



# Central Depository Services (India) Limited

CDSL/CS/NSE/HS/2022/138

August 03, 2022

**The Manager,  
Listing Compliance Department,  
National Stock Exchange of India Ltd,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051.**

**Symbol: CDSL  
ISIN: INE736A01011**

Dear Madam/ Sir,

**Sub: Analyst /Investor Call /Conference Call held on August 01, 2022.**

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

This is with reference to our intimation dated July 28, 2022 for scheduling of Conference Call on August 01, 2022, please find attached the transcript of the aforesaid conference call.

The above information is also available on the website of the Company: [www.cdslindia.com](http://www.cdslindia.com).

This is for your information and record.

Thanking you,  
Yours faithfully,

**For Central Depository Services (India) Limited**

**Nilay Shah  
Group Company Secretary & Head Legal**

*Encl: As above*

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“Central Depository Services (India) Limited  
Q1 FY2023 Earnings Conference Call”

**August 01, 2022**



**ANALYST: MR. ANSHUMAN SINGH - AXIS CAPITAL LIMITED**

**MANAGEMENT: MR. NEHAL VORA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – CDSL**  
**MR. GIRISH AMESARA – CHIEF FINANCIAL OFFICER - CDSL**  
**MR. SUNIL ALVARES – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – CDSL VENTURES**  
**MR. RAMKUMAR K– CHIEF OF BUSINESS DEVELOPMENT, OPERATIONS AND NEW PROJECTS - CDSL**  
**MS. NAYANA OVALEKAR – CHIEF REGULATORY OFFICER - CDSL**  
**MR. VINAY MADAN - CHIEF RISK OFFICER - CDSL**  
**MR. SWAROOPKUMAR GOTHI – VICE PRESIDENT - CDSL**  
**MR. NILESH KITTUR – ASSISTANT VICE PRESIDENT – CDSL**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q1 FY2023 Earnings Conference Call of CDSL (India), hosted by Axis Capital Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. Please note that CDSL does not provide specific revenue or earnings guidance. Anything said on this call, which reflects CDSL’s outlook for the future or which could be construed as forward-looking statement must be reviewed in conjunction with the risk that the company faces. I now hand the conference over to Mr. Anshuman Singh from Axis Capital Limited. Thank you and over to you Sir!

**Anshuman Singh:** Thank you Jacob. Good morning everyone, on behalf of Axis Capital a very warm welcome to the Q1 FY2023 conference call of CDSL (India) Limited. We have the management team of CDSL represented by Mr. Nehal Vora, MD and CEO, Mr. Girish Amesara, CFO, Mr. Sunil Alvares, MD & CEO, CDSL Ventures, Mr. Ramkumar, Chief of Business Development, Operations & New Projects, Ms. Nayana Ovalekar, Chief Regulatory Officer, Mr. Vinay Madan, Chief Risk Officer, Mr. Swaroopkumar Gothi, VP and Mr. Nilesh Kittur, AVP. Without further ado I would hand over the floor to the management for their opening remarks post which we will open the floor for Q&A. Thank you and Nehal Sir over to you.

**Nehal Vora:** Thank you Anshuman. A very good morning and welcome everyone I hope each one of you and your loved ones are safe and healthy. Thank you for joining us today to discuss CDSL’s financial results the first quarter financial year 2022-2023.

As in the previous quarters, we have posted a detailed financial presentation on our website for your reference. I am joined by the CDSL group’s leadership team. We are happy to present the first quarter of the new financial year. Our primary focus in the first quarter this year remained on maintaining an organic and sustainable growth and providing diversified services. Our services for DPs, investors and other market participants bring on the promise of making it easier to access markets independently and improve the experience of all market participants. This is a result of being innovative and using technology deliver a unique experience.

During the quarter the number of active companies with CDSL as on June 30, 2022 stood at about 18798 an increase of 12% on the number of active companies as on June 30, 2021. Further the value of securities and Demat custody with CDSL as on June 30, 2022 stood at about 33 lakh Crores, there is an increase of about 6% in the value as on June 30, 2022. CDSL added 55 lakh beneficiary owner accounts taking the number of beneficiary accounts to 6.85 Crores at the end of the quarter with a market share of CDSL at about 71% compared to 64% in Q1 of 2021-2022.

