	(₹ in Million)			
	As at 1st April, 2021	Credited / (Charge) to Profit and Loss	Credited / (Charge) to Other Comprehensive	As at 31st March, 2022
Deferred Tax Liability :				
Property, plant and equipment	4.17	1.55	-	5.72
Fair value gain on investments	9.52	(5.73)	-	3.79
	13.69	(4.18)	-	9.51
Less: Deferred Tax Asset :				
Employee benefits	6.40	(1.44)	-	4.96
Expected credit loss	1.80	0.44	-	2.24
Lease Liability (Refer Note 27)	1.10	(0.98)	-	0.12
	9.30	(1.98)	-	7.32
Net Deferred Tax Liability	4.39	(2.20)	-	2.19

Note 7 : Other Assets

Particulars	(₹ in Million)									
	As at 31st December, 2024		As at 31st December, 2023		As at 31st March, 2024		As at 31st March, 2023		As at 31st March, 2022	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Capital advances	3.99	-	5.52	-	9.49	-	99.13	1.68	-	1.24
Prepaid expenses	16.87	135.52	11.44	98.16	8.03	62.89	12.63	48.45	11.51	45.74
Advance to employees for expenses	-	2.02	-	1.08	-	1.05	-	1.65	-	1.69
GST credit receivable	-	298.95	-	150.19	-	189.27	-	163.31	-	186.06
Other deposits	-	2.22	-	2.79	-	2.22	-	1.39	-	1.15
Others	-	41.82	0.32	62.44	-	26.02	0.28	14.24	-	5.93
Total	20.86	480.53	17.28	314.66	17.52	281.45	112.04	230.72	11.51	241.81

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 8 : Current Investments

Particulars	Rate of Interest	Nos.	Face Value / NAV (₹)	(₹ in Million)				
				As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
(a) Current portion of Long-Term Investments :								
Investment in Debentures or Bonds (at amortised cost)								
1 Rural Electrification Corporation Limited *				-	-	-	-	10.27
2 Power Finance Corporation of India Limited *				-	-	-	-	51.75
3 Indian Railway Finance Corporation Limited *				-	-	-	-	77.83
4 Power Finance Corporation of India Limited *				-	-	-	-	102.82
5 National Bank for Agriculture and Rural Development				-	-	52.28	-	-
6 Power Finance Corporation of India Limited				-	-	6.08	-	-
7 IDFC FIRST Bank Limited	9.03	5	10,00,000	5.44	-	-	-	-
8 Power Grid Corporation of India Limited	9.64	21	12,50,000	28.11	-	-	-	-
9 NTPC Limited*	7.15	171	10,00,000	178.20	-	-	155.47	-
10 IDFC FIRST Bank Limited	8.80	4	10,00,000	4.15	-	-	-	-
11 National Bank for Agriculture and Rural Development	5.70	150	10,00,000	153.35	-	-	-	-
12 Power Finance Corporation of India Limited	6.50	50	10,00,000	50.72	6.52	-	-	-
13 Indian Renewable Energy Development Agency Limited*	7.17	60	10,00,000	61.11	-	-	-	-
14 Power Grid Corporation of India Limited	8.85	50	12,50,000	52.04	-	-	-	-
15 Rural Electrification Corporation Limited *	5.85	50	10,00,000	49.50	-	-	-	-
16 Rural Electrification Corporation Limited *	5.85	150	10,00,000	146.35	-	-	-	-
17 Rural Electrification Corporation Limited *	7.17	50	10,00,000	50.71	-	-	-	-
18 National Bank For Agriculture And Rural Development	5.70	50	10,00,000	50.81	-	-	-	-
19 Rural Electrification Corporation Limited	5.85	50	10,00,000	50.09	-	-	-	-
20 NHPC LIMITED*				-	-	-	35.67	-
21 HDB Financial Services Limited				-	1.08	-	1.01	-
22 Housing and Urban Development Corporation Limited*				-	54.74	-	51.76	-
23 National Housing Bank*				-	141.48	-	137.58	-
24 Indian Railways Finance Corporation Limited*				-	53.20	-	55.80	-
25 India Infrastructure Finance Company Limited*				-	54.09	-	52.45	-
26 National Bank for Agriculture and Rural Development				-	51.63	-	-	-
27 NTPC Limited*				-	-	-	51.96	-
Sub-total				880.58	362.14	58.36	541.70	242.67
(b) Investment in Government Securities (at amortised cost)								
1 8.20% GOI 2025	8.20	20,000	100	20.73	-	-	-	-
2 8.20% GOI 2025	8.20	30,000	100	31.10	-	-	-	-
Sub-total				51.83	-	-	-	-
(c) Other Current Investments :								
Investment in Mutual Funds (at FVTPL)								
1 Units of Axis Liquid Fund - Direct Growth				-	-	-	-	80.46
2 Units of UTI Treasury Advantage Fund - Daily Dividend Reinvestment				-	-	-	81.55	77.43
3 Units of Axis Liquid Fund -Direct Plan- Daily Dividend				-	-	-	0.16	0.15
4 Units of IDFC Liquid Fund - Direct Plan - Daily Dividend				-	-	-	0.10	0.09
5 Units of HDFC Liquid Fund- Daily Dividend Reinvestment				-	-	-	74.50	70.69
6 Units of ICICI Prudential Liquid Fund Dir Growth				-	-	-	-	72.78
7 Units of IDBI Ultra Short Term Fund- Daily Dividend Reinvestment				-	-	-	0.10	0.09
8 Units of Principal Debt Opportunity Conservative Fund- Daily Dividend Reinvestment				-	0.03	-	66.48	63.09
9 Units of UTI Liquid Fund - Daily Dividend Reinvestment				-	0.03	-	74.25	70.90
10 Units of L&T Banking & PSU debt fund	29,88,465	24.38	72.87	67.66	68.91	64.29	62.81	62.81
11 Units of Sundaram Corporate bond fund	37,67,812	39.64	149.36	137.96	140.64	131.74	126.11	126.11
12 Franklin India FMP SR 4 PL F (1286 Days)				-	-	-	-	132.68
13 Nippon India Fixed Horizon Fund - XXXIX - Series 09				-	-	-	-	132.89
14 Kotak FMP Series 248				-	-	-	-	133.42
15 Sundaram Fixed Term Plan - IS 1120 Days				-	-	-	-	62.80
16 SBI Debt fund series C 49				-	-	-	-	125.29
17 SBI Debt fund series C 50				-	-	-	-	124.77
18 Kotak FMP Series 267				-	-	-	-	62.39
19 ICICI Prudential Mutual Fund Corporate Bond				-	-	-	267.31	101.33
20 AXIS MUTUAL FUND CORP DBT FD DIR GROWTH	1,07,10,331	17.18	184.05	169.32	172.95	160.16	-	-
21 Kotak Mahindra Mutual Fund Corporate Bond				-	-	-	106.00	101.47
22 UTI Corporate Bond Fund - Direct Growth Plan Growth				-	-	-	52.99	50.78
23 IDFC Prudential Mutual Fund Corporate Bond				-	-	-	105.08	101.64
24 Edelweiss Bharat Bond ETF				-	-	-	122.43	-
25 Nippon Liquid Fund				-	-	-	-	42.97
26 SBI Liquid Fund				-	-	-	-	21.45
27 SBI Mutual Fund Series 8 (1178 Days)				-	-	-	-	61.45
28 SBI Mutual Fund Series 14 (1102 Days)				-	-	-	-	36.27
29 Kotak Corporate Bond Fund				-	-	-	-	50.87
30 ICICI Pru Corporate Bond Fund				-	-	-	-	50.73
31 Bandhan Liquid Fund				-	75.31	-	-	-
32 KOTAK Liquid Fund - Dir - Growth-2	35,326	5,143.90	181.69	177.21	240.47	-	-	-
33 NIPPON INDIA MONEY MARKET FUND - DIRECT GROWTH	55,722	4,036.09	224.90	208.50	212.81	-	-	-
34 ADITYA BIRLA SUN LIFE MONEY MANAGER FUND	6,24,900	360.00	224.97	208.51	212.84	-	-	-
35 TATA LIQUID MUTUAL FUND	11,060	4,017.00	44.43	12.26	12.72	-	-	-
36 ICICI Money Market Fund	89,502	369.06	33.03	30.63	31.26	-	-	-
37 Nippon India ETF Nifty CPSE Bond Plus SDL 2024				-	54.31	55.27	-	-
38 CANARA ROBECO LIQUID MUTUAL FUND				-	30.96	-	-	-
39 ADITYA BIRLA SUN LIFE LIQUID FUND				-	-	-	-	-
40 HSBC Liquid Mutual Fund	1,62,544	2,493.68	412.37	-	-	-	-	-
41 Birla Sunlife Liquid Fund F				-	-	-	-	-
42 BANDHAN LIQUID MUTUAL FUND	43,977	3,023.41	135.23	-	-	-	-	-
43 LIC LIQUID MUTUAL FUND	8,994	4,545.20	41.57	-	-	-	-	-
44 HDFC Corporate Bond Fund	70,54,489	31.77	224.14	-	-	-	-	-
45 AXIS Corporate Bond Fund	59,14,694	16.91	101.64	-	-	-	-	-
46 Aditya Birla Corporate Bond Fund	18,49,731	109.71	202.94	-	-	-	-	-
47 ICICI Corporate Bond Fund	67,67,187	29.84	201.95	-	-	-	-	-
48 Bandhan Liquid Fund - Direct Plan Growth				-	-	43.24	-	-
49 Bandhan Money Manager Fund - Direct Plan Growth	2,84,602		11.93	-	-	-	-	-
50 Axis Liquid Mutual Fund				-	12.44	-	-	-
Sub-total				2,447.07	1,185.13	1,191.11	1,306.94	2,017.50
(d) Investment in ETF Bonds (at FVTPL)								
1 Edelweiss Bharat Bond ETF		49,997	1,000	63.25	-	-	-	-
Sub-total				63.25	-	-	-	-
Investments in Treasury Bills and CD								
				2,406.09	1,297.23	1,483.40	1,478.44	737.37
Total				5,848.82	2,844.50	2,732.87	3,327.08	2,997.84
* Investment in tax free bonds Note - The Repurchase Price / NAV has been considered as the Quoted Market Price								
Aggregate amount of quoted investment				5,848.82	2,844.50	2,732.87	3,377.05	2,997.84
Aggregate market value of quoted investment				5,829.50	2,819.89	2,730.47	3,362.81	2,995.82
Aggregate amount of unquoted investments				-	-	-	-	-

Note 9 : Trade Receivables

Particulars	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Trade receivables considered good - Secured,	23.90	16.62	10.07	16.95	28.80
Trade receivables considered good - Unsecured,	1,314.57	958.70	821.32	839.33	993.60
Trade receivables credit impaired - Unsecured					
Which have significant increase in credit risk	129.38	30.38	28.62	2.39	-
Credit Impaired	403.79	333.00	351.52	257.88	189.80
	1,871.64	1,338.70	1,211.53	1,116.55	1,212.20
Less: Expected credit loss / Allowance for doubtful debts (Refer Note 2.14)					
Trade receivables -Unsecured / Allowance for doubtful debts	533.17	363.38	380.14	260.27	189.80
	533.17	363.38	380.14	260.27	189.80
Total	1,338.47	975.32	831.39	856.28	1,022.40

Footnote :

1) The average credit period on sale of services is 30 days. No interest is charged on trade receivables for the first 30 days from the date of invoice. Thereafter, interest is charged at the range of 12% to 24% p.a. on certain categories of receivables.

2) The Holding Company has appropriate levels of control procedures for new customers which ensures the potential customer's credit quality. Credit limits attributed to customers are reviewed periodically by the Management.

9 (a) Movement in Expected Credit Loss

Particulars	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	380.14	260.27	260.27	189.80	127.47
Provision during the period / year	178.47	105.68	156.69	75.95	67.98
Reversal during the period / year	25.44	2.57	36.82	5.48	5.65
Balance at the end of the period / year	533.17	363.38	380.14	260.27	189.80

9 (b) Trade Receivables Ageing Schedule as on 31st December, 2024

Particulars	(₹ in Million)							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	187.04	301.85	273.21	443.06	110.00	23.31	-	1,338.47
Which have significant increase in credit risk	-	-	-	-	129.38	-	-	129.38
Credit Impaired	-	-	-	0.93	(92.21)	100.25	394.82	403.79
Less: Expected credit loss / Allowance for doubtful debts	-	-	-	0.93	37.17	100.25	394.82	533.17
Total	187.04	301.85	273.21	443.06	110.00	23.31	-	1,338.47

9 (c) Trade Receivables Ageing Schedule as on 31st December, 2023

Particulars	(₹ in Million)							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	207.57	66.69	253.33	262.81	140.62	44.30	-	975.32
Which have significant increase in credit risk	-	-	-	-	30.38	-	-	30.38
Credit Impaired	-	-	-	1.76	10.77	113.17	207.30	333.00
Less: Expected credit loss / Allowance for doubtful debts	-	-	-	1.76	41.15	113.17	207.30	363.38
Total	207.57	66.69	253.33	262.81	140.62	44.30	-	975.32

9 (d) Trade Receivables Ageing Schedule as on 31st March, 2024

Particulars	(₹ in Million)							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	173.44	28.05	204.23	252.27	130.20	42.11	1.09	831.39
Which have significant increase in credit risk	-	-	-	-	28.62	-	-	28.62
Credit Impaired	-	-	-	1.91	12.74	106.76	230.11	351.52
Less: Expected credit loss / Allowance for doubtful debts	-	-	-	1.91	41.36	106.76	230.11	380.14
Total	173.44	28.05	204.23	252.27	130.20	42.11	1.09	831.39

9 (e) Trade Receivables Ageing Schedule as on 31st March, 2023

Particulars	(₹ in Million)							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	99.75	57.14	171.41	317.43	168.81	41.74	-	856.28
Which have significant increase in credit risk	-	-	-	-	2.39	-	-	2.39
Credit Impaired	-	-	0.15	4.70	46.10	99.24	107.69	257.88
Less: Expected credit loss / Allowance for doubtful debts	-	-	0.15	4.70	48.49	99.24	107.69	260.27
Total	99.75	57.14	171.41	317.43	168.81	41.74	-	856.28

9 (f) Trade Receivables Ageing Schedule as on 31st March, 2022

Particulars	(₹ in Million)							Total
	Unbilled	Current but not due	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed, trade receivables – considered good	88.76	64.08	233.36	504.88	121.67	9.65	-	1,022.40
Undisputed, trade receivables – credit impaired - Unsecured	-	-	0.69	4.35	44.54	62.56	77.66	189.80
Less: Expected credit loss	-	-	0.69	4.35	44.54	62.56	77.66	189.80
Total	88.76	64.08	233.36	504.88	121.67	9.65	-	1,022.40

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 10 : Cash and Cash Equivalents

Particulars	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Cash on hand	0.05	0.05	0.05	0.05	0.06
Balances with banks:					
i) in current accounts	614.51	611.75	866.94	1,623.14	1,092.89
ii) in sweep fixed deposit	144.46	48.45	193.13	233.78	351.65
Investments in Treps	70.00	99.96	-	49.97	-
Total	829.02	760.21	1,060.12	1,906.94	1,444.60

Note 11 : Bank Balances other than Cash and Cash Equivalents

Particulars	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Other bank balances:					
i) in current accounts*	-	1,362.13	-	1,712.91	1,429.76
ii) In other deposit accounts with original maturity more than 3 months	1,569.40	154.50	1,240.11	250.00	809.10
iv) Others (Earmarked Deposits with original maturity for more than 3 months)	-	-	-	-	5.00
Total	1,979.23	1,516.63	1,344.61	1,962.91	2,243.86

* These balances have restriction on repatriation.

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 12 : Equity Share Capital

(₹ in Million)

Particulars	As at	As at	As at	As at	As at
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Authorised : 500,000,000 equity shares of ₹2 each with voting rights*	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Issued, Subscribed and Fully Paid - up : 200,000,000 equity shares of ₹2 each fully paid up with voting rights*	400.00	400.00	400.00	400.00	400.00
Total	400.00	400.00	400.00	400.00	400.00

*Refer Note No.30.1 for details regarding sub-division of shares during the year.

12 (a) There are no promoters as on 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022.

12 (b) Details of Shares held by each Shareholder holding more than 5% :

Name of the Shareholder	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
	Number of Shares held*				
IDBI Bank Ltd.	5,22,00,000	5,22,00,000	5,22,00,000	5,22,00,000	5,22,00,000
Holding (%)	26.10	26.10	26.10	26.10	26.10
National Stock Exchange of India Ltd	4,80,00,000	4,80,00,000	4,80,00,000	4,80,00,000	4,80,00,000
Holding (%)	24.00	24.00	24.00	24.00	24.00
HDFC Bank Limited	1,59,09,500	1,78,99,500	1,78,99,500	1,78,99,500	1,98,99,500
Holding (%)	7.95	8.95	8.95	8.95	9.95
Administrator of the Specified Undertaking of the Unit Trust of India- Unit Scheme 1964	1,36,60,000	1,36,60,000	1,36,60,000	1,36,60,000	1,36,60,000
Holding (%)	6.83	6.83	6.83	6.83	6.83

*Refer Note No.30.1 for details regarding sub-division of shares during the year.

12 (c) The Company has one class of equity shares having a par value of ₹2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, (except in case of interim dividend), is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all dues, proportionate to their shareholding.

12 (d) Reconciliation of the Shares outstanding at the beginning and end of the period / year :

Particulars	No of shares*	(₹ in Million)
Balance as at 31st March, 2021	20,00,00,000	400
Add: Issue of Shares	-	-
Balance as at 31st March, 2022	20,00,00,000	400
Add: Issue of Shares	-	-
Balance as at 31st March, 2023	20,00,00,000	400
Add: Issue of Shares	-	-
Balance as at 31st March, 2024	20,00,00,000	400
Balance as at 1st April, 2023	20,00,00,000	400
Add: Issue of Shares	-	-
Balance as at 31st December, 2023	20,00,00,000	400
Balance as at 1st April, 2024	20,00,00,000	400
Add: Issue of Shares	-	-
Balance as at 31st December, 2024	20,00,00,000	400

*Refer Note No.30.1 for details regarding sub-division of shares during the year.

12 (e) On 14th May, 2024, the Board of Directors of the Holding Company had recommended a final dividend of ₹1.00 per equity share of the face value of ₹2 per share (₹2.00 per equity share of the face value of ₹5 per share for March, 2023 on 23rd May, 2023, and ₹5.00 per equity share of the face value of ₹10 per share for March, 2022 on 26th May, 2022) in respect of the year ended 31st March, 2024, approved at the 12th Annual General Meeting held on 28th August, 2024. (for March, 2023, approved at the 11th Annual General Meeting held on 31st August, 2023, and for March, 2022, approved at the 10th Annual General Meeting held on 27th September, 2022). The dividend resulted in a cash outflow of ₹2,00.00 Million (₹200.00 Million for March, 2023 and ₹200.00 Million for March, 2022).

On 2nd May, 2024, the Board of Directors of the Subsidiary Company had recommended a final dividend of ₹3.00 per equity share of the face value of ₹10 per share (₹3.00 per equity share of the face value of ₹10 per share for March, 2023 on 26th April, 2023, and ₹2.00 per equity share of the face value of ₹10 per share for March, 2022 on 23rd May, 2022) in respect of the year ended 31st March, 2024, approved at the 20th Annual General Meeting held on 26th August, 2024. (for March, 2023, approved at the 19th Annual General Meeting held on 29th August, 2023, and for March, 2022, approved at the 18th Annual General Meeting held on 21st September, 2022). The dividend resulted in a cash outflow of ₹183.15 Million (₹183.15 Million for March, 2023 and ₹122.10 Million for March, 2022).

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 13 : Other Equity

(₹ in Million)

Particulars	As at	As at	As at	As at	As at
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
General Reserve					
Balance at the beginning of the year	3,631.28	3,631.28	3,631.28	3,631.28	3,631.28
Addition during the period / year	-	-	-	-	-
Balance as at the end of the period / year	3,631.28	3,631.28	3,631.28	3,631.28	3,631.28
Retained Earnings					
Balance at the beginning of the year	12,754.31	10,216.98	10,216.98	8,089.12	6,163.18
Profit for the period / year	2,598.26	1,959.41	2,754.45	2,348.10	2,125.94
Less: Dividend (Refer Note 12(e))	(200.00)	(200.00)	(200.00)	(200.00)	(200.00)
Add: Transferred to statutory reserves	-	-	(4.28)	(20.24)	-
Add: Transferred to Investment Fluctuation reserves	-	-	(12.84)	-	-
Balance as at the end of the period / year	15,152.57	11,976.39	12,754.31	10,216.98	8,089.12
Other Comprehensive Income					
Balance at the beginning of the year	12.81	18.81	18.81	(4.21)	(1.51)
Other comprehensive income during the period / year	(19.09)	(17.28)	(6.00)	23.02	(2.70)
Balance as at the end of the period / year	(6.28)	1.53	12.81	18.81	(4.21)
Share Based Payment Reserve					
Balance at the beginning of the year	5.21	1.30	1.30	-	-
Addition during the period / year	1.40	3.41	3.91	1.30	-
Balance as at the end of the period / year	6.61	4.71	5.21	1.30	-
Statutory Reserves					
Balance at the beginning of the year	24.52	20.24	20.24	-	-
Add: Transferred from retained earning	-	-	4.28	20.24	-
Balance as at the end of the period / year	24.52	20.24	24.52	20.24	-
Investment Fluctuation reserves					
Balance at the beginning of the year	12.84	-	-	-	-
Add: Transferred from retained earning	-	-	12.84	-	-
Balance as at the end of the period / year	12.84	-	12.84	-	-
Total	18,821.54	15,634.15	16,440.97	13,888.61	11,716.19

Note 14 : Other Financial Liabilities (Non-Current)

(₹ in Million)

Particulars	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Others:					
Incentive payable to employees	50.42	49.48	51.04	48.14	41.47
Advances from customers	0.57	0.41	0.42	0.39	0.48
Total	50.99	49.89	51.46	48.53	41.95

Note 15 : Other Non-Current Liabilities

(₹ in Million)

Particulars	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Others:					
Income received in advance	64.15	59.95	60.66	58.37	44.24
Total	64.15	59.95	60.66	58.37	44.24

Note 16 : Trade Payables

(₹ in Million)

Particulars	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Amounts due to micro enterprise and small enterprises*	202.55	183.96	142.68	130.47	57.79
Others	656.28	597.88	553.67	481.38	255.40
Total	858.83	781.84	696.35	611.85	313.19

* Dues to micro enterprise and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

16 (a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Million)

Particulars	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting period.	202.55	183.96	142.68	130.47	57.79
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period.	-	-	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-	-	-	-
The amount of interest due and payable for the period.	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period.	-	-	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-	-	-	-
Total	202.55	183.96	142.68	130.47	57.79

16 (b) Trade Payables Ageing Schedule as on 31st December, 2024

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	199.00	-	3.10	0.42	0.03	-	202.55
Others	638.44	-	17.71	0.07	0.06	-	656.28
Total	837.44	-	20.81	0.49	0.09	-	858.83

16 (c) Trade Payables Ageing Schedule as on 31st December, 2023

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	169.12	-	14.07	0.77	-	-	183.96
Others	503.18	-	90.30	4.40	-	-	597.88
Total	672.30	-	104.37	5.17	-	-	781.84

16 (d) Trade Payables Ageing Schedule as on 31st March, 2024

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	129.85	-	12.27	0.56	-	-	142.68
Others	331.67	-	212.77	9.23	-	-	553.67
Total	461.52	-	225.04	9.79	-	-	696.35

16 (e) Trade Payables Ageing Schedule as on 31st March, 2023

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	122.69	-	7.78	-	-	-	130.47
Others	398.08	-	71.42	11.61	0.27	-	481.38
Total	520.77	-	79.20	11.61	0.27	-	611.85

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

16 (f) Trade Payables Ageing Schedule as on 31st March, 2022

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Current but not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Amounts due to MSME	45.17	-	12.62	-	-	-	57.79
Others	154.52	-	98.87	2.01	-	-	255.40
Total	199.69	-	111.49	2.01	-	-	313.19

Note 17 : Other Financial Liabilities (Current)

(₹ in Million)

Particulars	As at	As at	As at	As at	As at
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Security deposit received from customers / depository participants	1,269.77	703.16	753.64	659.60	625.64
Payables on purchase of Property, plant and equipment, intangible assets	40.91	10.24	5.01	7.82	5.84
Payable to Investor Protection Fund Trust (Refer Note 31)	40.38	34.84	26.58	29.41	23.10
Payable on redemption of NSC/KVP and government securities	17.61	20.48	22.18	411.73	136.59
Payables to staff	131.75	123.68	150.64	153.25	155.11
Gratuity payable to Fund (Refer Note 29)	62.57	50.39	45.12	25.30	40.03
Annual custody charges payable	-	0.83	10.15	8.84	8.51
Equity dividend payable	36.18	-	-	-	-
Payable for stamp duty collection	753.80	547.17	427.56	487.61	510.70
Advance received for auction of DP demat accounts*	781.01	781.01	781.01	781.01	781.01
Corporate Social Responsibility Liability	4.60	8.76	12.51	23.01	11.09
Settlement Charges Payable	10.56	-	-	-	-
Advance from Selling Shareholders for IPO	1.08	1.08	1.08	3.71	-
Others**	2,458.23	981.76	1,360.26	2,110.96	962.85
Total	5,608.45	3,263.40	3,595.74	4,702.25	3,260.47

* Advance received for Auction of Demat Accounts for DP Karvy Stock Broking Limited. The matter is subjudice with Bombay High Court.

** Includes Customer Deposits, Earnest Money Deposits, and Settlement Accounts related to Subsidiary (NSDL Payments Bank Limited).

