



# Central Depository Services (India) Limited

CDSL/CS/NSE/PSB/2021/240

November 10, 2021

**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 November 03, 2021**

**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 October 27, 2021 on the captioned subject, please find attached the transcript of the aforesaid conference call.

The above information may also be 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**  
Enclosures: As above

**Regd. Office : Marathon Futurex, A Wing, 25th Floor,  
Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai - 400 013.  
Phone: 91-22-2302 3333 • Fax: 91-22-2300 2036 • CIN: L67120MH1997PLC112443  
Website: [www.cdslindia.com](http://www.cdslindia.com)**



# “Central Depository Services (India) Limited Q2 FY2022 Results Conference Call”

November 03, 2021



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

**MANAGEMENT: MR. NEHAL VORA - MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER - CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

**MR. GIRISH AMESARA - CHIEF FINANCIAL OFFICER- CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

**MS. NAYANA OVALEKAR - CHIEF REGULATORY OFFICER- CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

**MR. RAM KUMAR - CHIEF OF BUSINESS DEVELOPMENT & OPERATIONS - CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

**MR. VINAY MADAN - CHIEF RISK OFFICER – CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

**MR. SUNIL ALVARES - MANAGING DIRECTOR AND CEO - CDSL VENTURES LIMITED**

**MR. SWAROOPKUMAR GOTHI, VP - CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

**MR. NILESH KITTUR - AVP– CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q2 FY2022 Earnings Conference Call of Central Depository Services India Limited 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 earning 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. 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 Q2 FY2022 conference call of CDSL India Limited. We have the management team of CDSL represented by Mr. Nehal Vora, Managing Director and CEO, Mr. Girish Amesara, Chief Financial Officer, Ms. Nayana Ovalekar, Chief Regulatory Officer, Mr. Ram Kumar, Chief of Business & Operations, Mr. Vinay Madan, Chief Risk Officer, Mr. Sunil Alvares, Managing Director and CEO - CDSL Ventures Limited, Mr. Swaroopkumar Gothi, VP, and Mr. Nilesh Kittur, AVP. Without further ado, I will hand over the call to the management for their opening remarks post which we can open the floor for Q&A. Thank you and Nehal Sir, over to you Sir.

**Nehal Vora:** Thank you, Anshuman. I wish everybody a very good morning. I welcome you all to the CDSL’s quarterly conference call for the quarter ended September 30, 2021, and I hope each one of you and your loved ones are safe and healthy. I am joined on this call by other members of our management team, who will address your questions later as you may have.

Throughout the history of CDSL, we have invested and invented in our business to build a truly diversified and strong organization that performs across market regulations and developments, the commitment to serving investors, all market infrastructure institutions, regulators, shareholders, and employees. The current financial year is also a representation where we have experienced some good business and financial performance as a result of the efforts of all market infrastructure institutions. The growth of the Demat accounts is also a reflection of the growth in the unique client codes at the stock exchanges.

With the growth in business, we continue to focus on providing services to the securities market and to the investors at large, to strengthen and execute our vision of making our investor truly self-sufficient or Atmanirbhar. We continue to provide our platforms and e-services such as Easi, Easiest, E DIS, E Voting, etc. that aim at providing convenience to the investor to operate their Demat accounts at the comfort of their homes.

I am sure that all of you would have already reviewed the financial results and that investor presentation for the quarter. Now I request Mr. Ram Kumar, our Chief of Business & Operations to take you through our business performance. Over to you, Ram.

**Ram Kumar:**

Thank you, Sir. Good morning. I will just take you through the business update. During the last three months, that is the Q2 of 2021-22, we have opened approximately 68 lakh accounts. The growth has taken a total number of active accounts, the BOID as at the end of Q2 FY2021-2022 to Rs. 4.65 Crores account. This value of security from the Demat custody has increased to Rs. 35.1 lakh Crores. We continue to provide services in line with the transformation and requirements of the current times to promote digital initiatives of the government.

In addition to our E Voting services, we also offer services to hold annual general meeting through the videoconference to make the AGM a hassle-free event for the shareholders and the company. We also provide e-mail updates and services as well as mobile updation services to companies to update their shareholder database to ensure that the dissemination of communication to the shareholders is valid, sufficient, and productive.