The growth has been possible because of our focus on technology and CDSL's reach which covers about 98% of the pin codes in India through over 20700 service locations. Having said that while the Indian securities market has increased remarkably over the past few years, only a small minority of the population -7%- have DMAT accounts, signifying great potential for expansion in this area. Simply put India is a long way from being fully penetrated by the securities market and large portion of the population still does not have access to the securities market.

We have been following this path for a long time and our technology has been continually evolving to fit the needs of our various clients and the investors. We are working with the regulator and various other market infrastructure institutions to build various platforms for all market participants and we continue to take a cue from the Honorable Prime Minister speech earlier this month during the launch of the digital India platform. Hence the emphasis on technology will enable us to remain part of this transformation which India is witnessing.

We aim to leverage our reach and continue a long-term strategy of investing in our technology infrastructure to ensure our investors and customers enjoy best in class experience and security, while staying consistent with our values of being convenient, dependable and secure. As India celebrates the 75th year of Independence, while we find ourselves at a crossroad, whether the decision we make today will shape the future we build tomorrow, further reflect on our past efforts that we have spent years constructing this future that is defined by our steepest commitment of better to India, our shared objective to empower every Indian through financial independence making them an 'Atmanirbhar Niveshak' and the opportunity to build a better economy for all Indians.

Considering this a long-term goal at CDSL is not only to grow individually but to grow collectively as responsible contributors to the growth of our nation. We will also need to learn how to serve our nation in ways that are most effective. To achieve the same, CDSL as a market infrastructure institution will continue to deliver on our promise of making the securities market a continent and secured place.

Finally I would like to take this opportunity to thank all our stakeholders -, Regulators, Investors, Issuers, The Registrar and Transfer Agents, Depository Participants, partners, associates and employees who have played an extremely important role in the growth of our company. Now I request our CFO, Shri Girish Amesara to take you through our financial performance.

**Girish Amesara:**

Thank you, Nehal. Good morning to everyone. On a Y-o-Y performance the consolidated total income for the quarter ended June 30, 2022 has increased by 16 Crores which is 12%

increase to an amount of ₹ 145.49 Crores compared to ₹ 129.79 Crores for the quarter ended June 30, 2021.

The net profit on a consolidated basis for the quarter is achieved at ₹ 57.61 Crores as against net profit of ₹ 63.99 Crores for June 2021.

The total income on a standalone basis for the quarter ended June 2022 and has increased by ₹ 35.83 Crores which is 29% increase to an amount of ₹ 157.52 Crores as against ₹ 121.69 Crores for the quarter June 2021. The net profit on a standalone basis for the quarter ended June 2022 is at ₹ 89.10 Crores as against ₹ 73.30 Crores for the quarter ended June 2021.

Now I shall request Shri Sunil Alvares to give an update about the operations of wholly owned subsidiary, CDSL Ventures Limited. Thank you. Over to you Sunil!

**Sunil Alvares:**

Thanks Girish. Good morning everyone and thanks for joining this investor call of CDSL. So far as CDSL Ventures was concerned, the operational income was down by 2% as compared with Q1 FY2022. The operational income in Q1 FY2023 was ₹ 27.67 Crores as compared to ₹ 28.11 Crores in Q1 FY2022.

Other income took a substantial hit as in Q1 FY2023 income was just ₹ 23 lakhs as against ₹ 2.74 Crores in Q1 FY2022. The total income was down by 10% to ₹ 27.90 Crores as against ₹ 30.86 Crores. Profit before tax for Q1FY23 was ₹ 14.17 Crores as compared to ₹ 18.84 Crores in Q1FY22.

So far as the core business is concerned in terms of KYC creation CVL added 30 lakh new KYC records as compared to 29.37 lakhs in Q1 FY2022 taking the overall KYC records to 4.61 Crores as of June 30, 2022. So far as KYC fetch was concerned there was a marginal drop by 6% in line with the total market conditions. In terms of KYC interoperability it was higher by 42% to 3.52 lakh KYCs as compared to 2.44 lakh KYCs last year.

In the RTA space, we have added 30 companies taking the total number of companies to 870 similarly, from GST filings we were higher by 14% at 55.48 lakhs as compared to 48.86 lakhs in Q1FY22. With this I open the floor for questions and we would be very happy to take any questions.. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Prakash Kapadia from Anived Portfolio Managers. Please go ahead.

