



Central Depository Services (India) Limited

CDSL/CS/NSE/RD/2022/218

November 03, 2022

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

Symbol: CDSL
ISIN: INE736A01011

Sub: Analyst /Investor Call /Conference Call held on October 28, 2022

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

Dear Madam/ Sir,

This is with reference to our intimation dated October 25, 2022, for scheduling of Conference Call on October 28, 2022, please find attached the transcript of the aforesaid Conference Call.

The above information is also available on the website of the Company: www.cdslindia.com

This is for your information and record.

Thanking you.

Yours faithfully

For Central Depository Services (India) Limited

**Nilay Shah
Group Company Secretary & Head Legal
ACS No.: A20586**

Encl: As above

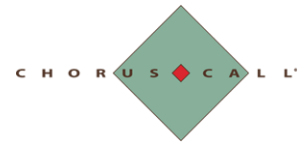
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“CDSL Central Depository Services Limited

Q2 FY '23 Earnings Conference Call”

October 28, 2022



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

Moderator: **Mr. Praveen Agarwal - Axis Capital Limited**

Moderator: Good morning, ladies and gentlemen, and welcome to the Q2 FY '23 Earnings Conference Call of Central Depository Services (India) Limited (CDSL), hosted by Axis Capital Limited.

Please note that CDSL does not provide specific revenue or earnings guidance. Anything said on this call which reflects CDSL's outlook for the future or which could be construed as forward-looking statement must be reviewed in conjunction with the risks that the company faces. 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 star then zero on your touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Praveen Agarwal from Axis Capital Limited. Thank you. And over to you, sir.

Praveen Agarwal: Thank you, Michel. Good day, everyone, and welcome to the Earnings Call of CDSL. We have the entire management team of CDSL with us here on the call, headed by Mr. Nehal Vora, MD and CEO. I would request Mr. Vora to take us through the initial remarks, and then we'll open the floor for Q&A. Over to you, Mr. Vora.

Nehal Vora: Thank you, Praveen. A very-very good morning and welcome, everybody. 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 second quarter of the financial year 2022-23.

As in the previous quarters, we have posted a detailed financial presentation on our website for your reference. I'm joined by the CDSL group's leadership team. Before I go further, I would like to wish each one of you and your loved ones a very happy Diwali and a prosperous New Year. May the year be filled with light and happiness.

We are happy to present CDSL's performance for the second quarter of this financial year. Our strong and sustainable financial performance marked the end of a successful first half of the financial year. We are happy to report that India has strengthened its overall participation in the Indian capital markets. The overall number of demat/ investors account in India during the Q2, FY '23 crossed the 10 crores milestone as CDSL crossed the milestone of 7 crores demat accounts. The number of demat accounts held with CDSL at the end of Q2 FY '23 stands at 7.34 crores.

On a separate note or rather on a lighter note, if demat holders were a separate country, it would rank 15th amongst the world's most populous countries. This growth is a reward of the digital innovation and presence carved across years, especially in the Tier 2 and Tier 3 cities. We are also very proud to announce that history was created this Diwali as India's first successful Electronic Gold Receipts transaction was executed during the Muhurat Trading session in BSE, and the securities were settled through CDSL.

Our focus is to provide a convenient and secure capital market technology for all the participant on a sustainable basis. Our ability to understand the requirements, think and build on technologies and to deliver diversified experiences continues to drive strong values for our stakeholders and shareholders.

During the quarter, the number of active companies admitted with CDSL as on September 30, 2022, stood at 19,301, an increase of 12% from the number of active companies as on September 30, 2021. Furthermore, the value of securities in demat custody as on September 30, 2022, stood at INR 38 lakh crores, an increase of 9% from the value of securities held on September 30, 2021.

We have been following the path of building a simplified process and technology for all investors for the past years, and that technology has been continued to evolve to fit the needs of our customers. We at CDSL, in line with the spirit of Diwali, strive to empower the investors with their inner light, power and self-sufficiency through our services to help them transcend into an Atmanirbhar Niveshak or a self-sufficient investor. With this belief, we at CDSL wish to renew our commitment of providing convenient, dependable and secure digital services.