Before I handover to our CFO, I would like to take a brief moment to place our appreciation and gratitude to all our stakeholders, the beneficiary owners, the depository participants, the issuers, the regulators, employees, and other market participants for their constant faith in us. Now I request Mr. Girish, our CFO to take this through our financial performance. Thanks.

**Girish Amesara:**

Thank you, Ram Kumar. Good morning, everyone. On the financial performance, the total income on a consolidated basis for the quarter ended September 30, 2021 has increased by Rs.63.98 Crores which is representing 63% to Rs.165.15 Crores against the previous year same quarter income of Rs. 101.17 Crores.

The net profit on a consolidated basis for the quarter ended September 30, 2021 has increased by Rs. 37.19 Crores, which is 76% to Rs. 86.06 Crores and corresponding previous quarter, it was Rs. 48.87 Crores. The total income on a standalone basis for the quarter ended September 30, 2021 has increased by Rs.48.77 Crores, which is almost 62% to Rs.127.92 Crores against previous year same quarter income of around Rs.79.15 Crores.

The net profit after tax on a standalone basis for the quarter ended September 30, 2021 has increased by Rs. 30.34 Crores, which is representing 80% increase to Rs. 68.40 Crores against the previous year same quarter total net profit of Rs.38.06 Crores.

Now I would request Mr. Sunil Alvares to take talk about the operations of our wholly-owned subsidiaries CDSL Ventures Limited, thank you. Sunil, over to you!

**Sunil Alvares:**

Thanks, Girish. Good morning to all of you. On the CVL front, we had another good quarter in terms of the KYC records created increased by Rs.36 lakhs in this entire half year. So, there was a growth of almost 130% in terms of new records created.

In terms of the KYC records which were fetched by intermediaries from CVL, the number of records jumped from Rs.60 lakhs in H1 FY 2021 to Rs.1.56 Crores in H1 FY 2022, which was a growth of about 158%. In terms of CKYC records processed also, there was a jump of almost 31%

that is from 583,000 records to about 763,000 records, and similarly on the RTA front also, the number of companies currently handled by CVL is 750 as compared to 665 in H1 FY2021, which was a growth of about 13%.

With regard to the financial results for H1 FY2022, the operational income increased by 95% as compared to H1 FY 2021 and the total income increased by 77% from Rs.38.15 Crores in H1 FY2021 to Rs. 67 Crores in H1 FY2022. The profit before tax increased by 75% in H1 FY2022 to Rs. 43 Crores as compared to Rs. 24 Crores in the same period last year and the profit after tax increased by 71% in this year, so that the profit after tax was Rs. 33.61 Crores in H1 FY 2022 as compared to Rs. 19.05 Crores in H1 FY 2021. With that, I will hand over back to Anshuman so that we can have the Q&A session.

**Moderator:** Thank you very much. We will now begin the question & answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Kunal Thanvi from Banyan Tree Advisors. Please go ahead.

**Kunal Thanvi:** Thanks for the opportunity and congratulations on the great set of numbers and Happy Diwali to the entire management team and the employees of CDSL. First question was on the KYC business. Like we had seen one notification coming for e-KYC where there was a reduction in the charges for UIDAI. Can you help us understand of how does that affect our realizations for new verifications or new registrations under the e-KYC business? That is question number one. Second is given the fact to technology glitch that was found again in the CDSL Venture, there was an RTA wherein there was some vulnerability in the systems. Take us through what actually happened and where we are in terms of securing among other things. And thirdly, our mutual fund is a platform that came up last month, last quarter like how CDSL is playing a role there in fact both depository is playing a role there. Like is there any financial opportunity going ahead because of this platform? These would be my three questions.

**Nehal Vora:** Okay, I will ask Sunil to take the first two questions and then I will take the third question, so, over to you, Sunil.

**Sunil Alvares:** Yes, can you come with your first question again? I had some slight disturbance.

**Kunal Thanvi:** Like there was a notification that UIDAI had reduced the new registration charges for e-KYC. So, wanted to just does it also translate into our realization for e-KYC coming down from 20 bucks to 3 bucks?

