



Central Depository Services (India) Limited

CDSL/CS/NSE/PSB/2022/81

May 06, 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 May 02, 2022

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

With reference to our intimation dated April 28, 2022 for scheduling of conference call on May 02, 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

This is for your information and record.

Thanking you.

Yours faithfully

For Central Depository Services (India) Limited

Nilay Shah
Group Company Secretary & Head Legal
Enclosures: As above

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“CDSL India Limited
Q4 FY2022 Earnings Conference Call”

May 02, 2022



ANALYST: MR. ANSHUMAN SINGH - AXIS CAPITAL LIMITED

MANAGEMENT: MR. NEHAL VORA – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER - CDSL
MR. GIRISH AMESARA – CHIEF FINANCIAL OFFICER- CDSL
MR. SUNIL ALVARES – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER - CDSL VENTURES LIMITED
MR. RAMKUMAR - CHIEF OF BUSINESS DEVELOPMENT, OPERATIONS & NEW PROJECTS- CDSL
MR. AMIT MAHAJAN - CHIEF TECHNOLOGY OFFICER - CDSL
MRS. NAYANA OVALEKAR - CHIEF REGULATORY OFFICER - CDSL
MR. VINAY MADAN - CHIEF RISK OFFICER - CDSL
MR. NILESH KITTUR – ASSISTANT VICE PRESIDENT - CDSL

Moderator: Ladies and gentlemen good day and welcome to the Q4 FY2022 earnings conference call of Central Depository Service (India) Limited (CDSL). This call is 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 set on this call which reflects CDSL’s outlook for the future or which could be constructed as forward-looking statement must be viewed in conjunction with the risk that the company faces. I now hand the conference over to Mr. Anshuman Singh from Axis Capital. Thank you and over to you Sir!

Anshuman Singh: Thank you Margaret. Good morning everyone. On behalf of Axis Capital a very warm welcome to the Q4 FY2022 conference call of CDSL. We have the management team of CDSL represented by Mr. Nehal Vora, MD and CEO, Mr. Girish Amesara, CFO, Mr. Sunil Alvares, MD and CEO, CDSL Ventures Limited, Mr. Ramkumar, Chief of Business Development, Operations and New Projects, Mr. Amit Mahajan, Chief Technology Officer, Mrs. Nayana Ovalekar, Chief Regulatory Officer, Mr. Vinay Madan, Chief Risk Officer, and Mr. Nilesh Kittur, AVP. Without further ado I would like to hand over the call to the management for their opening remarks post which we will open the floor for Q&A. 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 for the fourth quarter and the full year financial year that has ended on March 31, 2022. As in the previous quarters we have posted a detail presentation on our website for your reference. I am joined by the CDSL Group’s Leadership team. Our company has continued progress on its strategy, there is the acceleration of core operating income and providing ease of doing business to all market participants. As a result, we saw a year-on-year growth momentum continuing in Q4 with an improved earning’s quality as compared to Q4 of the previous financial year. For FY2021-2022 we delivered a strong growth of 65% on the standalone profits which stood at Rs.264 Crores. We are happy to report that following these results our Board of directors have approved a final dividend of Rs.15/- per equity share for FY2022 subject to the approval of the shareholders which is the highest ever in the history of the company.

During the year in February 2022 we crossed a milestone of Rs.6 Crores demat accounts as on March 31, 2022, the total number of demat accounts in India stood at Rs.8.97 Crores out of which CDSL accounts for about 70%, furthermore the number of active companies with

CDSL as on March 31, 2022 stood at about Rs.18268 Crores which is an 11% annual increase from the number of active companies as on March 31, 2021. The value of securities in demat custody with CDSL as on March 31, 2022, stood at about Rs.37 Lakh Crores which is an increase of about 35% from the value held as on March 31, 2021.

All these numbers and statistics are an encouraging testimony of the success of our efforts of making technology simple and trustworthy for all market participants. In summation and as mentioned in our earlier interaction, our aim remains to provide services that empower and protect every investor making him truly self sufficient. I am proud of the consistency that CDSL has been able to deliver its transformation journey. With the inclusion of eDIS or the electronic delivery instruction slip, margin pledge system and other regulatory changes over the past year. The entire financial system of Indian securities market has grown to be convenient, dependable and secure. Moreover, to make informed decisions, to be aware of your rights and to be safe while being part of the Indian securities market the CDSL investor protection fund in association with SEBI and other market infrastructure institutions and DPs have conducted 178 investor awareness programs during FY2022. Finally, I would like to take the opportunity to thank all our stakeholders, regulators, depository participants, investors, issuers and other market participants and employees for their constant faith in us. Now may I request our CFO, Shri. Girish Amesara to take you through our financial performance. Over to you Girish!