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 18 : Provisions

Particulars	(₹ in Million)									
	As at 31st December, 2024		As at 31st December, 2023		As at 31st March, 2024		As at 31st March, 2023		As at 31st March, 2022	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Provision for Employee Benefit										
Provision for compensated absences	7.95	130.63	6.88	133.84	6.88	129.31	6.43	126.07	16.88	124.39
Other Provision										
Provision for investor awareness (Refer Note 32)	-	188.34	-	158.35	-	175.23	-	154.32	-	166.83
Total	7.95	318.97	6.88	292.19	6.88	304.54	6.43	280.39	16.88	291.22

Note 19 : Other Current Liabilities

Particulars	(₹ in Million)				
	As at 31st December, 2024	As at 31st December, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	962.05	502.06	539.83	475.52	459.69
Income received in advance	790.16	648.22	95.51	96.27	94.74
Statutory remittances	87.93	73.84	124.37	109.21	110.04
Other Payables	21.74	14.35	27.31	7.97	16.77
Total	1,861.88	1,238.47	787.02	688.97	681.24

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 20: Revenue from Operations

(₹ in Million)

Particulars	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Annual fees	219.36	203.88	274.18	273.74	241.46
Custody fees	1,706.67	1,516.55	2,058.94	1,875.04	1,700.44
Registration fees	36.76	22.16	33.30	58.50	90.19
Transaction fees	3,155.26	2,248.50	3,086.34	2,553.82	2,535.71
Software license fees	3.31	1.76	2.25	1.93	2.54
Communication fees	26.38	23.21	31.27	43.41	42.25
Income from banking services	5,413.62	5,323.03	7,192.40	5,407.78	2,992.45
Other operating income	4.10	2.87	3.76	5.66	6.05
Total	10,565.46	9,341.96	12,682.44	10,219.88	7,611.09

20 (a) Timing of revenue recognition as per Ind AS 115

(₹ in Million)

Particulars	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Services transferred at a point in time	8,532.04	7,557.53	10,264.49	7,969.62	5,597.31
Services transferred over time	2,033.42	1,784.43	2,417.95	2,250.26	2,013.78
Total revenue from contracts with customers	10,565.46	9,341.96	12,682.44	10,219.88	7,611.09

Note 21 : Other Income

(₹ in Million)

Particulars	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income :					
i) On non-current investments	666.05	548.07	737.46	586.16	349.13
ii) On fixed deposits with banks	19.69	10.73	13.61	70.53	125.96
iii) On overdue trade receivables	7.84	7.01	10.10	17.56	23.05
Sub-total	693.58	565.81	761.17	674.25	498.14
Dividend income from current Investments	-	9.84	10.62	6.98	4.45
Fair value gain on investments in mutual funds	125.78	131.94	170.07	65.20	78.89
Profit on sale of investments	4.90	4.07	4.34	2.06	1.67
Profit / (loss) on sale of property, plant and equipment	0.50	-	-	-	-
Bad debts recovered	-	-	-	1.35	0.03
Extinguishment of Lease Liability	-	-	-	3.47	2.81
Rent recovery (Ind AS 116 - Leases)	0.54	1.03	1.21	0.79	1.80
Amounts written back	0.98	7.25	8.12	-	-
Miscellaneous income	22.35	13.42	19.08	24.16	14.04
Total	848.63	733.36	974.61	778.26	601.83

21 (a) Details of Fair gain on financial instruments at fair value through profit & loss

(₹ in Million)

Particulars	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Realised	7.76	104.38	68.14	5.92	2.47
Unrealised	118.02	27.56	101.93	59.28	76.42
Total	125.78	131.94	170.07	65.20	78.89

Note 22 : Employee Benefits Expenses

(₹ in Million)

Particulars	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and wages	909.49	815.72	1,094.03	967.79	923.43
Contribution to provident and other funds (Refer Note 29)	73.67	72.07	96.30	96.94	87.83
Staff welfare expenses	31.33	28.99	37.97	26.31	21.59
Deputation Cost	1.40	5.69	3.69	7.03	5.02
Total	1,015.89	922.47	1,231.99	1,098.07	1,037.87

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Note 23 : Other Expenses

Particulars	(₹ in Million)				
	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
Annual fees	38.41	33.98	46.20	42.57	41.69
Repairs and maintenance - system	486.98	446.71	552.22	447.00	369.46
Repairs and maintenance - premises	28.51	16.59	23.64	25.27	23.43
Repairs and maintenance - others	75.07	66.42	86.75	61.76	52.84
System support charges	53.79	41.69	59.74	48.26	79.92
Insurance (Refer Note 28)	22.99	18.77	28.41	26.31	16.90
Processing charges	92.02	95.78	128.73	124.88	120.70
Power and fuel	17.00	9.86	17.49	16.77	16.75
Rent (net of recovery)	10.61	16.20	20.27	21.51	15.83
Communication expenses	205.73	157.42	212.32	194.31	164.06
Travelling and conveyance expenses	19.07	18.21	23.99	23.66	13.15
Professional and consultancy fees	88.13	85.87	119.52	126.34	73.02
Legal charges	14.16	6.83	24.31	14.87	16.92
Printing and stationery expenses	28.67	17.00	17.31	27.13	31.47
Rates and taxes	52.97	12.20	17.22	9.54	12.23
Corporate social responsibility expense (Refer Note 33)	47.71	43.84	56.96	46.35	37.27
Seminar and business promotion expenses	11.71	6.86	11.77	25.35	11.86
Payment to auditors (net of GST set-off) :					
(a) Audit fees	2.97	3.33	4.40	3.91	4.16
(b) Tax audit fees	0.36	0.21	0.42	0.34	0.40
(c) Taxation matters	0.38	0.15	0.20	0.12	0.13
(d) Other services	1.62	1.86	2.22	2.00	2.49
(e) Reimbursement of expenses (out of pocket expenses)	0.15	0.10	0.20	-	0.25
	5.48	5.65	7.44	6.37	7.43
Directors sitting fees	19.12	17.96	23.44	21.48	20.64
Provision for investor awareness (Refer Note 32)	51.74	48.94	65.81	64.03	56.04
Provision for doubtful trade receivables	154.02	103.78	120.73	70.47	62.49
Bad debts written-off	1.02	26.67	11.28	9.96	30.32
Provision for doubtful rent deposit	-	(3.55)	(3.55)	9.55	-
Bad debts written off - rent deposit	-	3.55	3.55	-	-
Loss on sale of Assets / written off	9.30	-	-	3.59	23.07
IAUD written off	-	-	-	2.49	145.67
Marketing expenses	0.80	1.80	1.88	1.46	0.65
Business & remittance expenses	4,974.67	4,988.70	6,738.71	4,936.29	2,585.30
Miscellaneous expenses	80.96	49.42	69.13	59.23	46.91
Total	6,590.64	6,337.15	8,485.27	6,466.80	4,076.02

24. Contingent Liabilities and Other Commitments (to the extent not provided for)

Contingent Liabilities

- a) Demand from the service tax authorities of ₹523.62 Million as at 31st December, 2024 (for 31st December, 2024 ₹523.62 Million, 31st March, 2024 ₹523.62 Million, 31st March, 2023 ₹523.62 Million and 31st March, 2022 ₹523.62 Million) in respect of FY 2004-05 to FY 2008-09 relate to service tax demanded in respect of depository participant services during that period. The Group has received order from the Central Excise and Service Tax Appellate Tribunal (CESTAT) on 12th June, 2020, and it subsequently filed a civil appeal in the Supreme Court and the Service Tax Department has filed a counter affidavit with the Supreme Court. The Group has paid ₹323.27 Million under protest. The Group is hopeful of succeeding in appeals and does not expect any significant liability to materialise.
- b) Demand from the Goods and Service Tax ("GST") authorities of Maharashtra for ₹15.42 Million in respect of FY 2019-20 has been received mainly for proportionate reversal of Input Tax Credit as per rule 42 and 43 for exempt supply made during the aforesaid period. The Holding Company has filed an appeal on 28th November, 2024. Further, the Holding Company had paid ₹1.37 Million under Section 107(1), as pre-deposit for filing an appeal which is 10 percent of tax amount. The Holding Company is hopeful of succeeding in appeals and does not expect any significant liability to materialize.
- c) Demand from Goods and Service Tax authorities of Rs.₹9.04 Million as at 31st December, 2024 (for 31st December, 2023 ₹4.58, 31st March, 2024 ₹9.04 Million, 31st March, 2023 ₹182.51 Million and 31st March, 2022 Nil) on account of disputed demand of Goods and Service Tax pertaining to year 2017-18 to -2019-20. The Group is hopeful of succeeding in appeals and does not expect any significant liability to materialise.
- d) Demand from income tax authorities is given below :

(₹ in Million)

Particulars	Demand from income tax authorities as at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
2013-14	-	-	-	-	-
2014-15	0.86	0.86	0.86	0.86	0.85
2015-16	3.49	3.49	3.49	3.33	3.33
2016-17	141.58	141.58	141.58	141.58	-
2017-18	89.26	89.26	89.26	89.26	89.26
2018-19	280.27	280.27	280.27	280.27	306.53
2019-20	81.08	79.73	81.08	79.67	79.67
2020-21	53.84	53.84	53.84	53.84	2.20
2021-22	28.13	28.13	28.13	28.13	-
2022-23	21.03	-	21.03	-	-
2023-24	0.04	-	-	-	-
Total	699.58	677.16	699.54	676.94	481.84

The Company is confident to receive adjudication in their favour and accordingly no provision is considered necessary.

- e) GSRTC a merchant of Payment Gateway has disputed transactions amounting to ₹0.92 Million. The merchant customer has a Bank Guarantee of ₹0.08 Million. The Company is in discussion with the highest authority of the merchant customer and is hopeful of preventing an invocation of Bank Guarantee.
- f) Fixed Deposits placed with Corporation Bank for issue of Bank Guarantee to Unique Identification Authority of India (UIDAI) on behalf of NSDL Payments Bank Limited for ₹2.50 Million as at 31st December, 2024 (for 31st December, 2023 ₹2.50 Million, 31st March, 2024 ₹2.50 Million, 31st March, 2023 ₹2.50 Million and 31st March, 2022 ₹2.50 Million).
- g) The Group is a party in certain legal proceedings filed by beneficial owners / third parties in the normal course of business. In view of the management the chances of these legal proceedings being decided against the Company are very remote and it may not have any material adverse impact on its financial conditions, results of operations and cash flow.
- h) The Company has preferred two civil appeals before Hon'ble Supreme Court challenging the Order of Securities Appellant Tribunal ("SAT") dated December 20, 2023 in the matter of Karvy Stock Broking Limited ("Karvy") wherein Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited ("NSE") and National Securities Depositories Limited ("NSDL") were directed to either (i) permit Axis Bank (one of the lenders to Karvy) to invoke the shares pledged in its favour by Karvy, as available in the Demat account and (ii) restore the pledge of shares in favour of other appellant Banks & NBFC; or compensate them with the value of underlined securities which were pledged by Karvy in their favour, along with interest. It was alleged in SEBI interim order dated November 22, 2019 ("Interim Order") that Karvy pledged clients' shares unlawfully in order to avail loan facilities from various Banks and NBFC. The said SEBI order was quashed by SAT vide its above referred order. The SEBI's order issued in December 13, 2019 recorded that the total dues payable to Banks & NBFC by Karvy amounted to approx. ₹143.51 Million. However, the amount of Karvy's current outstanding dues towards these Banks & NBFC is not known.

Further, both SEBI and NSE have also independently filed their appeals before the Hon'ble Supreme Court against SAT Order. The Hon'ble Supreme Court has directed that no coercive steps be taken against SEBI, NSE and NSDL in respect of SAT order and status quo to be maintained in respect of shares pledged with Axis Bank, as available in the Demat account. Although SAT passed an order implicating SEBI, NSE and NSDL collectively, the Company's management maintains the stand that the Company's actions of releasing the pledge and also returning the securities to Karvy's Clients were strictly as per SEBI's Interim Order (as a Regulator) and were taken under the supervision of NSE and as a result, the Company cannot be held liable towards the Banks and NBFC and no liability can be attributed to the Company. However, the outcome of the matter is contingent upon Hon'ble Supreme Court's verdict and the financial obligations on the Company, if there would be any, would be known once the verdict is pronounced by Hon'ble Supreme Court since the same cannot be reliably estimated at present stage. In the assessment of the management and based on legal opinion obtained in the matter, the Company believes that it has strong case on merits to challenge the SAT Order and hence, no provision is required to be made in the books of account.

24. Contingent Liabilities and Other Commitments (to the extent not provided for)

- i) In the matter of inspection conducted by SEBI for FY 23-24, there were certain non-compliances observed by SEBI viz Freezing/unfreezing of accounts, backdated outsourcing agreements in a few cases, Non-conversion of eligible demat accounts into BSDA and CUSA/CUSPA related software changes. Subsequently SEBI issued a Show cause notice on October 11, 2024 and SEBI has initiated Adjudication proceedings under various sections of SEBI Act as well. The Company has already filed a settlement application on December 10, 2024 proposing ₹10.56 Million as the settlement amount and accordingly provision for settlement charges is recognised in December 2024. The final outcome of the matter and financial obligation cannot be reliably estimated at present.

Commitments

(₹ in Million)

Particulars	Estimated amount of commitments as at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Capital contracts not provided for (net of advances)	189.46	35.38	228.95	1,892.40	21.63
Other Commitments: Contractual guarantee	6.50	25.17	25.17	25.17	25.17

25. Segment Reporting

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Chief Operating Decision Maker (CODM), in deciding how to allocate resources and in assessing performance. The Managing Director has been identified as the CODM. The Operating segments have been identified taking into account nature of products and services, the differing risk and returns and the internal business reporting systems. The Group has three operating and reporting segments; viz. Depository, Database Management Services, and Banking Services. Since the operations of the segments are in India, no geographical segments have been identified.

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable". Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Depository Segment (DP) includes providing various services to the investors like, dematerialisation, rematerialisation, holding, transfer and pledge of securities in electronic form, providing facility to market intermediaries for "Straight through Processing" and providing e-voting services to companies.

Database Management Services (DMS) includes data management services like National Skills Registry to IT / ITeS industry and transactions services like SEZ Online system on behalf of Ministry of Commerce & Industry, KYC registration agency (KRA) for centralization of the KYC records in the securities market, operations pertaining to the Repository of Insurance Policies.

Banking Services segment (BS) includes accepting demand deposits in the form of savings bank deposits, to provide payment/ remittance/recharge services through its mobile application, issue of debit cards for point of sale/Ecommerce and ATM transactions, accepting demand deposits in the form of current account deposits, offering domestic money transfer through Business Correspondent, offering mutual fund investment services through mobile app, offering Bank verification services for corporate brokers, offering insurance investment services through mobile app.

(₹ in Million)

Particulars	For the period ended 31st December, 2024				For the period ended 31st December, 2023			
	Depository	Database Management	Banking Services	Total	Depository	Database Management	Banking Services	Total
Segment Revenue								
Revenue	4,520.62	631.22	5,413.62	10,565.46	3,469.60	549.33	5,323.03	9,341.96
Less: Inter segment revenue	-	-	-	-	-	-	-	-
Total	4,520.62	631.22	5,413.62	10,565.46	3,469.60	549.34	5,323.03	9,341.96
Segment Results	2,338.26	230.88	21.51	2,590.65	1,615.13	197.87	19.12	1,832.12
Add: Other unallocable income (net of unallocable expense)				171.22				135.03
Add: Interest income				693.58				565.81
Less: Finance cost				28.66				15.34
Profit before Tax				3,426.79				2,517.62
Less: Tax expense				828.53				558.21
Profit for the period				2,598.26				1,959.41

(₹ in Million)

Particulars	For the year ended 31st March, 2024				For the year ended 31st March, 2023			
	Depository	Database Management	Banking Services	Total	Depository	Database Management	Banking Services	Total
Segment Revenue								
Revenue	4,730.34	759.70	7,192.40	12,682.44	4,091.46	720.64	5,407.78	10,219.88
Less: Inter segment revenue	-	-	-	-	-	-	-	-
Total	4,730.34	759.70	7,192.40	12,682.44	4,091.46	720.64	5,407.78	10,219.88
Segment Results	2,305.06	281.55	22.50	2,609.11	1,965.49	289.69	84.07	2,339.25
Add: Other unallocable income (net of unallocable expense)				199.82				55.65
Add: Interest income				761.17				674.25
Less: Finance cost				20.60				18.73
Profit before Tax				3,549.50				3,050.42
Less: Tax expense				795.05				702.32
Profit for the year				2,754.45				2,348.10

(₹ in Million)

Particulars	For the year ended 31st March, 2022			
	Depository	Database Management	Banking Services	Total
Segment Revenue				
Revenue	3,692.62	926.03	2,992.45	7,611.10
Less: Inter segment revenue	-	-	-	-
Total	3,692.62	926.03	2,992.45	7,611.10
Segment Results	1,800.87	494.18	(76.73)	2,218.32
Add: Other unallocable income (net of unallocable expense)				89.62
Add: Interest income				498.15
Less: Finance cost				24.10
Profit before Tax				2,781.99
Less: Tax expense				656.05
Profit for the year				2,125.94

25. Segment Reporting

(₹ in Million)

Particulars	As at 31st December, 2024					As at 31st December, 2023				
	Depository	Database Management	Banking Services	Un-allocable	Total	Depository	Database Management	Banking Services	Un-allocable	Total
Segment Assets	4,761.32	396.58	1,586.06	21,497.28	28,241.24	3,567.92	411.10	1,320.74	16,603.15	21,902.91
Segment Liabilities	3,877.08	471.60	2,977.92	1,693.10	9,019.70	2,510.62	475.02	1,495.70	1,387.42	5,868.76
Capital Expenditure	377.22	31.34	77.60	-	486.16	2,177.68	36.54	86.73	-	2,300.95
Depreciation / Amortisation	146.36	49.53	56.58	-	252.47	85.11	43.70	41.46	-	170.27
Material non-cash items other than Depreciation / Amortisation	320.78	1.82	-	-	322.60	256.24	(1.18)	0.72	-	255.78

(₹ in Million)

Particulars	As at 31st March, 2024					As at 31st March, 2023				
	Depository	Database Management	Banking Services	Un-allocable	Total	Depository	Database Management	Banking Services	Un-allocable	Total
Segment Assets	3,944.53	415.15	1,667.11	16,550.56	22,577.35	1,587.15	382.19	2,186.09	16,779.32	20,934.75
Segment Liabilities	2,075.53	449.90	1,879.70	1,331.25	5,736.38	1,854.83	445.89	2,553.07	1,792.35	6,646.14
Capital Expenditure	2,237.17	58.28	88.30	-	2,383.75	223.20	35.90	7.09	-	266.19
Depreciation / Amortisation	123.53	59.58	58.12	-	241.23	103.36	52.13	61.40	-	216.89
Material non-cash items other than Depreciation / Amortisation	307.55	(1.32)	2.87	-	309.10	245.90	(2.94)	9.91	-	252.87

(₹ in Million)

Particulars	As at 31st March, 2022				
	Depository	Database Management	Banking Services	Un-allocable	Total
Segment Assets	3,312.03	450.95	1,442.83	11,721.66	16,927.47
Segment Liabilities	1,709.41	357.26	1,182.00	1,562.61	4,811.28
Capital Expenditure	59.10	29.45	3.56	-	92.11
Depreciation / Amortisation	99.85	42.34	47.13	-	189.32
Material non-cash items other than Depreciation / Amortisation	233.74	4.39	0.27	-	238.40

26. Related Party Disclosures

a) Names of Related Parties and Relationship	
i)	IDBI Bank Limited Company having substantial Interest
ii)	National Stock Exchange of India Limited Company having substantial Interest
iii)	India International Bullion Holding IFSC Limited Associate Company (w.e.f. August 13, 2021)
iv)	Mr. B. A. Prabhakar (till 7th May, 2023) Mr. Parveen Kumar Gupta Prof. G. Sivakumar (till 9th January, 2024) Dr. Rajani Gupte (till May 22, 2024) Ms. Sripriya Kumar (appointed on May 23, 2024) Mr. Rajat Moona Dr. Madhu Sudan Sahoo Mr. B. Sambamurthy (till 19th April, 2022) Mr. Rajeev Kumar (upto 10th January, 2023) Mr. Sriram Krishnan Mr. Shailendra Nadkarni (till 31st December, 2024) Ms. Priya Subbaraman (till 29th May, 2023) Mr. Vijay Chandok (Appointed on November 28, 2024) Ms. Padmaja Chunduru (till 31st August 2024) Mr. G V Nageswara Rao (till August 31, 2021) Public Interest Director Shareholder Director Managing Director and CEO

b) Nature and Volume of Transactions during the year with the above Related Parties

(₹ in Million)

Sr. No.	Particulars	For the period / year ended				
		31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
(i)	Transactions during the period / year :					
	I. Companies having Substantial Interest					
	a) IDBI Bank Limited					
	Transaction fees	5.07	5.04	6.49	5.90	5.24
	Annual fees	0.95	0.96	1.01	1.03	0.99
	Annual custody fees	2.58	2.63	2.63	2.67	2.42
	Reimbursement of expenses	-	-	-	0.02	0.37
	Interest Income on fixed deposit with bank	6.17	8.50	9.54	25.51	30.70
	Interest (waiver)/ income – other	0.21	0.03	0.03	0.04	0.09
	Miscellaneous expenses	0.10	-	0.02	(0.04)	0.09
	Investor awareness expense	0.32	0.33	0.33	0.51	0.66
	Dividend paid	52.20	52.20	52.20	52.20	52.20
	b) National Stock Exchange of India Limited					
	Transaction fees	11.92	3.21	4.59	6.34	22.19
	Dividend paid	48.00	48.00	48.00	48.00	48.00
	II. Associate Company					
	a) India International Bullion Holding IFSC Limited					
	Investment in Associate	200.00	-	-	100.00	200.00
	III. Key Managerial Personnel					
	a) Sitting Fees to directors	11.96	10.24	13.38	11.06	12.32
	b) Remuneration to KMPs (Refer note ii) :					
	Short-term employee benefit	24.85	25.62	33.77	33.68	51.22
	Long-term employee benefit	-	-	-	-	-

(₹ in Million)

Sr. No.	Particulars	As at				
		31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
(ii)	(Payable)/Receivable at the end of the period / year :					
	I. Companies having Substantial Interest					
	a) IDBI Bank Limited					
	Security deposit payable	3.00	3.00	3.00	3.00	3.00
	Balance in current account	37.26	2.88	2.18	4.74	0.05
	FDS	85.28	15.54	115.29	117.85	712.41
	Trade receivables	-	-	-	0.33	-
	Trade Payables	0.01	0.46	0.46	-	0.01
	b) National Stock Exchange of India Limited					
	Trade receivables	8.78	5.24	5.37	4.72	5.29
	II. Associate Company					
	a) India International Bullion Holding IFSC Limited					
	Investment in Associate	476.38	229.95	249.67	259.90	190.90
	Trade receivables (net)	0.01	-	-	-	0.04
	III. Key Managerial Personnel					
	a) Payable to key managerial person	23.54	23.24	25.99	21.53	20.98

Notes

- There are no provisions for doubtful debts or amounts written off/written back in respect of dues from/to related parties.
- Managerial Remuneration does not include provision made for compensated absence and gratuity since the same is provided for the company as a whole based on independent actuarial valuation except to the extent of amount paid.

- c) The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the period / year ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022

(₹ in Million)

Sr. No.	Particulars	For the period / year ended				
		31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
(i)	Transactions during the period / year :					
	I. Subsidiary Companies					
	a) NSDL Database Management Limited					
	Income	0.08	2.00	2.00	13.24	13.61
	Expense	4.15	3.53	4.76	7.85	3.87
	Reimbursement of expense	1.76	1.69	1.70	2.53	-
	Dividend received	183.15	183.15	183.15	122.10	91.58
	b) NSDL Payments Bank					
	Investment In subsidiary	-	-	-	-	-
	Income	0.15	0.08	0.08	0.30	0.62
	Expense	3.76	2.91	4.30	3.53	3.73
	Reimbursement of expense	0.25	0.50	0.76	1.50	1.41
	II. Associate Company					
	a) India International Bullion Holding IFSC Limited					
	Income	0.08	0.08	0.08	0.08	0.06

(₹ in Million)

Sr. No.	Particulars	As at				
		31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
(ii)	(Payable)/Receivable at the end of the period / year :					
	I. Subsidiary Companies					
	a) NSDL Database Management Limited					
	Trade receivables (net)	-	-	-	-	1.65
	Trade Payables (net)	3.59	3.91	1.54	2.42	-
	b) NSDL Payments Bank					
	Security deposit payable	0.15	0.15	0.15	0.15	0.15
	Balance in current account	0.14	0.14	0.14	0.17	0.16
	Payables (net)	0.54	0.67	0.69	2.07	0.16

27. Lease Liability

Statement showing movement in Lease Liabilities

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Balance as at beginning	65.32	168.17	168.17	29.25	93.09
Add/(less): Agreements reassessed as lease contracts	1.33	-	0.73	-	-
Additions	-	0.73	0.02	189.34	-
Deductions/Adjustments	7.58	0.02	12.29	20.68	29.94
Finance cost accrued during the period / year	30.48	9.53	44.93	14.42	6.04
Payment of lease liabilities	114.67	30.31	136.24	44.16	39.94
Balance as at end	- 25.12	148.10	65.32	168.17	29.25

Statement showing carrying value of Right of Use Assets

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Balance as at beginning	- 0.71	156.78	156.78	25.38	85.71
Add/(less): Agreements reassessed as lease contracts	-	-	-	-	-
Additions	-	0.73	0.01	192.75	-
Deductions/Adjustments	30.27	0.02	40.09	17.90	26.46
Depreciation	88.47	30.15	117.41	43.45	33.87
Balance as at end	- 119.45	127.34	- 0.71	156.78	25.38

Statement showing break up value of the Current and Non - Current Lease Liabilities

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Current lease liabilities	69.04	34.71	100.89	32.85	15.59
Non- Current lease liabilities	114.67	113.39	136.24	135.32	13.66
Total	183.71	148.10	237.13	168.17	29.25

Statement showing agreement maturities of Lease Liabilities on an undiscounted basis

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Due for					
Up to One year	79.05	45.11	109.76	52.76	15.36
One year to Five years	-	124.32	-	149.55	15.90
More than Five years	131.51	-	154.89	-	1.26
Total	210.56	169.43	264.65	202.31	32.52

Statement showing amount recognised in Statement of Profit and Loss

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Interest on lease liabilities	30.48	9.53	44.93	14.42	6.04
Depreciation on right of use assets	88.47	30.15	117.41	43.45	33.87
Variable lease payments not included in the measurement of lease liabilities	-	-	-	-	-
Income from sub-leasing right-of-use assets	-	-	-	-	-
Expenses relating to short-term leases	-	-	-	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-	-	-	-
Total	118.95	39.68	162.34	57.87	39.91

Statement showing total cash outflow for leases

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Total cash outflow for leases	114.67	30.31	136.24	44.16	39.94

28. Expenses in Note 23 has been disclosed net of recoveries as under

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Insurance	6.04	4.61	6.40	5.27	4.90

29. Employee Benefits

- a) The Company has recognized the following amounts in the statement of profit and loss under the head company's contribution to provident fund and other funds.

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
a. Provident fund	35.95	32.99	44.19	44.29	36.33
b. ESIC	0.02	0.02	0.02	0.05	0.12
c. Superannuation fund	11.68	13.93	18.24	17.94	19.28
Total	47.65	46.94	62.45	62.28	55.73

- b) Gratuity

(i) Summary of Actuarial Assumptions

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Discount rate	6.83% - 6.88%	7.21% - 7.40%	7.21% - 7.18%	7.31% - 7.47%	6.09% - 7.15%
Rate of return on plan assets	6.83% - 6.88%	7.21% - 7.40%	7.21% - 7.18%	7.31% - 7.47%	6.09% - 7.15%
Salary escalation	7.00%	7.00%	7.00%	7.00%	7.00%
Attrition rate	Slab (18%-20%<5, 4%-5%>=5)	Slab (18%-20%<5, 4%-5%>=5)	Slab (18%-20%<5, 4%-5%>=5)	Slab (18%-20%<5, 4%-5%>=5)	Slab (18%-20%<5, 4%-5%>=5)
Mortality table	Indian Assured Lives Mortality (2012-14) Urban				

(ii) Reconciliation of defined benefit obligation

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Liability at the beginning of the year	338.56	327.62	327.62	316.15	307.60
Interest cost	18.30	18.34	24.45	22.50	20.89
Current service cost	23.13	24.17	32.23	31.56	28.45
Liability Transferred Out/ Divestments	-	-	-	-	-
(Gains)/ Losses on Curtailment	-	(1.09)	(1.09)	-	-
Benefits paid	(37.10)	(23.76)	(55.53)	(35.35)	(49.99)
Actuarial loss / (gain) on obligations	30.39	15.57	10.88	(7.24)	9.20
Liability at the end of the period / year	373.28	360.85	338.56	327.62	316.15

(iii) Reconciliation of fair value of plan assets

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Fair value of plan assets at the beginning of the year	293.45	302.60	302.60	276.12	271.07
Interest Income	15.86	16.94	22.58	19.64	18.42
Contributions by the Employer	47.40	26.30	25.77	42.08	37.57
Benefits paid	(37.10)	(23.76)	(55.53)	(35.35)	(49.99)
Actuarial (gain)/ loss on Plan Assets	(8.89)	(11.30)	(1.97)	0.11	(0.95)
Fair value of plan assets at the end of the period / year	310.72	310.78	293.45	302.60	276.12

(iv) Amount recognised in Balance Sheet

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Present value of funded obligation	(373.28)	(360.85)	(338.56)	(327.62)	(316.15)
Fair value of plan assets at the end of the period / year	310.72	310.78	293.45	302.60	276.12
Amount recognised in balance sheet	(62.56)	(50.07)	(45.11)	(25.02)	(40.03)

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

(v) Expenses recognised in Statement of Profit and Loss

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Current service cost	23.13	24.17	32.23	31.56	28.45
Interest cost	2.44	1.40	1.87	2.85	2.48
(Gains)/ Losses on Curtailment	-	(1.09)	(1.09)	-	-
Expenses recognised in the Statement of Profit and Loss	25.57	24.48	33.01	34.41	30.93

(vi) Expenses recognised in other Comprehensive Income

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Actuarial gain loss on obligation	30.39	15.57	10.88	(7.24)	9.20
Actuarial (Gain) or Loss	8.89	11.30	1.97	(0.11)	0.95
Net (Income)/Expense for the period / year recognized in OCI	39.28	26.87	12.85	(7.35)	10.15

(vii) Balance Sheet reconciliation

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Opening net liability	45.11	25.02	25.02	40.03	36.53
Expenses Recognized in Statement of Profit and Loss	25.57	24.48	33.01	34.41	30.93
Expenses Recognized in OCI	39.28	26.87	12.85	(7.35)	10.15
Employers Contribution	(47.40)	(26.30)	(25.77)	(42.07)	(37.57)
Amount recognised in balance sheet	62.56	50.07	45.11	25.02	40.03

(viii) Description of Plan Assets (managed by an Insurance Company)

Information of major categories of plan assets of gratuity fund is not available with the Company and hence not disclosed as per the requirements of Ind AS 19 "Employee Benefits".

(ix) Expected contribution in the next year

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Expected contribution in the next year	28.30	26.81	38.85	40.73	39.34

(x) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Million)

Particulars	Defined Benefit Obligation				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Increase in Assumption					
Discount rate (1% movement)	(30.77)	(28.54)	(28.77)	(27.57)	(28.33)
Future salary appreciation (1% movement)	34.79	32.51	32.74	31.43	32.40
Attrition rate (1% movement)	(18.80)	(0.01)	(0.12)	0.35	(0.45)
Decrease in Assumption					
Discount rate (1% movement)	35.19	32.71	33.00	31.60	32.68
Future salary appreciation (1% movement)	(31.00)	(28.89)	(29.08)	(27.93)	(28.61)
Attrition rate (1% movement)	0.93	(0.35)	0.08	(0.45)	0.43

The above details are as certified by the actuary and relied upon by the auditors.

The actuarial calculation used to estimate defined benefit commitment and expenses are based on above assumptions which if changed would affect the defined benefit commitments and expenses.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

30. Earnings Per Share

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Restated Profit for the period / year attributable to the equity shareholders	2,598.26	1,959.41	2,754.45	2,348.10	2,125.94
Number of equity shares at the beginning of the year (absolute)	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000
Number of shares outstanding post stock split in the ratio of 5:1 (absolute) (Refer Note No.30.1 for details regarding sub-division of shares during the year)	20,00,00,000	20,00,00,000	20,00,00,000	20,00,00,000	20,00,00,000
Weighted average number of equity shares during the period / year	20,00,00,000	20,00,00,000	20,00,00,000	20,00,00,000	20,00,00,000
Basic and diluted earnings per share (₹)*	12.99	9.80	13.77	11.74	10.63
Face value of each share (₹)	10.00	10.00	10.00	10.00	10.00
Face value of each share post Stock split (₹) (Refer Note No.30.1 for details regarding sub-division of shares during the year)	2.00	2.00	2.00	2.00	2.00

*Diluted Earnings per share is equal to the Basic Earnings per share in view of absence of any dilutive potential equity shares.

30.1 Pursuant to resolutions passed in extra-ordinary general meeting held on 10th March, 2023, shareholders of the Holding Company have approved sub-division of each equity share of face value of ₹ 10 each into five equity shares of face value of ₹ 2 each. As required under Ind AS 33 "Earnings per share" the effect of such sub-division has been adjusted retrospectively for the purpose of computing earnings per share for all the periods presented retrospectively.

Restated Basic and Diluted earning per share are calculated by dividing the restated profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

31. Investor Protection Fund (IPF)

31.1 On January 21, 2016, The Securities Exchange Board of India (SEBI) has issued SEBI (Depositories and Participants) (Amendment) Regulations, 2016 ("the Amended Regulations"). According to these Amended Regulations, depositories are required to establish and maintain an Investor Protection Fund (IPF) for the protection of interest of beneficial owners and every depository shall credit five per cent of its profits from depository operations every year to the Investor Protection Fund.

The contribution to IPF is given below in the table, being 5% of the profits from depository operations of the Group before tax for the year available after making such contribution.