**Sunil Alvares:** Yes, I mean, see what happens is as far as e-KYC is concerned, we normally charge whatever is CVL's charges for e-KYC plus the UIDAI charges. So to that extent, you know, if UIDAI charges comes down, okay, so whatever we bill the customers would be down from say Rs.25 what we were charging earlier to maybe about Rs.8 what would be, you know, the charges after the UIDAI rejuvenates. So, to that extent, the topline could get impacted and so as far as the bottomline is

concerned on the expenses side also, the expenses would be restricted to just Rs.3 now as against Rs.20 earlier. So I hope that answers your first question.

**Kunal Thanvi:** So probably like if we go out from revenue it will go up from 1, for us, the net realization remains the same, right?

**Sunil Alvares:** It remains the same, yes. Point number two is on the glitch which was there in CVL. First and foremost, it was a vulnerability alert which we had received and unlike what some of the news said there were a lot of factually incorrect things mentioned in that. We have identified the glitch. Our IT team had identified the glitch and we have thereafter plugged the same and secondly, you have to appreciate that it was within the investor login of the KRA, so that any investor who wants to log in and see the status of his KRA has to mention his PAN and Date of Birth and then he gets an OTP. So, to that extent, it was extremely secure. So somebody who is extremely IT savvy would have gone and taken advantage of it, but actually it has not happened and we have also confirmed that there has been no data breach as well.

**Kunal Thanvi:** Sure, that is helpful, yes. Thanks Sunil.

**Nehal Vora:** On the third one, on the Mutual Fund Central, I think the first is divided into two phases. First is the RTAs will gather the information from the depositories. We are already sharing that data with the RTAs as phase 2. I think possibly by the end of the calendar year or in the first month of next calendar year, January, the phase 2 will get initiated where the depositories also will start getting the files from the RTA. So we had two-way Mutual Fund Central Information platform, which would be available across RTAs and depositories.

**Kunal Thanvi:** So, if I get it in phase 2, we will also be able to monetize something out of it, right?

**Nehal Vora:** Yes that we will wait and watch. There is an expectation, but again, it will be difficult to comment on that at this stage because what would be the charges, etc., to begin with, it may be kind of probably free or next to free, but we will see how it goes. It is finally driven by the regulator, so we will see how that charges, etc.

**Sunil Alvares:** Right now, it is free of cost, yes.

**Nehal Vora:** Yes.

**Kunal Thanvi:** Thanks for that. If I can squeeze just one more from like Girish, so is there has been a change in the revenue segmental with each quarter in the presentation, if you can help me with this quarter number for annual insurer charges, transaction charges, online data charges, IPO Corporate exchange, consolidated cash, E-Voting, and others, it would be like really helpful?

**Girish Amesara:** So the transaction charge for Q2 is Rs.49.73 Crores, IPO Corporate income is Rs. 21.5 Crores, online data charge income is Rs. 30.29 Crores, annual insurer income for the quarter is Rs. 28.81

Crores, E Voting is Rs. 5.09 Crores, and cash statement charges is Rs. 3.69 Crores. I hope, I have answered your question.

**Kunal Thanvi:** Sure, Girish, that is helpful. Thank you so much and Happy Diwali to the entire team.

**Nehal Vora:** Wish you the same, Happy Diwali.

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

**Amit Chandra:** Thanks for the opportunity. So, my question is related to the insurance repository, so like what is happening there? So we have opened around 6 lakh insurance accounts, so are we seeing any pickup there? So that is the first question. And yes, another question is like similarly on the commodity repository like this thing, CCRL, are we seeing any pickup there? And the third question will be we have seen that the competitor has been aggressive on the payment side, right, on their offline banking services apart from the border services. So like are we having any plans to offer such kind of services?

**Nehal Vora:** Okay, I will ask Ram Kumar to answer the insurance question and I will answer the commodities and the payment bank question.

**Ram Kumar:** Sir, as far the insurance business is concerned, presently, not many insurance companies have taken to it for the reason that it is not mandated by the regulator. That is point number 1. Point number 2 is that as you go along, we are seeing people showing interest in holding policies in the electronic form, but we have a long way from the way the depository or the securities market has kind of evolved from the time the depository started in the late 1990s.

