CDSL/CS/NSE/AD/2025/142 **May 08, 2025**

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

Symbol: CDSL
ISIN: INE736A01011

Sub: Analyst/Investor Call/Conference Call held on May 05, 2025.

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

Dear Sir/Madam,

This is with reference to our intimation dated April 25, 2025, for scheduling of Conference Call on Monday, May 05, 2025. In this regard, 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 RAJENDRA SHAH
Digitally signed by NILAY RAJENDRA SHAH
Date: 2025.05.08 20:22:40 +05'30'

Nilay Shah
Company Secretary & Compliance Officer
ACS No.: A20586

Encl: As above

"Central Depository Services (India) Limited

Q4 FY '25 Conference Call"

May 05, 2025

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** **Mr. Sunil Alvares – Managing Director and Chief Executive Officer -- CDSL Ventures Limited** **Mr. Latesh Shetty – Managing Director and Chief Executive Officer – Centrico Insurance Repository Limited** **Mr. Kamlendra Srivastava - Managing Director & Chief Executive Officer – Countrywide Commodity Repository Limited** **Mr. Swaroop Gothi, Financial Controller**
Moderator:	**Mr. Amit Chandra – HDFC Securities**

Moderator: Ladies and gentlemen, good day, and welcome to the CDSL Q4 FY '25 Conference Call hosted by HDFC Securities. As a reminder, all participant lines will be on 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

Ladies and gentlemen, 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 constituted as forward-looking statements must be reviewed in conjunction with the risk that the company faces.

I would now like to hand the conference over to Mr. Amit Chandra from HDFC Securities. Thank you, and over to you.

Amit Chandra: Yes. Thank you, operator. Good afternoon, everyone. On behalf of HDFC Securities, we welcome you all to the CDSL Quarter 4 FY '25 earnings call. Today, we have with us the management team of CDSL represented by Mr. Nehal Vora, MD and CEO; Mr. Girish Amesara, the Chief Financial Officer; and other senior leaders. We will start with a brief overview of the quarter by Mr. Nehal Vora, and then we will open up the floor for the Q&A session. Thank you, and over to you, sir.

Nehal Vora: So first of all, I'd like to thank Amit and the HDFC Securities team. A very, very good afternoon, and welcome to everyone. I hope each of you and your loved ones are safe and healthy. Thank you for joining us today to discuss CDSL's financial results for the final quarter and the year ending March 31, 2025. We posted a detailed investor presentation on our website for your reference. I'm joined by the CDSL Group's leadership team, including the CEOs of all the subsidiaries.

Let me start with the industry highlights and then take you through to some of the key aspects of our performance. Financial year 24-25 has been a record year for CDSL with our revenues reaching an all-time high of INR1,199 crores, and an annual net profit of INR526 crores with a year-on-year growth of about 25% on the consolidated profits.

The Indian capital markets have experienced some amount of movement, volatility in the wake of circumstances. However, despite these fluctuations, the markets had achieved a historic milestone of crossing the highest-ever market capitalization of US $5.7 trillion in September 2024.

The average daily turnover has surged by about 37% in FY '25, reaching over INR1,20,000 crores. This growth is reflected in the growth of demat accounts in this year. India has added about 4.1 crore demat accounts in the year, taking the total to about 19.24 crores as on March 31, 2025. CDSL has experienced a 32% growth in the number of demat accounts reaching a total of 15.29 crores and enjoying a market share of about 79%.

To further enhance our offerings for investors, CDSL introduced the unified features in the investor app, MyEasi, earlier in the year. The significant update allows investors to access their information across market infrastructure institutions in one place. I'm also pleased to announce that electronic consolidated account statement has been successfully integrated in various apps as on 1st April.

CDSL also successfully executed the second addition of the CDSL Annual Symposium in February 2025 where the theme was 'Reimagine CapTech and the Future of Capital Markets'. We were honoured to have the late ISRO Chairperson, Dr. Kasturirangan, as our chief guest. It was his last public event.

I would like to reaffirm that CDSL's focus remains on enhancing the capital market ecosystem by enhancing efficiency, trust and transparency. We are focusing on Atmanirbhar Investor approach while striving for innovation resulting in consistent and sustainable financial and business performance.

Before I hand it over to our CFO, I'd just like to say that the growth of the Indian securities market of the past year has been extremely encouraging, and it focuses India's potential and a journey towards Viksit Bharat. The market with its ebbs and flows has shown incredible strength even in this quarter as we owe it to a strong ecosystem who put their constant faith on us.

My appreciation and gratitude to all our stakeholders, our regulators, depository participants, issuers, investors, all other market participants, market infrastructure institutions and all employees. Thank you, and over to you, Girish.