The financial performance of this quarter continues to be strengthened by a sustainable long-term strategy of investing in a digital ecosystem and robust technology to provide all market participants an easy and secure platform. Today, using CDSL services, investors have the power to hold, operate and monitor their investments safely from the comfort of their homes. Further, our services like the eAGM, e-Voting, etcetera empower the shareholders to connect with companies directly and conveniently.

In conclusion, as the market condition evolves, we believe that CDSL, with its easy and diversified services, has the ability to leverage the opportunities and be a catalyst in the India's growth story.

Finally, I would like to take this opportunity to thank all our stakeholders, regulators, investors, issuers, registrar and share transfer agents, depository participants, partners, associates and employees and all other stakeholders who have played an extremely important role in the growth of our company.

Now I request Shri Girish Amesara, CFO, to take us through our financial performance. Over to you.

Girish Amesara:

Thank you, Nehal. Good morning to everyone. On an year-on-year basis, the consolidated total income for the quarter ended September, 2022, has increased by INR 5 crores to an amount of INR 170 crores, compared to INR 165 crores for the quarter ended September, 2021. The net profit on a consolidated basis for the quarter ended September, 2022 stood at INR 80.46 crores, as against net profit of INR 86.06 crores for the quarter ended September '21.

On an a quarter-to-quarter performance, the consolidated total income for the quarter ended September, 2022 has increased by INR 24 crores to INR 170 crores, compared to INR 146.30

crores for the quarter ended June, 2022. The net profit on a consolidated basis for the quarter ended September, 2022 stood at INR 80.46 crores, as against net profit of INR 57.61 crores for the quarter ended June, 2022.

Talking on stand-alone basis, the year-on-year total income for the quarter ended September, 2022 has increased by INR 13 crores to an amount of INR 140.54 crores, as against INR 127.92 crores for the quarter ended September, 2021. The net profit on a standalone basis for the quarter ended September, 2022 stood at INR 68.61 crores, as against profit of INR 68.40 crores for the quarter ended September, 2021.

On the quarter-to-quarter performance, the total standalone income for the quarter ended September, 2022 has achieved at INR 140.54 crores, as against INR 157.81 crores for the quarter ended June, 2022. The net profit on a standalone basis for the quarter ended September, 2022 stood at INR 68.61 crores, as against net profit of INR 89.10 crores for the quarter ended June, 2022. It may be noted that CDSL subsidiary CDSL Ventures Limited had paid dividend of INR 41.50 crores in the quarter ended June, 2022.

Now I shall request Shri Sunil Alvares to give an update about the operation of only one subsidiary, CDSL Ventures Limited. Thank you. Over to you, sir.

Sunil Alvares:

Good morning, everyone. At the outset, I would like to take this opportunity to wish you all a very happy Diwali to you and your loved ones. H1 FY '23, we saw a significant drop in the new demat and broking accounts as well as the mutual portfolios. And since all these account openings are intrinsically linked to the KYC, there was a dip in the KYCs created and the KYCs fetched. This had a slight impact on the number of KYCs created in CVL, so the number of KYCs dipped by 9% from 64 lakh to 58 lakh in this financial year. And the number of KYCs fetched dipped from 1.56 crores to 1.31 crores, which was a dip of 16%.

So far as the operational income was concerned, the operational income dipped by 13% in H1 FY '23 to INR 53.49 crores from INR 61.72 crores. And the total income dipped by 15% to INR 57.11 crores, as against INR 67.50 crores. The expenses increased by 2% from INR 24.50 crores to INR 25.15 crores. The profit before tax dropped by 26% from INR 43 crores to INR 32 crores, and the profit after tax dipped by 28% from INR 32 crores to INR 23 crores.

With this, I'd open the floor for questions from the participants.