**Nehal Vora:** In terms of the commodities business, it is also going through a fair amount of changes on the regulatory front. It is a regulated business and I think there are discussions happening across extending the ENWRs not only in the agri-based business but the non-agri-based business. So we are there in terms of this and the important thing is that we have kept our costs under control so that the entire business remains profitable, but at the same time, we are there with our requisite building blocks to ensure that this entire business can be taken up as and when the rules permit them to do. As regards to payment bank, that had been assessed in the past at CDSL around three to four years ago. We continue to assess new opportunities as to whether it is feasible within the framework. There are certain levels of conditions which need to be fulfilled. It would be eligible, but our teams are constantly assessing in terms of the business opportunities which would be the most important businesses to be to take this forward.

**Amit Chandra:** In terms of the license, we had the payment bank's license?

**Nehal Vora:** No, we do not have the payment bank license as of now.

**Amit Chandra:** Sir, firstly you have to apply for that evaluated and then go ahead?

**Nehal Vora:** First will be the evaluation and then we will see it, if it is feasible and then we will take it forward from there.

**Amit Chandra:** Sir, on the annual issuer charges, what has been the progress on the addition of unlisted because during COVID it has slowed down, but have we seen any pickup there and also on the RTA front, is the RTA going to be now a significant line of business for us because we have the RTA license but we have not been seen any significant traction there?

**Nehal Vora:** Yes, this quarter has seen some robust growth in terms of the annual issuer fees as well as the RTA business with CVL. So that continues to grow as more and more companies will access the securities market, we will start seeing more and more traction of that, so it has seen fairly good growth over the previous year. So, we are continuously there and we continuously want to innovate to ensure that it becomes easier for companies to access our platforms.

**Amit Chandra:** Also Sir, any terms of the revenue from the pledge side? So, has that seen not have seen traction amongst the monthly rate of 1.5 Crores to 2 Crores is like what we are seeing there, in the pledge side?

**Nehal Vora:** We kind of disclose it as a consolidated number as part of our market driven. We do not, but it is a function of the overall market, delivery volumes and as we are seeing a good buildup on the cash market volume and the delivery based volumes, this is kind of a function of that. So, that is also seeing some amount of progress.

**Amit Chandra:** Thanks. All the best.

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

**Paresh Sangani:** Congratulations Nehal to you and your entire team for yet again a fantastic performance and warm and hearty festive greetings to all of you as well. I had some questions which had been answered by Kunal, but just had a couple more. First is we have almost 1000 Crores of net cash lying with us. Could you give me a perspective on what is required for our network purposes? What about inorganic opportunities of getting into aegis and docking for example, we are raced into lead time, can we consider acquiring somebody getting into aegis and product offerings? Second one would be regarding is there any one off on the KRA or KYC because I remember the SEBI mandate last year where they wanted to update all the KRAs, so it would be one time project and I know that we have about 60% market share and therefore we may now have to update our process. So, have we done anything on that and do we update on that as well? Thirdly, the old project like, NAD, National Academy Projects or Depository, any update on that as well? Any progress on that as well, Nehal?

**Nehal Vora:** All of these are pertaining to CVL. I will ask Sunil to answer these three questions.



**Sunil Alvares:** The first question you had was on one off on the KRAs. So far as the KRA update is concerned, we are continuously updating as and when any modifications, etc., reported to us, because it is the responsibility of the reporting entity for the KYC. We have already validated all the PANs, etc., with the IT database so to that extent, our database is updated and we will shortly also be updating the PAN, Aadhar linkage, so to that extent it will be updated with the PAN, Aadhar linkage as well. The second part is on the NAD progress is that the MHRD had decided that this will also be the sole depository for National Academy Depository and both the depositories would be out of that. So, effectively for the last two years we will offer the depository. We had tried to offer this service as a private service vendor through various university, so far we have around 8 universities who have registered with us, but we have had problems during the lockdown because most of the universities etc., were closed, so we could not touch base with most of them. So, maybe once the lockdown normalizes then maybe we will see more universities. So we are keeping our fingers crossed on that. So, I hope that answers your question.