**Prakash Kapadia:** Thank you for the opportunity. Couple of questions from my end; Sunil, if I look at the KYC business the subsidiary business past two years we have seen a 2% revenue decline you mentioned in your opening remarks the additions in the fetches were less so is the revenue declined due to some pricing mix or some competitive pressure or is it just lesser fetches from the mutual fund industry if you could give us some sense?

**Sunil Alvares:** It is a combination of all. There is pricing pressure because of the competition as well as lower fetches because so far as the KYC business is concerned around 80% of the income would come from fetches.

**Prakash Kapadia:** Because that volume is less you are saying that affected?

**Sunil Alvares:** Absolutely.

**Prakash Kapadia:** This KYC fetch would be the largest contributor to our subsidiary business right though the others are still relatively smaller?

**Sunil Alvares:** Yes, the other business are in a nascent stage.

**Nehal Vora:** To add to what Sunil is saying is that there is an overall market sentiment also if you see in this quarter. There has been muted volume in the overall market picture so obviously that kind of derives its business from there it is a function of the overall market participation.

**Prakash Kapadia:** But, on the other side the depository segment has still grown 26%. if you could give us some sense of despite capital markets being volatile, despite the cash volumes being lower what has driven this revenue growth for us or if Girish has the numbers handy in terms of the key revenue items that will give us more clarity?

**Nehal Vora:** Second is CDSL has a function of two principle sources of revenue one is obviously the market related revenue and second is the annuity which we received from company so in overall both of them and also basically IPOs and the corporate actions etc., which is in a way not directly related to markets but it is connected to markets. So it is a function of both these that which are strictly directly related to the market volumes and some which are kind of an annuity base and that is why the culmination of CDSL's revenue mix is a combination of both these factors and therefore that has led to a 28% increase.

**Prakash Kapadia:** On the employee cost there was a ₹ 10.86 Crores payout to subsidiary what was that and to which subsidiary and was there some milestone to that and even if I exclude that from the base employee costs are up almost 25%, 26% so is it due to the annual bonuses and hikes which are captured in this quarter kind of a cost for employees?

**Nehal Vora:** Yes, basically it is not to subsidiaries it is on account of the bonus and hike . So it is all linked as per what is our internal policy

**Prakash Kapadia:** And given that most of this is there in the base the addition to employee cost should be much lower right?

**Nehal Vora:** No, it is a combination. We are even in an expansion mode but there are regulatory responsibilities which are also increasing and our prime focus as MII is to ensure the regulatory responsibilities, that thrust in the system is being built, technology also is our second focus . We have all seen that there have been huge amount of attrition all around especially in the IT sector but also in the other areas so to get the right people, the right expertise you need to ensure that you adequately compensating.

**Prakash Kapadia:** Lastly the other income has fallen by more than 50% what would be the M2M impact or the hit you would have taken because of rising interest rates if you could quantify Girish?

**Girish Amesara:** If you compare our quarter-to-quarter last quarter we had an Mark to Market income of investment income of almost ₹11 Crores, this year we have closed at ₹ 4.75 so the difference you can consider as M to M hit.

**Prakash Kapadia:** I will join back the queue for more questions. Thank you.

**Moderator:** Thank you. The next question is from the line of Madhukar Ladha from Elara Capital. Please go ahead.

**Madhukar Ladha:** Thank you for this opportunity. Good morning Sir. can I get the revenue breakup in terms of annual issuer charges, transaction charges, IPO and online data charges for the quarter, that would be helpful. Second one thing I wanted to understand that the standalone net profit is about 89 Crores and the consolidated net profit is at about 57.6 Crores I can see that there is 9 Crores of loss from associates coming in so that would still need a difference of about 23 Crores so which is a negative item. So is the subsidiary for the contributing a negative amount of about 23 Crores is that right.

**Nehal Vora:** I just ask Girish to answer.

**Girish Amesara:** First to answer your question on the standalone profit in this quarter we have received dividend from our subsidiary CDSL Ventures Limited of ₹ 41.50 Crores that the reason standalone profits are higher and this dividend gets eliminated on consolidation so consolidated profits are lower. Answering your breakup of income, we have reported annual issuer income of ₹ 45.23 Crores in this quarter, transaction charge of ₹ 40.81 Crores, KRA/

KYC charges at ₹ 22.54 Crores, IPO corporate action income of ₹ 14 Crores, CAS income of ₹ 4.5 Crores, e-voting income of ₹ 2.84 Crores. this breakup covers almost 90% of our operating income.