Moderator:

Thank you, very much. We will now begin with the question-and-answer-session. Anyone, who wish to ask a question may press star and one on their touchtone phone. If you wish to remove 'yourself' from the question queue you may press star and two. Participants are requested to use handset to ask a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Pratik Rathi from Choice Capital.

Pratik Rathi:

Congratulations on a good set of results. So I just wanted to understand regarding the insurance team materialization. Like with effect from 1st November, it has been made mandatory, so what

kind of revenue growth do we see in this team? And what could be the onetime opportunity do we see here?

Nehal Vora: So the insurance repository -- there's a separate subsidiary for the insurance repository. It will be done through that company, and it is mandatory from the end of this calendar year for new policies, and for existing policies, one more year has been given. It is yet going through the regulatory framework. It is getting discussed and getting created, but we are completely on top of it. As soon as that gets announced, then we'll come to know what will be the likely impact. Anyway, we don't give any future and forward-looking statements.

Pratik Rathi: So for this quarter, there won't be any impact from next calendar year onwards, probably there could be some impact, right?

Nehal Vora: Whether there'll be an impact or not, that we'll have to see, but in this quarter, it is not - it will be "as is where is" basis.

Pratik Rathi: And my second question is regarding the increase in the employee benefit expenses. So I believe, in last quarter, we had some onetime expenses of one of the subsidiary, but even in current quarter, there is a good amount of increase in employee benefit expenses. Is there any particular reason for this?

Nehal Vora: No, it's a combination there is a general expectation that the CDSL's size is growing and we need to invest in the right kind of people. Technology and People are the two main important components of our company and we need to have key resources to be deployed. And also there is a larger regulatory responsibility which is getting formulated in terms of front-line regulator, and therefore, we need to continue to invest in the right people. Apart from these, the regulatory area has grown also as CDSL's size grows. So in all forms, be it technology, be it the operations and the regulatory teams, have to be appropriately strengthened to ensure that we are able to ensure the continued growth which we are witnessing.

Pratik Rathi: So this kind of run rate would continue to grow ahead. There is no onetime expense in this quarter in the employee benefits caption.

Nehal Vora: Yes. It means broadly I will not able to give any specifics on the future, but this is the overall theme on which we are working on in terms of the investment in our people.

Moderator: Before we take the next question a reminder to all the participants to press star and one to ask a question. The next question is from the line of Amit Chandra from HDFC Securities Limited. Please go ahead.

Amit Chandra: Sir, my question is on the insurance opportunity, so as you said that obviously it's kind of thing which is visible in the near term. But if I see the finances of the insurance subsidiary, then there the realization per policy for the life policies has been declining over the last four, five years. And currently it is INR 25 per policy and it is down around 28% Y-o-Y, right? And for the health and motor, it's around INR 10 per policy, so in terms of the pricing, how do you see the pricing

panning out? Because here the volumes are very, very thin, but as the volumes will grow, can we see a pricing war here? Or is the pricing being fixed by the regulator, or is it regulated?

Nehal Vora: So it is a different paradigm which we are expecting to go in, and pricing will be a function of that, because now it's becoming kind of a regulatory mandate. And it will have to be, and that's how the -- in the depository space also the pricing had evolved; started up on a high note, but once it becomes mandatory, it was rationalized. So I think I will not be able to second guess what the regulator has in mind, but I think we'll have to wait and watch how this moves forward. Once it becomes mandatory, it's a different scale, so it's not comparable with the past where it was on a voluntary basis.

Amit Chandra: And also in terms of the pricing differential between life and motor, or health policies. So the general insurance policies, which is more shorter duration, there the pricing can be much lower than what is existing today?

Nehal Vora: We'll have to see how it evolves, Amit, not able to give a firm answer at this stage. This is all going through various regulatory deliberations and we'll have to wait and watch how this really evolves.

Amit Chandra: And also, sir, if I see the shareholding pattern of all the four insurance repositories. So I think most of them are 100% hold -- held by the parent, versus CDSL which is mostly held by most of the life insurance companies, so is this going to have any specific advantage in terms of the incremental volumes coming to CDSL?