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Contribution to IPF	115.82	79.94	114.83	98.86	89.55

31.2 Further, SEBI vide its Circular dated June 7, 2016 issued guidelines for utilization of IPF. The guidelines require administration of IPF by creation of a trust administered by Depository. As required by the Guidelines, the Group created irrevocable Trust 'National Securities Depository Limited Investor Protection Fund Trust' (NSDL IPF Trust).

The amount transferred by the Group to NSDL IPF Trust is given below in the table. The amount includes contribution to IPF, and it includes other amounts recovered from depository participants and SEBI Clearing members as required by the guidelines.

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Amount transferred to NSDL IPF Trust	127.34	100.96	135.81	107.95	155.77

32. Other Provisions: Provision for Investor Awareness

SEBI vide its circular no. CIR/MRD/DP/18/2015, dated December 9, 2015 (the "Circular") has revised the annual custody / issuer charges to be collected by the depositories from the issuers with effect from financial year 2015-16. The Circular has also directed the Depositories to set aside 20% of the incremental revenue received from the issuers listed with SEBI.

Pursuant to the Circular, the amount set aside by the Group, being 20% of incremental revenue on issuer income, and balance, if any, to be utilised is given below in the table.

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Amount set aside by the Group	51.74	48.94	65.81	64.03	56.04

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Opening Balance	175.23	154.32	154.32	166.83	183.04
Addition	51.74	48.94	65.81	64.03	56.04
Payment / Utilisation	(38.63)	(44.91)	(44.90)	(76.54)	(72.25)
Closing Balance	188.34	158.35	175.23	154.32	166.83

33. Expenses towards Corporate Social Responsibility

(₹ in Million)

Sr. No.	Particulars	For the Nine Months ended 31st December, 2024	For the Nine Months ended 31st December, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
1	Amount required to be spent by the company during the period / year	61.27	56.61	56.61	46.97	37.77
2	Amount of expenditure spent during the period / year	47.71	43.84	45.50	33.46	26.18
3	(Excess) of earlier years adjusted	(0.01)	-	-	(0.71)	(1.27)
4	(Excess) / Shortfall at the end of the period / year #	-	-	11.11	12.80	10.32
5	Total of previous years shortfall	-	-	-	-	-
6	Reason for shortfall	-	-	-	-	-
7	Nature of CSR activities	1) Project Sanjeevani (Mobile Medical Unit) 2) Project Yogdaan (Thalassemia Patients) 3) Comprehensive Eye Care Project (Sankara Nethralaya) 4) Mid-Day Meal Program 5) Project Management, Capacity Building and Administration 6) Project Sanjeevani Nirantar Seva (Ambulance Service) 7) Impact Assessment of CSR Project (Centre of Excellence in CSR)	1) Project Sanjeevani (Mobile Medical Unit) 2) Project Yogdaan (Thalassemia Patients) 3) Chalo School Chale Campaign (school kit distribution drive) 4) Blood Donation Camp at NSDL 5) Comprehensive Eye Care Project (Sankara Nethralaya) 6) Support for Geriatric and Palliative Care Centre 7) Mid-Day Meal Program 8) Infra Support in Andhra Education Society's High School 9) Project Management, Capacity Building and Administration 10) Project Sanjeevani Nirantar Seva (Ambulance Service) 11) Impact Assessment of CSR Project (Centre of Excellence in CSR)	1) Project Sanjeevani (Mobile Medical Unit) 2) Project Yogdaan (Thalassemia Patients) 3) Chalo School Chale Campaign (school kit distribution drive) 4) Blood Donation Camp at NSDL 5) Comprehensive Eye Care Project (Sankara Nethralaya) 6) Support for Geriatric and Palliative Care Centre 7) Mid-Day Meal Program 8) Infra Support in Andhra Education Society's High School 9) Project Management, Capacity Building and Administration 10) Project Sanjeevani Nirantar Seva (Ambulance Service) 11) Impact Assessment of CSR Project (Centre of Excellence in CSR)	1) Project Sanjeevani - Clinic on Wheels (Mobile Medical Unit) 2) Project Yogdaan (support to Thalassemia Patients) 3) Chalo School Chale Campaign (school kit distribution drive) 4) Blood Donation Camp 5) Comprehensive Eye Care Project (Sankara Nethralaya) 6) Project SAMEIP - Skill Development Project (Artha SAMARTH) 7) Mid-Day Meal Program 8) Mini Science Centre Project in School 9) Capacity Building, Project Monitoring, Reporting & Project Administration	1) Project Yogdaan (support to Thalassemia Patients) 2) Support to Sankara Nethralaya 3) Artha SAMARTH - Skill Development in BFSI 4) NSDL Shiksha Sahyog (educational scholarship program) 5) Night School Transformation Program 6) Mid-Day Meal Program 7) Admin and Program Monitoring
8	Details of related party transactions	NA	NA	NA	NA	NA
9	Provision made in financial period / year due to any contractual obligation	NA	NA	NA	NA	NA

As at March 31, 2024, ₹11.11 Million towards ongoing projects remained unspent, which were transferred to a special account opened by the Group in that behalf for the financial year 2023-24 in scheduled bank to be called Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Group in pursuance of its obligation towards Corporate Social responsibility policy within a period of three financial years from the date of such transfer. As of December 31, 2024, Rs.4.59 Million is remained unspent in respect of financial year 2023-24.

As at March 31, 2023, ₹12.80 Million towards ongoing projects remained unspent, which were transferred to a special account opened by the company in that behalf for the financial year 2022-23 in scheduled bank to be called Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards Corporate Social responsibility policy within a period of three financial years from the date of such transfer. As of December 31, 2023, Rs.2.95 lakhs is remained unspent in respect of financial year 2022-23.

As at March 31, 2024, ₹11.11 Million towards ongoing projects remained unspent, which were transferred to a special account opened by the company in that behalf for the financial year 2023-24 in scheduled bank to be called Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards Corporate Social responsibility policy within a period of three financial years from the date of such transfer.

As at March 31, 2023, ₹12.80 Million towards ongoing projects remained unspent, which were transferred to a special account opened by the group in that behalf for the financial year 2022-23 in scheduled bank to be called Unspent Corporate Social Responsibility Account. As of March 31, 2024, the unspent amount is fully spent towards Corporate Social responsibility in respect of financial year 2022-23.

As at March 31, 2022, ₹10.32 Million towards ongoing projects remained unspent, which were transferred to a special account opened by the company in that behalf for the financial year 2021-22 in scheduled bank to be called Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards Corporate Social responsibility policy within a period of three financial years from the date of such transfer. As of March 31, 2023, Rs.10.22 Million is remained unspent in respect of financial year 2021-22.

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

34. Fair value measurement

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Financial Assets					
a) Amortised cost*					
Investments in debt instrument	15,705.03	12,554.03	12,756.27	12,195.99	6,916.44
Trade receivables	1,338.47	975.32	831.39	856.28	1,022.40
Cash and cash equivalents	829.02	760.21	1,060.12	1,906.94	1,444.60
Other bank balances	1,979.23	1,516.63	1,344.61	1,962.91	2,243.86
Other financial assets	836.03	457.64	923.93	460.55	1,962.36
	20,687.78	16,263.83	16,916.32	17,382.67	13,589.66
b) FVTPL					
Investment in mutual funds	2,952.79	1,749.85	1,769.20	1,905.67	2,017.80
Investment in Exchange traded Fund	63.25	58.69	59.82	55.63	171.25
Investment in Other entities	100.00	100.00	100.00	100.00	-
	3,116.04	1,908.54	1,929.02	2,061.30	2,189.05
Total	23,803.82	18,172.37	18,845.34	19,443.97	15,778.71
Financial Liabilities					
a) Amortised cost*					
Trade payables	858.83	781.84	696.35	611.85	313.19
Lease liability	114.67	148.10	136.24	168.17	29.25
Other financial liabilities	5,659.44	3,313.29	3,647.20	4,750.78	3,302.42
	6,632.94	4,243.23	4,479.79	5,530.80	3,644.86

*The fair values of the above financial assets and liabilities approximate their carrying amounts except in case of investment in bonds and debentures.

Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

(₹ in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31st December, 2024	Fair value	Carrying value	Fair value hierarchy
Financial Assets			
Investments in debt instrument	15,666.65	15,705.03	Level 2
Trade receivables	1,338.47	1,338.47	Level 3
Cash and cash equivalents	829.02	829.02	Level 1
Other bank balances	1,979.23	1,979.23	Level 1
Other financial assets	836.03	836.03	Level 3
Total	20,649.40	20,687.78	
Financial Liabilities			
Trade payables	858.83	858.83	Level 3
Lease liability	114.67	114.67	Level 3
Other financial liabilities	5,659.44	5,659.44	Level 3
Total	6,632.94	6,632.94	

Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

(₹ in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31st December, 2023	Fair value	Carrying value	Fair value hierarchy
Financial Assets			
Investments in debt instrument	12,503.46	12,554.03	Level 2
Trade receivables	975.32	975.32	Level 3
Cash and cash equivalents	760.21	760.21	Level 1
Other bank balances	1,516.63	1,516.63	Level 1
Other financial assets	457.64	457.64	Level 3
Total	16,213.26	16,263.83	
Financial Liabilities			
Trade payables	781.84	781.84	Level 3
Lease liability	148.10	148.10	Level 3
Other financial liabilities	3,313.29	3,313.29	Level 3
Total	4,243.23	4,243.23	

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

(₹ in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31st March, 2024	Fair value	Carrying value	Fair value hierarchy
Financial Assets			
Investments in debt instrument	12,700.28	12,756.27	Level 2
Trade receivables	831.39	831.39	Level 3
Cash and cash equivalents	1,060.12	1,060.12	Level 1
Other bank balances	1,344.61	1,344.61	Level 1
Other financial assets	923.93	923.93	Level 3
Total	16,860.33	16,916.32	
Financial Liabilities			
Trade payables	696.35	696.35	Level 3
Lease liability	136.24	136.24	Level 3
Other financial liabilities	3,647.20	3,647.20	Level 3
Total	4,479.79	4,479.79	

(₹ in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023	Fair value	Carrying value	Fair value hierarchy
Financial Assets			
Investments in debt instrument	12,216.84	12,195.99	Level 2
Trade receivables	856.28	856.28	Level 3
Cash and cash equivalents	1,906.94	1,906.94	Level 1
Other bank balances	1,962.91	1,962.91	Level 1
Other financial assets	460.55	460.55	Level 3
Total	17,403.52	17,382.67	
Financial Liabilities			
Trade payables	611.85	611.85	Level 3
Lease liability	168.17	168.17	Level 3
Other financial liabilities	4,750.78	4,750.78	Level 3
Total	5,530.80	5,530.80	

(₹ in Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2022	Fair value	Carrying value	Fair value hierarchy
Financial Assets			
Investments in debt instrument	7,218.96	6,916.44	Level 2
Trade receivables	1,022.40	1,022.40	Level 3
Cash and cash equivalents	1,444.60	1,444.60	Level 1
Other bank balances	2,243.86	2,243.86	Level 1
Other financial assets	1,962.36	1,962.36	Level 3
Total	13,892.18	13,589.66	
Financial Liabilities			
Trade payables	313.19	313.19	Level 3
Lease liability	29.25	29.25	Level 3
Other financial liabilities	3,302.42	3,302.42	Level 3
Total	3,644.86	3,644.86	

35. Financial Instruments

Capital Risk Management

The Group's objectives when managing capital is to safeguard continuity as a going concern and provide adequate return to shareholders through continuing growth and maintain an optimal capital structure to reduce the cost of capital. The Company sets the amount of capital required on the basis of annual business plan and long-term operating plans which include capital investments.

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

Financial Risk Management

A wide range of risks may affect the Group's business and financial results. Amongst other risks that could have significant influence on the Company are market risk, credit risk and liquidity risk.

The Board of Directors of the Group manage and review the affairs of the Company by setting up short term and long term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

The Group is exposed to the following market risks:

(a) Credit Risk

Credit risk refers to the risk that the counter party will default on its contractual obligation resulting in financial loss to the Group. The Company has adopted a policy of dealing with only credit worthy counter parties. This risk principally arises from credit exposures to customers, deposits with banks and financial institutions and other receivables.

Receivables mainly consist of receivables from Depository Participants (DP), Issuers of Securities, Registrar and Transfer Agents (RTA), Asset Management Companies (AMC) and Stock Exchanges. Trade receivables consist of a large number of customers, representing diverse industries and geographical areas; hence the Group is not exposed to concentration risks. With respect to DPs, the Group performs credit evaluation while on boarding the customer and security deposits are taken. Ongoing credit evaluation is performed on the financial conditions of the accounts receivable.

The Group has a dedicated Credit and Control team primarily responsible for monitoring credit risk and receivables. They monitor outstanding receivables along with ageing on periodic basis. For receivables pertaining to other streams of revenues, the credit and collection team regularly follows up for the collection. The credit risk on liquid funds, banks and financial institutions is limited because the counterparties are with high credit-ratings.

(b) Liquidity Risk

Liquidity risk refers to the risk that the Group may not be in a position to meet its financial obligations timely. Management monitors rolling forecasts of the Group's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

(c) Market Risk

Market Risk is the risk that the value of on and off-balance sheet positions of a Group will be adversely affected by movements in market rates or prices such as interest rates, prices resulting in a loss to earnings and capital.

The Group may be exposed to Market Risk in different ways. The market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates and prices. The Group's exposure to market risk is primarily on account of interest rate risk, price risk. All investment in Debentures and Bonds are at fixed rate of Interest and does not have material interest rate risks.

The Group's exposure to assets having price risk is as under:

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Mutual Fund	2,952.79	1,749.85	1,769.20	1,905.67	2,017.80
Exchange traded Fund	63.25	58.69	59.82	55.63	171.25
Total	3,016.04	1,808.54	1,829.02	1,961.30	2,189.05

Sensitivity

The table below summarises the impact of increases/ decreases of the Price on profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

(₹ in Million)

Particulars	Impact on profit after tax as at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Increase by 5%	150.80	90.43	91.45	98.07	109.45
Decrease by 5%	(150.80)	(90.43)	(91.45)	(98.07)	(109.45)

(₹ in Million)

Particulars	Impact on other components of equity as at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Increase by 5%	-	-	-	-	-
Decrease by 5%	-	-	-	-	-

36. Additional information pursuant to Para 2 of general instructions for the preparations of Consolidated Financial Statements

(₹ in Million)								
Name of Entity in the Group	Net Assets (Total Assets less Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
National Securities Depository Limited								
As at 31st December, 2024	76.05%	14,618.30	87.87%	2,283.12	97.43%	(18.60)	87.80%	2,264.52
As at 31st December, 2023	74.22%	11,899.81	88.21%	1,728.49	95.25%	(16.46)	88.15%	1,712.03
As at 31st March, 2024	74.68%	12,576.42	87.30%	2,404.50	182.14%	(10.91)	87.09%	2,393.59
As at 31st March, 2023	71.45%	10,209.80	84.49%	1,983.85	15.59%	3.59	83.82%	1,987.43
As at 31st March, 2022	69.26%	8,392.09	81.73%	1,737.61	(337.04%)	(9.10)	81.41%	1,728.51
NSDL Database Management Limited								
As at 31st December, 2024	13.81%	2,655.21	11.13%	289.10	51.81%	(9.89)	10.83%	279.21
As at 31st December, 2023	15.27%	2,448.01	12.85%	251.82	23.96%	(4.14)	12.75%	247.68
As at 31st March, 2024	15.18%	2,556.60	12.75%	351.25	(14.36%)	0.86	12.81%	352.11
As at 31st March, 2023	16.68%	2,383.51	14.27%	335.06	7.21%	1.66	14.20%	336.72
As at 31st March, 2022	17.98%	2,178.59	22.69%	482.40	69.26%	1.87	22.81%	484.27
NSDL Payments Bank Limited								
As at 31st December, 2024	7.66%	1,471.67	0.38%	9.87	6.34%	(1.21)	0.34%	8.67
As at 31st December, 2023	9.08%	1,456.39	0.59%	11.63	(3.82%)	0.66	0.63%	12.29
As at 31st March, 2024	8.66%	1,458.28	0.45%	12.32	(9.68%)	0.58	0.47%	12.89
As at 31st March, 2023	10.05%	1,435.41	3.30%	77.56	1.48%	0.34	3.29%	77.90
As at 31st March, 2022	11.18%	1,354.62	(3.76%)	(80.00)	(18.15%)	(0.49)	(3.79%)	(80.49)
India International Bullion Holding IFSC Ltd								
As at 31st December, 2024	2.48%	476.38	0.62%	16.18	(55.58%)	10.61	1.04%	26.78
As at 31st December, 2023	1.43%	229.95	(1.66%)	(32.53)	(15.39%)	2.66	(1.54%)	(29.87)
As at 31st March, 2024	1.48%	249.67	(0.49%)	(13.63)	(58.10%)	3.48	(0.37%)	(10.15)
As at 31st March, 2023	1.82%	259.90	(2.06%)	(48.37)	75.73%	17.44	(1.30%)	(30.93)
As at 31st March, 2022	1.58%	190.90	(0.66%)	(14.07)	185.93%	5.02	(0.43%)	(9.04)
As at 31st December, 2024	100.00%	19,221.56	100.00%	2,598.27	100.00%	(19.09)	100.00%	2,579.18
As at 31st December, 2023	100.00%	16,034.16	100.00%	1,959.41	100.00%	(17.28)	100.00%	1,942.13
As at 31st March, 2024	100.00%	16,840.97	100.00%	2,754.44	100.00%	(5.99)	100.00%	2,748.44
As at 31st March, 2023	100.00%	14,288.62	100.00%	2,348.10	100.00%	23.03	100.00%	2,371.12
As at 31st March, 2022	100.00%	12,116.20	100.00%	2,125.94	(100.00%)	(2.70)	100.00%	2,123.25

37. Additional Regulatory Disclosures

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property. The title deeds of immovable properties are held in the name of the Group as at the balance sheet date.
- (ii) The Group has not traded or invested in Crypto currency or Virtual Currency.
- (iii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries), or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- (vi) There are no loans or advances in the nature of loans that are granted to promoters, directors, key managerial personnel (KMPs) and the related parties either severally or jointly with any other person, that are: a) Repayable on demand or b) Without specifying any terms or period of repayment.
- (vii) The Group is not a declared willful defaulter by any bank or financial Institution or other lender.
- (viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 in respect of investments in subsidiaries.

38. Income Tax Expenses recognised in Statement of Profit and Loss

Particulars	(₹ in Million)				
	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
Profit before Tax from Continuing Operations	3,426.79	2,517.62	3,549.50	3,050.42	2,781.99
Corporate tax expense rate	25.17%	25.17%	25.17%	25.17%	25.17%
Tax on accounting profit	901.28	684.47	938.96	790.43	745.75
Effect of tax on income exempt from taxation	(59.59)	(113.15)	(125.94)	(114.59)	(115.08)
Effect of expenses not deductible in determining taxable income	17.15	16.50	18.36	23.75	41.08
Effect of different tax rates for capital gain on investments	1.73	-	-	15.10	4.77
Effect of tax on unrealised gains on investment	(27.74)	(28.70)	(33.43)	(14.01)	(20.90)
Others	(4.30)	(0.91)	(2.90)	1.64	0.43
Income Tax Expense recognised in Statement of Profit and Loss	828.53	558.21	795.05	702.32	656.05

39. Following are the details of balances outstanding on account of any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, (₹ in Million)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance as at					Relationship
			31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022	
1	Rajyog Enterprises	Office Expenses	-	-	-	0.03	-	Vendors
2	Sivananda Electronics	Maintainance	-	-	-	0.01	0.02	Vendors
3	Six Sigma Alchemy (P) Ltd	Call center charges	-	-	-	3.71	3.58	Vendors
4	Asian Traders	Office Expenses	-	-	-	0.06	0.04	Vendors
5	Ravi Milk Products (India) Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
6	Stoa Squares Private Limited	Receivables	0.02	-	0.02	0.02	0.01	Customer
7	Hypersonic Investment Pvt Ltd	Receivables	0.01	-	0.01	(0.00)	-	Customer
8	Turbo Investment Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
9	KnR Chidambaram Infra Private Limited	Receivables	0.03	-	0.03	0.03	-	Customer
10	Shri Puran Multimedia Limited	Receivables	(0.02)	-	(0.02)	-	-	Customer
11	Regency Convention Centre And Hotels Limited	Receivables	0.01	0.01	0.01	0.01	0.00	Customer
12	Regency Convention Centre And Hotels Limited	Deposit	0.01	0.01	(0.01)	(0.01)	-	Customer
13	Nightstay Travels Private Limited	Receivables	0.02	0.02	0.02	0.02	0.01	Customer
14	Azure Power Thirty Five Private Limited	Receivables	0.01	-	(0.00)	(0.00)	(0.00)	Customer
15	First Blue Financial Consultants Limited	Receivables	0.01	0.01	0.01	0.01	0.01	Customer
16	Jamadoba Steel Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
17	Rajasthan Tilters Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
18	GtPl Video Vision Private Limited	Receivables	0.01	-	0.00	0.00	0.00	Customer
19	Jupiter Satellite India Private Limited	Receivables	0.01	-	0.01	-	-	Customer
20	Jupiter Satellite India Private Limited	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
21	Deluxe Vyapaar Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
22	Atlas Cycles (Sahibabad) Limited	Receivables	0.01	-	0.01	-	-	Customer
23	Atlas Cycles (Sahibabad) Limited	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
24	GtPl Vidarbha Tele Link Private Limited	Receivables	0.01	-	0.00	0.00	-	Customer
25	Divya Mining Corp Limited	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	-	Customer
26	GtPl Surat Telelink Private Limited	Receivables	0.01	-	0.00	0.00	-	Customer
27	Bhaskar Infracventure Limited	Receivables	0.01	-	0.01	-	-	Customer
28	Bhaskar Infracventure Limited	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
29	Neara Khandwa Energy Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
30	Akshara Agri Farms Private Limited	Receivables	0.01	0.01	0.01	0.01	0.01	Customer
31	Spirit Financial Advisory Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
32	Neara Madhya Energy Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
33	Ak Skill Developers Limited	Receivables	0.01	0.01	0.01	0.00	(0.01)	Customer
34	Ak Skill Developers Limited	Deposit	0.01	0.01	(0.01)	(0.01)	-	Customer
35	Narayana Health Institutions Private Limited	Receivables	0.01	-	(0.00)	(0.00)	(0.00)	Customer
36	Narayana Health Institutions Private Limited	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
37	Ranchhod Multi - Trade Limited	Receivables	-	-	0.00	0.00	(0.01)	Customer
38	Aankit Granites Limited	Receivables	(0.17)	-	(0.20)	-	-	Customer
39	Holland Shielding Systems (India) Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
40	Altico Housing Finance India Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
41	Frc Composites India Limited	Receivables	-	-	(0.01)	0.04	0.03	Customer
42	Rar Breweries Limited	Receivables	-	-	0.01	-	-	Customer
43	Rar Breweries Limited	Deposit	-	-	(0.01)	(0.01)	-	Customer
44	Netmeds Health And Wellness Marketplace Private Limited	Receivables	0.02	0.01	0.01	0.00	(0.00)	Customer
45	Netmeds Health And Wellness Marketplace Private Limited	Deposit	0.02	0.01	(0.01)	(0.01)	-	Customer
46	Abcap Trustee Company Private Limited	Receivables	0.01	0.01	0.01	0.00	(0.00)	Customer
47	India Interactive Technologies Limited	Receivables	(0.02)	(0.02)	(0.02)	(0.02)	-	Customer
48	Neara Energy Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
49	Ranakpur Cement Limited	Receivables	(0.01)	(0.01)	(0.01)	(0.00)	0.00	Customer
50	Neara Pavagada Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
51	Dotom Ambit Developers Private Limited	Receivables	0.02	0.02	0.02	0.02	0.01	Customer
52	Spml Infra Developers Limited	Receivables	0.01	0.01	0.01	0.01	0.02	Customer
53	Dhanvanthri Pharma Distributors Private Limited	Receivables	0.01	-	(0.00)	(0.00)	(0.00)	Customer
54	Kaldar Energy Projects Limited	Receivables	0.01	0.01	0.01	0.01	(0.00)	Customer
55	Kaldar Energy Projects Limited	Deposit	0.01	0.01	(0.01)	(0.01)	-	Customer
56	Jambhora Energy Projects Limited	Receivables	-	-	0.00	0.00	0.01	Customer
57	Shapoorji Pallonji Saurpore Private Limited	Receivables	(0.02)	-	(0.02)	(0.02)	(0.02)	Customer
58	Dabripada Energy Limited	Receivables	(0.01)	0.01	(0.00)	(0.00)	0.01	Customer
59	Dabripada Energy Limited	Deposit	(0.01)	0.01	(0.01)	(0.01)	-	Customer
60	Doit Retail Networks (India) Private Limited	Receivables	0.01	-	0.01	0.01	0.01	Customer
61	Kondaibari Energy Limited	Deposit	-	-	(0.01)	(0.01)	-	Customer
62	Electrosteel Thermal Power Limited	Receivables	-	0.01	0.01	0.01	0.01	Customer
63	Kkr Arc India Private Limited	Receivables	0.03	0.03	0.03	0.02	0.01	Customer
64	H J Thakkar Property Investment Limited	Deposit	-	-	(0.01)	(0.01)	-	Customer
65	Plethora Investment Adviser Limited	Receivables	0.01	-	0.01	0.01	0.01	Customer
66	Dcm Finance And Leasing Limited	Receivables	0.01	0.01	0.01	0.01	(0.00)	Customer
67	Dcm Finance And Leasing Limited	Deposit	0.01	0.01	(0.01)	(0.01)	-	Customer
68	Avaada Green Aproject Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
69	Hathway Palampur Cable Network Private Limited	Receivables	0.02	0.02	0.02	0.01	0.01	Customer
70	Gold Nest Trading Company Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
71	Gold Nest Trading Company Limited	Deposit	0.01	0.01	(0.01)	(0.01)	-	Customer
72	Nets Energy And Infractech Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
73	Ciel Transmission Private Limited	Receivables	0.01	-	0.00	(0.00)	(0.01)	Customer
74	Viridi Clean Alternatives Private Limited	Receivables	0.01	-	0.00	(0.00)	(0.01)	Customer
75	Ginni Capital Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
76	Fluence Advisory Services Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
77	GtPl Tv Tiger Private Limited	Receivables	0.01	-	0.00	0.00	-	Customer
78	Motherson Auto Engineering Service Limited	Receivables	-	-	0.01	-	0.01	Customer
79	Motherson Auto Engineering Service Limited	Deposit	-	-	(0.01)	(0.01)	-	Customer