Girish Amesara:

Good morning to everyone. On a Y-o-Y performance the consolidated total income for the quarter ended March 31, 2022 has increased by Rs.38 Crores which is 34% increase over previous quarter to an amount of Rs.148 Crores compared to Rs.110 Crores for the same quarter previous year. The net profit on a consolidated basis for the quarter ended March 31, 2022 has increased by Rs.26 Crores which is 51% increase to an amount of Rs.78 Crores as against Rs.51 Crores for the previous year same quarter. The total income on a standalone basis for the quarter ended March 31, 2022 has increased by Rs.24 Crores which is 28% increase to an amount of Rs.119 Crores as against Rs.85 Crores achieved during same quarter previous year. The net profit on a standalone basis for the quarter ended March 31, 2022 has increased by Rs.17 Crores which is 39% increase to an amount of Rs.58 Crores as against Rs.42 Crores for the previous quarter same year. Now I request Shri. Sunil Alvares to give you an update about the operation of our wholly owned subsidiary CDSL Ventures Limited. Thank you. Over to you Sunil!

Sunil Alvares:

Thanks Girish. Good morning everyone. On the CDSL Ventures side the company continued to do well on the KRA creation. We added Rs.1.5 Crores new accounts which was a growth of 127% over the previous year where we have added 65 Lakhs in the previous year. On the fetch side we added around 3 Crores 38 lakh records as such as compared to 1.5 Crores last

year which was a growth of 125%. On eKYC front we processed 32 lakh records as compared to 13 lakh records which was a growth of around 143%. On the RTA front we added 175 companies taking the total number of RTA companies to 840 as compared to 665 in the previous year. On the GST front we processed 2.33 Crores records as compared to 2.6 Crores in the previous year, which was drop of 27 lakh records, a drop of 11%. Basis this the total KRA records in CVL as of March 31, 2022 is 4.3 Crores and the operational income for CDSL Ventures Limited for the period FY2022 was Rs.134.93 Crores as compared to Rs.71.9 Crores for FY2021, which was a growth of 88%. The total expenses increased by Rs.18.24 Crores from Rs.32.65 Crores in FY2021 to Rs.50.90 Crores in FY2022, which was an increase of 56%. The profit before tax has increased by 89% from Rs.51 Crores in FY2021 to Rs.96.32 Crores in FY2022. Total profit after tax for CVL for FY2022 was Rs.73.09 Crores as compared to Rs.39.28 Crores in FY2021 which was a growth of Rs.33.82 Crores for a growth of 86%. With this now I open the floor to the questions of the participants.

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: Thanks for the opportunity. Congrats to the team on the good performance. Couple of questions from my end. If I look at the annual employee cost of Rs.50 Crores does it include variable or salary increase or will it get reflected in FY2023 that is my first question, the second question is other income has declined 4% for the year, so if you can quantify the mark-to-market impact on fair value due to our investments and lastly of the 4.3 crore KYC records we have seen a huge jump Sunil did mention in his opening remarks about fetch and KYC so that is a huge jump from Rs.2.84 Crores records last year so if you could give some color on market share gain in terms of SIPs, new folios and is it more fetches, so if you could some qualitative flavor that would be helpful?

Girish Amesara: On the employee cost on an average we have given an increment of 9.5% and roughly the cost of increment, promotion and employees who have joined during the year and those who have left is around Rs.6.5 Crores and in previous year in financial year ended March 2021 we had a reversal of expenditure pertaining to variable pay of 2019-2020 amounting to an amount of roughly Rs.2.5 Crores. So if that expenditure was not there our increase would have been only Rs.6.5 Crores and provision with respect to actual evaluation, so this explains the increase in the employee cost and in terms of mark-to-market gain, whatever decrease that you see it is pertaining to mark-to-market valuation.

Prakash Kapadia: If you have that figure ready in terms of what is the absolute number if that is readily available due to rise in interest rates?

