

# Demat a/c growth at 11-month low in March

**SUNDAR SETHURAMAN &  
MAYANK PATWARDHAN**

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The pace of new demat account additions in March hit an 11-month low, following the equity markets' sharpest monthly decline since the pandemic-led rout of March 2020. This slump came amid escalating tensions in West Asia, which drove up crude oil prices and clouded India's prospects for growth and inflation.

About 2.15 million new accounts were added — the lowest since April 2025 and also below the 12-month average of 2.7 million. In March, the Sensex and the Nifty dropped more than 11 per cent. Overall growth also moderated in FY26, as weaker market returns and volatility weighed on retail sentiment.

Net additions slowed to about 32 million in FY26, even as the total number of demat accounts crossed 225 million, according to data from depositories NSDL and CDSL. This

## Sharp decline

Active demat accounts in (mn)

■ NSDL ■ CDSL



marks a 22 per cent decline from FY25, when a record 41 million accounts were added, driven by a strong bull run, robust activity in initial public offerings (IPOs), and heightened retail participation.

The moderation comes against the backdrop of lack-

lustre equity market performance. India's benchmark indices logged their weakest showing in six years in FY26, with the Nifty 50 declining 5.1 per cent and the Sensex falling 7.1 per cent. The Nifty Midcap 100 gained 1.9 per cent, while the Smallcap 100

fell nearly 6 per cent.

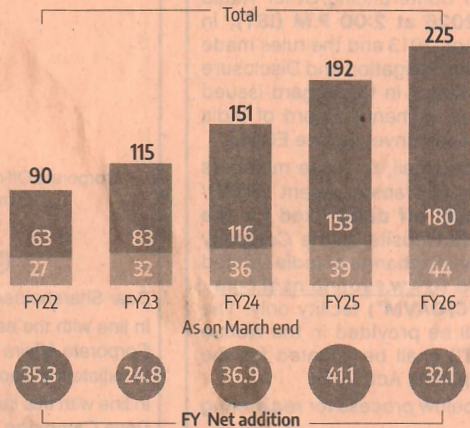
Heightened volatility further dampened investor appetite. Global uncertainties sustained foreign portfolio investor outflows and geopolitical tensions, triggered intermittent corrections in domestic equities.

The primary market, a key

driver of account openings in FY25, also saw a shift in momentum. While FY26 was a record year in terms of fund mobilisation — 112 IPOs raised ₹1.8 trillion — investor enthusiasm moderated. Average listing gains dropped sharply to 8 per cent from 30 per cent a year earlier, while retail participation weakened, with average IPO applications falling to 1.3 million from 2.13 million, according to Prime Database.

Average daily turnover in the cash segment declined 6 per cent year-on-year to ₹1.13 trillion. While derivatives turnover rose modestly, activity on the NSE showed signs of strain.

Demat account growth in FY27 is expected to remain steady but more normalised. Structural tailwinds such as financialisation of savings, digital adoption, and expanding investor awareness will support additions, though subdued returns and softer IPO traction may keep the pace below FY25 highs.



CDSL: Central Depository Services (India) Limited,  
NSDL: National Securities Depository Limited

Sources: Sebi, CDSL, NSDL Compiled by BS Research Bureau