Girish Amesara: Thank you, Nehal. Good morning and good afternoon to all of you. So I'll start speaking on consolidated numbers first. So speaking on the consolidated quarterly performance, the total income for the quarter ended March 2025 is at INR256 crores as against INR267 crores for the corresponding quarter of the previous year. The net profit for the quarter ended March '25 is at INR100 crores as against INR129 crores for the corresponding quarter of the previous year.

Speaking on consolidated yearly numbers for the year ended March 2025, the total income has increased by 32% to INR1,199 crores as against INR907 crores for the previous financial year. The consolidated net profit has increased by 25% to INR526 crores as against INR420 crores during the previous financial year.

Now I'll speak on stand-alone numbers. On a standalone basis, the total income for the quarter ended March 2025 is at INR205 crores, which was at a similar level compared to previous corresponding quarter of the previous year. The net profit for the quarter ended March 2025 is at INR81 crores as against INR97 crores for the corresponding quarter during the previous year.

Speaking on our stand-alone yearly numbers for the year ended March 2025. The total income has increased by 33% to INR985 crores as against INR743 crores during the previous financial year. The net profit has also increased by 27% to INR462 crores as against INR363 crores during the previous financial year.

Now I will request Mr. Sunil Alvares, MD and CEO of CDSL Ventures Limited, to take us through the CVL's performance. Over to you, Sunil. Thank you.

Sunil Alvares: Thank you, Girish. Good afternoon, everyone. So far as CVL's performance for 31st March 2025 is concerned there was an increase in income by 35% from INR188 crores to INR254 crores. The expenditure increased by 42% from INR76 crores to INR108 crores. And the profit for the year was increased by 28% from INR86 crores to INR109 crores.

With this, I'll open the floor for question and answers.

Moderator: We'll take our first question from the line of Supratim Datta from Ambit.

Supratim Datta: My first question is on the cost side. So the technology cost for FY '25 in the fourth quarter was similar to what you had spent on an annual basis in FY '23. So could you help us understand where is this technology spend really going towards? What proportion of this would be recurring versus what proportion of this would be onetime?

That would be very helpful. I understand you have talked about technology costs previously as well, but given the magnitude of increase here, some kind of granularity would be very helpful for investors.

The second question would be on the KRA business. Now recently, the SEBI Chief had indicated that a centralized KYC system is being implemented, and it could be in practice pretty soon. In that scenario, what is the benefit of a KRA system? Or would the KRA system get consumed within this CKYC, which gets implemented across the board? And hence, how would that impact CDSL's pricing ability? If you could give some color on that, that also will be very helpful.

And lastly, on the dividend payout. Now the dividend payout ratio was around 50% versus 55%, 60%. Any reason for a reduction there given you are not using that much of cash? Those were my three questions.

Nehal Vora: Okay. Thank you, Supratim. First, on the technology spend, I have been saying that we are in the process of building and consolidation. It's on all the core aspects. It's the hardware, the infra, the applications, the security and the connectivity. And that's a process which we are going through to obviously bring in newer tools and techniques so that the market can really benefit from better tools and technology, speed would go up, etcetera.

But the intent being is that we are market infrastructure company, and technology is one of the key building blocks. And it would need a continuous assessment of newer tools and newer techniques so that the market will benefit from that. I don't think we gave out in the public domain as to what is a onetime versus a recurring expense.

But we have kind of maintained a steady percentage as part of the revenue on the technology costs. And basically, the regulators' expectations also have been to ensure that the newest technology is being deployed. Whilst this is a policy nudge, but from our end we continuously assess and improve upon our technology infrastructure on a very, very serious note.

As regards to the second question on KRA, it's a process, which is the same interview of the SEBI Chair also. It talks about the efficiency of the KRA. We will have to wait and watch how that really pans out because it's yet not come out. It is all work in progress. So we will see how it goes. But I'm sure that all the aspects will be taken into consideration before we move forward.

And the third one on the dividend payout, I think there has been a calculation error at your end. We are about 61.3% payout. So, we've continued to maintain our policy guidance on dividend payout at 60% of our operating profits. In fact, it is slightly more than that this year.

Supratim Datta: Okay. So just one follow-up on the technology bit, I do understand you don't give out the recurring and nonrecurring. But can you give us the split of hardware? How much of the spend would be on hardware versus application?

Nehal Vora: We don't give that because, see, I'll tell you why we don't give it, Supratim, because it's a combination of fusion costs. So, you cannot segregate what is infra versus application. There is some, which is mixed cost. So, it would not create a right differentiation, and it is not right to even differentiate.

The important thing is to ensure that the systems remain strong and the systems remain modern. Whatever it takes to do that and that has been our intent whether it is in the hardware end, network end, security end or the application end, whatever it takes to ensure that intent is...

Supratim Datta: Okay, okay. So maybe let me ask it in this way that where are you in this journey of modernization? Is the modernization complete or you are 60%, 70%? Where are you in this modernization journey, Nehal?