- Girish Amesara:** If you compare last year's treasury income and this year treasury income from our presentation you will notice the difference and the difference is only on account of mark-to-market.
- Prakash Kapadia:** So it is fair to say we will have the employee cost increase starting Q1 onwards in this financial year?
- Girish Amesara:** The normal increment promotion that we may give would be there and as I explained during 2021 there was a reversal because of that, that year expenditure is showing less.
- Sunil Alvares:** On the market share for the KRAs currently the figures of none of the KRAs are published in the public domain so we really would not know exactly what is the market share and the second question is what amount of accounts attributed to mutual funds, etc., again that would not be known because the fetches happen both by AMC as well as by brokers who open broking cum demat accounts and also these demat accounts take credit of mutual funds so it is very difficult to give you any breakup on that.
- Prakash Kapadia:** Sunil you did mention fetch side there were 33.8 million records what was that KYC record number if you could just repeat that?
- Sunil Alvares:** On the fetch side we had 3.38 Crores fetches.
- Prakash Kapadia:** Right and that you said was 125% increase on a year-on-year basis?
- Prakash Kapadia:** On the KYC side also there was a number which you mentioned in the opening remarks?
- Sunil Alvares:** On the creation side yes that was Rs.1.5 Crores as against Rs.65 lakh for the previous year.
- Prakash Kapadia:** Fine I have some more questions, I will join back the queue and congrats to Nehal for the best CEO award.
- Moderator:** Thank you. The next question is from the line of Madhukar Ladha from Elara Capital. Please go ahead.
- Madhukar Ladha:** Good morning. Thank you for taking my questions. I have a few questions. First is continuing on the earlier participant's question on employee cost so I just wanted to clarify my understanding so this year net-net we see on a running basis Rs.6.5 Crores increase in employee cost for FY2023 and this probably does not take into account the change in bonus so FY2022 bonus will come into FY2023 so the difference is variable pay between FY2022 and FY2023 will also impact employee cost in FY2023 so what would be that amount because

that would be sort of the approximation for next year's employee cost, will I be right on it so Girish if you could answer on that?

Girish Amesara: Just to clarify what I had said that on an average increment, promotion and employees those who have joined during the year and left the net cost increase to that was around Rs.6.5 Crores, now this amount also included the variable portion which has been provided in this financial year and what I had told was that in previous year in March 2021 there was a reversal of variable pay of around Rs.2.50 Crores that has reduced the expenditure of the previous year that is the reason this increase is showing at 22%.

Madhukar Ladha: Got it. The other thing I notice that last couple of months if you see our share in incremental demat accounts have come off a little bit so any color on what is happening in the market?

Nehal Vora: These are all market dynamics I do not think it has come off it is ranging, it ranges in that particular range and I think is in sync with that so I do not know how you made that comment that it has come off.

Madhukar Ladha: In the sense that if I look at incremental demat accounts for March 2022 and 2023 so we were like in the 85% to sort of 90% range in most of last year, but in February and March we see that sort of drop off to below 80% so is there something incremental to read on or is it just sort of?

Nehal Vora: These are all market dynamics I do not think we are able to put any specific reason and I have said this earlier in many investor calls the focus of the management team more than the numbers is to provide a seamless platform, we are a financial infrastructure company so to ensure that it is seamless and creates a value add and then leave it to the market to gauge which is a better value proposition, so our intent is not to worry too much about numbers going up or down the important thing is to ensure a seamless financial platform.

Madhukar Ladha: So the other question I had was on the cost slide which you have included so there is a regulatory cost line item and so is this just the contribution to the investor protection and education fund or is there anything more in this as well?

Girish Amesara: So regulatory cost consists of amount that is required to be paid to investor protection fund, fees that we are supposed to pay to SEBI and incentives that we are supposed to pay to DPs based on SEBI circular. These are the three main components out of which IPF is the largest contributor.

Madhukar Ladha: I understand on the KYC side when we do Aadhaar based KYC versus the SEBI way of doing KYC which the four agencies are the KRAs for there is a difference in economics so can you

explain what the difference is, so I believe we get about Rs.30 to Rs.35 per fetch in the KRA versus the Aadhaar based KYC those amounts are different so can you just explain the economics a little better?

Sunil Alvares: In which way you have to do a KYC through the KRA okay and for creation we charge Rs.20 and for fetch it is Rs.35. Aadhaar based KYC is one of the ways of adding to the KRA KYC so the KYC form asks for a lot of information. The information which is fetched from Aadhaar apart from that there are other information also which is added and then the record is pushed into the KRA.