39. Following are the details of balances outstanding on account of any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, (₹ in Million)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance as at					Relationship
			31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022	
80	Puri Ports Limited	Receivables	0.01	-	0.01	-	-	Customer
81	Puri Ports Limited	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
82	James Capital And Finance Private Limited	Receivables	0.02	-	0.02	0.01	0.01	Customer
83	Kamdhenu Ispatlimited	Receivables	0.01	0.01	0.01	0.01	-	Customer
84	Kamdhenu Ispatlimited	Deposit	0.01	0.01	(0.01)	(0.01)	-	Customer
85	Kamdhenu Paints India Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
86	Kamdhenu Paints India Limited	Deposit	0.01	0.01	(0.01)	(0.01)	-	Customer
87	White Lake Advisors Private Limited	Receivables	0.02	0.02	0.02	0.01	0.01	Customer
88	Rushil Global Trade Limited 0Cd8	Receivables	0.01	-	0.01	0.01	0.01	Customer
89	Quippo Drilling International Private Limited	Receivables	0.02	0.02	0.02	0.01	0.01	Customer
90	Dadha Healthcare Private Limited	Receivables	0.01	-	0.01	0.01	-	Customer
91	Maharani Hotels Limited	Receivables	(0.01)	-	(0.01)	-	-	Customer
92	Sundram Services Limited)	Receivables	0.01	-	0.01	-	0.01	Customer
93	Harita Packagings Limited)	Receivables	0.01	-	0.01	-	-	Customer
94	Harita Packagings Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
95	Prime Technology Resources Management Limited)	Receivables	0.01	-	0.01	-	-	Customer
96	Prime Technology Resources Management Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
97	Akb Electronics & Telecom Limited)	Receivables	0.01	-	0.01	0.01	0.01	Customer
98	Aarkay Habitat Limited)	Receivables	0.01	-	0.01	0.01	0.01	Customer
99	Maharishi Ayurved Health Care Limited)	Deposit	-	-	(0.01)	(0.01)	-	Customer
100	Dcl Information Technologies Limited)	Receivables	0.01	-	0.01	(0.00)	0.01	Customer
101	Empower Electronics Limited)	Receivables	-	-	0.00	0.01	-	Customer
102	Empower Electronics Limited)	Deposit	-	-	(0.01)	(0.01)	-	Customer
103	Brahma Iron And Power Limited)	Receivables	0.05	-	0.03	(0.00)	(0.05)	Customer
104	Sil Govindam Energy Private Limited)	Receivables	0.01	-	0.00	(0.01)	(0.01)	Customer
105	Sil Govindam Power Private Limited)	Receivables	0.01	-	0.00	(0.01)	(0.01)	Customer
106	Sez Adityapur Limited.)	Receivables	0.01	-	0.01	0.01	-	Customer
107	Bombay Piece-Goods Yarn And Plastics Traders Limited)	Deposit	-	-	(0.01)	(0.01)	-	Customer
108	Ardhika Infrastructure Limited)	Receivables	0.01	-	0.01	0.01	(0.00)	Customer
109	Ardhika Infrastructure Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
110	National Traders Limited)	Receivables	0.01	-	0.00	(0.00)	(0.00)	Customer
111	National Traders Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
112	Riche Laboratories Limited)	Receivables	0.02	-	0.02	0.01	0.01	Customer
113	Riche Laboratories Limited)	Deposit	0.02	-	(0.01)	(0.01)	-	Customer
114	Payless Holidays Limited)	Receivables	-	-	(0.00)	0.01	0.01	Customer
115	Bilvani School Limited)	Receivables	0.01	-	0.01	0.01	0.01	Customer
116	Sbe Renewables Twenty One Projects Private Limited)	Receivables	0.02	-	0.02	0.01	0.01	Customer
117	Devona Power Limited)	Receivables	0.17	-	0.17	0.09	-	Customer
118	Diana Energy Limited)	Receivables	0.01	-	0.00	0.01	-	Customer
119	Thapar Spinning Mills Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
120	Iee International Limited)	Receivables	0.01	-	0.01	0.01	-	Customer
121	Iee International Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
122	Icap Institutional Stock Exchange Of India Limited)	Receivables	0.01	-	0.01	0.00	0.00	Customer
123	Icap Institutional Stock Exchange Of India Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
124	Cm Lubes India Limited)	Receivables	0.01	-	0.01	0.01	0.01	Customer
125	Riche Hospitality Limited)	Receivables	0.01	-	0.01	0.01	0.01	Customer
126	Asterpetal Trade & Services Private Limited	Receivables	-	-	0.00	0.00	(0.01)	Customer
127	Vickitash Media Venture Limited	Receivables	-	0.01	0.01	0.01	(0.00)	Customer
128	Vickitash Media Venture Limited	Deposit	-	0.01	(0.01)	(0.01)	-	Customer
129	Kewal Kiran Management Consultancy Limited)	Receivables	0.01	-	0.01	(0.00)	(0.00)	Customer
130	Kewal Kiran Management Consultancy Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
131	Kewal Kiran Media And Communication Limited)	Receivables	0.01	-	0.01	(0.00)	(0.00)	Customer
132	Kewal Kiran Media And Communication Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
133	Seven Seas Leasing Limited)	Receivables	0.01	-	0.00	(0.00)	0.02	Customer
134	Offshore Financial Services Limited)	Receivables	0.01	-	0.01	(0.00)	(0.00)	Customer
135	Today Global Builders Private Limited)	Receivables	0.02	-	0.02	0.01	0.01	Customer
136	Lokmangal Garments Limited)	Receivables	(0.01)	-	(0.01)	(0.01)	0.02	Customer
137	Prisek Enterprises Limited)	Receivables	-	-	(0.01)	(0.01)	(0.01)	Customer
138	Prisek Enterprises Limited)	Deposit	-	-	(0.01)	(0.01)	-	Customer
139	Benios Marketing Limited)	Receivables	0.01	-	0.01	-	-	Customer
140	New Gen Footwear Limited)	Receivables	-	-	0.01	0.01	-	Customer
141	New Gen Footwear Limited)	Deposit	-	-	(0.01)	(0.01)	-	Customer
142	Sustainable Agg Solutions Limited)	Receivables	0.01	-	0.01	0.00	0.00	Customer
143	Sustainable Agg Solutions Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
144	Duroc Solar Private Limited	Receivables	-	-	(0.01)	0.00	-	Customer
145	Anandaa Consumers Limited)	Receivables	0.01	-	0.01	-	-	Customer
146	Anandaa Consumers Limited)	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
147	Sharp Integrated Food Park Limited	Receivables	0.01	-	0.01	-	-	Customer
148	Sharp Integrated Food Park Limited	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
149	Atria Wind Power (Kr3) Private Limited	Receivables	0.02	-	0.01	0.00	-	Customer
150	Atria Wind Power (An)Private Limited	Receivables	0.02	-	0.02	0.02	0.02	Customer
151	Logos Lifecare Limited	Receivables	-	-	(0.00)	0.01	-	Customer
152	Logos Lifecare Limited	Deposit	-	-	(0.01)	(0.01)	-	Customer
153	Atria Rooftop Holdings Private Limited)	Receivables	0.02	-	0.01	0.00	(0.00)	Customer
154	Trident Innovations Limited	Receivables	0.01	-	(0.00)	(0.00)	-	Customer
155	Trident Innovations Limited	Deposit	0.01	-	(0.01)	(0.01)	-	Customer
156	Lumino Bio Fuel Private Limited	Receivables	-	-	(0.00)	(0.01)	-	Customer
157	Kalbro Iron And Steels Limited	Receivables	0.01	-	0.01	0.01	-	Customer
158	Kalbro Iron And Steels Limited	Deposit	0.01	-	(0.01)	(0.01)	-	Customer

39. Following are the details of balances outstanding on account of any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act,

(₹ in Million)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance as at					Relationship
			31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022	
159	Dbl Power Transmission Private Limited	Receivables	0.01	-	0.01	0.01	-	Customer
160	Hindustan Biotech Limited	Receivables	-	-	(0.01)	-	-	Customer
161	Renee Industries Limited	Receivables	0.03	0.03	0.03	0.03	-	Customer
162	Hitech Jewelry Industries Limited	Receivables	0.09	-	0.09	0.09	-	Customer
163	Principle Mutual Fund	Receivables	(0.06)	-	(0.06)	0.17	0.54	Customer
164	Shibir India Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
165	Blueshift Information Systems Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
166	Spangle Marketing Limited	Receivables	-	-	0.02	0.02	0.02	Customer
167	Rattan Vanaspati Limited	Receivables	0.03	0.03	0.03	0.03	-	Customer
168	S2 Capital Services Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
169	Zenith Global Consultants Limited	Receivables	0.03	-	0.03	0.03	-	Customer
170	Lowe Infra And Wellness Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
171	Raas Distribution (India) Private Limited	Receivables	0.02	-	0.01	0.02	-	Customer
172	Edcl - Seppa Nire Hydro Electric Private Limited	Receivables	0.03	-	0.03	0.03	0.03	Customer
173	Bliss Home Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
174	Sunflex Finance And Investments Limited	Receivables	0.01	-	0.01	0.01	-	Customer
175	Greenwillow Homes Private Limited	Receivables	0.02	0.02	0.02	0.02	0.02	Customer
176	Max Planck Solarfarms Private Limited	Receivables	0.05	0.05	0.05	(0.00)	0.16	Customer
177	Jeevandhara Multitrade Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
178	Iqu Power Company Private Limited	Receivables	0.01	-	0.00	0.00	-	Customer
179	East West Hotels Limited	Receivables	-	0.01	0.01	0.01	-	Customer
180	Duet India Hotels (Bengaluru Cybercity) Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
181	Orient Green Power (Maharashtra) Private Limited	Receivables	0.03	-	(0.02)	(0.02)	(0.01)	Customer
182	Ramky Food Park Chattisgarh Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
183	Ramky Herbal & Medicinal Park Chattisgarh Ltd	Receivables	0.01	0.01	0.01	0.01	-	Customer
184	Suratgarh-Sriganganagar Toll Road Pvt. Ltd.	Receivables	0.02	0.02	0.02	0.01	0.01	Customer
185	Ramky Esco Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
186	Eden Renewable Simplan Private Limited	Receivables	-	-	(0.00)	0.01	-	Customer
187	Eden Renewable Iena Private Limited	Receivables	-	-	(0.00)	0.01	-	Customer
188	Eden Renewable Lourmel Private Limited	Receivables	-	-	(0.00)	0.01	-	Customer
189	Eden Renewable Blanche Private Limited	Receivables	(0.01)	-	(0.00)	-	-	Customer
190	Eden Renewable Varenne Private Limited	Receivables	-	-	(0.00)	0.01	-	Customer
191	Eden Renewable Villiers Private Limited	Receivables	-	-	(0.00)	0.01	-	Customer
192	Eden Renewable Jasmin Private Limited	Receivables	0.03	-	0.02	0.02	0.01	Customer
193	Naya Raipur Gems And Jewellery Sez Limited	Receivables	0.02	0.02	0.02	0.02	0.01	Customer
194	Terra Land Developers Limited	Receivables	-	-	(0.02)	(0.02)	(0.02)	Customer
195	Terra Land Developers Limited	Deposit	-	-	(0.01)	(0.01)	-	Customer
196	Paraswanath Solar Power (Koppal) Private Limited	Receivables	0.01	-	0.01	0.01	0.00	Customer
197	Paraswanath Solar Power (Itagi) Private Limited	Receivables	0.02	-	0.01	0.00	(0.00)	Customer
198	Ramky Food Park Karnataka Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
199	Vatsa Educations Limited	Receivables	0.01	-	0.01	0.01	-	Customer
200	Sidh Industries Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
201	Manavta Holdings Limited	Receivables	0.01	-	0.01	0.02	0.02	Customer
202	Narang Shelters Private Limited	Receivables	(0.01)	-	(0.02)	-	-	Customer
203	Narang Realty & Construction Private Limited	Receivables	(0.01)	-	(0.02)	-	-	Customer
204	L & T Arunachal Hydropower Limited	Receivables	0.20	-	0.11	0.01	0.10	Customer
205	Systel Infotech Limited	Receivables	0.04	0.04	0.04	0.04	-	Customer
206	Ravi Farmtech (India) Private Limited	Receivables	0.01	0.01	0.01	0.01	-	Customer
207	Arunachal Hydro Power Limited	Receivables	0.09	-	0.09	0.09	0.09	Customer
208	Indian School Of K -12 Education Private Limited	Receivables	0.01	-	0.01	-	0.01	Customer
209	Home Trade Ltd	Deposit	(0.82)	0.82	(0.82)	(0.82)	(0.82)	Customer
210	Bharat Investments Growth Limited	Deposit	-	-	-	(0.01)	(0.01)	Customer
211	Subex Technologies Limited	Deposit	-	-	-	(0.02)	(0.02)	Customer
212	Sabarmati River Front Development Corporation Limited	Deposit	-	-	-	(0.09)	(0.09)	Customer
213	Abhishek Ventures & Projects Limited)	Deposit	-	-	-	(0.01)	(0.01)	Customer
214	Ranakpur Cement Limited	Deposit	(0.01)	(0.01)	-	(0.01)	-	Customer
215	Maharani Hotels Limited	Deposit	(0.01)	-	-	(0.01)	-	Customer
216	Devona Power Limited)	Deposit	0.17	-	-	(0.01)	-	Customer
217	Diana Energy Limited)	Deposit	0.01	-	-	(0.01)	-	Customer
218	Fine Lifestyle Brands Ltd	Receivables	(0.02)	0.02	0.02	0.01	0.01	Customer
219	Jungsnan Diamond Tools India Private Limited	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	Customer
220	Galaxe Solutions India Pvt. Ltd.	Receivables	-	(0.01)	(0.01)	(0.01)	(0.02)	Customer
221	CRAYSOL BUSINESS SOLUTIONS PRIVATE LIMITED	Receivables	(0.01)	-	(0.01)	-	-	Customer
222	Itek Business Solutions Pvt Ltd	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	Customer
223	Sod Technologies Pvt Ltd	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	Customer
224	Wilson Associates Interior Architectural Design Private Limit	Receivables	0.01	0.01	0.01	0.01	0.01	Customer
225	Feofus Solutions Private Limited	Receivables	0.01	0.01	0.01	0.01	0.01	Customer
226	M/s. Spatika Digital Solutions Pvt Ltd	Receivables	0.01	(0.01)	0.01	-	-	Customer
227	Rajeshwar Exports Private Limited	Receivables	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	Customer
228	Hanin Enterprises Private Limited	Receivables	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	Customer
229	Norjimm Private Limited	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	Customer
230	Abacsys Technologies Private Limited	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	Customer
231	Hilado Spintex Private Limited	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	Customer
232	Bombay Jewellery Manufacturers Private Limited	Receivables	(0.01)	(0.02)	(0.01)	(0.04)	(0.02)	Customer
233	Kbs Designs Private Limited	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	Customer
234	Nyay Bharat International Media Private Limited	Receivables	(0.02)	(0.02)	(0.02)	-	-	Customer
235	Universal Packaging Private Limited	Receivables	-	-	(0.01)	(0.00)	(0.00)	Customer
236	Kinjal Trade Exports Pvt Ltd	Receivables	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	Customer
237	Laxmi Ideal Interiors Private Limited	Receivables	(0.05)	(0.10)	(0.10)	(0.02)	(0.03)	Customer

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

39. Following are the details of balances outstanding on account of any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, (₹ in Million)

Sr. No.	Name Of Struck Off Company	Nature of Transaction	Outstanding Balance as at					Relationship
			31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022	
238	Super Gems Private Limited	Receivables	-	-	-	(0.01)	(0.01)	Customer
239	Vishnu Exports Pvt Ltd	Receivables	-	-	(0.02)	(0.00)	(0.02)	Customer
240	I Woxmart It Services Pvt. Ltd	Receivables	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	Customer
241	A-one Jewellery Private Limited	Receivables	-	-	-	(0.01)	(0.01)	Customer
242	Shivaay Jewellers (opc) Private Limited	Receivables	(0.01)	-	-	(0.02)	(0.03)	Customer
243	Isha Impex Private Limited	Receivables	-	-	-	(0.00)	(0.01)	Customer
244	Ab Warehousing Corporation Private Limited	Receivables	-	-	(0.01)	(0.00)	(0.00)	Customer
245	Axiogen Biotech Private Limited	Receivables	-	-	-	0.01	0.01	Customer
246	Surabhi Exports Pvt Ltd	Receivables	0.01	0.01	0.01	0.01	0.01	Customer
247	Neogeek Technologies Private Limited	Receivables	(0.01)	0.01	(0.01)	0.01	-	Customer
248	GSPC Offshore Ltd	Receivables	(0.02)	0.02	0.02	-	-	Customer
249	Crescent Gems Llp	Receivables	(0.01)	0.01	(0.01)	0.01	-	Customer
250	Duncan Investments And Industries Ltd	Receivables	-	0.01	-	-	-	Customer
251	Diyya Creations Private Limited	Receivables	(0.01)	-	(0.01)	-	-	Customer
252	Krishna Enterprises Private Limited	Receivables	-	-	(0.01)	-	-	Customer

40. Share Based Payment

The Subsidiary NSDL Payments Bank Limited has formulated share-based payment schemes for its employees (Plan I). Details of grants in operation are as given below:

a) Description of share-based payments		
Sr. No.	Particulars	ESOP 2022
i)	Vesting Requirements	33% at the end of each 12, 24 months and 34% at the end of each 36 months from the date of grant
ii)	Maximum term of option	5 Years
iii)	Method of settlement	Equity settled
iv)	Modifications to share based payment plans	N.A.
v)	Any other details as disclosed in the audited Ind AS financial statements	N.A.
vi)	Grant Date	20th October, 2022

b) Summary of share-based payments - ESOP 2022						
Sr. No.	Particulars	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
(i)	Outstanding balance at the beginning of the period	15,33,396	12,90,000	12,90,000	-	-
	Options granted	-	5,43,396	5,43,396	16,50,000	-
	Options forfeited	1,80,000	3,00,000	3,00,000	3,60,000	-
	Options exercised	-	-	-	-	-
	Options expired	-	-	-	-	-
	Options lapsed	-	-	-	-	-
(ii)	Options outstanding at the end of the period	13,53,396	15,33,396	15,33,396	12,90,000	-
	Options exercisable at the end of the period	9,02,264	5,06,021	5,06,021	-	-
(iii)	For share options exercised					
	Weighted average exercise price at date of exercise	-	-	-	-	-
	Money realized by exercise of options (in actual rupees)	-	-	-	-	-
(iv)	For share options outstanding					
	Range of exercise price	19.05	19.05	19.05	19.05	-
	Average remaining contractual life of options	4.8 years	5.8 years	5.56 Years	6.55 Years	-
(v)	Modification of plans	N.A.	N.A.	N.A.	N.A.	-
(vi)	Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	-

c) Valuation of stock options		
Sr. No.	Particulars	ESOP 2022
i)	Share Price	19.05
ii)	Exercise Price	19.05
iii)	The weighted average fair value as on the date of grant (per stock option)	4.56 - 6.87
iv)	Valuation Model used:	Black Scholes Valuation
v)	Expected Volatility	25.15% - 28.34%
vi)	Basis of determination of expected volatility	Volatility has been calculated based on the daily closing market price of Nifty Financial services over the most recent period that is generally commensurate with the expected life of the option being valued.
vii)	Contractual Option Life (years):	5 years from the date of vesting
viii)	Expected Dividends:	-
ix)	Risk Free interest rate:	7.03% - 7.32%
x)	Vesting Dates:	33% vesting on October 20, 2023 33% vesting on October 20, 2024 34% vesting on October 20, 2025
xi)	Valuation of incremental fair value on modification	N.A.

The fair value of the options determined at grant date is recognised as employee compensation cost over the vesting period on straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity.

The stock based compensation expense charged to the Statement of Profit and Loss is ₹1.40 Million (for 31st December, 2023 ₹3.41 Million, 31st March, 2024 ₹3.91 Million, 31st March, 2023 ₹1.30 Million and 31st March, 2022 Nil).

41. Analytical Ratios

(₹ in Million)

Sr. No.	Ratios	Numerator	Denominator	31st December, 2024	31st December, 2023	Variance % (9MFY25 to 9MFY24)	31st March, 2024	31st March, 2023	Variance % (FY24 to FY23)	31st March, 2022	Variance % (FY23 to FY22)	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	1.20	1.16	2.9%	1.14	1.31	(12.5%)	1.71	(23.4%)	
2	Debt-Equity Ratio			N.A.	N.A.		N.A.	N.A.		N.A.		
3	Debt Service Coverage Ratio			N.A.	N.A.		N.A.	N.A.		N.A.		
4	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	14.4%	13.9%	3.5%	19.0%	17.8%	7.0%	19.1%	(6.7%)	
5	Inventory Turnover Ratio			N.A.	N.A.		N.A.	N.A.		N.A.		
6	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivable	9.74	9.35	4.1%	13.68	10.88	25.8%	7.21	50.8%	For FY24 and FY23 Due to increase in revenue from Banking Services Segment
7	Trade Payables Turnover Ratio	Other Expenses	Average Trade Payables	8.48	12.25	(30.8%)	17.89	14.97	19.5%	13.72	9.1%	For 9MFY25 Due to increase in expenses from Banking Services Segment
8	Net Working Capital Turnover Ratio	Revenue from Operations	Working Capital	6.08	10.15	(40.1%)	16.05	5.22	207.5%	2.30	127.0%	For 9MFY25, FY24 and FY23 Due to increase in revenue from Banking Services Segment
9	Net Profit Ratio	Net Profit	Revenue from Operations	24.6%	21.0%	17.2%	21.7%	23.0%	(5.5%)	27.9%	(17.7%)	
10	Return on Capital Employed Ratio	Earnings before interest and taxes	Shareholder's Equity	17.9%	16.0%	11.8%	21.3%	21.8%	(2.4%)	23.3%	(6.3%)	
11	Return on Investment Ratio	Finance Income	Average Investment	4.6%	5.8%	(19.7%)	7.6%	5.5%	37.6%	5.2%	5.7%	For FY24 Due to increase finance income on Investment

42. Statement of Adjustments to the Audited Consolidated Financial Statements as at and for the period / year ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022

Summarized below are the restatement adjustments made to the Audited Consolidated Financial Statements as at and for the period / year ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022 and their impact on equity and profit of the Group.

Part A: Statement of Adjustments to Audited Consolidated Financial Statements

Reconciliation between Audited equity and restated equity

(₹ in Million)

Particulars	As at				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
A Total Equity as per Audited Consolidated Financial Statements	19,221.54	16,034.15	16,840.97	14,288.61	12,116.19
B Adjustments:					
Material restatement adjustment					
(i) Audit qualifications	-	-	-	-	-
(ii) Adjustments due to prior period items/other adjustment	-	-	-	-	-
(iii) Change in accounting policies	-	-	-	-	-
(iv) Deferred tax impact on adjustments, as applicable	-	-	-	-	-
C Total impact of adjustments (i+ii+iii+iv)	-	-	-	-	-
D Total Equity as per Restated Consolidated Financial Information (A+C)	19,221.54	16,034.15	16,840.97	14,288.61	12,116.19

Reconciliation between Audited Consolidated Profit and Restated Profit

(₹ in Million)

Particulars	For the period / year ended				
	31st December, 2024	31st December, 2023	31st March, 2024	31st March, 2023	31st March, 2022
A Profit after tax as per Audited Consolidated Financial Statements	2,598.26	1,959.41	2,754.45	2,348.10	2,125.94
B Adjustments:					
Material restatement adjustment					
(i) Audit qualifications	-	-	-	-	-
(ii) Adjustments due to prior period items/other adjustment	-	-	-	-	-
(iii) Change in accounting policies	-	-	-	-	-
(iv) Deferred tax impact on adjustments, as applicable	-	-	-	-	-
C Total impact of adjustments (i+ii+iii+iv)	-	-	-	-	-
D Restated profit after tax as per Restated Consolidated Financial Information (A+C)	2,598.26	1,959.41	2,754.45	2,348.10	2,125.94

Notes to adjustment:

- i) Audit qualifications - There are no audit qualifications in auditor's report for the period / year ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022.
- ii) Material regrouping / reclassification - Following are the details of regroupings/ reclassifications in Audited Consolidated Financial Statements for the period / year ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022 carried out in Restated Consolidated Financial Information, which are not material. There were no material regrouping/reclassifications in above referred periods. These regrouping are made to make better presentation and to make numbers comparable.
 - a Rs.99.96 Million and Rs.49.97 Million were moved from "Current Investment" to "Cash and Cash Equivalents" within the Current Financial Assets category for the period / year ended 31st December, 2023 and 31st March, 2023.
 - b Rs.74.68 Million was moved from "Trade Payables – Other" to "Trade Payables – MSME" for the year ended 31st March, 2023 within the Current Financial Liabilities category.
 - c Rs.33.39 Million and Rs.27.31 Million were moved from "Other Financial Liabilities" to "Trade Payables – Other" and "Trade Payables - MSME" for the year ended 31st March, 2022 within the Current Financial Liabilities category.
 - d Rs.9.86 Million, 6.43 Million, 3.54 Million and 2.33 Million were moved from "Other Expenses" to "Finance Cost" for the period / year ended 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022.
- iii) Material errors - There were no material errors in Audited Consolidated Financial Statements for the period / year ended 31st December, 2024, 31st December, 2023, 31st March, 2024, 31st March, 2023, and 31st March, 2022 requiring any adjustments in Restated Consolidated Financial Information.

NATIONAL SECURITIES DEPOSITORY LIMITED
Notes to the Restated Consolidated Financial Information

43. Our Subsidiary NSDL Database Management Limited has informed that Insurance Regulatory and Development Authority of India (IRDAI) had advised the Company to convert its existing Strategic Business Unit (SBU) i.e. NSDL National Insurance Repository Services (NIR) into a separate company. The company had made a representation to IRDAI to continue to allow Insurance Repository operations under SBU structure. IRDAI vide its letter dated June 26, 2023, had granted an extension to the Company to operate its 'Insurance Repository' (IR) as a Strategic Business Unit (SBU) till March 2024. The Company made further representation in December 2023 to IRDAI to permit to continue IR operations as an SBU of the Company until the Regulations are notified. IRDAI vide its letter dated February 23, 2024, had granted an extension to the Company to operate its 'Insurance Repository' (IR) as a Strategic Business Unit (SBU) till March 31, 2025 or notification of amended regulations, whichever is earlier. Further on January 09, 2025, the IRDAI has directed the company to comply with the above said communication dated February 23, 2024.

NIR recorded revenue of ₹ 32.78 million, ₹ 42.34 million, ₹ 56.46 million, ₹ 48.33 million and ₹ 38.54 million and Total profit/ (loss) of ₹ 1.30 million, ₹ 15.01 million, ₹ 18.78 million, ₹ 16.75 million and ₹ 13.30 million for the period / year ended December 31, 2024, December 31, 2023, March 31, 2024, March 31, 2023 and March 31, 2022 respectively. Considering NIR Performance to total performance of the company, the management is of the view that the NIR operations does not represent a major line of business operations and therefore related revenue, expense and pre-tax profit/loss of the NIR operations has not been separately disclosed in accordance with Ind-AS 105 "Non-current Assets Held for Sale and Discontinued Operations" in these restated financial information.

44. The "National Academic Depository (NAD)" was set-up by our Subsidiary NSDL Database Management Limited in 2017 as per the decision taken by the Union Cabinet of India, Govt. of India to facilitate "e-Governance" and "Digital Services" for academic certificate issuance / maintenance / verification. The scheme was accordingly implemented during 2017-2019. However, in 2020, UGC had informed that as per MHRD direction, it was decided that NAD shall be implemented through DigiLocker system of Govt. of India and NDML will not be required to continue the same. Company had represented MHRD with a request to allow continuity of the services and approve the framework of user charges. However, on conservative basis, Company had made a provision for impairment of NAD Project Intangible assets and Intangible assets under development aggregating to ₹ 4.99 million. Out of the said amount, ₹ 2.37 million related to Intangible assets is included under 'Depreciation, impairment and amortisation expenses' and ₹ 2.62 million related to Intangible assets under development is included under 'Other Expenses' for the year ended March 31, 2021.

In the FY 2022-23, the company has written off ₹ 2.37 million related to Intangible assets & ₹ 2.62 million related to Intangible assets under development after the necessary approval from Board.

45. Our Subsidiary NSDL Payments Bank Limited has accumulated losses. The Bank has not recognised any Current Tax and Deferred Tax during the periods' ended December 31, 2024 and December 31, 2023 and years' ended March 31, 2024, March 31, 2023 and March 31, 2022. Hence effective tax rate is NIL for the respective periods' / years'.

The Taxation Laws (Amendment) Act 2019, ('Act') has inserted section 115BAA of the Income-tax Act, 1961 which allows domestic companies to opt for an alternative tax regime from financial year 2019-20. As per the said tax regime, Companies are allowed to pay reduced income tax @ 22% (plus surcharge and cess) subject to foregoing of certain exemptions / deductions which were allowed earlier. Once exercised, such option cannot be withdrawn for the same or subsequent assessment years. Pursuant to the aforesaid amendment, the Bank, has opted for lower rate of tax with effect from financial year ended March 31, 2023 while filing the income tax return. Accordingly, the provisions of Minimum Alternate Tax under Section 115JB of the Income Tax Act, 1961 are not applicable to the Bank. Hence, no provision for taxation is required to be recognised in line with these extant guidelines of the Income Tax Act, 1961.

46. Our Subsidiary NSDL Database Management Limited has been providing services to National Payments Corporation of India (NPCI) for managing Paper to follow process for supporting Grid Based Cheque Truncation System (CTS). NPCI has informed the Company that in consultation with RBI, it has been decided as the volume of cheques required to participate in P2F operation is negligible; the facility of P2F centers is not needed anymore. Accordingly, from July 2024 onwards NPCI has advised to close all P2F centers.

P2F recorded revenue of ₹ 2.28 million, ₹ 8.38 million, ₹ 10.09 million, ₹ 21.34 million and ₹ 21.01 million and Total profit/ (loss) of ₹ 0.06 million, ₹ 3.07 million, ₹ 3.11 million, ₹ 9.52 million and ₹ 8.49 million for the period / year ended December 31, 2024, December 31, 2023, March 31, 2024, March 31, 2023 and March 31, 2022 respectively.

47. During the period ended September 30, 2024, RBI has granted Our Subsidiary NSDL Database Management Limited, 'Certificate of Authorisation' to operate as an 'Online Payment Aggregator' in India with effect from 22.05.2024 as per the guidelines issued by Reserve Bank of India.

48. "Easy FD" was set-up by Our Subsidiary NSDL Database Management Limited, in August 2022 to facilitate digital Fixed Deposit aggregation based on API integrations, wherein the platform would consume individual (and diverse) APIs from Issuers and serve a master API to Distributors; who could in-turn direct investors to the platform for investing in FDs. The concept provided both, the issuers and the distributors with the manifold easier option of connecting to a single platform than connecting with individual distributors and issuers at scale. However, a combination of external developments, limitations in initial judgements and extensive requirements of Capital Expenditure has rendered the project unfeasible.

During the period ended December 31, 2024, the company has written off ₹ 9.13 millions related to Intangible assets after the necessary approval from Board.

49. The Code on wages 2019 and Code on Social Security, 2020 (“the Codes”) relating to employee compensation and post-employment benefits that received Presidential assent have not been notified further the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Code becomes effective.

50. The previous period / year’s figures have also been regrouped and rearranged wherever necessary.

In terms of our report of even date attached
For K C Mehta & Co LLP
Chartered Accountants
Firm Registration No. 106237W / W100829

**For and on behalf of the Board of Directors of
NATIONAL SECURITIES DEPOSITORY LIMITED**

Shripal Shah
Partner
Membership No. 114988

Vijay Chandok
Managing Director & CEO
DIN: 01545262

Parveen Kumar Gupta
Chairman
DIN: 02895343

Place : Mumbai
Date : 9th April, 2025

Alen Ferns
Company Secretary
A30633

Jigar Shah
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Consolidated Financial Information included herein as of and for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, including the related notes, schedules and annexures. Our Restated Consolidated Financial Information has been prepared in accordance with Ind AS and restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note. Ind AS differs in certain material respects from IFRS and US GAAP. See "Risk Factors – External Risk Factors – Risks Related to India – Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition." on page 62 of this Addendum.

Our Financial Year commences on April 1 and ends on March 31 of each year, and all references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our "Restated Consolidated Financial Information" on page 172 of this Addendum.

Unless otherwise indicated, the industry-related information contained in this section is derived from the industry report titled "Assessment of the Depository System, Database Management and Payments Banks in India" April 2025 (the "CRISIL Report"), prepared by CRISIL Intelligence, a division of CRISIL Limited which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated February 6, 2025, for the purpose of confirming our understanding of the industry we operate in, in connection with the Offer. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant calendar year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 23 of the Draft Red Herring Prospectus and 1 of this Addendum, respectively.

Overview

We are a SEBI registered market infrastructure institution ("MII") offering a wide range of products and services to the financial and securities markets in India. Following the introduction of the Depositories Act in 1996, through our Company, we pioneered the dematerialization of securities in India in November 1996. As of December 31, 2024, we are the largest depository in India in terms of number of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody (Source: *CRISIL Report*). Further, as of December 31, 2024, we have a network of 63,542 depository participants' service centres as compared to 17,883 such centres with CDSL.

As a depository, we provide a robust depository framework that enables market participants to participate in the financial and securities markets in India. We also play a central role in developing products and services that will continue to address the growing needs of the financial services industry in India. Using innovative and flexible technology systems, NSDL works to support investors, brokers, issuers and other market participants in the Indian capital markets and aims at ensuring the safety and soundness of Indian securities market by developing settlement solutions that increase efficiency, minimize risk and reduce costs.