Nehal Vora: I think if you ask any company, none of them will be able to say that they are completely there in the modernization process, because it's a continuous process of change. The larger companies also are continuously changing. Techniques evolve, methodologies evolve, products evolve, and tools evolve. So, I think it is in a constant state of work in progress because intent is to ensure that the modern infrastructure is provided to our clients and to the market.

Supratim Datta: Got it, got it. In the dividend payout ratio that you're seeing, is that on the stand-alone? Or is it on the consol?

Girish Amesara: Standalone.

Nehal Vora: It is on stand-alone.

Moderator: We'll take our next question from the line of Prayesh Jain: from Motilal Oswal.

Prayesh Jain: Just extending the question of the previous participant on technology. So how much of it is going towards capacity buildup and how much of it is towards efficiency buildup? So generally, the reason I am asking that is the capacity buildup spend would probably be like a onetime spend or a spend that would get added and then probably will come again once you have reached those thresholds. So is there a spend towards capacity buildup or it's purely efficiency buildup?

Nehal Vora: So Prayesh, the way I look at it is that there's a popular Hindi saying that, *eat fruits, why count the trees. (translated)* The intent is efficiency. Whether that is due to capacity buildup because efficiency is also a function of ensuring adequate capacity. But it's not only capacity, it's about ensuring how the application works. It's how the security works. So, it's a combination.

The intent is ensuring efficiency, modern infrastructure. and the modern tools. So that the market and the stakeholders are always subject to the newest form of technology. And it's a process of really evolution.

If I look back at our journey 5 or 6 years ago, technologies used, have completely changed and as we have moved on, the market participants have not known those changes which has happened. So, it's a continuous process of change, which has happened to ensure that the market is subject to the newest and the most modern tools and products.

Prayesh Jain: So, is it fair to assume that as a percentage of revenue, this would sustain? I know you don't give forward-looking guidance. But for us, it becomes very important to understand whether we should model it as a percentage of revenue. Or how should we look at it?

Nehal Vora: So, you should look at our past and then take a call. I actually would not be able to give you the future because we don't give future guidance. On that, apologies.

Prayesh Jain: The other question is on the online KYC business. Could you explain it to me how much of it is coming from demat accounts and how much is coming from non-demat accounts? Or it's purely demat accounts.

Sunil Alvares: See, if you really look at the KYC business, for us, it is very difficult to say what pertains to the demat or say to a mutual fund account because when an entity fetches, he could be a broker who's also a DP for demat services. So, whether he's opening a demat account for mutual fund or whether he's opening for securities, we do not know as the investor may be taking delivery of the mutual fund in the physical form. So it's very difficult to give you that answer.

Nehal Vora: And also Prayesh, in addition to what Sunil said, I think the intent is again that CVL is being built to stand on its own feet. So, whether it is demat account or non-demat account, the intent is it should be independent enough to stand on its feet. And that is how we have really progressed. If you see the way both these despite being a 100% subsidiary, we gave it a requisite flexibility to grow, to ensure that the shareholders of CDSL are benefited by both the growth, not only of CDSL, but of CVL also.

Prayesh Jain: Any other adjacencies that you're looking at to kind of get into on the BFSI space where you can get more KYC revenues?

Nehal Vora: So that's, again, a process of future. It's all really regulation driven. And I think as the journey of India is really embarking on public infrastructure, moving to a technology base, I think the process is something, which we are all basically hopeful in the future. But how much that will impact, what products, all that is all futuristic. It is all regulation-driven. It is how the regulation policymakers will kind of create that framework in which it will pan out.

But I think the overall theme and the trend is that more and more people are joining into this fold, and that is what we all have to hope for and pray for.

Prayesh Jain: Last question on the charges for both transaction and the issuer charges. Any representation to the regulator, especially for the issuer charges to increase the prices or anything that you can let us know?

Nehal Vora: It is all, again, between us and the regulator. We don't generally reveal that in the public domain. But as and when a final call would be taken, that would be kind of announced to the market. So, we will all have to wait till then.

Moderator: We'll take our next question from the line of Amit Chandra from HDFC Securities.

Amit Chandra: So, first question is on the KYC revenue. Obviously, there has been a fall in the last 2 quarters, and it is because of the market slowdown and slowdown of the account charges. But if you see our account numbers, it has been increasing over the last 2 quarters. So in the KYC charges, if you can provide some color in terms of what has led to that steep fall?

Is it such as it had come down considerably? Or is it because of any other being in terms of discounts being given to the brokers in this? Or if you can provide some breakup of this, fetch versus account opening in the online data charges?