**Madhukar Ladha:** I will just go through the presentation and if I have any questions I will come back in the queue. Thank you.

**Moderator:** Thank you. The next question is from the line of Sanketh Godha from Spark Capital. Please go ahead.

**Sanketh Godha:** Thank you for the opportunity. Sir we see that the annual issuer charges substantially increased in the current quarter to almost ₹ 45 Crores which last year, quarter was in the range of ₹ 20 Crores to ₹ 29 Crores so just wanted to understand what led to this growth and how do we see this number to payout for subsequent quarters so it should broadly remain the same range going ahead?

**Nehal Vora:** This is more linked to the overall newer companies getting added to the fold also the newer investors coming into the fold. It is a combination of this which kind of has led to an increase in the annual issuer fees and so the reply to that is it.

**Sanketh Godha:** Even it is more sticky or annuity in nature, so this number should remain same for subsequent quarters to for the year because we believe some of these happens at the start of the year.

**Nehal Vora:** Yes, we do not give any future guidance.

**Sanketh Godha:** Can we get this breakup of ₹ 45 Crores I think you have given that number to the past due broken down into listed and unlisted companies?

**Girish Amesara:** Income from unlisted company is ₹ 1.47 Crores in this quarter.

**Sanketh Godha:** One more data keeping point I believe you said the transaction income was to the tune of ₹ 40.8 Crores so again just wanted to understand how pledge income is behaving compared to the numbers what we have delivered in the past so to the extent I remember it was closer to ₹ 4 Crores in last quarter so can we get a single number in current quarter?

**Girish Amesara:** So income from pledge is ₹ 3.41 Crores in this quarter.



**Sanketh Godha:** Just again on the same question on the employee cost even if we knock off the performance bonus kind of a thing still that number around ₹ 15 Crores seems to be higher compared to the quarterly run rate of ₹ 13 Crores what we paid in previous four quarters. So even if I adjust for the inflation and all those things it seems to be still on the higher side. Sir just wanted to understand is that the employee growth is more because of the new initiatives or the hikes have been very strong because of the very strong last two years that how do we read these number basically?

**Nehal Vora:** I will say that we need to understand that CDSL is on a growth trajectory and two principle costs are technology and employees. So we need the right people and we need to expand our employee teams to kind of garner and able to achieve the increased growth on a sustainable basis both from a business standpoint, the technology standpoint and operational standpoint and lastly but most importantly from an regulatory standpoint. So, I think what is important to state is that as the revenue is growing the employee cost will also have to kind of being link in some form or the other to ensure that it is able to it is sustained the growth is expected.

**Sanketh Godha:** Finally, can you give debtor and provision cost? That is from my side.

**Girish Amesara:** ₹ 3.41 Crores.

**Sanketh Godha:** Thank you.

**Moderator:** Thank you. The next question is from the line of Ravin Kurwa from ICICI Securities. Please go ahead.

**Ravin Kurwa:** Thanks for the opportunity. My question is related to employee cost only so what will be the quarterly run rate which we can expect going forward and some sense on FY2024 also and secondly our other expenditure has also risen sharply so if you can help us to understand which line item has led to the increase in the cost? Thanks.

**Nehal Vora:** We do not give any future guidance so that I will have to kind of pass that is for you to kind of judge. I have given you very transparently the reason why this has led to an increase, and it is in sync in terms of the overall performance of the company. In terms of the other expenses, I will ask Girish to give the breakup.

**Girish Amesara:** First employee cost has increased by ₹ 13.91 Crores, depreciation has increased by ₹ 2.5 Crores, debtors provision has increased by ₹ 75 lakhs, technology cost has increased by ₹ 3.22 Crores, so roughly all this if you look at these numbers this gives the breakup of the incremental cost that we have incurred in this quarter.

**Ravin Kurwa:** Thanks.

**Moderator:** Thank you. The next question is from the line of Santosh Kumar Keshri from Keshri Wealth. Please go ahead.

**Santosh Kumar Keshri:** Thank you so much for giving me an opportunity. I just wanted to ask you two questions. One is that about RTA so you said that there are 837 companies that CDSL group is serving in terms of RTA so if you can give a sense of revenue that is there and the profitability and where do we stand in the market that we are in, among our peer companies do you stand in terms of five top ten, if you can give that and after that I will come to the second question.