Our depository facilitates securities to be held in digital form by investors through accounts known as "Demat Accounts" held with us through depository participants. This includes securities held in dematerialized form with various asset classes namely equities (listed equity and unlisted equity), preference shares, warrants, funds (mutual funds, REITs, InvITs and AIFs), debt instruments (corporate debt, commercial paper, certificate of deposit, pass through certificate, security receipts, government securities, sovereign gold bonds, municipal debt, treasury bill) and electronic gold receipts.

As part of our depository business, we operate a centralized digital book-keeping system that facilitates the holders of securities to hold and transfer their securities in electronic form and enables settlement solutions in an efficient and cost-effective manner. We also facilitate and maintain complete records of the ownership of securities held in dematerialised form with us on behalf of the issuer entity. We provide depository services to investors, issuers, depository participants, financial institutions, stockbrokers, custodians, clearing corporations and other market intermediaries and have established an ecosystem for these entities to integrate with our systems.

Our core depository services provide us with a steady source of recurring revenue, primarily through annual custody fees that we charge issuers of securities and annual maintenance fees we charge depository participants in relation to corporate accounts serviced through our depository platform. We charge a standardized fixed fee per annum for each corporate account, pro-rated according to the month in which such account is opened in our depository platform. We also charge transaction fees to depository participants and issuers of securities for transactions effected through our depository systems. As part of our commitment to the capital markets community in India, we have leveraged our technological infrastructure to cater to the diverse needs of the securities market in India and introduced several additional products, e-services and ancillary value-added services and initiatives directly and through our subsidiaries, NSDL Database Management Limited (“**NDML**”) and NSDL Payments Bank Limited (“**NPBL**”), thereby emerging as a key enabler for the financial market in India (Source: *CRISIL Report*).

The core functions of NSDL are as follows:

- *Maintaining allotment and transfer of ownership records:* One of our core functions is maintaining details of allotment and transfer of ownership records of securities assets held with us through electronic book entries. We deploy and utilize innovative technological systems to support issuers, investors and market intermediaries in the Indian securities market while minimizing risk, reducing operational costs and increasing efficiency of operations.
- *Facilitating asset servicing:* Asset servicing is a core function as it helps ensure the safety and efficient management of all assets held in dematerialised form with us. We hold various asset classes in dematerialised form and leverage our software tools and framework to build a robust and resilient central securities depository system to ensure the continued safekeeping and servicing of assets held with us.
- *Transaction and other services:* The core depository services provided by us include dematerialization of securities, settlement of trades, off-market transfers, pledge of securities, including margin pledges and re-pledges, implementation of client unpaid securities pledgee accounts (“**CUSPA**”) by trading members to ensure the segregation of client securities, and corporate action for issuer companies. In addition to providing core depository services, we also provide several additional services such as e-voting services, consolidated account statement (“**CAS**”), blockchain-based security and covenant monitoring platform for debentures and non-disposal undertakings (“**NDU**”).

Through our Subsidiaries, NDML and NPBL, we offer a range of IT-enabled solutions through multiple verticals such as e-governance, payments solutions, collaborative industry solutions, regulatory platforms, KYC solutions, insurance repository services, digital banking services, amongst others. Through NDML, some additional services include the automation and e-governance project for special economic zones (“**SEZ**”) pursuant to an agreement with the Ministry of Commerce and Industry, Government of India and a national skills registry that seeks to build a credible record of the employees working in the IT / ITeS industry. Through NPBL, we operate our payments bank business that was launched in October 2018. NPBL has a focus on financial inclusion, bringing within the ambit of financial services for the disadvantaged and low-income population in remote areas of India, NPBL operates on a business-to-business (“**B2B**”) model and offers digital banking solutions, inclusive banking products (covering domestic money transfers, savings accounts, micro-ATMs and an Aadhar-Enabled Payment System (“**AePS**”), prepaid cards (including general purpose reloadable payment cards, gift cards and use case-based cards), merchant acquisition services (including UPI-payment services and point-of-sale solutions) and the distribution of third party products such as life insurance, health insurance and mutual fund schemes.

As on December 31, 2024, we had over 38.77 million active demat accounts held with 289 depository participants registered with us, and our accounts holders were located in more than 99.32% of pin codes in India and 218 countries across the world. During the nine months ended December 31, 2024, we witnessed a net increase of 18,520 issuers to 64,535 issuers registered with us as compared to 46,015 issuers as at March 31, 2024.

Furthermore, the average number of Demat Accounts opened with us per day for the nine months ended December 31, 2024 was 15,504.

Set forth below are the details of the aggregate number of issuers, listed and unlisted, registered with us, as of December 31, 2024 and 2023, and as of March 31, 2024, 2023 and 2022.

Particulars	As of December 31,		As of March 31,		
	2024	2023	2024	2023	2022
Listed Issuers	6,158	5,885	5,942	5,804	5,803
Unlisted Issuers	58,377	38,072	40,073	35,183	31,675
Total number of Issuers	64,535	43,957	46,015	40,987	37,478

As on December 31, 2024, we serviced 99.99% of the value of equity, debt and other securities held by foreign portfolio investors in dematerialized form in India (Source: *CRISIL Report*). We also held assets in custody aggregating to ₹77,814.10 billion for individuals (including NRIs) and Hindu Undivided Family (“HUFs”) accounts, which constituted 68.49% of the total value of such assets under custody in dematerialized across depositories as of December 31, 2024 (Source: *CRISIL Report*). Similarly, as of December 31, 2024, we held assets in custody in relation to non-residents Indians aggregating to ₹5,091.20 billion, constituting 85.57% of the total value of such assets held by non-residents Indians under custody in dematerialized form across depositories (Source: *CRISIL Report*). We also had a market share of 96.93% of the dematerialized value of listed corporate debt securities in custody aggregating to ₹50,261.52 billion, as on December 31, 2024 (Source: *CRISIL Report*).

Our management team led by Vijay Chandok, Managing Director and Chief Executive Officer and comprising qualified and experienced professionals contributes to our growth. We believe that their vision, leadership and adherence to strong corporate governance policies have driven our positive performance in the past and will drive our strategic direction in the future. For details, please see “*Our Business — Our Strengths — Experienced senior management team*” on page 131 of this Addendum.

We have an established track record of growth in revenue and profits. Between Financial Years 2022 and Financial Year 2024, our revenue from operations grew from ₹7,611.09 million to ₹12,682.44 million. For the similar period, our profit after tax grew from ₹2,125.94 million to ₹2,754.45 million. For the nine months ended December 31, 2024, our revenue from operations was ₹10,565.46 million and our profit after tax was ₹2,598.26 million. Our EBITDA also grew at a CAGR of 12.80% from ₹2,995.41 million in Financial Year 2022 to ₹3,811.33 million in Financial Year 2024. During the nine months ended December 31, 2024, our EBITDA was ₹3,707.92 million. Our EBITDA on a standalone basis grew at a CAGR of 17.23% from ₹2,473.76 million in Financial Year 2022 to ₹3,399.69 million in Financial Year 2024. During the nine months ended December 31, 2024, our EBITDA on a standalone basis was ₹3,351.12 million. For a reconciliation of our profit for the period to EBITDA, see “*Financial Information — Other Financial Information*” on page 273 of the Draft Red Herring Prospectus and “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation*” on page 20 of the Draft Red Herring Prospectus.

Significant Factors Affecting our Financial Condition and Results of Operation

Our financial condition and results of operations are affected by various factors and uncertainties, including those discussed in the section titled “*Risk Factors*” on page 1 of this Addendum. The paragraphs below discuss certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

Trading Volumes and Market Activity

We derive our revenue from operations from a number of sources including transaction fees that we charge Depository Participants, custody fees that we charge issuers and annual fees that we charge Depository Participants and issuers, and fees from other ancillary services provided to market participants through NSDL and our Subsidiaries, NDML and NPBL. We are dependent on transaction fees for a significant portion of our revenue from operations. In the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, we derived ₹3,155.26 million, ₹2,248.50 million, ₹3,086.34 million, ₹2,553.82 million and ₹2,535.71 million, respectively, of our revenue from operations from transaction fees, constituting 29.86%, 24.07%, 24.34%, 24.99% and 33.32% of our revenue from operations, respectively. Among other factors, our transaction fees are primarily dependent on the number of transactions effected by Depository Participants registered with us whereas our issuer-related charges are dependent on the number of listed and unlisted securities and the number of investors per security issued by issuers through Depository Participants registered with us. Some of these factors are beyond

our control and dependent on general market conditions, macro-economic factors (such as interest rates and inflations), competition, and regulatory changes, each significantly influencing the trading volumes for securities.

As we maintain a fixed cost structure across our transaction, custody and annual fees, we benefit from an increase in trading volumes and resulting revenues that can positively affect our margins. Conversely, if transaction volumes and revenues decline, we may not be able to adjust our cost structure to offset the associated revenue loss, which could adversely affect our profitability.

In addition to our core depository business, we provide several ancillary services through NSDL and our Subsidiaries. We are actively exploring opportunities to provide existing users of our depository services to avail our ancillary services, including our e-voting, e-AGM and foreign investment limit monitoring (FILM) for institutional investors. Our success in these businesses is also heavily influenced by our ability to adapt to changing market conditions and develop innovative products and services that meet the evolving needs of our customers.

Macro-Economic Considerations including India's Economic Condition and Demat Account Penetration

The capital markets have played a pivotal role in development of the Indian economy with the amount of total capital raised (equity and debt) increasing from ₹919.5 billion in Financial Year 2019 to ₹1,022.6 billion in Financial Year 2024 (Source: *CRISIL Report*). This market is expected to grow further with with capital raised from the primary market through public and rights issues increasing about 44% y-o-y in nine months ended December 31, 2024 and about 42% y-o-y in Financial Year 2024 (Source: *CRISIL Report*). The Demat Account penetration in India is 12.9% in the months ended December 31, 2024 and 10.6% in the Financial Year 2024, and presents a huge opportunity to depositories for growth in the overall business considering India's population is more than 1.44 billion as of calendar year 2024. (Source: *CRISIL Report*).

We are India's first depository and the largest depository in terms of number of issuers, number of active instruments, market share in demat value of settlement volume and value of assets held under custody as of December 31, 2024 (Source: *CRISIL Report*). We continue to benefit from the growth in the Indian capital markets. Our revenue from operations increased from ₹9,341.96 million in nine months ended December 31, 2023 to ₹10,565.46 million in nine months ended December 31, 2024, and ₹7,611.09 million in Financial Year 2022 to ₹10,219.88 million in Financial Year 2023 and ₹12,682.44 million in in Financial Year 2024.

General macro-economic conditions have a considerable impact on financial and securities markets and the availability of capital, as well as investor confidence, is influenced by the health of the economy. As all our assets and market participants are in, or have businesses related to, India, we are significantly impacted by economic conditions in India and are reliant on the health and stability of the Indian economy. Changes in the Indian economy (including market volatility) or the outlook for the capital markets and financial services industries can affect our revenues, primarily through fluctuations in trading volumes, new listings and clearing and settlement volumes, among other factors. Our business can also be impacted by such economic conditions which may affect new listings or offerings by issuer clients, leading to a reduction in the number or size of new securities offered and impacting our ability to generate revenue.

Emergence of new age fin-tech brokers

We derive a significant portion of our revenues from annual fees charged to Depository Participants and issuers, custody fees charged to issuers and transaction fees charged to Depository Participants on all on-market and off-market transactions carried out by them. These fees are linked to the market share of Depository Participants registered with us and have a significant impact on our revenue from operations. Recently, there has been an emergence of a new kind of Depository Participant known as new age fin-tech brokers or discount brokers, who have revolutionized the Indian capital markets with a low-cost digital business model (Source: *CRISIL Report*). Leveraging their low operational costs, these new age fin-tech brokers have been able to transfer this benefit to their clients by significantly bringing down the cost of investing. This is achieved by charging minimal brokerage fees and introducing demat accounts with almost zero brokerage fees. As of December 31, 2024, these new age fin-tech brokers had a market share of 68.80% as compared to 5.00% in Financial Year 2016 (Source: *CRISIL Report*). The increasing financial literacy among India's technologically proficient young population, coupled with the availability of almost zero brokerage services offered by these new age fin-tech brokers through digital platforms, has resulted in a rapid expansion of market share for these new age fin-tech brokers (Source: *CRISIL Report*). Consequently, to ensure that we maintain a significant market share of the depository service market in India, we strive to increasingly onboard such new age fin-tech brokers. To effectively respond to this challenge,

we have focused on enhancing our technology and digital capabilities to streamline our operations and improve the customer experience.

Our Payments Bank Business

We have strategically diversified our business by operationalizing our payments bank business through NPBL in 2018 which, over time, has emerged as a significant revenue stream for us. The success of NPBL can be attributed to several key factors, including the demand for digital payment solutions, widespread adoption of mobile banking, and a favorable regulatory environment for digital payments solutions in India. We have capitalized on these opportunities, resulting in a successful expansion into the payments bank business. For instance, in the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, our income from banking services was ₹5,413.62 million, ₹5,323.03 million, ₹7,192.40 million, ₹5,407.78 million and ₹2,992.45 million, respectively, constituting 51.24%, 56.98%, 56.71%, 52.92% and 39.31%, of our revenue from operations, respectively. We expect the payments bank business in India to be poised for continued growth, with the digital payments landscape expected to further evolve and the Indian government's efforts towards financial inclusion likely to drive success in this segment.

Our Ability to Incorporate and Maintain Technology Advancements and Manage Key Expenses

The effective functioning of our businesses and our financial performance relies upon our ability to incorporate and maintain technology advancements to offer secure, fast, and reliable services to market participants. The maintenance and enhancement of our IT infrastructure is a critical aspect in this regard as it serves as the foundation for our future growth and expansion, while ensuring the safety and reliability of India's capital markets ecosystem. Since inception, we have allocated significant resources towards the upgradation of our IT systems. Set forth below are the details of our expenditures towards repairs and maintenance – system, system support charges, and our capital expenditure on information technology during the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022.

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
<i>(in ₹ million, unless otherwise stated)</i>					
Revenue Expense					
Repairs and maintenance – system	486.98	446.71	552.22	447.00	369.46
System support charges	53.79	41.69	59.74	48.26	79.92
Total revenue expense	540.77	488.4	611.96	495.26	449.38
Total revenue expense as a percentage of total expenditure (%)	6.76%	6.49%	6.06%	6.27%	8.30%
Capital Expenditure					
Capital expenditure in relation to information technology*	262.95	90.13	289.32	191.74	176.78
Total capital expenditure as a percentage of total expenditure (%)	3.29%	1.20%	2.87%	2.43%	3.26%

*Excluding capital work in progress and intangible assets under development.

Further, set forth below are the details of our expenditure towards repairs and maintenance – system and capital expenditure in relation to information technology for our depository business for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022.

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
<i>(in ₹ million, unless otherwise stated)</i>					
Revenue Expense					
Repairs and maintenance – system	492.32	452.61	560.32	457.02	373.45
Total revenue expense as a percentage of total expenditure (Depository Business) (%)	22.47%	24.31%	23.00%	21.37%	19.50%
Capital Expenditure					
Capital expenditure in relation to information technology*	159.48	21.06	111.90	81.82	112.95

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	<i>(in ₹ million, unless otherwise stated)</i>				
Total capital expenditure as a percentage of total expenditure (Depository Business) (%)	7.28%	1.13%	4.59%	3.83%	5.90%

*Excluding capital work in progress and intangible assets under development.

The advanced electronic systems we operate today enable us to consistently execute and settle transactions. To keep our systems and processes current, we are focused on enhancing efficiency by digitizing operational processes across a range of functions such as client onboarding and centralized servicing, and re-evaluating process flows to enable seamless journeys with minimal manual intervention and first-time resolution. We constantly strive to enhance our technology stack to manage increasing transaction volumes, adopt a mobile-first approach in relevant areas, transform applications to enhance operational efficiency, and develop do-it-yourself (DIY) journeys to improve system performance and resiliency. As result of increase in our customer base and transactional volume driven by our technological upgradation, our segment-wise revenue generated from our operating segments for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, also expressed as a percentage of total revenue from operations for such years, as mentioned below:

Segment	Nine months ended December 31,			
	2024		2023	
	Revenue (₹ in million)	(% of Total Revenue from Operations)	Revenue (₹ in million)	(% of Total Revenue from Operations)
Depository	4,520.62	42.79%	3,469.60	37.14%
Banking services	5,413.62	51.24%	5,323.03	56.98%
Database management	631.22	5.97%	549.33	5.88%
Total Revenue	10,565.46	100.00%	9,341.96	100.00%

Segment	For the Financial Year					
	2024		2023		2022	
	Revenue (₹ in million)	(% of Total Revenue from Operations)	Revenue (₹ in million)	(% of Total Revenue from Operations)	Revenue (₹ in million)	(% of Total Revenue from Operations)
Depository	4,730.34	37.30%	4,091.46	40.03%	3,692.62	48.52%
Banking services	7,192.40	56.71%	5,407.78	52.92%	2,992.45	39.31%
Database management	759.70	5.99%	720.64	7.05%	926.03	12.17%
Total Revenue	12,682.44	100.00%	10,219.88	100.00%	7,611.10	100.00%

Regulatory Oversight and Changes in Governmental Policy and Regulation

Our operations are subject to regulation by SEBI, the RBI and IRDAI and rules, regulations, guidelines and notifications made and issued by these authorities. This includes the SEBI D&P Regulations, the Guidelines for Licensing of Payments Banks, the SEBI KRA Regulations and the IRDAI (Indian Insurance Companies) (Amendment) Regulations, 2021, among others. For more information, see “Key Regulations and Policies in India” on page 176 of the Draft Red Herring Prospectus.

Our core depository business operations, including the introduction of new products and the fees imposed for the provision of depository services, are subject to stringent regulatory oversight. We are obligated to comply with regulatory directives when modifying the fees associated with our depository services. Any change in or interpretation of existing, or the promulgation of new, laws, rules and regulations can have a material impact on our operations. We may have to incur increased costs, change our business model and bear other burdens relating to compliance with such requirements, which may require significant management time and other resources. For instance, on February 23, 2024 and May 13, 2025, IRDAI had advised NDML to operate its insurance repository business via a separate company. NDML is currently in the process of deciding its next course of action. For further details, see “Risk Factors – We may, on our own accord pursuant to commercial requirements or pursuant

to directions from regulators, divest our stake in our Subsidiaries, or may demerge certain of our businesses into a new entity” on page 51 of this Addendum.

Changes in government policy, tax policy, tax treaties between India and other countries, and the level and volatility of interest rates fixed by the RBI can have an impact on investment patterns in India, which can materially affect our business. For instance, NDML’s SEZ Online business operates under authorization from the Ministry of Commerce & Industry, Government of India and provides a platform for SEZ units, developers, and co-developers to file custom transactions and administrative filings. The Government of India had announced a plan to process the customs functions of SEZ Online systems through the Indian Customs Electronic Data Interchange Gateway (“**ICEGATE**”) system, which will facilitate online payment of duties. Accordingly, Ministry of Commerce & Industry (“**MOCI**”) issued notification for SEZ units from non-IT SEZs to file customs transactions for merchandise on ICEGATE portal effective July 1, 2024. Correspondingly, filing of customs transactions through ICEGATE have begun. Pursuant to its notification dated March 25, 2025, MOCI has further extended the timeline for shifting from SEZ Online System to ICEGATE in relation to certain modules, until further orders are issued in this regard. When such shifting from SEZ Online System to ICEGATE is completed, while the service category of the customs’ transaction will continue to be processed by NDML, NDML will no longer be involved in the processing of the merchandise category of the customs’ transactions for SEZs which will result in a significant loss of revenue for us. Similarly, the Government of India has proposed to replace the Special Economic Zones Act, 2006 with a new legislation namely, Development of Enterprise and Service Hubs (DESH). For more information, see “*Risk Factors - Proposed changes in the Government policies and other factors beyond our control may result in a potential loss of revenue for NDML’s SEZ Online business*” Additionally, our KRA business may be adversely impacted if we receive regulatory mandates to transfer all the KYC records maintained by us to a central KYC system, which would affect our revenue stream generated from charging for granting download access for documents. For more information, see “*Risk Factors – NDML’s KRA operations are subject to certain regulatory mandates and market risks, which may adversely affect our results of operations*” on page 51 of this Addendum.

Significant Accounting Policies

Basis of Preparation

Our Restated Consolidated Financial Information comprise the restated consolidated statement of assets and liabilities as at nine months ended December 31, 2024 and 2023, and March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss including other comprehensive income, the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the nine months ended December 31, 2024 and 2023, and the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and accompanying restated statement of significant accounting policies, and notes to the restated financial information along with other explanatory notes (collectively the “**Restated Consolidated Financial Information**”).

The Restated Consolidated Financial Information has been prepared by us for the purpose of inclusion in this Addendum to be filed with SEBI and BSE in connection with the Offer. The Restated Consolidated Financial Information has been prepared in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act;
- relevant provisions of the SEBI ICDR Regulations; and
- the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended.

The Restated Consolidated Financial Information has been compiled from our audited consolidated financial statements as at and for the nine months ended December 31, 2024 and 2023, and years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder, as amended, and other accounting principles generally accepted in India, which have been approved by our Board at its meetings held on February 14, 2025, February 14, 2025, May 14, 2024, May 23, 2023 and May 26, 2022, respectively. The accounting policies have been consistently applied by us in preparation of the Restated Consolidated Financial Information to all the years presented.

The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the board meetings on the audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information has been prepared on the historical cost basis, except for the certain assets and liabilities (refer accounting policy regarding financial instruments) and share based payments which have been measured at fair value as per Ind AS 102.

The Restated Consolidated Financial Information has been prepared on a going concern basis as our management is satisfied that we shall be able to continue our business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, our management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The Restated Consolidated Financial Information:

- has been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, if any, and regrouping / reclassifications retrospectively as at and for the nine months ended December 31, 2024 and 2023, and years ended March 31, 2024, March 31, 2023 and March 31, 2022.
- does not require any adjustment for qualifications as there are no qualifications in the underlying auditor's reports which require any adjustments.

Presentation of the Restated Consolidated Financial Information

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, level 2 or level 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety which are described as follows:

- level 1: inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- level 2: inputs are such inputs, other than quoted prices included in level 1, that are observable for the asset or liability either directly or indirectly.
- level 3: inputs are unobservable inputs for the assets or liability.

The Restated Consolidated Financial Information is presented in Indian Rupees (INR), which is also our functional currency, and all values are rounded to the nearest million, except when otherwise indicated.

Basis of Consolidation

The Restated Consolidated Financial Information incorporate the financial information of our Company, our Subsidiaries, and our associate company. Control is achieved when we:

- have power over the investee;
- are exposed, or have rights, to variable returns from its involvement with the investee; and
- have the ability to use its power to affect its returns.

We reassess whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Profit or loss and each component of other comprehensive income are attributed to our owners. Total comprehensive income of subsidiaries is attributed to our owners. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Principles of Consolidation

The Restated Consolidated Financial Information relate to our Company and our Subsidiaries. The consolidated financial information has been prepared on the following basis:

- the restated financial information of the Subsidiaries is drawn up to the same reporting date as that of our Company for each of the reporting period covered by Restated Consolidated Financial Information; and
- the restated financial information of our Company and our Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The following companies have been considered in the preparation of the Restated Consolidated Financial Information:

Name of the Entity	Relationship	Country of Incorporation	Ownership held by	% of holding and voting power either directly or indirectly at each reporting period covered under the Restated Consolidated Financial Information
NSDL Database Management Limited	Subsidiary	India	National Securities Depository Limited	100%
NSDL Payments Bank Limited	Subsidiary	India	National Securities Depository Limited	100%
India International Bullion Holding IFSC Ltd	Associate	India	National Securities Depository Limited	20%

The Restated Consolidated Financial Information has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as our separate restated financial statements.

Investment in Associates

Investments in entities where we have significant influence (associate) is accounted under the equity method as prescribed by Ind AS 28, “Investments in Associates and Joint Ventures”. Under the equity method, on initial recognition the investment in an associate has been recognized at cost, and the carrying amount has been increased or decreased to recognize our share of the profit or loss of the investee after the date of acquisition. Our share of the investee’s profit or loss has been recognized in the statement of profit or loss.

Revenue Recognition

We have applied Ind AS 115, “Revenue from Contracts with Customers” which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled to in exchange for rendering services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances related to contracts with their customers.

We derive revenue primarily from services to corporates and capital market intermediary services. We recognise revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. We recognise revenue based on two main models, services rendered at a point in time and services rendered over time:

Services rendered at a point in time

Revenues and costs relating to time and service contracts are recognised as the related services are rendered.

Services rendered over time

Revenue from annual fee contracts is recognised proportionately over the period of the contract. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period or under some other method that better represents the stage of completion. We account for pricing incentives to customers by reducing the amount of revenue.

Interest income is accounted on accrual basis. For financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (“**EIR**”). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Dividend income is accounted for when the right to receive it is established.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

As a Lessee

At the date of commencement of the lease, we recognize a right-of-use asset and a corresponding lease liability for all the lease arrangements in which we are a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, we recognize the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if we change our assessment if whether we will exercise an extension or a termination option. Lease liability and right-of-use asset have been separately presented in the balance sheet and lease payments have been adjusted towards rent expenses in the statement of profit and loss.

Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, and compensated absences.

Defined Contribution Plan

Our contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Superannuation

We contribute a sum equivalent to 15% of annual basic salary of the eligible employees to an insurance company which administers the fund. We recognise such contributions as an expense during the period / year they are incurred.

Provident Fund

Employees are entitled to receive benefits in respect of provident fund, in which both, we and the employees, make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary).

Defined Benefit Plans

Gratuity

We account for the net present value of our obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the projected unit credit method carried out at the balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Other Employee Benefits:

Performance Incentive and Compensated Absences

The amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period / year when the employees render the services. These benefits include performance incentive and compensated absences which are expected to occur within 12 months after the end of the period in which the employee renders the related service.

We account for the net present value of its obligations for compensated absences based on an independent external actuarial valuation carried out at the balance sheet date. The cost of short-term compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Share Based Payment Reserve:

Our Subsidiary, NPBL, has employee stock option schemes under which the eligible employees and key management personnel are granted stock options. Stock options granted are measured at fair value on the grant date using Black-Scholes model and amortised over the vesting period as share-based payment with corresponding credit in share-based payment reserve. On exercise of the stock options, balance in share-based payment reserve is transferred to securities premium account.

Method used for accounting for share-based payment plan

The stock options granted to employees pursuant to NPBL's stock options schemes, are measured at the fair value of the options at the grant date using Black-Scholes model. The fair value of the options determined at grant date is recognised as employee compensation cost over the vesting period on straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity

Tax on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the period / year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. We periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establish provisions where appropriate.

Deferred Tax

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and Deferred Tax for the period / year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, Plant and Equipment

Property, plant and equipment carried at cost less accumulated depreciation and amortisation and impairment losses, if any. The cost comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital Work-in-Progress:

Projects under which tangible fixed assets that are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses, and interest attributable.

Intangible Assets

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortization and accumulated impairment, if any.

Intangible Assets under Development

Projects under which intangible assets that are not yet ready for their intended use are carried at cost, comprising development expenses and software expenses.

Depreciation and Amortisation

Depreciation is charged so as to write off the cost of assets other than capital work-in-progress less its estimated residual value over the useful lives as prescribed in Schedule II to the Companies Act, using the straight-line method.

Intangible assets are amortized on a straight-line basis. Computer software is amortised over 24 months or useful life, whichever is lower. However, in case of our Subsidiary, NDML, computer software is amortised over 48 months or useful life, whichever is lower.

Provision and Contingencies

A provision is recognised when we have a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the Restated Consolidated Financial Information. Contingent assets are not recognised /disclosed in the Restated Consolidated Financial Information.

Contingent Liabilities and Assets

Contingent liabilities are when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised but are disclosed in the notes.

Contingent asset is a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent assets are neither recognised nor disclosed in the restated consolidated financial information.

Foreign Currency Transactions and Balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Financial Instruments

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instruments. All financial instruments are recognised initially at fair value.

Financial Assets

Financial assets are (investment in mutual funds, non-convertible debentures, bonds, and government securities) classified into the following specified categories: financial assets “at amortised cost”, “fair value through other comprehensive income”, “fair value through profit or loss”. The classification depends on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset at the time of initial recognition.

Financial assets are recognised as per our business model. All financial assets are recognized initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that is attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

All equity instruments are measured at fair value other than investments in unquoted equity shares including investment in subsidiaries and associates. Equity instruments held for trading is classified as fair value through profit or loss (“FVTPL”). For all other equity instruments, we may make an irrevocable election to present

subsequent changes in the fair value in other comprehensive income. We make such election on an instrument-by-instrument basis.

Income and expense are recognised on an effective interest basis for debt instrument. All other investments are classified as FVTPL. We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of Financial Assets

In accordance with Ind AS 109, we apply expected credit loss model for measurement and recognition of impairment loss. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the users or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Expected Credit Losses on Trade Receivables

For trade receivables we measure the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit losses for trade receivables, we follow simplified approach as permitted under Ind AS 109.

De-recognition of Financial Assets

We derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when we transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If we neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, we recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If we retain substantially all the risks and rewards of ownership of a transferred financial asset, we continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of Non-Financial Assets

We assess at each reporting date whether there is any observable evidence that a non-financial asset or a company of non-financial assets is impaired. If any such indication exists, we estimate the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in statement of profit and loss and reflected in an allowance account. When we consider that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Financial liabilities and equity instruments issued by us are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deduction all of its liabilities.

Financial Liabilities:

Initial Recognition and Measurement:

Financial liabilities are recognised when we become a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Derecognition of Financial Liabilities

We derecognise financial liabilities when, and only when, our obligations are discharged, cancelled or they expire.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, balances in current account and demand deposits with banks having an original maturity of three months or less. These do not include bank balances earmarked/restricted for specific purposes. Bank balances other than cash and cash equivalents comprise of demand deposits with banks having an original maturity of more than three months.