Nehal Vora: So, before I ask Sunil to answer, I think, Amit, overall, the market volume, delivery volumes, growth in demat account has all seen a muted response we've seen in the fourth quarter. And I think that is kind of the overall impact on CVL also, but I'll ask Sunil to take that question.

Sunil Alvares: Yes. So, like what Nehal just said, that the number of accounts anyway has dropped not only in the last quarter, but in the last 2 quarters we've seen a drop in account opening as also with mutual fund investments and also with IPOs, which have come in, in the last 2 quarters.

So typically, even if the account openings would have gone up, it could be more because of some fetch records, etc. But overall, we've seen the number of records itself, which are created have fallen as well as the number of fetch records also have fallen significantly. So that's what has led to the drop in income.

Amit Chandra: Okay. So, in terms of the fall, like what I was trying to understand is, is it more from the fetch activity that because as far as my understanding goes, fetch was 70%, 80% of the overall revenue. So, has that come down significantly in terms of the mix?

Sunil Alvares: It's more or less in line with what is the creation. So, in terms of percentage, it's almost the same.

Amit Chandra: Okay. And also in terms of the IPO and corporate action, obviously, it is market linked and there has been a sharp fall. But still in terms of the mix between the IPO and the corporate action revenue, what explains the sharp fall, is it only IPO or is it the combination of both? And is there any component in this revenue stream, which is recurring kind of?

Sunil Alvares: No, if your question is directed to CDSL, I think we don't look at it separately as a IPO or corporate action, we look everything as a corporate action in CDSL. So maybe Nehal would like to answer that.

Nehal Vora: Yes, So, could you repeat that very last part? I couldn't hear your last sentence.

Amit Chandra: So, I was just trying to understand that the mix between the IPO and the corporate action in this piece. And what has led to the fall maybe in the last 2 quarters? Is it a combination of both? Or any one part has gone down significantly?

Nehal Vora: So, it's overall market impact, the impact is across both those teams. We don't give that different categories in the public domain. But to answer your question, it is overall impact amount.

Amit Chandra: Okay. And in the annual issuer charges, obviously, you don't give forward-looking guidance, but what has been in terms of the number of folios in this year till March? And also, you'll see the impact of this in like next year? And also has there been any increase in the unlisted revenue? And what unlisted revenue is good for the full year in FY '25?

Nehal Vora: I'll ask CFO to answer that. Girish?

Girish Amesara: See, we had disclosed that in the first quarter. Throughout the 4 quarters, it almost remained the same. We have disclosed that 22.76 crores folios that we had billed.

Amit Chandra: So, for the revenue for unlisted for this full year I want.

Girish Amesara: Unlisted revenue for the full year is at INR35.95 crores, so almost INR36 crores.

Amit Chandra: Okay. And obviously, lastly, on the insurance piece, we have finally tied up with LIC. Any progress on that? If you can throw some more color on that.

Nehal Vora: So I'll ask Latesh to answer.

Latesh Shetty: Yes. Latesh in here. So basically, it's just a sign-up, which has happened. Integration work is in progress. So, we are expecting that.

Moderator: I'm sorry, sir, you're sounding very distant.

Latesh Shetty: Yes. LIC sign-up has just happened basically, and the integration work is in progress. We are expecting LIC to provide us the resources to do the integration there.

Moderator: We'll take our next question from the line of Madhukar Ladha from Nuvama Wealth Management.

Madhukar Ladha: Just on that number that you just said, 22.76 crores. Is that number, correct?

Girish Amesara: Of course, yes. Why?

Madhukar Ladha: No, no. I'm just asking as I was not clear on the numbers. So that is the number of demat that is the number of folios, which is basically a number of scrips into the demat accounts. Like I wanted to understand context of that number.

Girish Amesara: Yes. As per SEBI circular, we have to raise the bill based on either slab basis or on the full year folio basis. Now this folio, how it has to be worked out, it is an average of the folios at full year, which is held in any demat account for any company.

Madhukar Ladha: Understood, understood. Okay, okay. Got it, got it. And then I'm not sure whether you gave the unlisted revenue number for FY '25?

Girish Amesara: I just gave. I just said unlisted revenue from issuer is INR36 crores for the full financial year.

Madhukar Ladha: Got it, got it. And this quarter, we saw a little bit of jump in that number from like you were doing about INR81 crores, we did about INR87 crores. Is there any onetime sort of processing fee, etc., in this quarter or on an overall sort of basis because a lot of unlisted companies have also come into demat in this year? So, is there any onetime processing fee in the annual issuer charges, if you could share that number?

Girish Amesara: So, for unlisted companies, we charge a onetime processing fee of INR15,000 per company.

Madhukar Ladha: Okay. So, what would that total number be?

Nehal Vora: To answer your question, it's again a combination of both more companies coming on and it's actually that more companies are coming into the field. So that continues as our journey as we move ahead.