**Nehal Vora:** So far as the RTA business is concerned right now we are focusing only on the unlisted companies so to that extent we will not be able to benchmark ourselves as within the top five or top ten because we are not handling any listed public company and typically the RTA revenue is about 1 Crores per annum.

**Santosh Kumar Keshri:** So it is very less as of now.

**Nehal Vora:** That is right.

**Santosh Kumar Keshri:** Sir any reason that we are focusing only on listed companies like we have such an expertise serving larger market participants, bigger companies, all the technologies were with us. We can serve as well the bigger companies and the better service provider in the market place being more trusted so any reason that we are limiting ourselves only to listed companies.

**Nehal Vora:** Yes, because you need very specialized team for this and it is in terms of the graduated approach so if we are trying to achieve that our principal form of business and within CVL is of the KYC registering agency and also serving basically the unlisted space so we want to ensure that our core competence remains and as Sunil mentioned the RTA business is also very specialized business so as we gain the traction and experience we may think about it in future. But as of now our focus remains here.

**Santosh Kumar Keshri:** And lastly my second question had there been no special bonus to employees in the current quarter what would have been the hike in employee cost, if you can give me that number.

**Nehal Vora:** We do not generally disclose the internal workings, what is the analysis of this has actually happened so what is the actual growth is what, and anyway bonuses are payable at the end of the financial year every year and it is a function of the financial performance of the company.

**Santosh Kumar Keshri:** So just want to know, so is this something that is given to all the employees across the board or it has given only to the senior management.

**Nehal Vora:** It is given to all the employees.

**Santosh Kumar Keshri:** That makes me very clear thank you so much. Wish you all the best.

**Moderator:** Thank you. The next question is from the line of Pratik Shah an individual investor. Please go ahead.

**Pratik Shah:** Just want to ask as we all know that we have recently launched our exchange India's first bullion exchange so just want to ask like is there any role for CDSL in that and can we expect some revenue from this current quarter once the operation starts.

**Nehal Vora:** Yes, I think that is a very good question CDSL was as a pioneer in terms of setting up the depository at a gift city but in line with the overall ecosystem consortium of BSE, NSE, MCX, NSE as CDSL was strong to own the gold ecosystem which comprises of the exchange, clearing corporation and the depository. Now therefore the CDSL IFSC has been sold to that consortium and CDSL is now a part of entire consortium so it owns the entire ecosystem and therefore again this is kind of a future guidance so I will kind of refrain from saying whether what will happen in future. But the expectation and the intent behind is that we contribute to the entire ecosystem rather than owning the depository space in the GIFT city which is a new and upcoming area which was recently inaugurated by the H'nable Prime Minister.

**Pratik Shah:** So like CDSL will definitely play a major role in this bullion exchange with our operations right.

**Madhukar Ladha:** Yes, absolutely.

**Pratik Shah:** Okay good luck for the future Sir.

**Moderator:** Thank you. The next question is from the line of Madhukar Ladha from Elara Capital. Please go ahead.

**Madhukar Ladha:** Hi! Thank you for taking my question again. If I look at the online data charges which is mainly the CVL business that is down on a QoQ basis from about ₹ 31 Crores to ₹ 23 Crores I think partly it is lower fetches what are the fetch numbers I think you had said it in the opening remarks but there were two new numbers I missed that and how much has the drop year-over-year and quarter-over-quarter and I believe there is also some pricing pressure and competing technologies as well in the KYC space so can you elaborate a little bit on that in

terms of what are the kind of pricing pressure that we are seeing and some sort of narrative around how the business is evolving more there that will be helpful.

**Sunil Alvares:** In Q1 FY2023 the number of fetches, were 6.58 lakhs as compared in Q1 FY2023 it was 17.06 lakhs. So, if I compare this financial quarter to last year financial quarter it is down by about 6%. Typically, if you see the overall demat and broking accounts since last quarter has been down so since our business is intrinsically link to the number of demat and broking account opened obviously the number of fetches has cut down but the number of records created have been higher by about 5%. So far as the business is concerned the SEBI has recently come up with the KYC amended regulation where the KRAs would be playing a larger role in terms of validating etc., KYC record. So, considering this we are here to choose.