Nehal Vora: Again, we'll have to wait and watch, we don't give any future outlook. Our intent is to provide the best in terms of technology platforms, a very transparent governance platform; and then leave it to the market to kind of choose which is the best way forward. That has been our philosophy in CDSL and will continue to remain in CDSL group also.

Amit Chandra: And sir, lastly on this piece. So in terms of expenses, we have an expense of around one crore in this subsidiary. So how we can expect the expenses. So is it the platform costs? Or the technology investments have already been done. Or we can expect high investments in technologies from here on. So how do...

Nehal Vora: Well, like any platform, Amit, it will evolve because you need the right kind of people, the kind of technologies. And once the regulatory framework gets created, that will evolve in terms of ensuring the best-in-class services. So whatever it takes because this is basically a long-term play rather than in short-term play. We need to have the right people and the resources and the right technology to take this business forward as we move ahead.

Amit Chandra: And sir, on the demat account addition, obviously there has been some slowdown there, but if I see the incremental revenue per demat -- so that has gone down significantly, so this implies that, the newer account that is being added, those are not contributing anything to our top line. Or the contribution is very, very less, in fact 1/4 of what it was earlier, right? So in terms of the newer account additions, how is the activity there? And if you can give some color in terms of

the demographics or how it is panning out. And can we expect that to increase as these, like, new -- these people start doing activity and hence the incremental contribution from these additions will start to reflect in our top line going ahead?

Nehal Vora: So really, Amit, you should look at it as a consolidated revenue mix. If you see the overall market volumes, more particularly the delivery volumes across the exchanges has also taken a dip. So, it's the demat account-related revenue is related to that activity and it's a variety of factors, be it the -- basically the geopolitical issues or the general uncertainty about inflation, etc. So, participation in the markets has taken a dip over the last few months. And this is kind of in sync, but as compared to that, the overall revenue mix has been in sync with one of the more bull phases. So that has been the key strength of CDSL. That it has kind of been able to basically sustain that kind of revenue despite there being a general market contraction in terms of participation. And that has been our philosophy, that it becomes more and more insulated whilst we are there in terms of the best-in-class technology.

So as the market volumes grow, we are there for it. And it is similar to a road, so how many cars come on the road is a function of various factors, and similarly, the market volume is a function of various factors. The important thing is that we are there. And the incremental market share continues to remain very-very strong and robust. Our technology remains very strong and robust. And we're using this time to ensuring that our technology remains kind of in A class as we move forward.

Amit Chandra: And any color on the demographics of the new account additions? Anything you can like tell us incrementally in terms of from where the accounts are getting added? Is there any shift that you're seeing or anything...?

Nehal Vora: There is no shift. It's kind of the general same trend which continues. We don't give out in the public domain as of now the mix. But it's kind of broadly, it is the same framework which continues as we move forward. Obviously the level of participation has gone down, but overall the trend remains the same.

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

Santosh Keshri: I have two questions. One is about the number of employees that the company has on a standalone basis and in as well total group level basis, year-on-year as well as quarter-on-quarter, if you can give that number?

Girish Amesara: So our total employee on a standalone basis is around 260 employees, and on a group level it is around 325.

Santosh Keshri: This is as of September 30, 2022, right?

Girish Amesara: As on date. As on 30th September, 2022, you can consider.