Moderator: We'll take our next question from the line of Santosh Keshri from SKK Huf.

Santosh Keshri: Yes. I have been a shareholder since 2015, and I have been really looking at the portfolio for the company for a long time. So I have two questions. One is about insurance repository business where we can see that our nearest competitor is enjoying a market share of more than 40% now and they are having additions for something like INR1 crore policies with eIA accounts close to 10 million or so eIA accounts. So somehow, we do not see the same kind of performance and same kind of genesin CDSL repository.

And also, our PowerPoint presentation about insurance repository didn't cover much of the details. It just gives a little bit of numbers. It didn't say that what is the revenue that we are earning, how many general insurance companies we have tied up. Like last quarter, we said that we have tied up with 48 companies. This quarter, we are saying the number is reduced.

So my point is that we are sort of not giving extra numbers for us to assess the business or maybe the business is not being given full attention in terms of better performance and the kind of action that we are seeing in the market. That's not seemed to be happening here. So I'm concerned from the point of view of being a long-time shareholder? That's my first question.

Nehal Vora: Sure. You want to finish both questions then I can answer that?

Santosh Keshri: Sir, second question is a little longer. So, let's discuss this and then I'll come to the second question.

Nehal Vora: So, the first question is maybe Latesh Shetty is here, who's the MD of the insurance repository. But before I hand it over to him to answer, our intent is, like any infrastructure business, we spend a lot of time in ensuring that the platform, the technology, etc., becomes robust. It links up well with the relevant stakeholders and that takes time on both sides to ensure it needs to be planned, tested, etc.

And therefore, that time is taken before it. Because we believe in a philosophy that once you are in it, you try to give the best product, take time in kind of planning. But once you're in it, so that's the confidence and trust of the stakeholders. I'll just hand it over to Latesh to take that.

Latesh Shetty: Yes. am I audible?

Moderator: Not very clear, sir.

Latesh Shetty: Okay. If you look at the past performance, we are in this business for almost 14 years. And again, the insurance repository business is also regulatory driven. The initial 10 to 12 years, we were hoping that the repository as a product would be made mandatory by the respective regulators, and we shall await and are hopeful that in future that guidelines may come in.

But yes, since this is not a mandatory subject, we have been limiting our investments on this business. But last year, there has been a lot of changes, which has happened. Apart from 3 revenue streams from which the business comes, we have now opened up the direct portal for the end policyholders to come and directly open their accounts and there has been some traction. We have not yet started marketing, digital marketing there. But yes, the voluntary growth has started coming in.

And just to give you some flavor, you mentioned briefly about the competitors as well. Just to give a context of the insurance business, it's all in public domain. Annually, the country turned out some INR30 crore policy and all the IR put together, we have just crossed INR2 crores. So 90% of the market is still up for grabs and that's what we are strategizing on, and you'll see the positive outcome in the times to come.

Santosh Keshri: That's right. But then we haven't got an app also, something like a digital app, which can be -- like our competitors have already launched an app. And the with this kind of thing is with app and connectivity and the network effect that you get by getting the new customers and the more new customers you have, the better acceptability is there for the newer customers to come and get into our platform.

So all I'm saying is that we are missing a lot of action here. Maybe something can be done and better details can be given in the PowerPoint presentation for the quarterly update. That would be really helpful.

Latesh Shetty: Coming to my recent website, we are under production, I think you haven't seen off late. So it has been a complete revamp from what was there last year. And we have a web-responsive application. So yes, you are right, we do not have a mobile app per se, but our portals are web responsive, and it is visible on the mobile as well. But I take your point. So that's for us to work on.

Santosh Keshri: Okay. Now my second question is about the direction that the company is going towards, Nehal. One is that, see, like we do not charge anything for the demat account, and we say that we have 15 crore-odd demat accounts. Then we have a huge amount of cash in our books, INR1,500 crores, for which there didn't seem to be obvious usage that what you said is going to be put to.

And the analyst community and investor community have been talking about this in almost every call, but it looks like that there is no clarity in terms of annual report or the presentation that comes out after the quarter result. Every time we get to hear that the Board of Directors would decide and we do not make futuristic statements so -- that we get to hear.

And then we also get to hear that the extra amount of technology expenses that we have for a stable infra institution, something like the technology expenses went up by almost 70% compared to the last year, and our operational metrics also had been going down. Like this year, our PBT margin is something 58% and last year it was 61%. Quarter-on-quarter, it is even worse.

So, my question is that are we settling into some kind of happy infrastructure institution and nothing beyond? We don't want to go further beyond this because a lot of action is happening on the digital side, a lot of action is happening on the market side. Our associate, BSE, is doing so well in terms of not only share price, but in terms of a lot of regulatory forbearance they've got, a lot of marketing action that's happening.