Use of Estimates and Judgement

Preparation of the Restated Consolidated Financial Information in conformity with Ind AS requires our management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Restated Consolidated Financial Information is included in the following note:

Useful lives of Property, Plant and Equipment/ Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on our historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Our management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The depreciation / amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

Contingent Liabilities and Assets

Contingent Liabilities are disclosed when there is a possible obligation arising from the past events, the existence of which will be confirmed only by the occurrence or non – occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either

not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Income Taxes

Our tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, deferred tax assets and liabilities including the amount expected to be paid or recovered in connection with uncertain tax positions.

Expected Credit Losses on Trade Receivables

We estimate the probability of collection of trade receivable by analysing historical payment patterns, customer status, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances are made.

Employee Benefits

Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by us with advice from an independent qualified actuary.

Earnings / Loss per share

The basic Earnings Per Share (“EPS”) is computed by dividing the net profit/(loss) after tax for the year attributable to the Equity Shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year.

Operating Cycle

Based on our activities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, we have determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During nine month period ended December 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Key Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our statement of profit and loss.

Total Income

Total Income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises the following components:

- annual fees: We charge an annual fee from depository participants for all corporate demat accounts registered with us and DMS software provided by us to depository participants. We also charge annual fees from issuers of securities for monitoring their foreign investment limits, from mutual funds for the downloading facility for beneficial owners’ statements and transfer feeds, from SEZ units for our system usage, from insurance companies in relation to credit of policies in a dematerialized format, annual usage fees for generation of IT professional identification number for registrations with NSR and annual fees for STeAdy, annual fees in relation to usage of Cloud DPM, annual fees from depository participants for value-added services such as DPM plus, STP navigator, E-signer, auto-download provided to them, and annual

usage fees from issuers to provide RTA services. Such fee is generally charged at the beginning of each financial year or charged on a recurring basis annually on the date when the entity registered with us.

- custody fees: We charge issuers and other corporate clients custody fees to admit their securities to our platform and offer demat facilities to their shareholders. This fee is calculated at ₹11 per folio, subject to a minimum amount based on slab of the nominal value of admitted securities.
- registration fees: We charge registration fees from issuers and RTAs to register themselves on our platform and to avail our services.
- transaction fees: We charge our corporate clients and depository participants transaction fees in relation to transactions such as securities settlements and corporate actions effected through our depository systems. Further, transaction fees also include charges in relation to our e-Voting and CAS facilities, pledge fees, margin pledge fees, non-disposal undertaking fees, fees for providing digital contract notes, SEZ transaction fees, fees for uploading and downloading KRAs and fees for insurance policy credits.
- software license fees: Depository participants registered with us are required to deploy requisite technology infrastructure for their operations. Consequently, we charge an annual software license fees for the software provided by us to the Depository Participants for operational efficiency.
- communication fees: We charge annual communication fees to depository participants for connectivity charges determined by the bandwidth utilization of their operations.
- income from banking services: This relates to income generated from the banking services provided by our Subsidiary, NPBL. Such income includes interchange fees in relation to transactions undertaken through AePS, micro-ATMs and domestic money transfer services and issuance of prepaid cards.
- other operating income: This includes fees charged by us for carrying out a change of RTAs and fees for training provided by us to depository participants in relation to our depository participant management software.

Our operating segments are depository business, banking services and database management. Set forth below is the segment-wise revenue generated from our operating segments for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, also expressed as a percentage of total revenue from operations for such years.

Segment	Nine months ended December 31,			
	2024		2023	
	Revenue (₹ in million)	(% of Total Revenue from Operations)	Revenue (₹ in million)	(% of Total Revenue from Operations)
Depository	4,520.62	42.79%	3,469.60	37.14%
Banking services	5,413.62	51.24%	5,323.03	56.98%
Database management	631.22	5.97%	549.33	5.88%
Total Revenue	10,565.46	100.00%	9,341.96	100.00%

Segment	For the Financial Year					
	2024		2023		2022	
	Revenue (₹ in million)	(% of Total Revenue from Operations)	Revenue (₹ in million)	(% of Total Revenue from Operations)	Revenue (₹ in million)	(% of Total Revenue from Operations)
Depository	4,730.34	37.30%	4,091.46	40.03%	3,692.62	48.52%
Banking services	7,192.40	56.71%	5,407.78	52.92%	2,992.45	39.31%
Database management	759.70	5.99%	720.64	7.05%	926.03	12.17%
Total Revenue	12,682.44	100.00%	10,219.88	100.00%	7,611.10	100.00%

As per the report on trend and progress of banking in India (2023-2024) published by the Reserve Bank of India (RBI), payments banks in India experienced minimal profit margins at a slower pace during the Financial Year 2024 compared to the Financial Year 2023. This was primarily attributed to high operating expenses, resulting in a cost-to-income ratio of 97.2% for the same period. Similarly, we operate our payments bank business with a high cost to income ratio, leading to a very thin margin of income for provision of services. Set forth below are

the details of our total allocable revenue and allocable expenses from our banking services for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022:

Segment	Nine months ended December 31,			
	2024		2023	
	(₹ in million)	(% of Total Revenue/ Expense /Results from Operations)	(₹ in million)	(% of Total Revenue/ Expense /Results from Operations)
Total allocable revenue	5,413.62	51.24%	5,323.03	56.98%
Total allocable expense	5,392.11	67.61%	5,303.91	70.63%
Segmental results/ Operating margin	21.51	0.83%	19.12	1.04%

Segment	For the Financial Year					
	2024		2023		2022	
	(₹ in million)	(% of Total Revenue/ Expense /Results from Operations)	(₹ in million)	(% of Total Revenue/ Expense /Results from Operations)	(₹ in million)	(% of Total Revenue/ Expense /Results from Operations)
Total allocable revenue	7,192.40	56.71%	5,407.78	52.92%	2,992.45	39.31%
Total allocable expense	7,169.90	71.18%	5,323.71	67.55%	3,069.18	56.91%
Segmental results/ Operating margin	22.50	0.86%	84.07	3.59%	(76.73)	(3.46%)

The revenue and expenses derived from our banking services are consolidated on a gross basis. As a result of this consolidation, we have observed a substantial growth in our revenue from operations. However, it is critical to note that our payment banks, which are subject to a high cost-to-income ratio, contribute to an increase in overall expenses. Consequently, our other significant revenue sources, including transaction fees, custody fees, and annual fees, demonstrate a declining trend when evaluated on a consolidated basis.

Other income. Other income primarily comprises (i) interest income on non-current investments; (ii) interest income on fixed deposits with banks; (iii) fair value gain on investments in mutual funds; (iv) interest income on overdue trade receivables; and (v) miscellaneous income.

Expenses

Expenses consist of employee benefits expense, depreciation and amortisation expense, finance costs, contribution to investor protection fund and other expenses.

Employee benefits expense. Employee benefits expense comprises salaries and wages, contribution to provident and other funds, staff welfare expenses and deputation costs.

Depreciation and amortisation expense. Depreciation primarily comprises depreciation on capital work-in-progress and amortization primarily comprises amortization of intangible assets under development.

Finance costs. Finance costs primarily comprise interest on lease liabilities.

Contribution to investor protection fund. Contribution to investor protection fund comprises payments pursuant to SEBI (Depositories and Participants) (Amendment) Regulations, 2016 (“**SEBI Depositories Amendment Regulations**”) which require depositories to establish and maintain an investor protection fund and deposit five per cent of the depository’s profit from depository operations annually into the fund.

Other expenses. The largest components of other expenses include business and remittance expenses, repairs and maintenance (system) expenses, system support charges, communication expenses, processing charges, professional and consultancy fees and provision for doubtful trade receivables. Set forth below is a brief summary of the key components of our other expenses.

- **business and remittance expenses:** Business and remittance expenses comprise operational expenses in the normal course of our banking business. Our payments bank business requires us to act as an acquiring bank wherein while the income primarily comprises the gross amount retained or receivable from the issuing bank, our business and remittance expenses pertain to amounts payable by us to corporate business correspondents and agents.
- **repairs and maintenance (system) expenses:** Repairs and maintenance (system) expenses are expenses incurred by us in, among others, maintaining our information technology systems and software, development of new products and services, and certain regulatory compliance such cyber security expenses, vulnerability assessment and penetration testing audits and IT system audits.
- **system support charges:** System support charges are expenses incurred by NDML in maintaining its database servers and software, development of new products and services, and certain regulatory compliance such cyber security expenses, vulnerability assessment and penetration testing audits and IT system audits.
- **communication expenses:** It comprises postage and courier charges for dispatching physical CAS, along with charges incurred in dispatching text messages in relation to transactions made, passwords generated, and reminders for e-voting and e-notices. We recover a portion of these expenses from our clients.
- **processing charges:** Processing charges comprise expenses incurred by us in processing the transactions on our platform, including, charges pertaining to, among others, our KRA services, transactions undertaken through *Instigo*, NIR registrations, and transactions of PayGov merchants through Billdesk or Razorpay.

Tax expense/(income)

Tax expense/(income) consists of current tax and deferred tax.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods:

Particulars	Nine months ended December 31,			
	2024		2023	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
Income				
Revenue from operations	10,565.46	92.57%	9,341.96	92.72%
Other income	848.63	7.43%	733.36	7.28%
Total Income	11,414.09	100.00%	10,075.32	100.00%
Expenses				
Employee benefits expenses	1,015.89	8.90%	922.47	9.16%
Depreciation and amortisation	252.47	2.21%	170.27	1.69%
Finance costs	28.66	0.25%	15.34	0.15%
Contribution to investor protection fund	115.82	1.01%	79.94	0.79%
Other expenses	6,590.64	57.74%	6,337.15	62.90%
Total Expenses	8,003.48	70.12%	7,525.17	74.69%
Profit before share of profit / (loss) of investment accounted for using equity method and tax	3,410.61	29.88%	2,550.15	25.31%
Share of loss of associate	16.18	0.14%	(32.53)	(0.32%)
Profit before Tax	3,426.79	30.02%	2,517.62	24.99%
Tax Expenses				
Current tax	791.34	6.93%	568.61	5.64%
Deferred tax	37.19	0.33%	(10.40)	(0.10%)
Total Tax Expenses	828.53	7.26%	558.21	5.54%
Profit after Tax	2,598.26	22.76%	1,959.41	19.45%

Particulars	For the Financial Year					
	2024		2023		2022	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
Income						
Revenue from operations	12,682.44	92.86%	10,219.88	92.92%	7,611.09	92.67%
Other income	974.61	7.14%	778.26	7.08%	601.83	7.33%
Total Income	13,657.05	100.00%	10,998.14	100.00%	8,212.92	100.00%
Expenses						
Employee benefits expenses	1,231.99	9.02%	1,098.07	9.98%	1,037.87	12.64%
Depreciation and amortisation	241.23	1.77%	216.89	1.97%	189.32	2.31%
Finance costs	20.60	0.15%	18.73	0.17%	24.10	0.29%
Contribution to investor protection fund	114.83	0.84%	98.86	0.90%	89.55	1.09%
Other expenses	8,485.27	62.13%	6,466.80	58.80%	4,076.02	49.63%
Total Expenses	10,093.92	73.90%	7,899.35	71.82%	5,416.86	65.96%
Profit before share of profit / (loss) of investment accounted for using equity method and tax	3,563.13	26.09%	3,098.79	28.18%	2,796.06	34.04%
Share of loss of associate	(13.63)	(0.10%)	(48.37)	(0.44%)	(14.07)	(0.17%)
Profit before Tax	3,549.50	25.99%	3,050.42	27.74%	2,781.99	33.87%
Tax Expenses						
Current tax	803.10	5.88%	720.24	6.55%	676.96	8.24%
Deferred tax	(8.05)	(0.06%)	(17.92)	(0.16%)	(20.91)	(0.25%)
Total Tax Expenses	795.05	5.82%	702.32	6.39%	656.05	7.99%
Profit after Tax	2,754.45	20.17%	2,348.10	21.35%	2,125.94	25.89%

Nine Months Ended December 31, 2024 compared to Nine Months Ended December 31, 2023

Total Income. Total Income increased by 13.29% from ₹10,075.32 million for the nine months ended December 31, 2023 to ₹11,414.09 million for the nine months ended December 31, 2024 due to increases in revenue from operations and other income.

Revenue from operations. Revenue from operations increased by 13.10% from ₹9,341.96 million for the nine months ended December 31, 2023 to ₹10,565.46 million for the nine months ended December 31, 2024 primarily due to:

- an increase in our income from banking services (provided by NPBL) from ₹5,323.03 million for the nine months ended December 31, 2023 to ₹5,413.62 million for the nine months ended December 31, 2024, primarily due to an increase in volume of transactions undertaken through AePS, micro-ATMs, domestic money transfer and cash management services along with an increase in issuance of prepaid cards, on account of an increase in the number of collaborations entered into by NPBL with corporate business correspondents during the nine months ended December 31, 2024;
- an increase in the transaction fees collected from ₹2,248.50 million for the nine months ended December 31, 2023 to ₹3,155.26 million for the nine months ended December 31, 2024, primarily due to an increase in (i) corporate action fees, on account of a significant increase in the number of new issuers that registered with us and an increase in the initial public offerings during nine months period ended December 31, 2024, (ii) settlement fees and pledge fees for margin, on account of an increase in the volume of cash market transactions and margin pledged transactions during nine months period ended December 31, 2024; and (iii) e-voting fees, on account of increases in the e-voting SMS fees during the nine months ended December 31, 2024.; and
- an increase in the custody fees from ₹1,516.55 million for the nine months ended December 31, 2023 to ₹1,706.67 million for the nine months ended December 31, 2024, primarily due to increases in the custody fees on account of an increased number of issuers that availed our services which led to increase in the number of folios chargeable during the nine months period ended December 31, 2024.

Set forth below is a segment-wise discussion of our revenue from operations from nine months ended December 31, 2023 to nine months ended December 31, 2024.

Revenue from Operations from our Depository Business. Our revenue from operations from our depository business increased by 30.29% from ₹3,469.60 million for the nine months ended December 31, 2023 to ₹4,520.62 million for the nine months ended December 31, 2024 primarily due to an increase in the transaction fees and custody fees on account of (i) corporate action fees as a result of a significant increase in the number of new issuers that joined us, bonus issues and an increase in the initial public offerings during nine months period ended December 31, 2024, (ii) settlement fee and pledge fee for margin, as a result an increase in the volume of cash market transactions, and margin pledge transactions during nine months period ended December 31, 2024, (iii) e-voting fees, as a result of increases in the e-voting SMS fee and (iv) custody fees as a result of an increased number of issuers that availed our services which led to increase in the number of folios chargeable during nine months period ended December 31, 2024.

Revenue from Operations from our Banking Services. Our revenue from operations from our banking services increased by 1.70% from ₹5,323.03 million for the nine months ended December 31, 2023 to ₹5,413.62 million for the nine months ended December 31, 2024, primarily due to an increase in the volume of transactions undertaken through AePS, micro-ATMs, domestic money transfer and cash management services along with an increase in issuance of prepaid cards, on account of an increase in the number of collaborations entered into by NPBL with corporate business correspondents.

Revenue from Operations from our Database Management Services. Our revenue from operations from our database management services increased by 14.91% from ₹549.35 million for the nine months ended December 31, 2023 to ₹631.22 million for the nine months ended December 31, 2024, primarily due to an increase in the number of transactions leading to an increase in transaction fees and increase in our revenue from KRA business and RTA business.

Other income. Other income increased by 15.72% from ₹733.36 million for the nine months ended December 31, 2023 to ₹848.63 million for the nine months ended December 31, 2024, primarily due to interest income on non-current investments from ₹548.07 million for the nine months ended December 31, 2023 to ₹666.05 million for the nine months ended December 31, 2024 due to increased investments in long-term securities consisting bonds and government securities on account of a higher cash-in-hand, and the resultant increase in the interest income accrued on such investments. This was partially offset by decreases in fair value gain on investments in mutual funds from ₹131.94 million for the nine months ended December 31, 2023 to ₹125.78 million for the nine months ended December 31, 2024 on account of a decrease in the net asset value of mutual funds during the nine months ended December 31, 2024.

Total Expenses. Total expenses increased by 6.36% from ₹7,525.17 million for the nine months ended December 31, 2023 to ₹8,003.48 million for the nine months ended December 31, 2024, primarily due to increases in repairs and maintenance (system), system support charges, rates and taxes, provision for doubtful trade receivables, miscellaneous expenses and communication charges, along with increases in employee benefits expense, depreciation and amortisation expense, and contribution to investor protection fund.

Employee benefits expense. Employee benefits expense increased by 10.13% from ₹922.47 million for the nine months ended December 31, 2023 to ₹1,015.89 million for the nine months ended December 31, 2024, primarily due to (i) salaries and wages from ₹815.72 million for the nine months ended December 31, 2023 to ₹909.49 million for the December 31, 2024, primarily due to increase in the number of employees and annual increment in the salaries of our employees during the nine months ended December 31, 2024; (ii) contribution to provident and other funds from ₹72.07 million for the nine months ended December 31, 2023 to ₹73.67 million for the nine months ended December 31, 2024, primarily due to increases in superannuation and gratuity contributions on account of annual increment in the salaries of our employees; and (iii) staff welfare expenses from ₹28.99 million for the nine months ended December 31, 2023 to ₹31.33 million for the nine months ended December 31, 2024. This was partially offset by a decrease in deputation cost from ₹5.69 million for the nine months ended December 31, 2023 to ₹1.40 million for the nine months ended December 31, 2024 due to a decrease in the number of resources.

Depreciation and amortisation expense. Depreciation and amortisation expense increased by 48.28% from ₹170.27 million for the nine months ended December 31, 2023 to ₹252.47 million for the nine months ended December 31, 2024, primarily due to depreciation on fixed assets, and amortization of intangible assets under development, on account of an increase in our fixed assets during the nine months ended December 31, 2024.

Finance costs. Finance costs increased by 86.83% from ₹15.34 million for the nine months ended December 31, 2023 to ₹28.66 million for the nine months ended December 31, 2024, primarily due to other interest paid during

the nine months ended December 31, 2024, on account of interest paid on customer deposits during the nine months ended December 31, 2024.

Contribution to investor protection fund. Contribution to investor protection fund increased by 44.88% from ₹79.94 million for the nine months ended December 31, 2023 to ₹115.82 million for the nine months ended December 31, 2024 pursuant to the requirements prescribed under SEBI Depositories Amendment Regulations. The increase in our contribution to investor protection fund for the nine months ended December 31, 2024 from the nine months ended December 31, 2023 was primarily due to an increase in our depository profit for the nine months ended December 31, 2024 from the nine months ended December 31, 2023.

Other expenses. Other expenses increased by 4.00% from ₹6,337.15 million for the nine months ended December 31, 2023 to ₹6,590.64 million for the nine months ended December 31, 2024, primarily due to increases in (i) rates and taxes from ₹12.20 million for the nine months ended December 31, 2023 to ₹52.97 million for the nine months ended December 31, 2024, primarily due to payment and provision for payment of settlement amount in relation to show cause notice; (ii) repairs and maintenance (system) from ₹446.71 million for the nine months ended December 31, 2023 to ₹486.98 million for the nine months ended December 31, 2024, primarily due to increases in e-voting webcast processing cost and costs in relation to e-services for system maintenance and software development; (iii) provision for doubtful trade receivables from ₹103.78 million for the nine months ended December 31, 2023 to ₹154.02 million for the nine months ended December 31, 2024, primarily due to increases in the doubtful trade receivables; (iv) miscellaneous expenses from ₹49.42 million for the nine months ended December 31, 2023 to ₹80.96 million for the nine months ended December 31, 2024, primarily due to an increase in expenses such as common area maintenance charges, and security and housekeeping related expenses and increase in call center charges; (v) communication expenses from ₹157.42 million for the nine months ended December 31, 2023 to ₹205.73 million for the nine months ended December 31, 2024 due to increases in the SMS costs for various e-services, and costs in relation to postage, courier and telephone services. These were primarily offset by decreases in (i) processing charges from ₹95.78 million for the nine months ended December 31, 2023 to ₹92.02 million for the nine months ended December 31, 2024 due to decreases in KRA downloading charges and license costs and (ii) rent (net of recovery) from ₹16.20 million for the nine months ended December 31, 2023 to ₹10.61 million for the nine months ended December 31, 2024 due to the vacation of a few old office spaces, (iii) bad debts written-off from ₹26.67 million for the nine months ended December 31, 2023 to ₹1.02 million for the nine months ended December 31, 2024 due to better recovery of debts, and (iv) business and remittance expenses from ₹4988.70 million for the nine months ended December 31, 2023 to ₹4974.67 million for the nine months ended December 31, 2024.

Share of profit/(loss) of associate. The share of profit of associate changed from share of loss of ₹32.53 million for the nine months ended December 31, 2023 to share of profit of ₹16.18 million for the nine months ended December 31, 2024, primarily due to an increase in the operational revenue of our Associate, IIBHIL, during the nine months ended December 31, 2024.

Tax expenses. We had tax expenses of ₹558.21 million for the nine months ended December 31, 2023, comprising current tax of ₹568.61 million and deferred tax credit of ₹10.40 million. We had tax expense of ₹828.53 million for the nine months ended December 31, 2024 comprising current tax of ₹791.34 million and deferred tax charge of ₹37.19 million. The increase in current tax from the nine months ended December 31, 2023 to nine months ended December 31, 2024 was primarily on account of higher operating profit.

Profit for the year. As a result of the foregoing, our profit after tax for the year increased by 32.60% from ₹1,959.41 million for the nine months ended December 31, 2023 to ₹2,598.26 million for the nine months ended December 31, 2024.

Financial Year 2024 compared to Financial Year 2023

Total Income. Total Income increased by 24.18% from ₹10,998.14 million for the Financial Year 2023 to ₹13,657.05 million for the Financial Year 2024 due to increases in revenue from operations and other income.

Revenue from operations. Revenue from operations increased by 24.10% from ₹10,219.88 million for the Financial Year 2023 to ₹12,682.44 million for the Financial Year 2024 primarily due to:

- an increase in our income from banking services (provided by NPBL) from ₹5,407.78 million for the Financial Year 2023 to ₹7,192.40 million for the Financial Year 2024, primarily due to an increase in the volume of transactions undertaken through AePS, micro-ATMs, domestic money transfer and cash

management services along with an increase in issuance of prepaid cards, on account of an increase in the number of partnerships entered into by NPBL with corporate business correspondents during the Financial Year 2024;

- an increase in the transaction fees collected by us from ₹2,553.82 million for the Financial Year 2023 to ₹3,086.34 million for the Financial Year 2024, primarily due to increases in (i) pledge fees, on account of an increased number of transactions during the Financial Year 2024, (ii) settlement fees on account of an increase in the volume of cash market transactions during the Financial Year 2024, (iii) corporate action fees, on account of an increase in the number of new issuers that registered with us and an increase in the initial public offerings during the Financial Year 2024; and
- an increase in the custody fees from ₹1,857.04 million for the Financial Year 2023 to ₹2,058.94 million for the Financial Year 2024, primarily due to increases in the custody fees on account of an increased number of issuers that availed our services which led to increase in the number of folios chargeable during the Financial Year 2024.

Set forth below is a segment-wise discussion of our revenue from operations from Financial Year 2023 to Financial Year 2024.

Revenue from Operations from our Depository Business. Our revenue from operations from our depository business increased by 15.61% from ₹4,091.46 million for the Financial Year 2023 to ₹4,730.34 million for the Financial Year 2024, primarily due to an increase in the transaction fees and custody fees on account of (i) pledge fees, as a result of an increased number of transactions during the Financial Year 2024, (ii) settlement fee, as a result of an increase in the volume of cash market transactions during the Financial Year 2024, (iii) corporate action fees, as a result of an increase in the number of new issuers that joined us and an increase in the initial public offerings during the Financial Year 2024 and (iv) custody fees, as a result of an increased number of issuers that availed our services which led to increase in the number of folios chargeable during the Financial Year 2024.

Revenue from Operations from our Banking Services. Our revenue from operations from our banking services increased by 33.00% from ₹5,407.78 million for the Financial Year 2023 to ₹7,192.40 million for the Financial Year 2024, primarily due to an increase in the volume of transactions undertaken through AePS, micro-ATMs, and domestic money transfer and cash management services along with an increase in issuance of prepaid cards, on account of an increase in the number of partnerships entered into by NPBL with corporate business correspondents.

Revenue from Operations from our Database Management Services. Our revenue from operations from our database management services increased by 5.42% from ₹720.64 million for the Financial Year 2023 to ₹759.70 million for the Financial Year 2024, primarily due to an increase in the number of transactions leading to an increase in transaction fees and increase in our revenue from KRA business.

Other income. Other income increased by 25.23% from ₹778.26 million for the Financial Year 2023 to ₹974.61 million for the Financial Year 2024, primarily due to increases in (i) interest income on non-current investments from ₹586.16 million for the Financial Year 2023 to ₹737.46 million for the Financial Year 2024 due to increased investments by us in long-term securities, consisting bonds and government securities on account of a higher cash-in-hand, and the resultant increase in the interest income accrued on such investments; and (ii) fair value gain on investments in mutual funds from ₹65.20 million for the Financial Year 2023 to ₹170.07 million for the Financial Year 2024 due to increase in the net asset value of mutual funds during the Financial Year 2024. This was partially offset by decreases in interest income on fixed deposits with bank from ₹70.53 million for the Financial Year 2023 to ₹13.61 million for the Financial Year 2024 due to decrease in fixed deposits maintained with banks and the resultant interest income pursuant thereto during the Financial Year 2024.

Total Expenses. Total expenses increased by 27.78% from ₹7,899.35 million for the Financial Year 2023 to ₹10,093.92 million for the Financial Year 2024, primarily due to increases in business and remittance expenses, repairs and maintenance (system), provision for doubtful trade receivables, and communication charges, along with increases in employee benefits expense, depreciation and amortisation expense, and contribution to investor protection fund.

Employee benefits expense. Employee benefits expense increased by 12.20% from ₹1,098.07 million for the Financial Year 2023 to ₹1,231.99 million for the Financial Year 2024, primarily due to increases in (i) salaries and wages from ₹967.79 million for the Financial Year 2023 to ₹1,094.03 million for the Financial Year 2024,

primarily due to annual increment in the salaries of our employees during the Financial Year 2024 and (ii) staff welfare expenses from ₹26.31 million for the Financial Year 2023 to ₹37.97 million for the Financial Year 2024. This was partially offset by the decrease in deputation cost from ₹7.03 million for the Financial Year 2023 to ₹3.69 million for the Financial Year 2024 due to decrease in number of resources.

Depreciation and amortisation expense. Depreciation and amortisation expense increased by 11.22% from ₹216.89 million for the Financial Year 2023 to ₹241.23 million for the Financial Year 2024, primarily due to depreciation on fixed assets, and amortization of intangible assets under development, on account of an increase in our fixed assets during the Financial Year 2024.

Finance costs. Finance costs increased from ₹18.73 million for the Financial Year 2023 to ₹20.60 million for the Financial Year 2024, primarily due to other interest paid during the Financial Year 2024, on account of interest paid on customer deposits and payment of late fees during the Financial Year 2024.

Contribution to investor protection fund. Contribution to investor protection fund increased by 16.15% from ₹98.86 million for the Financial Year 2023 to ₹114.83 million for the Financial Year 2024 pursuant to the requirements prescribed under SEBI Depositories Amendment Regulations. The increase in our contribution to investor protection fund for the Financial Year 2024 from the Financial Year 2023 was primarily due to an increase in our depository profit for the Financial Year 2024 from the Financial Year 2023.

Other expenses. Other expenses increased by 31.21% from ₹6,466.80 million for the Financial Year 2023 to ₹8,485.27 million for the Financial Year 2024, primarily due to (i) business and remittance expenses from ₹4,936.29 million for the Financial Year 2023 to ₹6,738.71 million for the Financial Year 2024 on account of an increase in the volume of transactions undertaken through our AePS, micro ATM, domestic money transfer, cash management and prepaid card services leading to a higher commission payout to business correspondent partners, which led to higher remittance and operational expenses; (ii) repairs and maintenance (system) from ₹447.00 million for the Financial Year 2023 to ₹552.22 million for the Financial Year 2024, primarily due to increases in e-voting webcast processing cost and costs in relation to e-services for system maintenance and software development; (iii) provision for doubtful trade receivables from ₹70.47 million for the Financial Year 2023 to ₹120.73 million for the Financial Year 2024, primarily due to an increase in amount of doubtful trade receivables; (iv) communication expenses from ₹194.31 million for the Financial Year 2023 to ₹212.32 million for the Financial Year 2024 due to increases in the SMS costs for various e-services, and costs in relation to upgradation and addition of multi-protocol label switching links; and (v) repairs and maintenance (others) from ₹61.76 million for the Financial Year 2023 to ₹86.75 million for the Financial Year 2024 due to increases in repairs and maintenance of office furniture and equipment. These were primarily offset by decreases in (i) seminar and business promotion expenses from ₹25.35 million for the Financial Year 2023 to ₹11.77 million for the Financial Year 2024, on account of decrease in business promotional events in Financial Year 2024; and (ii) professional and consultancy fees from ₹126.34 million for the Financial Year 2023 to ₹119.52 million for the Financial Year 2024, primarily due to decreases in the consultancy fees, and referral fees paid for onboarding issuers of securities; and (iii) printing and stationery expenses from ₹27.13 million for the Financial Year 2023 to ₹17.31 million for the Financial Year 2024, primarily due to decreases in expenses related to send consolidated account statements.

Share of profit/(loss) of associate. The share of loss of associate decreased from ₹48.37 million for the Financial Year 2023 to ₹13.63 million for the Financial Year 2024, primarily due to an increase in the operational revenue of our Associate, IIBHIL, during the Financial Year 2024.

Tax expenses. We had tax expenses of ₹702.35 million for the Financial Year 2023, comprising current tax of ₹720.24 million and deferred tax credit of ₹17.92 million. We had tax expense of ₹795.05 million for the Financial Year 2024 comprising current tax of ₹803.10 million and deferred tax credit of ₹8.05 million. The increase in current tax from the Financial Year 2023 to the Financial Year 2024 was primarily on account of higher operating profit.

Profit for the year. As a result of the foregoing, our profit after tax for the year increased by 17.31% from ₹2,348.10 million for the Financial Year 2023 to ₹2,754.45 million for the Financial Year 2024.