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

Kunal Thanvi: Thank you for the opportunity and congratulations Nehal for the award that you won you certainly deserved it. My question was from a longer term perspective like when we look at CDSL and the depository as a business of the whole last two to three years have been phenomenal with the retail participation going very high and the same was true for all the market, but if you see what has happened recently is that the retail participation is coming off in global markets especially with the way markets have been behaving in the last six months, this is certainly a moderation, now if the similar trend happened in India with retail participation moderating or coming down then certainly it will have a short term impact on depository business because of the cyclicity, I wanted to understand how do we look at it from three to five years perspective in terms of cycles and secondly what are the other businesses that we kind of feel could somehow negate any adverse elongated slowdown in the retail participation over the next two to three years that is my first question?

Nehal Vora: I think basically the market participation is something which is going to have an impact on the entire market infrastructure institution space, stock exchanges, depositories and clearing corporations. If you see our revenue streams are basically two-fold one is the issuer income and second is the market participants, the DPs transfers, which they pay to us as fees, so one is kind of really an annuity which ensures that the company has a steady flow of revenue and second is kind of a market driven income. The way I see it is and this is strictly my personal view because as CDSL will not be able to give a view on the future but since you asked me on the trend the way I see it is that today about only 7% to 8% of the population is participating in the securities market. As we move forward technology is going to play a huge role in connecting the dots and giving access to a lot of investors in the remote part of India and to the other cities which they have not been to able to do because it is the ease of doing business and therefore as the participation grows you are going to have more and more people. Also, India is a younger population so lot of them are going to come into the income range

where saving is going to become more market driven. Now the government guarantee schemes are becoming far and few so for their own savings they have to come back to market driven products and that is going to obviously increase the participation in the securities market or expected to increase the participation in the securities market. The second part is that as the startup culture in India is growing, more and more companies will need to access the securities markets to raise their share capital and that is going to come out with newer IPOs. We are going to have the LIC IPO coming in the next one or two days and there are others which are expected in the pipeline, so more and more companies are going to come into the securities market pool and that will have an impact on the overall secondary market also in terms of the volumes and the third is there are new products which are coming in, for example gold and other precious metals, so these are all the newer assets which are going to come in with now the commodities markets both the derivatives market and the spot markets being regulated by a single regulator and that is the securities regulator also so there is going to be the transformation of using the reforms of securities market into the commodity space also. So these are some of the newer assets which will come in and then there could be an interplay which is happening. Also, the mutual funds are coming out with newer types of schemes and products, so that is also expected to probably increase over a period of time the participation in the securities market.

Kunal Thanvi: Sure and when we see new products you mean like gold and precious metals like the commodities also coming under the demat fold the way they are for the securities and with mutual funds coming with multi asset kind of scheme the liquidity in those products also?

Nehal Vora: Yes.

Kunal Thanvi: Got it. Thank you.

Moderator: Thank you. The next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

Prayesh Jain: Good morning, everyone. Congratulations on a great set of numbers and congratulations Nehal for the best CEO award. Two questions from my side. Firstly, could you throw some light on the transaction charges my understanding is they must be revised of course so what is the status on that? Secondly on the technology cost that seemed to be growing linearly and they have been rising consistently is there a variable element there and how should we see this going ahead and lastly from a more business perspective do you see any impact of any opportunity coming in from the account aggregator framework to benefit CDSL in any form those are my three questions? Thanks.

Nehal Vora: So your first question is about the revision in the transaction charges that is something which has to be jointly done by the depositories and subject to SEBI approval. We have had COVID years, so obviously there has been a general push back in any increase in charges overall, so we will see an opportune time and see what the sense is of with the regulator in terms of whether this should be increased or not and then we will take a call on that. The technology cost so I think we are finally applied technology company and technology and human resource are going to be the two principle costs for this company going forward, so we need a specialized human power as well as specialized technology and technology is going to be the key driver, though it has been increasing linearly over the last two or three years the revenue has kind of not increased on a linear scale it is kind of in an exponential scale and that is one of the key drivers that it allows a lot of people to participate into the entire fold, entire depository system and the securities ecosystem bringing in a lot of trust into the entire way of doing things, so a person from the remotest corner of India receives his securities and money on a T+2 basis, on a consistent basis which is a huge kind of a fillip in building the trust so I think we need to kind of continuously invest in our technology because the scale is growing as I said earlier we are only about 7% of the population and the important thing is that our technology is being built in a manner so that it is physically scalable, so if the volumes grow we are easily able to increase the infra in it and the security angle also is a very important part so these are some of the important components of our business which needs to be continuously invested and your third question on the account aggregator it will have to be seen there has just been an announcement we will have to see the exact details, but yes there is going to be an overall interplay happening between the various asset classes so it is expected to kind of have a more participation of those people in the country who have not been traditionally in the securities markets base but in the other markets like the insurance or the banking, etc., and that kind of an interplay may lead to could lead to some increased participation also.