The new CEO over there, he has really changed the company. The same kind of thing I'm not seeing in CDSL. So, I'm not trying to express any kind of disappointment in the company, I'm just trying to express my feeling that we are lacking certain direction here or maybe we are we need more better communication. If you can clarify, Nehal?

Nehal Vora: Santosh, you need to see those various communications. I think it is your opinion, I don't think that's the opinion of people who I meet and certainly not the opinion of what is in the mind of CDSL as a management and also Board. We have a very specific focus. Otherwise, in the last 5 years, we would not have grown from about 1.8 crores demat accounts to 15.5 crores. These numbers cannot just happen out of thin air. It needs a lot of planning and there's a lot of behind-the-scenes planning.

Second is the revenue, profits if you see for the last 5 years has gone through a significant uptick. And that can only happen when you are focused on what you want to do and how you want to do it.

Third is the number of shareholders who have been there for the last 5 years, total number of shareholders who had invested in CDSL has grown by multiple times. This also would not have been there if the shareholder interest and maximization principal focus was not a part of CDSL's core activity.

Now these numbers show a different picture than the conclusion which you are trying to draw. And I think you need to look at it from that perspective. Number of employees have grown in CDSL. The importance and the brand of CDSL has grown very stronger. All these are clear indicators that if there was no focus, nothing on how we are taking it forward, we would have continued to remain at the same level as in 2019, which is not too far away. It is just about 5 years away.

And in fact, that quarter-on-quarter, despite markets going through its ups and downs, we continued to grow in terms of number of demat accounts, number of people wanting to become a part of the CDSL ecosystem clearly showcases that this is with a customer-centric focus.

Otherwise, this would not have happened. So, I would really like you to urge you to rethink on your conclusion because these metrics don't show the conclusion, which you are trying to draw.

Santosh Keshri: But the thing is that though we are being customer-centric, are you also being shareholder friendly? If that is also being taken into account, it would be really helpful. I do not want to go beyond this, but that is something I wanted to highlight.

Nehal Vora: So, shareholders, you will see, again, metrics on shareholders, 1:1 bonus, highest dividends year-on-year. Last year, the company issued a dividend of INR 19 per share, incorporating a regular profit distribution of 60% plus a special dividend of Rs 3 per share marking the company's 25th anniversary. This totaled to INR 22 per share when considering the special dividend.

This year we declared a record dividend of INR 12.50 per share. With the 1:1 bonus factor, it effectively doubles to INR 25.00 per share, the highest ever. Thus, this year, we have surpassed that by offering INR 25 per share, showing our commitment to shareholder interests. Had we not been shareholder-centric also, these numbers would not have come in.

Moderator: We'll take our next question from the line of Siddharth S. from Vittae Money.

Siddharth S.: The main thing that as a concern would be that the Q2 of your company last year did really well and there has been a dip in terms of both Y-o-Y and Q-o-Q quarter. Can you just highlight what led to it and what the trajectory going forward would be? And like on an approximate number-wise math, what growth rate can we expect from CDSL's overall management as a whole?

Nehal Vora: So, one is, Siddharth, we don't give future guidance. I won't be able to answer what is the future. It is for each shareholder to assess for themselves. But to your question on why Q2 was higher than Q3, Q4 is because the overall market volumes have dropped, the delivery base volumes have dropped. An important metrics, which one needs to look at is the delivery-based volumes on the stock exchanges, which shows the market participation, which culminates into delivery.

And that's what is important from a depository standpoint. Our business is in long-term products that people take more and more shares into delivery, and that's how we are promoting a culture of also people staying long term in markets. And also, as an infrastructure institution, it's important to understand that we are building the right building blocks so that when we saw the spurt in volumes during COVID and post COVID, CDSL was able to withstand that higher volume and continue to work seamlessly.

So, I think that is where our focus and intent is, that under all circumstances we have to keep on ensuring the value proposition to the market. And when the market volumes spurt, the infrastructure should be equipped to handle that excess volume. So that's where our focus is.

Siddharth S.: Got it, sir. And the delivery-based volume has led to the entire dip as such. Do you have any idea on how it might be going forward if you would be willing to share any, I mean, insights or any idea on that?

Nehal Vora: No, Siddharth, we don't give future guidance. But had I even known, you and I would not need to work any longer because if we all can predict what the volumes are going to be. It's cumulative thing of the entire market participation. So that's something for us to wait and watch.

Moderator: We'll take our next question from the line of Sanketh Godha from Avendus Spark.

Sanketh Godha: Sir, initially, a few data-keeping points, can you spell out cas income, e-voting income and pledge income in the current quarter and also the impairment cost?

Nehal Vora: Yes, I'll ask the CFO to answer that.

Girish Amesara: So, the CAS statement income was at INR11 crores in the quarter. E-voting was around INR6 crores. You also wanted the debtors' provision, right?