- Santosh Keshri:** Yes. And what could have been the number as of 31st March '22?
- Girish Amesara:** 31st March '22, it was 246 on a standalone basis. And on a consolidated basis, it was around 300.
- Moderator:** Thank you. Reminder to all the participants, to press star and one to ask a question. The next question is from the line of Sanketh Godha from Spark Capital. Please go ahead.
- Sanketh Godha:** Sir, with respect to the insurance business again, yes, there is one source of revenue which might come -- which is regarding dematerialization of the policy. And second thing is with respect to...
- Moderator:** I'm sorry to interrupt. Mr. Godha, your voice is fluctuating. Can you please use your handset to ask your question?
- Sanketh Godha:** Sure, sure. Is it better now?
- Moderator:** Thank you so much. Kindly proceed.
- Sanketh Godha:** Yes. Sir, my question again is with respect to the insurance thing. Because one source of revenue which IRDA is trying to generate for the repositories is compulsory dematerialization of the policies. And second thing is regarding the centralization of KYC thing. So which I believe will be also done by insurance repositories. So just wanted to understand because, till date, we believe that KYC is largely done for life insurance companies. It's hardly done for motor or health policies, so I mean this itself can be a very big opportunity, or any thoughts on these lines would be very useful, sir?
- Nehal Vora:** Yes. So again, Mr. Sanketh, it will be something which we'll have to wait and watch till the regulatory framework gets announced formally. There has been a policy announcement, but there is hectic rounds of deliberations going around as to how the operation modalities will get worked out. Once that gets finalized, then we'll be able to really comment on the extent of the opportunity. So it's something, it's a little premature at this stage. We'll have to wait and watch how this gets evolved as we move forward.
- Sanketh Godha:** And the second thing again with the insurance thing, is that our market share, compared to other insurance repositories, historically has been lower. So now, though, because it was maybe voluntary, maybe it was not so much a focus in the past but now becoming mandatory, and given it's a big opportunity, any market share what you are thinking on? Because, I mean, currently we are less than 10 or closer to 10, I believe, in the number of policies which are in EAI accounts. So how we want to like accelerate it given we are a little laggard with respect to this particular piece?
- Nehal Vora:** So our philosophy, be it CDSL or any of the group companies, be it CDL also where we have about a 60%, 65% market, we have a large market share in the KRA business. The intent is that we don't go after the numbers or the market share. We go after giving the best-in-class

technology platforms, a value proposition; and kind of leave it to the market to then choose which platform works best.

So our focus has been in bringing in that quality in our platforms, in our products, security in our products and platforms, and more importantly, a value proposition. And that will be the same ethos with which we will continue to work in our insurance repository also. We are not going after numbers. We are going after the quality of our offerings as the main focus area. And our experience has been over the last three years, four years is that this has been the single most important driving factor in driving the market share up. So it's kind of not the intent. The intent is to get the best-in-class products, and basically the result of that is that more-and-more people would like to use that platform.

Sanketh Godha: So sir, on those lines, I mean, any additional hiring or initiatives you have taken given these new opportunities coming...?

Nehal Vora: That is kind of an ongoing process. It will continue to happen, and the Board, not only the Board of CDSL, but even the Board of the insurance repository is fully in sync in ensuring that we have the right kind of people in that repository to ensure that we're able to build that business well.

Sanketh Godha: Sir, a few data-keeping questions. If you can give a few data points, one is pledge income in the quarter then annual issuer income broken down into listed and unlisted companies and probably the debtor provisioning number in the quarter?

Nehal Vora: I'll ask the CFO, Girish.

Girish Amesara: So the pledge income is INR 3.5 crores in the quarter.

Sanketh Godha: And annual issuer charges from the listed and...?

Girish Amesara: Unlisted is INR 1.30 crores in the quarter.

Sanketh Godha: From unlisted companies, right, sir?

Girish Amesara: Yes.

Sanketh Godha: And the debtor provisioning?

Girish Amesara: Debtor's provisioning is around INR 3 crores in the quarter.

Sanketh Godha: And final one, sir, if you can break down the operating revenue, or if you can give a little more details on CAS income and e-Voting income, which probably has not been in the presentation. If you can give that information, it will be useful, sir?

Girish Amesara: e-Voting is achieved at INR 14 crores in this quarter.

Sanketh Godha: And CAS, sir?