Prayesh Jain: My question was more on the last part my question was more on will CDSL be a financial information provider in any form?

Nehal Vora: That is what I am saying that it is too early to say anything because we want to see what the details are and then kind of assess and what shape and form it will come out finally then we will kind of assess, but our intent is to ensure that we provide a seamless platform, and our intent will be to continue providing that platform whichever form.

Question: Thank you all the best.

Moderator: Thank you. The next question is from the line of Paresh Sangani from Club Millionaire. Please go ahead.

Paresh Sangani: Hi Nehal congratulations on the CEO award to you and your entire team you guys deserve it. Now I have three questions on my mind. First and foremost is we find the details of the electronic insurance policy as well as the warehouse entries are missing in the presentation this time so requested that could also be provided on a quarterly basis and I also wanted a colour on that in terms of how is that business progressing and what are the key variables for the insurance policies and the warehouse if you kind of take traction that will be the first question?

Nehal Vora: You can just give me all the three questions so I kind of answer?

Paresh Sangani: Great the second one is in terms of we have been speaking up a couple of years about having all the financial assets in one place through the demat account so any other product category that will be part of the demat account for example postal deposits or any government bonds for that matter any discussions on that area because it has been a promise that we have been having for quite some time and the third one would be how is the traction on the digital e-signatures it has been nearly three or four months that we would have ruled out what is the kind of monthly run rate are we getting that, how is that shaping out as well? Thank you.

Nehal Vora: On the insurance policy I think it is a product of the future and any reform in the market requires that kind of buy in by the requisite people who are participating so insurance traditionally has been a paper based kind of product and now it is slowly moving from paper based to e-product; however, it is not made compulsory, it is made optional, so I think one there is a critical mass which moves then probably the policy makers and regulators would think of kind of making it only the e-way of doing things rather than paper based way of doing things so we will see that as we go forward.

Paresh Sangani: No, the numbers have not been put out in the presentation for some reason.

Nehal Vora: I will just check with my finance team as to what we can permit it etc., and based on that but these are products of the future both the commodities repository as well as the insurance repository. The numbers may not look too big at this stage but our intent is to kind of continuously stay invested in the products of the future and there is a kind of integration happening between the security space and the commodity space and the insurance space so I think now with really Aadhaar and pan linkage happening that becomes a common field across all these asset classes and that becomes an important component to kind of link up various financial products. This is kind of even answering your question on the other one where all financial products so from a technology standpoint we are equipped to kind of add all the financial products, the banking, insurance, pension, etc. Very recently we have worked with pension regulators and a part of our consolidated account statement now the pension as

well as securities coming as a single statement and that is something which I think is being worked upon. Policy makers are actively engaged in kind of taking this forward, but obviously the nuances of each product, the nuances of each market will have to be taken into consideration before the single platform can be taken forward. There is a broad policy movement because there are two finance ministers which have kind of announced in their finance bill speech that single demat is something which they would be kind of wanting to take forward so I think now kind of the building blocks are there with the pan Aadhaar linkage and see how that takes forward. The third question is on the CVL so I will ask Sunil to kind of take that question.

Sunil Alvares: So as far as e-Sign is concerned we have just started the operation, so the figure is really in terms of run rate, etc., insignificant, so to give you a perspective is that though we got the approval a couple of quarters back, but we actually went live with Aadhaar based online eKYC a couple of months back so we have just started the operation and I think the figures are really insignificant because even if you see the income it is just 0.08 about 8 thousand rupees, which is very, very small I hope that answers your question.

Paresh Sangani: Yes when you are looking at in terms of what is the run rate on a monthly basis in terms of numbers of clients signing up on number of transaction that you are kind of creating for e-signature?

Sunil Alvares: Now that is what I said. This has just started off, we are in the process of speaking to get them signed and there is also process at their end where they integrate their APIs into their software, test it and then start operations so it is not that I get approval and it starts immediately.