**Paresh Sangani:** Nehal, the question on the capital allocation, 1000 Crores inorganic opportunities?

**Nehal Vora:** So, I think as a market infrastructure institution, whilst the minimum regulatory capital is maintained, the strength of the balance sheet is extremely critical when you are running a finance marketing infrastructure institution company. We have a fairly liberal dividend policy of distributing about 60% of our net profits as dividend. But it is also important to build the balance sheet at whenever, in case there is in a year in which the income is muted, etc., the financials of the company remain strong and it becomes a very stable company, going forward. So, my sense is that we will continue to being embarked upon building the strength of our financial statements especially the balance sheet. Keeping in mind shareholder interest we have embarked upon 60% of the profits as being declared as a dividend to the shareholders.

**Paresh Sangani:** Nehal, I was asking on the inorganic opportunities, right? I mean, are we looking at acquiring any companies etc., for existing product offerings within our realm of affairs?

**Nehal Vora:** In the current scheme of things, we are building on our existing platform, our technology platforms, because the scale of business going up and we have to prepare for basically the infrastructure and setting them or advanced infrastructure end. So, technology is going to be a spend. Also, the people as we are growing and scale will need to increase our teams also, to ensure that we are equal to service them. We are fully in sync with the opportunities like, IFSC, Gift City, Gold spot exchange, which will have a depository arm also coming in, both in the local and the foreign jurisdictions, and we are completely like the mutual fund central is another business line, which is got to be it. So, it is kind of more of an internal growth in terms of newer platforms and products coming in. We believe technology is the main driver of our businesses, and we are control of that and accordingly we prefer to build most of them internally but having said that if there are some interesting opportunities which may come up in future, we will consider on a case by case basis.

- Paresh Sangani:** Sir, just last one question if I can squeeze in, Nehal on e-Sign. The way we offer our products is it only on one time cost basis or charge basis or is it going to be an annuity kind of basis. I am sure, you have launched it by now. Some perspective on that will help.
- Nehal Vora:** It is on a per e-Sign basis. So, as the intermediary uses our facility for e-Sign we will be charging on per e-Sign basis.
- Paresh Sangani:** This is operational, right, Nehal, now fully operational.
- Nehal Vora:** Yes. it is operational.
- Paresh Sangani:** Thanks team.
- Moderator:** Thank you. The next question is from the line of Gokul Maheshwari from Awriga Capital. Please go ahead.
- Gokul Maheshwari:** Thank you for the opportunity. Can you please in case, how we could play a role in the account aggregator opportunity as CDSL have a business model over there? Thank you.
- Nehal Vora:** The account aggregator model is basically an RBI initiated platform, which is to a non-banking finance company, but I think there are various models which are being debated and calibrated at holistic level. We kind of have in a conceptual sense the consolidated account statement, which gives a list of all the financial assets in the securities market being given to the investor and obviously is the policy thinkers are also thinking at the other non-security based assets can also be added to ensure that it gives a far wider consolidated view of the person's financial assets. So, that is as and when the policy and the permissions firms it up, but we are constantly innovating to ensure that it continues to remain easy for the investors going forward.
- Gokul Maheshwari:** But you would consider means playing an active role in this particular opportunity if it were to come up?
- Nehal Vora:** Yes, of course because we are integral part of the entire ecosystem and we are a repository of the financial assets of the customers. So, we are definitely within, and we would be definitely wanting to be a part of it and we shall be a part of this as and when the policy kind of opens up on this.
- Gokul Maheshwari:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Kunal Thanvi from Banyan Tree Advisors. Please go ahead.
- Kunal Thanvi:** Thanks for the followup opportunity again. My question was again on the same question that Gokul had asked on the account aggregator. So, if you look at how things have been playing out, there has been a long talk about the single deal in India which takes care of all the financial assets of one tender; however, in the last six months, we have seen account aggregators coming up to consolidate

your mutual fund in one plate, how on a policy level, what is the status in terms of what is that last mile, because across financial assets, any colour on that and from the policy point of view and from CDSL point of view how we plan to participate there?

**Nehal Vora:** This is yet being deliberated, so it is yet work-in-progress. It is not yet formulated as to how it will work on a consolidated basis, but I think I would just like to assure you that CDSL will definitely be there in whichever form it comes out, we have already started some thesis of it in terms of as you know the fund central and also the consolidated account statements as I mentioned earlier. So, the important theme which I would like to focus on is the CDSL continues to engage itself to ensure that it is completely up to speed in terms of what is permissible within that regulatory framework. As and when it opens up, we should be there to ensure that we are able to take or rather basically extend this facility to the newer avenues as and when they are permitted by the regulators.