Sanketh Godha: Yes. Provision cost, impairment costs and the pledge income.

Girish Amesara: Sure. So, impairment was INR88 lakhs in this quarter, and pledge income was INR5.40 crores.

Sanketh Godha: INR5.40 crores. Okay. And sir, the second question was, yes, sir, you alluded to the point that a number of folios at the start of the year was 2,276 lakhs. So just if you can tell me how it grew compared to the previous year? I just wanted to reconfirm the point that this 2,276 lakhs was based on number of average folios of '24, which got reflected in '25.

So given the number of IPOs, we are so strong in '25. Is it fair to say that the number of portfolios surely would have gone up because of more listing and that will get more reflected in '26 as a growth in the annual issuer charges?

Girish Amesara: So Sanketh, previous year, it was at 19.50 crores. And current year, it is 22.76 crores.

Sanketh Godha: Okay, okay. Yes. So, the point, what I'm trying to make that given the 22.76 crores was reflected to last years number of folios, which we actually would have grown because of number of IPOs. So, the benefit will be more reflected in the next year, sir?

Girish Amesara: Yes. Possibly.

Sanketh Godha: Okay, okay. And the third thing, sir, just if I look at cash ADTO, quarter-on-quarter, it declined by 8 percentage for the country, BSE, NSE put together, cash ADTO. But if I look at our transaction income, it has dipped by 17 percentage as Q-o-Q. So there seems to be a little divergence typically is not there. So just wanted to understand what led to more fall in transaction income compared to the fall in cash ADTO?

Girish Amesara: See, Sanketh, when we closely monitor the delivery volumes of exchanges vis-a-vis our billable transactions and we don't see that kind of slowdown decrease compared to what it is based on the what we see is the delivery volume and the average daily billable transaction move hand-in-hand. That's what we see from the historical data that we have.

Sanketh Godha: So, the reason why I was asking this question was that sir, have you seen any market share loss with respect to transaction income because our decline seems to be a little more compared to cash ADTO, what we can see from the public information?

Nehal Vora: So, we don't know the billable transactions of our competition. We only track what is there at our end. And you have to compare it with the overall volumes out now.

Moderator: We'll take our next question from the line of Parimal Mithani from Credential Investments.

Parimal Mithani: Sir, I just wanted to know a couple of quarters back you had mentioned about account aggregator thing. Can you give a highlight on where are we and what is the progress in terms of that? And secondly, sir, in your CDSL Venture, you do eSign and eKYC. Is there further scope expanding that services, if you could?

Nehal Vora: Could you just repeat that final part, that was not too clear.

Parimal Mithani: So, in your CDSL Ventures, you do eSign and eKYC, and I think there are significant traction in both of that. If you can explain, how do you plan to go ahead with that?

Nehal Vora: Yes, we don't give future guidance, but I'll ask Sunil to answer the second question. But before that, on the first question on the account aggregator, we are part of the Account Aggregator Framework. We are there is something called an FIP or Financial Information Provider. CDSL was first amongst the kind of the ecosystem, at least in securities market, one of the first, which has become a part of this FIP, and we have been continuously giving that.

So that is what our role is. So whatever account wherever data is requested by investor through the FIU or a Financial Information User, it gets routed through the Account Aggregator and comes to us and we provide that information after ensuring that relevant security checks, etc.. So that's what our role is. I'll ask Sunil to answer the second...

Parimal Mithani: Revenue stream from them? If you can if there is any? Or is it just an add-on, value-added service, sir?

Nehal Vora: Yes. Revenue as of now is not yet been there. It is in the process of getting formulated because these are early days. But I think there is some discussion, which is going on, but how much it will fructify and all, that is yet to be seen.

Sunil Alvares: Yes. On the second part, with regard to the traction, what you're seeing on the eSign and the eKYC business, is that so far as eKYC is concerned, the intermediary like the DPs, etce., need to be registered as a subcarrier. Currently, they are using DigiLocker for these services, but we are seeing some intermediaries who have registered recently.

And once they start off in this financial, year, we will see more revenues coming from there. On the eSign business, the way it functions is that we do not tie up with the end customer who is a participant or the broker, but there is a third-party service provider, who gives the entire onboarding solution to the end client and eSign is just a part of it.

So basically, we have tied up with a couple of such third-party service providers and we are looking at adding more such service providers. So, when we add some more, definitely we'll see an increase in income out there as well.

Moderator: We'll take our next question from the line of Sanketh Godha from Avendus Spark.

Sanketh Godha: Sir, one small clarification. You said 22.76 folios. If I multiply by INR11, the revenue comes at INR250 crores. But what we reported is INR326 crores. So, the difference between INR250 crores and INR326 crores is predominantly explained by what, sir?