Financial Year 2023 compared to Financial Year 2022

Total Income. Total Income increased by 33.91% from ₹8,212.92 million for the Financial Year 2022 to ₹10,998.14 million for the Financial Year 2023 due to increases in revenue from operations and other income.

Revenue from operations. Revenue from operations increased by 34.28% from ₹7,611.09 million for the Financial Year 2022 to ₹10,219.88 million for the Financial Year 2023 primarily due to:

- a significant increase in our income from banking services (provided by NPBL) from ₹2,992.45 million for the Financial Year 2022 to ₹5,407.78 million for the Financial Year 2023, primarily due to an increase in the volume of transactions undertaken through AePS, micro-ATMs and domestic money transfer services along with an increase in issuance of prepaid cards, on account of an increase in the number of partnerships entered into by NPBL with corporate business correspondents during the Financial Year 2023;
- an increase in the transaction fees collected by us from ₹2,535.71 million for the Financial Year 2022 to ₹2,553.82 million for the Financial Year 2023, primarily due to increases in (i) e-voting fees, on account of increases in the e-voting SMS fee, (ii) pledge fees, on account of increased number of transactions during the Financial Year 2023, (iii) non-disposal undertaking fees, on account of a significant increase in higher value transactions during the Financial Year 2023, which was partially offset by a decrease in (i) the settlement fee and pledge fee for margin, on account of a decrease in the volume of cash market transactions and margin pledged transactions during the Financial Year 2023, and (ii) depository account validation fees, due to a decrease in the number of initial public offerings during the Financial Year 2023; and
- an increase in the custody fees from ₹1,700.44 million for the Financial Year 2022 to ₹1,875.04 million for the Financial Year 2023, primarily due to increases in the custody fees on account of an increased number of issuers that availed our services which led to increase in the number of folios chargeable during the Financial Year 2023, which was partially offset by a decrease in the one-time custody fees, on account of a decreased number of issuers that availed our services during the Financial Year 2023.

Set forth below is a segment-wise discussion of our revenue from operations from Financial Year 2022 to Financial Year 2023.

Revenue from Operations from our Depository Business. Our revenue from operations from our depository business increased by 10.80% from ₹3,692.62 million for the Financial Year 2022 to ₹4,091.46 million for the Financial Year 2023 primarily due to an increase in the transaction fees and custody fees on account of (i) e-voting fees, as a result of increases in the e-voting SMS fee, (ii) pledge fees, as a result of an increased number of transactions during the Financial Year 2023, (iii) non-disposal undertaking fees, as a result of a significant increase in higher value transactions during the Financial Year 2023 and (iv) custody fees, as a result of an increased number of issuers that availed our services which led to increase in the number of folios chargeable during the Financial Year 2023, which was partially offset by a decrease in the one-time custody fees, on account of a decreased number of issuers that availed our services during the Financial Year 2023.

Revenue from Operations from our Banking Services. Our revenue from operations from our banking services increased by 80.71% from ₹2,992.45 million for the Financial Year 2022 to ₹5,407.78 million for the Financial Year 2023, primarily due to an increase in the volume of transactions undertaken through AePS, micro-ATMs and domestic money transfer services along with an increase in issuance of prepaid cards, on account of an increase in the number of partnerships entered into by NPBL with corporate business correspondents.

Revenue from Operations from our Database Management Services. Our revenue from operations from our database management services declined by 22.18% from ₹926.03 million for the Financial Year 2022 to ₹720.64 million for the Financial Year 2023, primarily due to a decrease in the number of transactions leading to a decrease in transaction fees and reduction in our revenue from SEZ online business and KRA business.

Other income. Other income increased by 29.32% from ₹601.83 million for the Financial Year 2022 to ₹778.26 million for the Financial Year 2023, primarily due to increases in (i) interest income on non-current investments from ₹349.13 million for the Financial Year 2022 to ₹586.16 million for the Financial Year 2023 due to increased investments by us in long-term securities, consisting bonds and government securities on account of a higher cash-in-hand, and the resultant increase in the interest income accrued on such investments; and (ii) miscellaneous income primarily comprising the recovery of employees cost and amounts-written back, from ₹14.04 million for the Financial Year 2022 to ₹24.16 million for the Financial Year 2023, on account of recovery of employees cost during the Financial Year 2023. This was partially offset by decreases in (i) interest income on fixed deposits with bank from ₹125.96 million for the Financial Year 2022 to ₹70.53 million for the Financial Year 2023 due to decrease in fixed deposits maintained with banks and the resultant interest income pursuant thereto during the Financial Year 2023; (ii) fair value gain on investments in mutual funds from ₹78.89 million for the Financial Year 2022 to ₹65.20 million for the Financial Year 2023 on account of a decrease in the net asset value of mutual funds during the Financial Year 2023; and (iii) interest income on overdue trade receivables from ₹23.05 million

for the Financial Year 2022 to ₹17.56 million for the Financial Year 2023 on account of decreased balance of trade receivables due to a higher recovery rate.

Total Expenses. Total expenses increased by 45.83% from ₹5,416.86 million for the Financial Year 2022 to ₹7,899.35 million for the Financial Year 2023, primarily due to increases in other expenses on account of increase in business and remittance expenses, repairs and maintenance (system), professional and consultancy fees, and communication charges, along with increases in employee benefits expense, depreciation and amortisation expense, and contribution to investor protection fund. This was partially offset by a decrease in the finance cost.

Employee benefits expense. Employee benefits expense increased by 5.80% from ₹1,037.87 million for the Financial Year 2022 to ₹1,098.07 million for the Financial Year 2023, primarily due to increases in (i) salaries and wages from ₹923.43 million for the Financial Year 2022 to ₹967.79 million for the Financial Year 2023, primarily due to annual increment in the salaries of our employees during the Financial Year 2023; (ii) contribution to provident and other funds from ₹87.83 million for the Financial Year 2022 to ₹96.94 million for the Financial Year 2023, primarily due to increases in superannuation and gratuity contributions on account of annual increment in the salaries of our employees; (iii) staff welfare expenses from ₹21.59 million for the Financial Year 2022 to ₹26.31 million for the Financial Year 2023; and (iv) deputation cost from ₹5.02 million for the Financial Year 2022 to ₹7.03 million for the Financial Year 2023.

Depreciation and amortisation expense. Depreciation and amortisation expense increased by 14.56% from ₹189.32 million for the Financial Year 2022 to ₹216.89 million for the Financial Year 2023, primarily due to depreciation on fixed assets, and amortization of intangible assets under development, on account of an increase in our fixed assets during the Financial Year 2023.

Finance costs. Finance costs decreased from ₹24.10 million for the Financial Year 2022 to ₹18.73 million for the Financial Year 2023, primarily due to other interest paid during the Financial Year 2022, on account of payment of late fees during the Financial Year 2022.

Contribution to investor protection fund. Contribution to investor protection fund increased by 10.40% from ₹89.55 million for the Financial Year 2022 to ₹98.86 million for the Financial Year 2023 pursuant to the requirements prescribed under SEBI Depositories Amendment Regulations. The increase in our contribution to investor protection fund for the Financial Year 2023 from the Financial Year 2022 was primarily due to an increase in our depository profit for the Financial Year 2023 from the Financial Year 2022.

Other expenses. Other expenses increased by 58.65% from ₹4,076.02 million for the Financial Year 2022 to ₹6,466.80 million for the Financial Year 2023, primarily due to increases in (i) business and remittance expenses from ₹2,585.30 million for the Financial Year 2022 to ₹4,936.29 million for the Financial Year 2023 on account of an increase in the volume of transactions undertaken through AePS, micro ATM, domestic money transfer and prepaid card services leading to a higher commission payout to business correspondent partners, which led to higher remittance cost and operational expenses; (ii) repairs and maintenance (system) from ₹369.46 million for the Financial Year 2022 to ₹447.00 million for the Financial Year 2023, primarily due to increases in e-voting webcast processing cost and costs in relation to e-services for system maintenance and software development; (iii) professional and consultancy fees from ₹73.02 million for the Financial Year 2022 to ₹126.34 million for the Financial Year 2023, primarily due to increases in the consultancy fees, and referral fees paid for onboarding issuers of securities; (iv) miscellaneous expenses from ₹46.91 million for the Financial Year 2022 to ₹59.23 million for the Financial Year 2023, primarily due to an increase in expenses such as common area maintenance charges, and security and housekeeping related expenses, on account of our shift to new office premises and increase in call center charges; (v) communication expenses from ₹164.06 million for the Financial Year 2022 to ₹194.31 million for the Financial Year 2023 due to increases in the SMS costs for various e-services, and costs in relation to upgradation and addition of multi-protocol label switching links. These were primarily offset by decreases in (i) intangible assets under development from ₹145.67 million for the Financial Year 2022 to ₹2.49 million for the Financial Year 2023, on account of guidance provided by the RBI during the financial inspection of NPBL, pursuant to which an amount of ₹145.67 million was written off during Financial Year 2022, which pertained to a portion of employee cost under capital work-in-progress being capitalized for NPBL; and (ii) system support charges from ₹79.92 million for the Financial Year 2022 to ₹48.26 million for the Financial Year 2023 on account of decrease in the fees payable to the vendor for system support operations.

Share of loss of associate. The share of loss of associate increased significantly from ₹14.07 million for the Financial Year 2022 to ₹48.37 million for the Financial Year 2023, primarily due to an increase in the operational expenses of our Associate, IIBHIL, during the Financial Year 2023.

Tax expenses. We had tax expenses of ₹656.05 million for the Financial Year 2022, comprising current tax of ₹676.96 million and deferred tax credit of ₹20.91 million. We had tax expense of ₹702.32 million for the Financial Year 2023 comprising current tax of ₹720.24 million and deferred tax credit of ₹17.92 million. The increase in current tax from the Financial Year 2022 to Financial Year 2023 was primarily due to an increase in the effective tax rate on account of higher operating profit, along with a long-term capital gain tax.

Profit for the year. As a result of the foregoing, our profit after tax for the year increased by 10.45% from ₹2,125.94 million for the Financial Year 2022 to ₹2,348.10 million for the Financial Year 2023.

Liquidity and Capital Resources

Our principal sources of liquidity include cash generated from operations and interest accrued from our investments. We typically invest our surplus cash in mutual funds, bonds and government securities, along with allocation of certain funds to fixed deposits with maturities of more than 12 months. For details in relation to applicable statutory guidelines pertaining to the liquidity requirements for our banking business, see “Key Regulations and Policies in India” on page 176 of the Draft Red Herring Prospectus.

As of December 31, 2024, we had cash and cash equivalents of ₹829.02 million. We believe that after considering the expected cash to be generated from our business and operations, we have sufficient working capital for both our present and anticipated future requirements for capital expenditures and other cash requirements for 12 months following the date of this Addendum.

Cash Flows

The following table summarizes our cash flows data for the periods indicated:

Particulars	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	(₹ in million)		(₹ in million)		
Net cash generated from operating activities	4,308.76	763.27	1,128.82	5,079.39	1,476.53
Net cash used in investing activities	(4,376.04)	(1,710.00)	(1,775.64)	(4,417.05)	(643.19)
Net cash used in financing activities	(163.82)	(200.00)	(200.00)	(200.00)	(200.00)
Net (decrease)/increase in cash and cash equivalents	(231.10)	(1,146.73)	(846.82)	462.34	633.34

Net cash generated from operating activities

Nine months ended December 31, 2024

Net cash generated from operating activities was ₹4,308.76 million for the nine months ended December 31, 2024. We had profit before tax of ₹3,426.79 million for the for the nine months ended December 31, 2024, which was primarily adjusted for interest income of ₹685.74 million and depreciation and amortisation expense of ₹252.47 million to arrive at operating profit before working capital changes of ₹3,196.62 million. This was further adjusted for working capital changes, which primarily consisted of an increase in other assets of ₹207.92 million, increase in trade receivables of ₹662.10 million, increase in other financial liabilities of ₹1,473.48 million and increase in other liabilities of ₹1,078.36 million. As a result, cash generated from operations for the nine months ended December 31, 2024 was ₹5,060.47 million before adjusting for net income tax paid of ₹751.71 million.

Nine months ended December 31, 2023

Net cash generated from operating activities was ₹763.27 million for the nine months ended December 31, 2023. We had profit before tax of ₹2,517.62 million for the for the nine months ended December 31, 2023, which was primarily adjusted for interest income of ₹558.80 million to arrive at operating profit before working capital changes of ₹2,247.25 million. This was further adjusted for working capital changes, which primarily consisted of an increase in trade receivables of ₹249.50 million, decrease in other financial liabilities of ₹1,189.14 million and increase in other liabilities of ₹551.07 million. As a result, cash generated from operations for the nine months ended December 31, 2023 was ₹1,393.74 million before adjusting for net income tax paid of ₹630.47 million.

Financial Year 2024

Net cash generated from operating activities was ₹1,128.82 million for the Financial Year 2024. We had profit before tax of ₹3,549.50 million for the for the Financial Year 2024, which was primarily adjusted for interest income of ₹751.07 million and depreciation and amortisation expense of ₹241.23 million to arrive at operating profit before working capital changes of ₹3,167.43 million. This was further adjusted for working capital changes, which primarily consisted of an increase in other financial assets of ₹458.91 million, decrease in other financial liabilities of ₹774.73 million. As a result, cash generated from operations for the Financial Year 2024 was ₹1,918.66 million before adjusting for net income tax paid of ₹789.84 million.

Financial Year 2023

Net cash generated from operating activities was ₹5,079.39 million for the Financial Year 2023. We had profit before tax of ₹3,050.42 million for the for the Financial Year 2023, which was primarily adjusted for interest income of ₹656.69 million and depreciation and amortization expenses of ₹216.89 million to arrive at operating profit before working capital changes of ₹2,786.58 million. This was further adjusted for working capital changes, which primarily consisted increases in other financial liabilities of ₹1,147.60 million and trade payables of ₹359.35 million and decrease in other financial assets of ₹1,490.17 million. As a result, cash generated from operations for the Financial Year 2023 was ₹5,848.74 million before adjusting for net income tax paid of ₹769.35 million.

Financial Year 2022

Net cash generated from operating activities was ₹1,476.53 million for the Financial Year 2022. We had profit before tax of ₹2,781.99 million for the Financial Year 2022, which was primarily adjusted for interest income of ₹475.09 million, depreciation and amortisation expense of ₹189.32 million and loss on sale of property, plant and equipment of ₹168.74 million to arrive at operating profit before working capital changes of ₹2,825.59 million. This was further adjusted for working capital changes, which primarily consisted of an increase in other financial assets of ₹433.71 million. As a result, cash generated from operations for the Financial Year 2022 was ₹2,250.81 million before adjusting for net income tax paid of ₹774.28 million.

Net cash (used in)/generated from investing activities

Nine months ended December 31, 2024

Net cash used in investing activities was ₹4,376.04 million for the nine months ended December 31, 2024. This was primarily due to purchase of non-current investments of ₹2,172.92 million, purchase of current investments (net) of ₹2293.71 million, capital expenditure on property, plant and equipment, intangible assets, capital advance of ₹486.14 million and net amount invested in bank deposits with maturity of more than 12 months of ₹305.33 million, partially offset by sale / redemption of non-current investments of ₹183.51 million and increase in interest received of ₹697.77 million.

Nine months ended December 31, 2023

Net cash used in investing activities was ₹1,710.00 million for the nine months ended December 31, 2023. This was primarily due to purchase of a new office and other capital expenditures of ₹2,335.65 million, purchase of non-current investments (net) of ₹766.08 million and partially offset by sale / redemption of non-current investments of ₹433.58 million and proceeds of current investments (net) of ₹303.02 million, net amount received from maturity of bank deposits with maturity of more than 12 months of ₹95.50 million and increase in interest received of ₹559.63 million.

Financial Year 2024

Net cash used in investing activities was ₹1,775.64 million for the Financial Year 2024. This was primarily due to purchase of new office and other capital expenditures of ₹2,438.54 million, purchase of non-current investments of ₹2,095.49 million, partially offset by sale / redemption of non-current investments of ₹1,751.87 million, proceeds of current investment (net) of ₹110.88 million, net amount received from maturity of bank deposits with maturity of more than 12 months of ₹145.50 million and increase in interest received of ₹750.14 million.

Financial Year 2023

Net cash used in investing activities was ₹4,417.05 million for the Financial Year 2023. This was primarily due to purchase of non-current investments of ₹6,072.59 million, capital expenditure on property, plant and equipment, intangible assets and capital advance of ₹488.46 million and purchase of current investments (net) of ₹8.60 million, partially offset by sale / redemption of non-current investments of ₹934.63 million, net amount received from maturity of bank deposits with maturity of more than 12 months of ₹559.10 million and increase in interest received of ₹658.78 million.

Financial Year 2022

Net cash used in investing activities was ₹643.19 million for the Financial Year 2022. This was primarily due to purchase of non-current investments of ₹1,703.52 million, capital expenditure on property, plant and equipment, intangible assets and capital advance of ₹92.11 million, purchase of current investments (net) of ₹854.39 million, partially offset by net amount received from maturity of bank deposits with maturity of more than 12 months of ₹893.30 million, sale / redemption of non-current investments of ₹630.59 million and increase in interest received of ₹479.90 million.

Net cash used in financing activities

Nine months ended December 31, 2024

Net cash used in financing activities was ₹163.82 million for the nine months ended December 31, 2024 comprising dividend paid of ₹163.82 million.

Nine months ended December 31, 2023

Net cash used in financing activities was ₹200.00 million for the nine months ended December 31, 2023 comprising dividend paid of ₹200.00 million.

Financial Year 2024

Net cash used in financing activities was ₹200.00 million for the Financial Year 2024 comprising dividend paid of ₹200.00 million.

Financial Year 2023

Net cash used in financing activities was ₹200.00 million for the Financial Year 2023 comprising dividend paid of ₹200.00 million.

Financial Year 2022

Net cash used in financing activities was ₹200.00 million for the Financial Year 2022 comprising dividend paid of ₹200.00 million.

Capital Expenditures

Our historical capital expenditures relate to expenditure on property, plant and equipment, intangible assets, capital advance and informational technology infrastructure including development of internal software and procurement of requisite computer systems.

The table below sets forth our capital expenditure for the nine months ended December 31, 2024 and 2023, and Financial Years 2024, 2023 and 2022.

Segment	Capital Expenditure				
	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	<i>(₹ in million)</i>				
Depository Services	377.22	2,177.68	2,237.17	223.20	59.10
Database Management Services	31.34	36.54	58.28	35.90	29.45
Banking Services	77.60	86.73	88.30	7.09	3.56

Segment	Capital Expenditure				
	Nine months ended December 31,		For the Financial Year		
	2024	2023	2024	2023	2022
	(₹ in million)				
Total	486.16	2,300.95	2,383.75	266.19	92.11

Our capital commitment as on December 31, 2024 is estimated to be approximately ₹189.46 million relating to application development & production support for KRA related application, and implementation & migration of network infrastructure.

Financial Indebtedness

As on the date of this Addendum, we do not have any outstanding or sanctioned facilities. In relation to our borrowing powers, see “Our Management – Borrowing Powers” on page 155 of this Addendum.

Contingent Liabilities and Other Commitments

The following table sets forth a breakdown of our contingent liabilities as of December 31, 2024:

Particulars	As of December 31, 2024
Demand from income tax authorities ⁽¹⁾	699.58
Demand from service tax authorities ⁽²⁾	523.62
Demand from goods and service tax authorities ⁽³⁾	24.46
Fixed deposits placed on behalf of NPBL ⁽⁴⁾	2.50
Disputed transactions with merchants of Payment Gateway ⁽⁵⁾	0.92
Total	1,251.08

Notes:

(1) Demand from income tax authorities comprises the following:

Demand Period	Demand from income tax authorities (₹ in million)
Financial Year 2014	-
Financial Year 2015	0.86
Financial Year 2016	3.49
Financial Year 2017	141.58
Financial Year 2018	89.26
Financial Year 2019	280.27
Financial Year 2020	81.08
Financial Year 2021	53.84
Financial Year 2022	28.13
Financial Year 2023	21.03
Financial Year 2024	0.04
Total	699.58

(2) Demand from the service tax authorities of ₹523.62 million as of December 31, 2024 pertains to the service tax demand for the depository business conducted during the period from Financial Year 2005 to Financial Year 2009, further to the order from the Central Excise and Service Tax Appellate Tribunal dated June 12, 2022.

(3) Demand from goods and service tax authorities of ₹24.46 million pertains to the disputed demand of goods and service tax for the period from Financial Year 2018 to Financial Year 2020.

(4) Fixed deposits placed on behalf of NPBL for issuance of bank guarantee for an amount of ₹2.50 million.

(5) GSRTC a merchant of Payment Gateway has disputed transactions amounting to ₹0.92 Million. The merchant customer has a bank guarantee of ₹0.80 Million. The Company is in discussion with the highest authority of the merchant customer and is hopeful of preventing an invocation of bank guarantee.

Capital and Other commitments

The following table sets forth a summary of the maturity profile of our contractual obligations as of December 31, 2024:

Particulars	Payment due by period
-------------	-----------------------

	On demand	Less than one year	One to five years	More than five years	Total
(₹ in million)					
Capital contracts not provided for (net of advances)	-	167.17	22.29	-	189.46
Other commitments: Contractual guarantee	6.50	-	-	-	6.50

Off-Balance Sheet Commitments and Arrangements

As of the date of this Addendum, we do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market and Other Risks

We are exposed to various types of financial risks during the normal course of business, such as market risk, credit risk and liquidity risk. Our Board manages and reviews our affairs by setting up short term and long-term budgets. It monitors these and takes suitable actions to minimize potential adverse effects on our operational and financial performance.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to us. We have adopted a policy to deal with only creditworthy counterparties. This risk principally arises from credit exposures to customers, deposits with banks and financial institutions and other receivables.

Trade and Other Receivables

Our exposure to credit risk depends upon the individual characteristics of each customer. Trade and other receivables mainly consist of receivables from Depository Participants, issuers of securities, RTAs, AMCs and stock exchanges. Our trade receivables are from a large number of customers, representing diverse industries and geographical areas. Hence, we are not exposed to customer concentration risks. With respect to Depository Participants, we perform credit evaluation while onboarding the customer and take security deposits. Further, we perform ongoing credit evaluation on the financial condition of accounts receivables. Additionally, we have a dedicated credit and control team primarily responsible for monitoring credit risk and receivables. It monitors outstanding receivables along with ageing on a periodic basis. For receivables pertaining to other streams of revenues, the credit and collection team regularly follows up for collection. We consider the credit risk on liquid funds, banks and financial institutions to be limited because the counterparties have high credit-ratings.

Liquidity Risk

Liquidity risk refers to the risk wherein we may not be in a position to meet our financial obligations in a timely manner. Our management monitors rolling forecasts of our liquidity position (comprising undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes the review of financial ratios and takes into account the accessibility of cash and cash equivalents.

Market Risk

Market Risk is the risk that the value of our on and off-balance sheet positions will be adversely affected by movements in market rates or prices, such as interest rates, and prices resulting in a loss to earnings and capital. Our exposure to market risk is primarily on account of interest rate risk and price risk. All of our investments in debentures and bonds are at a fixed rate of interest and do not have material interest rate risks.

Unusual or Infrequent Events or Transactions

Except as described in this Addendum, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “– *Significant Factors Affecting Our Financial Condition and Results of Operation*” and the uncertainties described in “*Risk Factors*” on pages 235 and 1, respectively, of this Addendum. Except as disclosed in this Addendum, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Significant Economic Changes

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations. See “*Risk Factors*” and “– *Significant Factors Affecting Our Financial Condition and Results of Operation*” on pages 1 and 235, respectively, of this Addendum.

Future Relationship between Cost and Revenue

Other than as described in “*Risk Factors*”, “*Our Business*” and above in “– *Significant Factors Affecting Our Financial Condition and Results of Operation*” on pages 1, 123 and 235, respectively, of this Addendum to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Except as disclosed in this Addendum, including as described in “*Our Business*” on page 123 of this Addendum, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Supplier or Customer Concentration

We are not dependent on any particular supplier or customer.

Competitive Conditions

We expect competition in our industry from existing and new competitors to intensify. For details, please refer to the discussions of our industry and competition in the sections “*Risk Factors*”, “*Our Business*” and “*Industry Overview*” and on pages 1, 123 and 69, respectively, of this Addendum.

Seasonality

Our business, financial condition and results of operations are not affected by seasonal factors.

Recent Accounting Pronouncements

As of the date of this Addendum, there are no recent accounting pronouncements, which would have a material effect on our results of operations or financial condition.

Significant Developments Occurring after December 31, 2024

Except as disclosed in this Addendum, no circumstances have arisen since December 31, 2024, the date of the last financial statements included in this Addendum, which materially and adversely affect or are likely to affect our operations or profitability or the value of our assets within the next 12 months.

SECTION IV – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, or Directors, (collectively, “**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) claims involving the Relevant Parties for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and the total amounts involved); (iv) any other outstanding litigation involving the Relevant Parties (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below); and (v) outstanding litigation involving the Group Companies, which may have a material impact on our Company. Further, except as disclosed in this section, there are no criminal proceedings involving and actions by regulatory and statutory authorities against our Key Management Personnel and Senior Management.

In addition, all outstanding enforcement actions pending as on date against our Company, as required to be disclosed in accordance with the SEBI In-principle Approval Letter, have been disclosed in this section. For details in relation to the enforcement actions which are not pending as on the date, see “Risk Factors- Our Company has been subject to enforcement actions, in the past, by way of issuance of show cause notices by SEBI in relation to violations/ non-compliances of relevant SEBI laws by our Company. There can be no assurance that such actions will not be taken against our Company in the future.”, on page 35 of this Addendum.

In accordance with the Materiality Policy, all outstanding litigation (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes mentioned in points (i) to (iii) above) involving the Relevant Parties:

- (i) where the aggregate monetary claim, to the extent quantifiable, made by or against the Relevant Party (individually or in aggregate), or the disputed amount in any such pending litigation is equal to or in excess of 1% of the Company’s consolidated profit after tax, in the most recently completed fiscal year as per the Restated Consolidated Financial Information.

The consolidated profit after tax of the Company for Fiscal 2024 as per the Restated Consolidated Financial Information was ₹ 2,754.45 million. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against the Relevant Party (individually or in aggregate) is equal to or in excess of ₹ 27.54 million (being 1% of the consolidated profit after tax for Fiscal 2024 as per the Restated Consolidated Financial Information);

- (ii) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company, in the opinion of the Board of Directors of the Company, have been considered “material” and accordingly have been disclosed in this Addendum; and
- (iii) Where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative amount involved in such cases exceeds the materiality threshold (as specified in (i) above, even though the amount involved in an individual matter may not exceed the materiality threshold as specified in (i) above.

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Information. The trade payables of our Company as on December 31, 2024 was ₹ 858.83 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 42.94 million as on December 31, 2024.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding notices issued by governmental/ statutory / regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board of Directors, not be considered a material litigation until such time that the Relevant Party is impleaded as a defendant in proceedings initiated before any court, tribunal or governmental authority, or judicial / arbitral forum or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Unless stated to the contrary, the information provided below is as of the date of this Addendum. All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. Litigation involving our Company

Outstanding criminal litigation filed by and against our Company

Criminal proceedings against our Company

M. Haroon Siddiqui (“**Complainant**”) has filed a complaint dated November 20, 2012 before the Chief Metropolitan Magistrate, Patiala House Court, New Delhi (“**Court**”) against our Company and others, including certain of our employees (“**Defendants**”) alleging misconduct in relation to financial dealings or services connected to our Company or its personnel. Thereafter, a settlement agreement was reached between the parties through mediation, pursuant to which the one of the accused persons have complied with the terms as per the order of the Court dated January 30, 2025. The matter is currently at prosecution evidence stage and pending for verification of compliance with the settlement terms.

Actions by statutory or regulatory authorities against our Company

Outstanding show cause notices

1. Our Company, through certain of its current and former directors, has received a show cause notice dated January 1, 2025, from the Regional PF Commissioner (II), Employees’ Provident Fund Organisation (“**Commissioner**” and such notice, “**Show Cause Notice**”) in relation to violation of certain provisions of the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 (**EPF Act**) and schemes thereunder, alleging that (i) the returns submitted by our Company contained incorrect information on the number of employees; and (ii) numerous claims have been rejected due to incorrect membership details submitted under the Employee Pension Scheme, 1995. Pursuant to the Show Cause Notice, our Company was directed to show cause as to why no action should be taken against our Company within three days from the receipt of the Show Cause Notice. Our Company, pursuant to its letter dated February 21, 2025, has requested the Commissioner an extension of 15 days to complete its internal review process and submit the revised returns. The matter is currently pending.
2. SEBI conducted an onsite inspection of our Company at its previous registered office for Financial Year 2023-2024, for the inspection period from October 01, 2022, to July 31, 2023, and issued certain observations pursuant to its letter dated April 15, 2024 to which our Company had shared its responses pursuant to letters dated May 8, 2024 and May 28, 2024. Thereafter, a post inspection analysis was carried out by SEBI. Based on our Company’s responses, SEBI *vide* its letter dated June 19, 2024, issued and noted warnings, deficiencies and advisories relating to certain observations in the inspection. Thereafter, on September 24, 2024, SEBI appointed an Adjudicating Officer (“**AO**”) to inquire into the alleged violations of certain provisions of the SCRA, SEBI Listing Regulations and certain circulars issued by SEBI, observed pursuant to the above-mentioned inspection. Subsequently, our Company received another letter dated October 4, 2024, from SEBI, wherein SEBI has issued and noted warnings, deficiencies, advisories on the remaining observations in the inspection and thereby initiated quasi-judicial proceedings against our Company. Thereafter, our Company received a show cause notice dated October 11, 2024 (“**Show Cause Notice**”) from the AO in relation to the said alleged violations. Our Company has filed a settlement application dated December 11, 2024 (“**Settlement Application**”) before SEBI, setting out the monetary and non-monetary settlement terms. The settlement application is currently pending before SEBI.