**Kunal Thanvi:** Sure. Second question was on this gold spot exchange, any development there, like things are moving on the regulatory front, when should on a full year perspective, when could it be operational and up and running?

**Nehal Vora:** On the local side, there are lot of policy deliberations going on as to how the regulatory framework will be formulated. I think it will take probably one or two quarters, looks like from the looks of it, but it will be difficult as to predict as to when it will go live, but I think about two to three quarters it should be really up and running, but we will have to wait and watch. I will not able to firmly commit on the date.

**Kunal Thanvi:** Lastly on the annual issuance charges, like is there any talk about revision in tariffs any visibility there or you still are trying to hold it on for a year or so?

**Nehal Vora:** We will wait and watch yet. We will see how this goes, COVID should completely ease off and then we will take a call jointly between the two depositories.

**Kunal Thanvi:** Thanks, Nehal. All the very best.

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

**Sujan Kumar:** I have one question. Sir, I am going through latest financial 2021, is there any reason why it is not released?

**Nehal Vora:** Financials have been released the day it got announced on October 30, it is there on the CDSL website as well as the NSE website where we are listed on. So, you can access it from either of the places.

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

**Sanketh Godha:** Sir, I have three, four questions; first question is can you give us the exact figure of pledge income, what you made in the current quarter given that we made around 3.25 Crores last quarter so if you can share that number, it would be great Sir. That is my first question.

**Nehal Vora:** I will ask the CFO, Girish to answer.

**Girish Amesara:** Pledge income for the quarter is 3.57 Crores.

**Sanketh Godha:** Any specific reason do you believe that this is not seeing significant traction because after the peak margins reduced, everyone thought that this might be a potential big source of revenue, which did not play as expected, so any specific reason do you or all you people are bringing the money, which they intend to bring with a peak margin compliance and so the traction was not visible?

**Nehal Vora:** See, I think as I have said earlier, though we may see it in isolation, but I think it should not be seen in isolation. It should be seen as a consolidated numbers with a transaction revenue as well as the pledge, re-pledge. It is a facility which will enable the transaction income as well as the overall transaction based revenue which CDSL earns. It has become fairly popular in terms of pledge re-pledge. Only our charges are far lower than the normal transfer which we do for on a pledge re-pledge. So, first leg it is Rs.5 but later on for re-pledge release it is Re.1. So, this is to ensure that more and more people join the ecosystem, make it as a part and parcel, so I think the important thing is that we are seeing some good healthy numbers and that is growing probably every quarter-on-quarter. So, more and more people are joining the queue. In terms of your early pain, because of peak margins, yes that will continuously change tomorrow or maybe some other rules, etc., so the important thing is that the CDSL has the requisite platforms to cater to that requirements as and when the market wants. At least our focus has been that we keep our platform the way up and running and whichever way it is similar to basically a road which is built, whether you have car running on it or the SUVs running on it or that depends, it is a function of supply and demand and I think that is what is our focus. We do not go after a particular line of business. We just kind of ensure that there is an ease for the client and customer, so more and more people can join our fold.

**Sanketh Godha:** Sir, another question was basically the 28.80 Crores of annual issuer charges, it will be great if you can break it down into listed and unlisted?

**Nehal Vora:** We do not give that numbers unfortunately. I think the important thing is that it is continuing to grow and most of it if you see quarter-on-quarter more and more people, the new IPOs coming as well as new unlisted companies which are coming, so as for the current framework we do not give out those numbers.

**Sanketh Godha:** Finally on online data projects, just wanted to understand the broader pie how much eKYC, e-Sign and normal KYC or KRA income contributes So, I believe the lion's share comes from normal KRA rather than coming from e-KYC and e-Sign. These new additions of lines coming from e-Sign will be significant or still the main KRA income will continue to be the major revenue generator for the data online income?