**Madhukar Ladha:** And maybe what would that larger role entail can you describe that little bit more in detail.

**Nehal Vora:** It is overall as a market infrastructure institution ecosystem and KRAs is a part of that entire ecosystem. So this is in line with the building the entire ecosystem were as to kind of ensure a higher financial with the inclusion at the same time convenience and security to be enhanced that is centralized level, so as more and more participants are expected to join the securities market that is supposed to be a part of that entire level of story.

**Madhukar Ladha:** Got it thanks.

**Moderator:** Thank you. The next question is from the line of Deepan from Trustline. Please go ahead.

**Deepan:** Good morning everyone and thanks a lot for the opportunity. So firstly, wanted to understand about annual issuer charges so the increase that you mentioned was due to higher companies addition so can you please mention what kind of company additions happened during past quarter.

**Girish Amesara:** Initially we had told that the increase in annual issuer income is at combination of increase in the investor account so it is a kind of a consolidated thing of the number of companies as well as the number of investors as of now we do not disclose the number of companies which have been added in terms of the annual issuer. So as you see that is a consolidated number.

**Deepan:** Current the price increase and the annual issuer charges business has been due for long time so are we in discussion with SEBI and is it expected anytime sooner.

**Nehal Vora :** Yes, means it is overall in terms of this will be joined initiative of both the depositories so there are numerous things which has happened simultaneously so that we will see as the year progresses as to how it is to be handle.

- Deepan:** So other than GIFT city so any update on other newer businesses what we are working on.
- Nehal Vora:** There is a gold spot exchange in the local market also which the circular has been issued so CDSL is very much a part of that entire ecosystem.
- Deepan:** Okay Sir thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Abhay an Individual Investor. Please go ahead.
- Abhay:** Just two questions one the absolute ₹10.96 Crores of payment to employees do we envisage any payments in any other quarter in this year Sir as of date.
- Nehal Vora:** There is going to be the employee cost every quarter right that the salary cost which happens every day and every month.
- Abhay:** No but in addition to this, I mean, this ₹10.96 is sort of a annual special payment or bonus or whatever so do we envisage basically...
- Nehal Vora:** Normally that is paid at the end of the financial year so in terms of as of now it will go as per what is the routine salary cost and then based on the performance there is performance appraisal done at the end of the year.
- Abhay:** So these costs were not very high in the first quarter of last year so as you are saying a reason is that your annual performance has been very good in last two years therefore the amounts are large and obviously there is a attrition so what is it based on, is it based on annual profit growth or is it based on annual absolute level of profit in a year what will be the basis of payment based on...
- Nehal Vora:** It is a combination of various and it is SEBI has laid down and there is a regulation as to how compensation on the broad thing that needs to be construed and done so it is completely in compliance that there was broad factors which have been put in place.
- Abhay:** So just as a guideline do we take this ₹ 11 Crores paid in the first quarter this year to be some sort of a benchmark and assume similar payments in future first quarters.
- Nehal Vora:** We do not give any future guidance so I am not able to answer that.
- Abhay:** Thank you Sir.

**Moderator:** Thank you. The next question is from the line of Ravin Kurwa from ICICI Securities. Please go ahead.

**Ravin Kurwa:** My one more question was in the transaction revenue which we have built in the quarter what the net income will be.

**Girish Amesara:** ₹ 3.50 Crores.

**Ravin Kurwa:** And what will be that in last quarter.

**Girish Amesara:** you are asking last quarter means March or you are asking June.

**Ravin Kurwa:** March.

**Girish Amesara:** March was something around that only.

**Ravin Kurwa:** So Sir is there any slowdown in the pledge which we are seeing post Q1 FY2023 because market has picked that in March something like that so post that are we think any reduction in pledges which has been taken place right now.

**Nehal Vora:**

**Nehal Vora:** We generally do not provide these number it is at a corrugated value in terms of that revenue which is there.

**Moderator:** Thank you. The next question is from the line of Amit Chandra from HDFC Securities. Please go ahead.

**Amit Chandra:** Hi! Sir and thanks for the opportunity. My question is on the technology spend so you have mentioned that there is increased focus on enhancing the technology and we have increase in the expenses significantly there on the technology so is there any specific areas where we are trying to spend or we are spend to upgrade or increase the capacity and where we can see the technology spend flattening or maybe some projects are still remaining or the process of value now in a sense that where we can see the technology spend stabilizing.