Moderator: Thank you. The next question is from the line of Franklin Moraes from Equentis Wealth Advisory. Please go ahead.

Franklin Moraes: Yes, Sir thanking for taking my question. So just wanted to understand like if you see the last six months we have seen continuous increase in the number of accounts getting added but with respect to this particular quarter on a sequential basis for the transaction revenue we have seen a flattish kind of growth, the markets were a bit subdued but considering that new additions have happened, the expectation was that we would have seen at least some bit of an increase on a sequential basis so just wanted to understand why is there a flattish growth?

Nehal Vora: So, I think it is a function of market and that transaction charges I will just check with Girish is both the IPO as well as secondary market. If you see the IPOs the third quarter had a bigger number of IPOs coming in that which kind of led to higher transaction charges and also the situations, circumstances both outside India especially basically the geopolitical circumstances has led to a muted participation and people are basically with wait and watch

policy so while the market remains where it is, the participation is kind of easing up and that is I think a function of market that is kind of going to have more or less so. The intent and the focus are that have as many people join the securities market ecosystem and provide that seamless value addition so whenever they wish they will be able to kind of participate seamlessly and secondly to have newer products so you have multiple points on which they would want to access and thereby increasing their participation. It is more of a long term play rather than quarter-on-quarter comparison is what our focus and intent has been.

Franklin Moraes: For example, on a 12-month basis for the account that is coming on a 12 month basis what percentage would their contribution be in terms of the transaction charges?

Nehal Vora: We do not give these numbers out and these are something which is again very difficult to accurately measure.

Franklin Moraes: But Sir just to understand on a trend basis is that ratio kind of increasing as the number of accounts keeps getting added, is that percentage increasing?

Nehal Vora: It is difficult to come to a conclusion is because of the accounts being added or because of the markets being bullish or because of more people wanting to participate in various other products like mutual funds which they may be having demat transactions or it is because of the pledge mechanism which has been put in place, so it is a combination of various factors. It is difficult to really come to a firm conclusion that it is because of A particular factor or B particular factor, it is like a culmination of various factors which leads to whether this increase has taken place.

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

Ravin Kurwa: Hi Sir thanks for taking my question. Sir I just wanted one number from your end. What will be the online data charges for Q4 FY2022 in the revenue front?

Girish Amesara: Online data income is 119 Crores.

Ravin Kurwa: Is it for Q4 FY2022, it is an annual number?

Girish Amesara: Yes it is annual number, quarter is 31 Crores.

Ravin Kurwa: Thank you.

Moderator: Thank you. Next question is from the line of Pawan Kumar from RatnaTraya Capital. Please go ahead.

Pawan Kumar: Sir I was just checking the NSE cash volume data, in last quarter there has been a fall by around 15% on year-on-year basis but transaction charges has remained relatively stable so what am I missing in the sense is there something else I should be factoring in?

Nehal Vora: That is what is reply to my earlier question and that kind of confirms my earlier reply also that it is a culmination of various factors. You have the IPOs, you have the pledge mechanism, it is not only one function which it is linked to, and it is also the delivery percentage more than the delivery percentage of the cash volumes which will drive the revenues and the deposit.

Pawan Kumar: On the KYC side we have seen a substantial jump but what are the other applications that these KYCs are being fetched apart from our demat and let us say mutual funds kind of applications because I have seen the application happening in the pension fund phases what is the other kind of phases that happens?

Sunil Alvares: No, typically this is for demat and broking account for which fetches happen and what you mentioned for pension it really does not happen from the KRA.

Pawan Kumar: You mentioned for Q4 online data plus KYC charges the revenue was around 31 Crores is that right?

Girish Amesara: Yes 31 Crores.

Pawan Kumar: Thanks.

Moderator: Thank you. The next question is from the line of Pratik Rathi from Choice Equity. Please go ahead.

Pratik Rathi: Good morning, Sir. Congratulations on a good set of results. I just wanted to know if you could quantify the impact of less IPO in this quarter like in the last concall I attended I remember 23 to 24 Crores was the revenue in Q3 from the IPOs so if you could quantify for this quarter?

Girish Amesara: IPO and corporate action income for this quarter is around 7.90 Crores.

Pratik Rathi: Also, I wanted an update regarding the price revision like in the previous con call I attended so in that there was some talks from the SEBI approval regarding the increase in the rates or the charges so is there any update on the same?

Nehal Vora: There is no update as of know. As I have said earlier two to three years have been tough years so we will see how it goes, but as of now there is no update.