- Nehal Vora:** Unfortunately, we do not give any futuristic views, so I think, you will have to wait and watch.
- Sanketh Godha:** But Sir, if you can give the mix of how many data income into?
- Nehal Vora:** Again, we do not give that mix as per the current framework. This is what we do, like I said that full year guidance also we do not give the mix.
- Sanketh Godha:** Sir, finally on IPO income, so it is almost if you earn so much that it is equivalent to the last year full year income almost closer to full year income in the current quarter 21.5 Crores, Sir, if you can just tell us how much income a single big IPO can, just wanted to understand the broad working. For every application, how much you charge? Then for allocating how much you charge and finally crediting, how much you charge? Basically, I just wanted to understand given the pipeline so high going ahead just wanted to focus how the IPO income will play out in subsequent two quarters?
- Nehal Vora:** I think we have to see because again futuristic we will not be able to give on how many IPOs actually will hit the market. It is a formula based approach and it is subjective driven. So, it depends on the number of folios, the number of values. I will ask Ram Kumar to give you a broad framework on how it is charged.
- Ram Kumar:** As per the charging is concerned, there are two charges that one would have to pay as an issuer to the depository. First is in terms of applications there is a verification charge, which is Re.1 per application if I may put it that way and then the second is for the credit, which you have asked, it is Rs.10 per record or per folio So, these are the two charges that a company would have to pay for processing an IPO.
- Moderator:** Thank you. The next question is from the line of Alok Shah from Monarch Network Capital. Please go ahead.
- Alok Shah:** Thank you for the opportunity. Heartiest congratulations for excellent set of numbers. I clearly understand that from what we hear on the concall that there are a lot of revenue drivers which are in pipeline be it in form of account aggregator or even the gold spot and then the payment bank across, Sir, would you like to talk about how these things could shape up from a near term perspective maybe not nearly near term, as two to three quarters, but from a two to three year timeframe certainly from the fact that you are kind of a data pool, CDSL is more about data pool, so what could be the synergy that could play out for all of this opportunities?
- Nehal Vora:** I think overall it is basically from a physical footprint to an electronic or digital footprint, is where the entire ecosystem is moving towards and it is interconnectedness of various platforms be it your eKYC to e-Sign to account opening to transactions to your consolidated account statements, so I think it is moving more towards paperless kind of a platform and that kind of brings in a lot of a stability that despite in COVID as we have seen in the last one and a half years, the business has not only been as usual, but as seen some growth also and I think that is the entire vision in which that we are going to move away from a paper based processing to an electronic based processing.

This kind of ensures that the entire system becomes the core and human beings become the support. And I think that is an important change and paradigm which is happening fairly rapidly to ensure that people are able to access platforms and benefications from the comfort of their homes also. That is how it is going to kind of pan out, not only in the securities market, but commodities market, in the spot commodities market and I think the reforms which you are seeing in the securities market will kind of get extended to all these markets and there is going to be some kind of linkage happening between these markets as we move forward about two or three years from now.

**Alok Shah:** This helps. Just quickly on a data keeping questions, I missed out the transactions revenue were 49.75 Crores and the IPO strategy revenue is 21 Crores?

**Nehal Vora:** Yes.

**Alok Shah:** And the online data charges was 39 Crores.

**Girish Amesara:** Online data was 30.28 Crores.

**Alok Shah:** Thank you Sir. I will get back in the queue. Thank you. Wish you a Happy Diwali to you and your team.

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

**Franking Moraes:** Congratulations on a good set of numbers. I wanted to understand on the IFSC subsidiary the one which we have recently started, what is the status, like in terms of the revenues and what is the kind of potential that we are seeing over there?

**Nehal Vora:** We have made a disclosure sometime last month that there is a consortium formed in the IFSC of the India INX, which is a BSE exchange, the NSE MCX, NSE and CDSL, they are equal partners as part of the consortium. There has been an in principle agreement reached that there is going to be only one single depository in the IFSC space both for securities and bullion and that would be kind of purchased by this consortium as we move forward. So, I think as the products and platforms grow in there both on the bullion side as well as on the securities side, this will be the only single depository which is there and CDSL will continue to be an equal partner as part of the consortium.

**Franking Moraes:** So, by equal you mean like that we would be having about a one-third stake in this?

**Nehal Vora:** It will be five partners, about one-fifth and that consortium would also own the entire ecosystem and the bullion. So it will be exchange clearing corporation also, so it will not only be restricted, as a depository business, it will also be under revenue and on exchange and clearing corporation on the bullion side.