**Nehal Vora:** It is a continuous process of basically evolution because regulation is also getting evolved with newer product, newer processes, newer controls in place. We are building our sustainable long-term solution so that it is flexible enough to kind of incorporate all these challenges both from a regulatory standpoint and also from a business standpoint make it more and more easy as well as efficient for our customers to kind of access so it will be

difficult to segregate between what is new and what is old but it is kind of making the entire technology system more robust as well as more flexible and nimble to kind of cater to the changing requirements both from a regulation standpoint as well as from a business standpoint. So it is a continuous process of kind of reviewing our technology needs and trying to bring in line with whatever is the sophisticated technology systems of the world.

**Amit Chandra:** And if you can provide the total of all of the employees that you have in the standalone entity and CIRL, CDSL Ventures Limited and how that number of employees have increased over the last two years.

**Girish Amesara:** See as of now as on June quarter we have the count is 250 and in March we had account of 246 last year June the count was around 219.

**Amit Chandra:** And in terms of the newer initiatives mostly on the insurance repository side and will be come out your repository side what is the progress amount any developments are there?

**Nehal Vora:** No, so we are kind of be ready with our systems in terms of our commodities we are talking about the gold spot right.

**Amit Chandra:** No so the Commodity Repository Limited CCRL and CIRL.

**Nehal Vora:** Yes, so that continuous to evolve I think there is some changes in the act which are pending with the Honorable Parliament, but we are continuously evolving ourselves to be in sync with whatever are the changing requirements and as soon as that act is passed then that will kind of change the entire way of governing things significantly.

**Amit Chandra:** And in terms of the revenue contribution how much is initial depository contributing if any what was that number, please.

**Nehal Vora:** Yes, I will ask Girish it is not significant as of now but I will ask Girish.

**Girish Amesara:** It is less than 1%.

**Amit Chandra:** Even the other cost of revenue like the revenue booking which was and AGM which was there.

**Girish Amesara:** I think you are talking about e-voting.

**Amit Chandra:** Yes.

**Girish Amesara:** E-voting income is ₹ 2.84 Crores in this quarter.

**Amit Chandra:** And in terms of the AGMs also because of the last year it was COVID year so the virtual AGMs were deferred so in this year we can see gross in that revenue if you can quantify what was the contribution of AGM revenue in the last year numbers YoY if you can give that e-voting and AGM.

**Girish Amesara:** As of now I think there is an option given for holding the meetings through VCs we will have to wait and see as to how it culminates by 30th September.

**Moderator:** Thank you. The next question is from the line of Kunal Thanvi from Banyan Tree Advisors Private Limited. Please go ahead.

**Kunal Thanvi:** Thanks for the opportunity. Two question, the first one was a book keeping one if you can help us with the cash basis revenue for this quarter and second was on our transaction income so if you look at the overall cash volumes in the market and the settlement volumes there has been a sharp fall in last two three months looking at the market session when we look at CDSL's transaction income the fall has been not that bad like comparatively it has been resilient so what should one read into it is it because of the rise in the pledge business or any other sector that played in that respect if you can help me us with that. Thanks.

**Girish Amesara:** CASincome is ₹ 4.5 Crores in this quarter.

**Nehal Vora:** And the second question is the reply to that would be that it is a combination it is a lot of the newer investors coming and I think the delivery based volume is what has been there it is a combination of your pledge, re-pledge, the delivery based volumes which constitutes the transaction charges the entire way of doing things is significantly being modified so there are multiple legs which are there in the entire market cycle so you will have to see that in that sense so your initial remark that this pledge re-pledge that is part of it but it is also delivery based volumes etc. and the newer people coming in which is leading to a higher level of delivery based volumes.

**Kunal Thanvi:** So even if I look at the delivery based volumes right which is the settlement volume that SEBI gives on there that based on their website the fall for this particular quarter for both depositories has been very higher like if I look at even since CDSL the fall has been now 36% on a Q-o-Q basis whereas when we look at the revenues for transaction income the fall is 22% for CDSL on a Q-o-Q basis so the differential is like quite large so is it like apart from...

**Nehal Vora:** Pledge re-pledge system I think that would be one of the principal factors there are other ancillary factors but this is one of the principal.