Girish Amesara: See, Sanketh, you have to look at the SEBI circular. We have to raise invoices on the company based on folio and the capital. And apart from that, we have unlisted companies also. So, everything put together is a final number, which is there as an annual issuer income. What you are looking is limited to only the folios.

Sanketh Godha: Right. Okay, okay. So, sir, basically, where you charge the fixed fees and basically what you charge for the listed companies, which could be much higher compared to number of folios what they have explains the difference between 2 numbers, right, sir?

Girish Amesara: It's a combination of both.

Moderator: We'll take our next question from the line of Mohit Surana from HDFC AMC.

Mohit Surana: Can you also the way you gave 22.76 crore number for the last year, could you give the number for this year?

Girish Amesara: That would be possible only in next quarter.

Moderator: We'll take the next question from the line of Swarnabha Mukherjee from B&K Securities. I'm sorry, Mr. Swarnabha's line is disconnected. We'll take a question from the line of Prayesh Jain from Motilal Oswal.

Prayesh Jain: Just a bookkeeping question on the other income. What drove the sequential improvement in other income so much? And could you give us a breakdown of your investment in terms of where all the money is parked?

Girish Amesara: So other income is largely constituting of CAS charges, e-voting income, eSign income and investment income. The investment income is largely based on investment in fixed deposits, investment in mutual funds debt scheme and investment in bonds. These are all based on an investment policy approved by the Board.

Prayesh Jain: Okay. So, the large part of the jump in the other income in the quarter is mainly because from the mark-to-market. Is that a fair way to assume on the debt side?

Girish Amesara: Yes.

Moderator: We'll take our next question from the line of Swarnabha Mukherjee from B&K Securities.

Swarnabha Mukherjee: Yes. So, sir, I just wanted to understand on the IPO corporate action part. So, the INR25 crores we have reported this quarter, this would be mainly from corporate action, right? So I mean, I just wanted to know that this INR25-odd crores, - how much would be seasonality across the quarter? Is the second, third quarter much more heavier? If you can give some indication based on the trends seen in last 2, 3 years.

Nehal Vora: I'll ask the CFO to answer.

Girish Amesara: IPO corporate action income is largely based on the IPO that comes in the market. So, it is directly linked with market activity in terms of the IPO that gets business during the quarter. So, if you ask us a seasonality, it is directly related to the market.

Nehal Vora: Yes. And also...

Swarnabha Mukherjee: Yes, sir, please go ahead.

Nehal Vora: We have to look at the past to see which quarter has more, but I don't think there's any specific trend in that. It depends on market activity.

Swarnabha Mukherjee: Right, sir. I'm just trying to understand that since in fourth quarter, since you don't give the breakup of IPO and corporate action in this fourth quarter, I think the contribution of IPO income would be quite negligible so just to understand only the revenue from the corporate action.

So, this is INR25 crore number is a good number to work with? So, I just wanted to understand that if I were to think about the same revenue only from the corporate action in second and third quarter, for example, where there were a lot of IPOs, but additionally was there also a higher seasonality of corporate action? So the corporate action number in second and third quarter will be more than -- significantly more than INR25 crores or would that be near about?

Nehal Vora: See, again, there are lots of corporate action like share split, the bonuses there. Now there is no seasonality on that also. It depends all on each company and I don't think that can be predicted. If somebody is willing to do the part research and come out with some finding, that's a different matter, but we don't see it that way. We see it again our intent is that platform should be robust and stable. And so that people, whenever they want to come, they can come.

It is like a road and all, like the road has to ensure its value proposition. It has to ensure security, so that cars as and when, whether it comes in the middle of the day, middle of the night, whether they come more in January or they come more in March, that is not the focus on how a company who makes roads is going to focus. We have a similar kind of a focus on how we really structure and plan ourselves.

Swarnabha Mukherjee Right, sir. Understood. And also, sir, so if I were to think between the demats in your custody. So just as a conceptual clarification. So, if there is shift of folios, say, from retail participants towards more institutional participants, then how would that impact our, say, annual issuer charges, if you could give some color?

Nehal Vora: So, the rules are there in the public domain. Number of folios, it's a combination of various factors on how issuer charges are getting charged. So, it is the fulfilment of those conditions. It's not only folios, it's a combination of various other factors also.

So that will have to be assessed. We cannot give a simplistic answer as to if there is a trend, a change in trend, etc. It all depends on all those conditions to ensure what would be the impact on the issuer fees, which we would receive.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Nehal Vora for closing comments. Over to you, sir.

Nehal Vora: I would sincerely like to thank all the callers for their questions and also their keen interest. Continue partnering with us as we embark on this journey of this phenomenon called India, which is growing at a great rate. Thank you so much and stay safe.

Moderator: Thank you, members of the management team. On behalf of HDFC Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.