**Franking Moraes:** As of now the revenue would not be very material would that be correct?

**Nehal Vora:** It has not yet started giving any material revenues, you are absolutely right, but there is a lot of promise as we move forward.

**Franking Moraes:** In terms of the cost, we mentioned that technologies are backbone and we expect to keep investing in technology and employees as well now considering that our income is running much ahead of what was the trajectory in the past few years, I expect that probably we would be spending incrementally a bit more on these avenues. Would that be a fair statement?

**Nehal Vora:** Yes, the important thing is that we continue to assess that the technology is in sync with increasing business volumes and the employees who are processing this business is also kind of adequate to ensure this. So, it will see probably an absolute numbers, it will go up, we will have to wait and watch in terms of the percentage to revenue whether it will go up or go down or remain constant.

**Franking Moraes:** Sir, when we budget for these, do we budget in absolute terms or do we have a percentage of revenue kind of metrics for building in these costs?

**Nehal Vora:** I think that is more of a micro question for the management but I think important thing is that we want to ensure that we have adequate infrastructure to kind of both in terms of people and systems to kind of garner the business growth which is kind of expected and the scalability of the insider is also an important aspect that as and when business grows we are able to scale up also very easily.

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

**Amit Chandra:** Thank you for the opportunity again. Sir, we have seen a very healthy growth in the account addition, new account addition and that has been sustaining for the last two years, but that was because we had exclusive agreement with the discount brokers, but now the bank one broker also becoming aggressive on the discount broking side, and the price parity is somewhat coming down, and with the bank one brokers, we do not have that exclusive agreement that we have with the online brokers do we see that as a risk in terms of the healthy account additions that we are having so that can slow down as like more and more people shift to the bank one brokers?

**Nehal Vora:** I think my intent as a management is to give the best in class platform and the value proposition, give it to the market to decide, even the discount brokers, had and continue to have a choice of both the platforms. We have chosen to remain with one. I think as long as you can provide that value proposition, you will leave it to the market to kind of take a call. So, I am not too worried about how the market shapes up as long as we are able to give value proposition and basically the ease of doing business, we are going to see volumes and traction coming, I think that is the hope and wish.

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

- Sanketh Godha:** Sir, one data keeping question; what is the regulatory cost and bank debt provisional cost in the current quarter. It was not disclosed this time in the PPT?
- Girish Amesara:** Provision for doubtful debtors was around 3 Crores and with respect to the regulatory cost the contributions that we are supposed to make to IPF is 3.76 Crores in this quarter. SEBI fees of roughly 64 lakhs and incentives that we are supposed to pay to DP which is as per SEBI circular, is around 1.57 Crores.
- Sanketh Godha:** Thank you.
- Moderator:** Thank you. We will take one last question which is from the line of Paresh Sangani from Club Millionaire. Please go ahead.
- Paresh Sangani:** Nehal, all my questions have been answered. It is largely on the account aggregator side. But just your thoughts on the government digital projects that we are out to bid, while you regarded to have a very high network, any thoughts on that?
- Nehal Vora:** I am sorry, your voice was not clear. I could not follow your question?
- Paresh Sangani:** Nehal most of the questions have been answered especially on the account aggregator side, but I just want a query on how the government digital projects supposed to be.
- Nehal Vora:** I think Sunil is having some issues in his line. So you are talking about basically the PSL.
- Paresh Sangani:** That is right.
- Sunil Alvares:** Basically we are going to implement the phase II but due to the COVID circumstances where the people had to actually send in their certificates and couriers, and post, etc., not being available it has been postponed. So, now we will have to actually wait for the decision of SEBI appointed committee and once they inform us, we are ready to process this.
- Paresh Sangani:** That is all. Thank you gentlemen for reaching so far. I just wish you good luck and be safe.
- Nehal Vora:** Wish you the same. Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Nehal Vora:** I just wanted to say that all of you remain safe under these unprecedented times and wish you all the very best and wishing you and your family a very Happy Diwali and Prosperous New Year. Thank you.
- Moderator:** Thank you. On behalf of Axis Capital Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.