Pratik Rathi: Thank you.

Moderator: The next question is from the line of Kunal Thanvi from Banyan Tree Advisors. Please go ahead.

Kunal Thanvi: Thanks for the opportunity again. I wanted to understand development on the mutual fund central side how that platform has been doing and what is our role there like how it has evolved, second on the city side how things are going in gold exchange and any development that you want to share on that basis?

Nehal Vora: So both of them are work in progress. The technology platforms are being done and it involves multiple players so the interconnect also between these players has to be built and tested so it is in the process of being done and mutual fund central is in two phases versus with the RTAs and then will be with depositories and RTAs, but surely there will be a role for all the players and the important thing is to deepen the markets and deepen more and more people being able to join so it is a complimentary role rather than a competitive role which is really being envisaged. On the gold also it is on the active preparation in terms of the technology platforms and that will have to be tested with the exchanges, clearing corporations and the depository so both the depository. So, whatever rather the circular and the regulatory framework is out it is slightly different from the securities market, so those all nuances, etc., has to be kind of fully implanted also.

Kunal Thanvi: Sure got it. Thanks, and all the very best.

Moderator: Thank you. The next question is from the line of Prakash Kapadia from Anived Portfolio Managers. Please go ahead.

Prakash Kapadia: On the annual charges we have seen 33% growth so if you could give some colour is it some unlisted company scale, where there some one time revenues or is it just increase in folios and secondly if I look at the PPT on page 25 the revenue breakup 10.46 Crores is other income and 47 Crores is investment income so what is the difference between that and if Girish can just give the e-voting and consolidated ECS for the quarter that will be helpful in terms of the revenues?

Girish Amesara: So in terms of other income, other income largely consist of other than investment income, now this includes debtors that we collect after it is considered as bad debts, sundry miscellaneous write off that we do and expenses for which provisions were created in earlier year if they are reversed in this year they are also considered as other income, other income is a culmination of such items which are not related to business.

Nehal Vora: In terms of your other question on issuer charges it is a combination of both increase and folios because more and more people are participating in the securities market and larger number of unlisted companies also which have come into the hold so it is a combination of both.

Prakash Kapadia: If Girish has that data point ready of the revenues of e-voting and consolidated ECS for the quarter?

Girish Amesara: Consolidated EPS is at 28.75.

Prakash Kapadia: Consolidated ECS charges and the e-voting charges revenue breakup.

Girish Amesara: ECS is your provision for doubtful debt?

Prakash Kapadia: Girish I was looking at the consolidated ECS the statement number of revenues and the e-voting revenue number.

Girish Amesara: So e-voting revenue for the quarter is 2.5 Crores and CAS charges income is 4.47 Crores.

Prakash Kapadia: Okay fine. Thank you so much.

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, so I saw on the presentation there is a stake acquisition of 6.78% in open network for digital commerce what is this item, what does the company do and how much have we spent on this?

Nehal Vora: So I will give a brief background. This is a kind of open network, which is getting created so all the e-commerce connects which can happen. It is a Section 8 company and all the large institutions, all the MIIs and large banks have contributed equally in creating an alternative e-commerce platform which can be accessed by all the Indian persons so that it kind of creates more of an Atmanirbhar framework. We are not dependent on A or B particular kind of e-

commerce framework. It is kind of equal contribution. I will ask Girish to give the numbers on how much we have contributed.

Girish Amesara: We have contributed 10 Crores as of now.

Madhukar Ladha: Just a followup on this I did not really follow what this e-commerce platform will do?

Nehal Vora: What it essentially does is that today all the shops they have to either go to a particular like Amazon, Flipkart whoever I do not want to give any names but whoever so this is kind of creating an India framework for e-commerce so that all these shops, all these retailers, wholesalers, manufacturers can be a part of that ecosystem and there is a lot of press on this you can do a search you will be able to get a lot of information on what the regulatory intent is. It is coming under the Ministry of Trade and Commerce, and they are kind of creating India framework so all these people can join that framework.

Madhukar Ladha: Understood I will read up on this. Thanks for this.

Moderator: Thank you. Ladies and gentlemen due to time constraint that was the last question for today. I now hand the conference over to the management for closing comments.

Nehal Vora: I would wish all of you to remain safe. These are tough times, but I think hopefully India has fared very well as compared to the other countries, so I would hope all of you are safe and sound and ensure that your families are also safe and sound. 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.

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