Other actions by statutory or regulatory authorities

1. Our Company received an inspection report *vide* letter dated June 8, 2004 from SEBI in relation to SEBI’s investigation conducted in the matter of shares allotted by DSQ Software Limited (“**DSQS Shares**”) to certain individuals and entities and role of our Company in the dematerialisation of said shares (the “**Inspection Report**”). The Inspection Report alleged negligence and failure to exercise due diligence by our Company in the dematerialisation of DSQS Shares. Our Company, by its letter dated July 5, 2004, contended, *inter alia*, that there is no obligation on it, under the Erstwhile SEBI D&P Regulations or the Depositories Act, to check that shares are issued in accordance with law. Thereafter, SEBI issued a show cause notice dated July 3, 2006 under the Erstwhile SEBI D&P Regulations, the Depositories Act read with the SEBI Act (the “**Show Cause Notice**”), alleging violation of certain provisions of the Erstwhile SEBI D&P Regulations by our Company, *inter alia*, that our Company: (i) proceeded to dematerialise DSQS Shares without seeking clarifications in relation to discrepancies in certain details; (ii) dematerialised certain unpaid DSQS Shares; (iii) failed to obtain information on listing applications prior to dematerialisation; (iv) failed to exercise due care in relation to the fresh issue of shares in demat form; (v) failed to provide adequate safeguards to prevent manipulation of records; (vi) failed to protect the interest of beneficial owners of demat securities; and (vii) credited partly paid up and unpaid dematerialised DSQS Shares to depository participant accounts of DSQ

Software Limited without the same having been listed. Our Company responded to the Show Cause Notice by its letter dated September 29, 2006 denying the allegations stated in the Show Cause Notice and sought for proceedings initiated by SEBI pursuant to the Show Cause Notice to be dropped.

Thereafter, on March 12, 2007, representatives from our Company appeared for a personal hearing before the then whole-time member of SEBI and filed its written submission. Subsequently, SEBI constituted a two-member committee (the “**Mohan Gopal Committee**”) to oversee the proceedings. The Mohan Gopal Committee passed an order dated December 4, 2008 directing our Company to, *inter alia*, (i) conduct an independent inquiry to establish individual responsibility for the failure of our Company to meet its legal duties and responsibilities and to take necessary action to ensure individual accountability for such failure; and (ii) conduct an independent audit of its systems to prevent trading of unlisted securities in dematerialised form on stock exchanges and to assess their adequacy and identify any remedial measures as may be needed (the “**Committee Order**”). On November 9, 2009, SEBI declared the Committee Order as *non-est* and gave an opportunity for a fresh hearing to our Company before the full board of SEBI (except chairman) on December 22, 2009. The SEBI full board on February 2, 2010 passed an order stating that no directions were needed to be issued to our Company and the Show Cause Notice was disposed-off accordingly (the “**SEBI Full Board Order**”).

Thereafter, Social Action Forum for Manav Adhikar (“**SAFMA**”) filed a public interest litigation (“**PIL**”) before the Delhi High Court challenging SEBI’s decision to not serve the Committee Order on our Company and declaring it as *non-est*. The Delhi High Court dismissed the PIL by way of its order dated September 29, 2010 (“**Delhi High Court Order**”). SAFMA filed another special leave petition dated March 28, 2011 before the Hon’ble Supreme Court (“**SLP**”), wherein an order was passed for SEBI to reconsider the Committee Order with respect to our Company. Subsequently, the Committee Order was served on our Company by way of SEBI letter dated July 28, 2011. The SLP was thereafter disposed of by the Hon’ble Supreme Court by its order dated September 5, 2011. Our Company filed an appeal dated September 12, 2011 before the Securities Appellate Tribunal (“**SAT**”) against the decision of SEBI to serve the Committee Order on our Company (“**SAT Appeal**”). SAT, in its order dated August 30, 2013, quashed and set aside the Committee Order and allowed the SAT Appeal (“**SAT Order**”). Thereafter, SEBI filed a civil appeal dated November 1, 2013 before the Hon’ble Supreme Court (“**SC Civil Appeal**”) challenging the SAT Order. Our Company filed a counter affidavit dated November 3, 2015 seeking dismissal of the SC Civil Appeal. The matter is currently pending.

2. SEBI issued an ex-parte ad interim order dated April 27, 2006 (“**Ad Interim Order**”) against our Company and certain other entities in relation to its investigation conducted into the buying, selling or dealing in the shares issued through initial public offerings of 21 companies during the period of 2003-2005 (such initial public offerings, the “**IPO(s)**”) wherein fraud by many entities to corner/ acquire shares in IPOs by making fictitious applications, opening multiple demat accounts in fictitious names, etc. to the detriment of retail investors came to light. The Ad Interim Order directed our Company to, *inter alia*, (i) ensure that the dematerialised accounts which served as the conduit for certain persons are not utilised for manipulation of allotment made in initial public offerings in the future; (ii) conduct inspection of certain depository participants to verify if all the demat holders of the depository participants are genuine and the know your client norms have been complied with; and (iii) revamp the management of our Company. Thereafter, our Company filed an appeal dated May 23, 2006 before the Securities Appellate Tribunal (the “**SAT**”) against the Ad Interim Order. SAT passed an order dated June 12, 2006 staying the operation of the Ad Interim Order in so far as it pertained to the revamping the management of our Company (“**SAT Order**”). On November 21, 2006, SEBI passed an order directing our Company and other entities to pay, jointly and severally, a total disgorgement amount of ₹ 1,158.00 million (out of which ₹ 900.21 million to be paid by our Company) within six months for the loss allegedly suffered by retail investors who purportedly lost out on allotments in the IPOs (the “**Disgorgement Order**”). Thereafter, SEBI issued a show cause notice dated November 23, 2006 under the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 initiating adjudication proceedings against our Company, alleging (i) failure to notice unauthorised outsourcing by depository participants; (ii) failure to put in place adequate mechanisms for the purpose of reviewing, monitoring and evaluating control systems, procedures and safeguards; (iii) failure to prevent the opening / existence of multiple beneficial owner accounts; (iv) failure to verify the infrastructural facilities of the depository participants; and (v) failure to take appropriate action against the depository participants for various irregularities committed by them (the “**Show Cause Notice**”). The Ad Interim Order and the Show Cause Notice were later disposed of vide order dated January 14, 2009 passed by SAT.

Our Company filed an appeal dated December 4, 2006 before the SAT against the Disgorgement Order. SAT passed an order dated January 11, 2007 staying the operation of the Disgorgement Order (“**SAT Order II**”). Further, our Company responded to the Show Cause Notice by way of its letter dated December 15, 2006 denying the allegations made therein. Thereafter, SEBI issued a supplemental notice to the Show Cause Notice dated February 14, 2007 seeking additional information (“**Supplemental Notice**”). Our Company responded to the Supplemental Notice by its letter dated March 6, 2007. Subsequently, SEBI passed an order dated April 27, 2007 imposing a fine of ₹ 50 million under the SEBI Act read with the Depositories Act, on our Company alleging failure to exercise oversight over its depository participants (“**Adjudication Order**”). Our Company filed an appeal dated June 25, 2007 before the SAT against the Adjudication Order which was allowed by SAT by its order dated January 14, 2009 and the Adjudication Order was accordingly set aside. The appeal filed by our Company dated May 23, 2006 along with the Disgorgement Order were also disposed off by SAT by its order dated November 22, 2007. Subsequently, SEBI constituted a two-member committee (the “**Mohan Gopal Committee**”) to oversee the proceedings. The Mohan Gopal Committee passed an order dated December 4, 2008 giving directions to our Company to, *inter alia*: (i) conduct an independent inquiry in relation to the failure of our Company to meet its legal duties and responsibilities and take necessary actions to ensure individual accountability for such failure; and (ii) conduct an independent audit of its systems to prevent trading of unlisted securities in dematerialised form on stock exchanges and to assess their adequacy and identify any remedial measures as may be needed (the “**Committee Order**”). On November 9, 2009, SEBI declared the Committee Order as *non-est*.

Thereafter, Social Action Forum for Manav Adhikar (“**SAFMA**”) filed a public interest litigation (“**PIL**”) before the Delhi High Court for implementation of the Committee Order. The Delhi High Court dismissed the PIL by way of its order dated September 29, 2010 (“**Delhi High Court Order**”). SAFMA filed another special leave petition dated March 28, 2011 before the Hon’ble Supreme Court (“**SLP**”), wherein an order was passed for SEBI to reconsider the Committee Order with respect to our Company. Subsequently, the Committee Order was served on our Company by way of SEBI letter dated July 29, 2011. The SLP was thereafter disposed of by the Hon’ble Supreme Court by its order dated September 5, 2011. Our Company filed an appeal dated September 12, 2011 before the SAT against the decision of SEBI to serve the Committee Order on our Company. SAT, in its order dated August 6, 2013, set aside the Committee Order (“**SAT Order III**”). Thereafter, SEBI filed a civil appeal dated October 7, 2013 before the Supreme Court of India (“**SC Civil Appeal**”) challenging the SAT Order. Our Company filed a counter affidavit dated November 3, 2015 praying for the dismissal of the SC Civil Appeal. The matter is currently pending.

Other outstanding material litigation filed by and against our Company

Litigations filed against our Company

1. Mehul Shirish Oswal (acting through his power of attorney holder, Rajendra Shriram Khandelwal) (“**Plaintiff**”) filed a civil suit dated February 26, 2021 before the Court of Civil Judge, Junior Division, Jalgaon (the “**Civil Court**”) against our Company and the Stock Holding Corporation of India Limited (“**SHCIL**”, together with our Company, the “**Defendants**”) seeking permanent restraint against the Defendants from freezing / suspending the demat accounts of the Plaintiffs along with compensation of an amount of ₹ 0.1 million per day, with interest, from May 18, 2018 till the date the Defendants restore the operation of the demat accounts of the Plaintiff (the “**Plaint**”). Our Company filed its written statement dated September 11, 2021 before the Civil Court denying the allegations, submissions and contentions made in the Plaint. Thereafter, the Plaintiff filed an application dated October 28, 2021 before the Civil Court for discovery and production of documents (“**Civil Application**”). Our Company replied to the Civil Application on December 13, 2021 stating that the actions of our Company were bonafide on the ground that the account of the Plaintiffs was frozen due to a statutory order dated May 15, 2018 of the recovery officer, Mumbai and Rupee Co-Op Bank Ltd., Pune, which our Company had a statutory obligation to abide by. The matter is currently pending.
2. The then whole time member of SEBI passed an ex-parte ad-interim order cum show cause notice dated November 22, 2019 under Sections 11(1), 11(4) and 11B of the SEBI Act read with the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 in the matter of Karvy Stock Broking Limited (“**KSBL**”), directing our Company to, *inter alia*, not act upon any instruction given by KSBL and to monitor the movement of securities into and from the depository participant account of clients of KSBL (“**SEBI Ad Interim Order**”). Additionally, the SEBI Ad Interim Order instructed our Company to prohibit transfer of securities held in KSBL’s depository participant account. Bajaj Finance Limited, HDFC Bank Limited, ICICI Bank Limited and IndusInd Bank Limited (collectively, the “**Appellants**”)

filed their respective representations before the Securities Appellate Tribunal (the “**SAT**”) against the SEBI, NSE, KSBL and our Company (collectively, the “**Respondents**”), challenging the SEBI Ad Interim Order on the ground that the SEBI Ad Interim Order prevented the Appellants from enforcing the legally valid pledges created by KSBL in favour of the Appellants (the “**Appeals**”). HDFC Bank Limited has claimed a compensation of ₹ 2,088.06 million from the Respondents and IndusInd Bank Limited has claimed a compensation of ₹ 1,108.80 million from our Company for the loss suffered by it. SAT by its order dated December 4, 2019 decided to hear the Appeals together. SEBI, on December 13, 2019, passed an order disposing the respective representations made by Appellants (“**SEBI Order I**”). Thereafter, Bajaj Finance Limited, HDFC Bank Limited, ICICI Bank Limited and IndusInd Bank Limited filed their respective appeals before SAT against SEBI Order I. Further, SEBI passed an order dated January 14, 2020 in respect of a representation made by Axis Bank Limited (“**Axis Bank**”) against the SEBI Ad Interim Order, wherein Axis Bank was prevented from accessing or dealing with the pledged securities and the representation made by Axis Bank was disposed of (“**SEBI Order II**”). Subsequently, Axis Bank filed an appeal dated January 15, 2020 before the SAT against the SEBI, KSBL, our Company and others, challenging the SEBI Order II on the ground that the SEBI Order II prevented Axis Bank from enforcing the legally valid pledges created by KSBL in favour of it (the “**Axis Bank Appeal**”). Thereafter, our Company filed its reply dated March 5, 2020 before the SAT stating that our Company merely carried out the instructions given by SEBI and that it does not have the jurisdiction to conduct investigation. SAT, by its order dated December 20, 2023 (“**SAT Order**”), quashed SEBI Order I and SEBI Order II and directed SEBI, NSE and our Company to return the shares pledged by KSBL to the lenders or compensate them with the value of the securities along with an interest of 10% p.a. SEBI, NSE and our Company filed an appeal dated January 2, 2024 against the SAT Order before the Supreme Court. The Supreme Court, pursuant to its orders dated January 18, 2024, January 25, 2024 and January 29, 2024, stayed the SAT Order in so far as it pertained to SEBI and ordered status quo with respect to the shares pledged with Axis Bank, admitting the appeals filed by SEBI, NSE and our Company. The appeals are currently pending before the Supreme Court.

3. M S K Kumari (“**Petitioner**”) has filed a writ petition dated June 6, 2023 before the High Court of Judicature at Bombay (“**High Court**”) against SEBI, our Company, National Stock Exchange of India Limited and Enforcement Directorate, Hyderabad (collectively, the “**Respondents**”) alleging failure on part of the Respondents in discharging their duty to protect the shares held in dematerialised form by the Petitioner (“**Specified Securities**”) and to prevent the large scale fraud committed by Karvy Stock Broking Limited (“**KSBL**”) and thereafter failing to restore the loss caused to the Petitioner. The Petitioner has prayed that a total of 19,670 shares be transferred from KSBL’s or its group companies’ demat account into the Petitioner’s account, and in the alternative, has claimed a compensation at the rate of the highest trading price the Specified Securities would have fetched during the period for which it has been missing along with interest at 24% per annum from December 5, 2019 till the date of payment, among others. Thereafter, the High Court passed an interlocutory order dated December 7, 2023 directing KSBL and BSE Limited to be impleaded as Respondents. Subsequently, the High Court passed another interlocutory order dated January 4, 2024, wherein the Petitioner was instructed to deposit the amount received on July 8, 2022 as proportionate monetary compensation to the High Court along with 12% interest per annum, within two weeks thereof. Subsequently, the Petitioner filed an interim application dated January 13, 2024 praying *inter alia* to: (i) either direct the Respondents to execute an undertaking-cum-indemnity bond with the Petitioner as done for other investors; or (ii) alternatively, allow the Petitioner to submit such an undertaking, stating that in the event the writ petition is allowed and the shares get located, the investors will return the amount received as compensation as a pre-condition for reinstatement of their securities. Subsequently, upon request by the Petitioner, the High Court, in its order dated November 19, 2024, allowed the Petitioner to withdraw the petition along with refund of the amount deposited by the Petitioner. Subsequently, the Petitioner had filed an appeal dated January 10, 2025 in the Supreme Court (“**Appeal**”) on the above matter. Thereafter, the Appeal was listed for admission on March 28, 2025, before the Registrar’s Court of the Supreme Court, wherein the Respondents were directed to file their counter affidavit within four weeks, delay in which will result in the Appeal being listed for hearing before the Supreme Court.

B. Litigation involving our Subsidiaries

Outstanding criminal litigation filed by and against our Subsidiaries

Nil

Actions by statutory or regulatory authorities against our Subsidiaries

Nil

Other pending material litigation filed by and against our Subsidiaries

Nil

C. Litigation involving our Directors

Outstanding criminal litigation filed by and against our Directors

Criminal proceedings against our Directors

Chairman and Public Interest Director

1. Utpal Majumdar (“**Complainant**”) has filed a complaint dated December 4, 2024 before the 19th Judicial Magistrate at Calcutta (“**Magistrate**”) against our Chairman and Public Interest Director, and certain other persons including certain employees of our Company (collectively, “**Defendants**”) under certain provisions of the Bhartiya Nyaya Sanhita, 2023 alleging cyber-crime, criminal conspiracy, manipulation, cheating, fraud and forgery of documents in the elections, resulting in alteration of the results of the election of Calcutta Club Limited, held on July 26, 2024, for the posts of president and committee members. Further, pursuant to a hearing held on April 9, 2025, the Defendants were directed by the Magistrate to appear for a pre-cognizance hearing on May 17, 2025. The matter is currently pending.

Managing Director and Chief Executive Officer

1. The Registrar of Companies, Gujarat has filed a criminal complaint before the Chief Metropolitan Magistrate, Ahmedabad (“**Magistrate Court**”) against ICICI Bank Limited, its current and former officers, including Vijay Chandok (former director) (“**Defendants**”), alleging violation of Section 188 of the Companies Act in relation to certain related party transactions entered into by ICICI Bank Limited (“**Complaint**”). The Court registered the Complaints and issued process under Section 204(1) of the Code of Criminal Procedure, 1973 (“**CrPC**”) *vide* order dated October 1, 2024 (“**Order**”). Thereafter, the Defendants filed revision applications before the Sessions Court, Ahmedabad (“**Sessions Court**”) challenging the Order. The Sessions Court *vide* its order dated April 18, 2025 allowed the revision application, staying the Order. The matter is currently pending.
2. The Registrar of Companies, Gujarat has filed a criminal complaint before the Chief Metropolitan Magistrate, Ahmedabad (“**Magistrate Court**”) against ICICI Bank Limited, its current and former officers, including Vijay Chandok (former director) (“**Defendants**”), alleging violation of Sections 117 and 179 of the Companies Act in relation to non-filing of a certified true copy of a shareholders’ resolution (“**Complaint**”). The Court registered the Complaints and issued process under Section 204(1) of CrPC *vide* order dated October 1, 2024 (“**Order**”). Thereafter, the Defendants filed revision applications before the Sessions Court, Ahmedabad (“**Sessions Court**”) challenging the Order. The Sessions Court *vide* its order dated April 18, 2025 allowed the revision application, staying the Order. The matter is currently pending.
3. The Registrar of Companies, Gujarat has filed a criminal complaint before the Chief Metropolitan Magistrate, Ahmedabad (“**Magistrate Court**”) against ICICI Bank Limited, its current and former officers, including Vijay Chandok (former director) (“**Defendants**”), alleging violation of Sections 117 and 179(3)(c) of the Companies Act in relation to incomplete details of issue of debentures, price, consideration, etc. in a resolution passed by ICICI Bank Limited (“**Complaint**”). The Court registered the Complaints and issued process under Section 204(1) of CrPC *vide* order dated October 1, 2024 (“**Order**”). Thereafter, the Defendants filed revision applications before the Sessions Court, Ahmedabad (“**Sessions Court**”) challenging the Order. The Sessions Court *vide* its order dated April 18, 2025 allowed the revision application, staying the Order. The matter is currently pending.
4. K.C. Aggarwal (“**Complainant**”) had filed a complaint against the National Stock Exchange of India, Vijay Chandok (in his capacity as (former) director of ICICI Securities Limited) and others (“**Defendants**”) under Section 200 CrPC, alleging criminal misappropriation amounting to ₹0.02 million,

criminal breach of trust, fraud and cheating by ICICI Securities Limited, in its capacity as the broker of the Complainant, in collusion with NSE and its officials (“**Complaint**”). The Complaint was dismissed *vide* an order dated June 20, 2024. Thereafter, the Complainant has filed a criminal revision petition before the District and Sessions Judge, New Delhi, in relation to the above. The matter is currently pending.

Actions by statutory or regulatory authorities against our Directors

1. The Regional Director, Registrar of Companies has served a notice under Section 210(1)(c) of the Companies Act (“**Notice**”) to the directors of a company undergoing corporate insolvency resolution process, for investigation into the company’s affairs. Thereafter, the Notice was also served to one of our directors, Sripriya Kumar, in her capacity as the liquidator and insolvency resolution professional of such company. The matter is currently pending.

Other pending material litigation filed by and against our Directors

Nil

D. Litigation involving our Key Management Personnel and Senior Management

Outstanding criminal litigation filed by and against our Key Management Personnel and Senior Management

Other than the criminal proceedings involving Vijay Chandok, our Managing Director and Chief Executive Officer, disclosed in “- *Litigation involving our Directors - Outstanding criminal litigation filed by and against our Directors - Criminal proceedings against our Directors - Vijay Chandok, Managing Director and Chief Executive Officer*” on page 270 of this Addendum, there are no other outstanding criminal litigation filed by or against our Key Management Personnel or Senior Management.

Actions by statutory or regulatory authorities against our Key Management Personnel and Senior Management

Nil

E. Litigation involving our Group Companies

Pending regulatory proceedings involving our Group Company, National Stock Exchange of India Limited (“NSE”)

NSE was in receipt of show cause notice dated January 7, 2021 under Rule 4(1) of SCRR Adjudication Rules read with Sec 15-I of the SEBI Act and a supplementary note dated May 06, 2021 from SEBI in relation to certain violations and fraud committed by Karvy Stock Broking Limited (“**KSBL**”) which includes, among others, NSE’s negligence in examination of certain demat accounts that lead to KSBL wrongly pledging the securities of such accounts, NSE’s failure to tag demat accounts in the prescribed nomenclature and NSE’s failure to take appropriate action in relation to various alters pertaining to off-market transfers. Thereafter, SEBI by its order dated April 12, 2022 levied a penalty of ₹ 20 million on NSE on account of alleged laxity on part of NSE resulting in delayed detection of the misconduct by KSBL (“**SEBI Order**”). NSE has preferred an appeal against the SEBI Order before the SAT. SAT by way of its interim order dated June 24, 2022 has stayed the SEBI Order. The matter is currently pending.

Other pending material litigation involving our Group Company, National Stock Exchange of India Limited (“NSE”)

Other than the litigation involving NSE as disclosed in “- *Other outstanding material litigation filed by and against our Company - Litigations filed against our Company*” on page 268 of this Addendum, there are no other outstanding material litigation involving our Group Companies.

F. Tax proceedings involving the Relevant Parties

Set out herein below are details of claims relating to direct and indirect taxes involving the Relevant Parties.

Nature of case	No. of cases	Ascertainable amount involved ^{*/#} (in ₹ million)
Our Company		
Direct tax	15	778.43
Indirect tax	2	537.36
Subsidiaries		
Direct tax	10	61.42
Indirect tax	2	5.07
Directors		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

^{*}The aforementioned amounts are stated to the extent they can be quantified, and rounded off to the nearest rupees in millions, with precision up to two decimal places.

[#]The aforementioned amounts do not include any accumulated interest as of the current date, nor does it account for any associated penalties.

G. Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company shall be considered ‘material’ (“**Material Creditors**”) for the purpose of disclosure in this Addendum, if amounts due to such creditor by our Company is equal to or in excess of 5% of the trade payables of our Company as on December 31, 2024. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 42.94 million as on December 31, 2024.

As of December 31, 2024, outstanding dues to micro, small and medium enterprises and other creditors is as follows:

S. No.	Type of creditor	No. of creditors	Amount involved (₹ in million)
1.	Dues to micro, small and medium enterprises*	139	202.55
2.	Material Creditors	3	313.89
3.	Dues to other creditors	274	342.39
	Total	416	858.83

*As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Notes: Amounts have been rounded off to the nearest rupees in millions, with precision up to two decimal places.

The complete details pertaining to outstanding overdues to Material Creditors, along with the name and amounts involved for each such Material Creditor, are available on the website of our Company at <https://nsdl.co.in/investor-relation/financials.php>.

H. Material Developments

Except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 233 of this Addendum, there have been no material developments nor any circumstances since December 31, 2024 which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

SECTION V – OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions during the period for which financial information is disclosed in the offer documents, as covered under applicable accounting standards, and (ii) other companies considered material by the board of directors of the issuer company.

Accordingly, pursuant to the resolution passed by our Board dated April 9, 2025, all such companies (other than the Subsidiaries) (i) with which our Company had related party transactions during the period covered in the Restated Consolidated Financial Information, under the relevant accounting standard (i.e., Ind AS 24), and (ii) other companies with which there were related party transactions post the period covered in the Restated Consolidated Financial Information, have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Based on the above, our Group Companies are set forth below:

1. IDBI Bank Limited;
2. National Stock Exchange of India Limited; and
3. India International Bullion Holding IFSC Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the last three fiscals, extracted from their respective audited financial statements (as applicable) are available at the websites indicated below.

Our Company has provided links to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. Such information should not be considered as part of information that any investor should consider before making any investment decision.

Details of our Group Companies

The details of our Group Companies are set forth below:

1. IDBI Bank Limited (“IDBI Bank”)

Registered office

The registered office of IDBI Bank is situated at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005, Maharashtra, India.

Financial information

The financial information with respect to details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of IDBI Bank for the last three financial years, as required by the SEBI ICDR Regulations, are available on its website at <https://nsdl.co.in/investor-relation/financials.php>.

2. National Stock Exchange of India Limited (“NSE”)

Registered office

The registered office of NSE is situated at Exchange Plaza, G – Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India.

Financial information

The financial information with respect to details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited consolidated financial statements of NSE for the last three financial years, as required by the SEBI ICDR Regulations, are available on its website at <https://nsdl.co.in/investor-relation/financials.php>.

3. **India International Bullion Holding IFSC Limited (“IIBHIL”)**

Registered office

The registered office of IIBHIL is situated at Unit No. 1302B, Brigade International Financial Centre, 13th Floor, Building 14A, Block 14, Zone 1, GIFT SEZ, GIFT City, Gandhinagar – 382 355, Gujarat, India.

Financial information

The financial information with respect to details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of IIBHIL for the last three financial years, as required by the SEBI ICDR Regulations, are available on its website at <https://nsdl.co.in/investor-relation/financials.php>.

Nature and extent of interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Addendum or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Addendum or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Companies and our Company

There are no common pursuits amongst our Group Companies and our Company.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in “*Restated Consolidated Financial Information – Note 26- Related Party Disclosures*” on page 213 of this Addendum, there are no related business transactions with the Group Companies.

Litigation

For details in relation to the pending regulatory proceedings and other material litigation involving one of our Group Companies, see “*Outstanding Litigation and Other Material Developments - Litigation involving our Group Companies*” on page 271 of this Addendum.

Business interest of Group Companies

Except in the ordinary course of business and as stated in “*Restated Consolidated Financial Information – Note 26- Related Party Disclosures*” on page 213 of this Addendum, none of our Group Companies have any business interest in our Company.

Confirmations

The following Group Company has its securities listed on Stock Exchanges:

S. No.	Group Company	Listed Securities
1.	IDBI Bank Limited	Equity shares Bonds of the categories (i) lower tier II, (ii) senior and (iii) Basel III tier 2

Except as disclosed in “*Other Regulatory and Statutory Disclosures- Capital issue during the previous three years*” on page 322 of the Draft Red Herring Prospectus, IDBI Bank has not made any public or rights issue of securities in the preceding three years.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and our Group Company and its directors.

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and our Group Company and its directors.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vijay Chandok

Managing Director and Chief Executive Officer

Place: Mumbai

Date: May 17, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Parveen Kumar Gupta

Chairman and Public Interest Director

Place: Mumbai

Date: May 17, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Madhu Sudan Sahoo

Public Interest Director

Place: Mumbai

Date: May 17, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rajat Moona

Public Interest Director

Place: Mumbai

Date: May 17, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sripriya Kumar

Public Interest Director

Place: Mumbai

Date: May 17, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjay Panicker

Non-Independent Director

Place: Mumbai

Date: May 17, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sriram Krishnan

Non-Independent Director

Place: Mumbai

Date: May 17, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Jigar Harshad Shah

Chief Financial Officer

Place: Mumbai

Date: May 17, 2025

DECLARATION

IDBI Bank Limited, hereby confirms that all statements, disclosures and undertakings specifically made or confirmed by it in this Addendum only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, are true and correct. IDBI Bank Limited assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Addendum.

FOR AND ON BEHALF OF IDBI BANK LIMITED

Authorised Signatory: R. Srinivasa Sadagopan

Designation: Chief General Manager-FAD

Place: Mumbai

Date: May 17, 2025

DECLARATION

National Stock Exchange of India Limited, hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Addendum only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, are true and correct. National Stock Exchange of India Limited assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Addendum.

FOR AND ON BEHALF OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Authorised Signatory: Ms. Prajakta Powle

Designation: Company Secretary

Place: Mumbai

Date: May 17, 2025

DECLARATION

Union Bank of India, hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Addendum only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, are true and correct. Union Bank of India assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Addendum.

FOR AND ON BEHALF OF UNION BANK OF INDIA

Authorised Signatory: Prince D.

Designation: Dy. General Manager

Place: Mumbai

Date: May 17, 2025

DECLARATION

State Bank of India, hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Addendum only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, are true and correct. State Bank of India assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Addendum.

FOR AND ON BEHALF OF STATE BANK OF INDIA

Authorised Signatory: Anup Kumar

Designation: Deputy General Manager (Private Equity)

Place: Mumbai

Date: May 17, 2025

DECLARATION

HDFC Bank Limited (SS), hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Addendum only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, are true and correct. HDFC Bank Limited (SS) assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Addendum.

FOR AND ON BEHALF OF HDFC BANK LIMITED (SS)

Authorised Signatory: Aspi Makuna

Designation: Vice President

Place: Mumbai

Date: May 17, 2025

Authorised Signatory: Anil Sharma

Designation: Sr. Vice President

Place: Mumbai

Date: May 17, 2025

DECLARATION

Administrator of the Specified Undertaking of the Unit Trust of India, hereby confirms that all statements, disclosures, and undertakings specifically made or confirmed by it in this Addendum only in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares, are true and correct. Administrator of the Specified Undertaking of the Unit Trust of India assumes no responsibility for any other statements, disclosures and undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, any other Selling Shareholder or any other person(s) in this Addendum.

FOR AND ON BEHALF OF ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

Authorised Signatory: Ashwini Deshmukh

Designation: Authorized Signatory to BOP/
Administrator of SUUTI

Place: Mumbai

Date: May 17, 2025