**Kunal Thanvi:** And last one if I can squeeze is on the annual issuer charges sorry I joined the call late if you can help us understand the sharp increase in the annual issuer charges, more number of companies getting added but when I look at our last four, five quarters number we can figure out that the addition has been there for while now like we have been adding decent number of companies every quarter what has changed in this quarter particularly both on a Q-o-Q and a Y-o-Y basis because the jump has been very sharp like is it that building cycle comes in this quarter enhance this numbers that how should one read into it.

**Nehal Vora:** Yes, so the billing normally happen in the first quarter of every year so you should look at it from that perspective and quantum is a function you joined late this question was asked earlier so we have already replied to this it is a function of newer companies joining and number of newer investors which I have also joined the ecosystem it is combination of that which it leads to the increase in the annual fee issuer.

**Kunal Thanvi:** Sure, so there is no impact of pricing as of now it is just the volumes that have. Okay thanks Nehal and all the best for future.

**Moderator:** Thank you. The next question is from the line of Narendra Porwal an individual investor. Please go ahead.

**Narendra Porwal:** Sir my question is that when the month end is there, the customers who have opened the repository account, we just give them two or three days late, every time, and when all the auto companies are there, they give on the 1<sup>st</sup>. Today also it happened that in your website, it is not updated and from the NSE website, is also not updated, why do we do like this, since this is a digital age, when the customers who were there on 30<sup>th</sup>, 31<sup>st</sup> June, they were 6 lakh Crores, this month, how much have been added, whether we will get to know about that tomorrow or 3<sup>rd</sup>, because our announcements are coming late two or three days, why do not have such kind of technology, that would give us some update on the number of customers in that particular month. This would be very beneficial for us.

**Nehal Vora:** From our side, CDSL, we update it immediately, that has been the regular practice.

**Narendra Porwal:** I have opened the website, but there is no update, if it had opened, then I would not have questioned. I am checking it every month.

**Nehal Vora:** If you allow me, then only I can answer to your question. What I am trying to tell you is that whatever is the end of the month numbers that only comes on the first of each month we do not update on a daily basis that is the standard operating procedure and that is followed by both the depositories, CDSL has been extremely prompt in ensuring that his numbers are always put out on the first of the month without fail so if you are facing some issue or you

want to see that and you can send us an Email we will send you the link etc., where you need to look at it.

**Moderator:** Thank you. The next question is from the line of Anoop Biswas an individual investor. Please go ahead.

**Anoop Biswas:** Thank you Sir for giving me the opportunity. I also joined late I am questioning on the annual issuer charge so has annual issuer charge now SEBI Rs.11 is there, during your last quarter also you informed us that we have done two exchange in SEBI and after that it will be updated. So, what is your thinking about it?

**Nehal Vora:** The thinking is that this will have to be a joint proposal, has to be approved by SEBI and generally the overall trend is not to increase the charges all over but however it is in line with whatever is really the inflation etc. We have to see that SEBI will take its own call as to what has to take into consideration all the conditions of the markets so far it is really proposal there we have to wait and see.

**Anoop Biswas:** Last thing is in the 1995.

**Nehal Vora:** No, 2015.

**Anoop Biswas:** Okay thank you very much Sir.

**Moderator:** Thank you. The next question is from the line of Prateek Shah an individual investor. Please go ahead.

**Pratik Shah:** Thank you for taking my question again. Sir at the end of last quarter we have declared Rs.15 dividend, right? So, is this the 60% of operating profit as we have at fixed dividend policy so just want a confirmation on that?

**Girish Amesara:** It is 60% of the net profit and it would be paid after the shareholders approve it.

**Pratik Shah:** Thank you.

**Nehal Vora:** Just on the previous question I have just got an update from my team that some days the numbers are getting updated by second or third also on some of the days that is basically the process of internal reconciliation sometimes is done so we will try to move towards coming on the first so thank you for pointing it out.

**Moderator:** Thank you. In the interest of time that was the last question. I would now like to hand the conference back over to the management for closing remarks.

**Nehal Vora:** I just wanted to ensure that all of you remain safe continue to remain safe there are lot of health hazards which keep on seeing as news so ensure that your family remain safe and secure and our intent of CDSL is to ensure that we continuously build India as a new kind of an ecosystem and want to partner in the growth of the entire ecosystem that has been our focus from an technology standpoint. Thank you.

**Moderator:** Thank you. On behalf of Axis Capital Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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*Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.*