- Girish Amesara:** CAS is INR 5.09 cores.
- Moderator:** Participants, who want to ask a question, may press star and one on their touchtone phone now. The next question is from the line of Pratik Shah, an individual investor. Please go ahead.
- Pratik Shah:** I have really one question. Like as we all know, that India has already started the operation of the GIFT City for bullion exchange, so is there any revenue we have on in this quarter? And the second one is regarding, sir, if you can just explain, as you mentioned, that the first transaction happened on the Muhurat Trading of this Gold Receipt, how CDSL will work? And how we'll get revenue from this storing this Gold Receipt to CDSL account?
- Nehal Vora:** So on the first question, it's a part of the consortium of BSE, NSE, MCX, NSDL and CDSL which owns the depository. So CDSL, it was a fully owned subsidiary which has been sold to the consortium. This is in line with the overall national objectives of ensuring that we don't compete in GIFT City. We remain as a unified force and compete with the world. These are kind of in early days yet. So we are equal partners not only in the depository but in the exchange and the clearing corporation of the bullion exchange and clearing corporation, entire ecosystem. So we'll have to wait and watch. As of now, these are in early days.
- As regards your second question, on the EGRs. We are part of -- we are basically a repository or a depository for the Gold Receipts. And it will have similar contours in terms of the transaction charges as well as of the new kind of issuances which are put in. It will be on a similar line. These are kind of in early days, so it will be difficult to give any framework. So it's a new line of business which we've gone in.
- Again our focus is to ensure a value proposition, ease of doing business, but at the same time having a very secured way of insuring and a tech-enabled platform, so that more and more people are able to connect from whichever, from different parts of the country, to enhance the entire reach of this ecosystem.
- Pratik Shah:** And so I just want to confirm, the CDSL platform is ready, right, to cater all of this...?
- Nehal Vora:** Yes. In fact, the first trade, which happened on the Muhurat Trading, and the securities settlement was done through CDSL. I said that as a part of my speech. So we were kind of first trade settlement -- part of this first trade settlement which was happened on EGR.
- Moderator:** Thank you. Before we take the next question reminder to the participants, anyone wishing to ask a question, may press star and one on their touchtone phone now. There is a follow-up question from the line of Pratik Rathi from Choice Capital. Please go ahead.
- Pratik Rathi:** Sir, a few weeks ago, we saw one of the news articles regarding single demat account, infrastructure development for single demat account. So how soon do we see this as a reality, like a single demat account for all FDs, insurance, PPF, post office as well as shares.

- Nehal Vora:** Again, this is something which we are in and we'll have to wait and watch till the formal announcement comes. I would not like to comment on news articles which is not backed by a SEBI circular or a circular from the regulatory authorities. The intent is that we are technology ready, and whenever the framework gets announced, we should be able to participate in it.
- Moderator:** Thank you. Anyone wishes to ask a question. May press star and one now. The next question is from the line of Anshuman Deb from ICICI Securities Limited.
- Ansuman Deb:** My question is regarding the annual issuer charges and the price hike possibility. So we have not had price hikes, we understand, but do you think, in near future, is there any scope? Or there is no consideration for that at the moment. That is my only question?
- Nehal Vora:** So again we'll have to really assess that because the general theme and ethos is to bring in more and more players in. So what the regulator will think, because this will have to be approved by the regulator. And it will have to be a joint proposal by both the depositories. Yet but there have been some discussions. But I think at this stage we'll have to just wait and watch. It will be difficult to comment on this at this stage.
- Moderator:** Thank you. Participants who want to ask a question may press star and one on your touchtone now. The next question is from the line of Ameet Kalyanpur from East India Securities.
- Ameet Kalyanpur:** Sir, on -- I'm referring to the Slide 20 of the investor presentation, where you've given a breakup of the income. There's an item called other income, comprising INR 30 crores, so can you please give a breakup of that?
- Nehal Vora:** I'll ask CFO Girish to answer.
- Girish Amesara:** So other income largely consists of settlement charges, inter-KRA charges, eKYC, CKYC, account maintenance charges, user facility charges, foreign portfolio monitoring charges, document storage charges, CAS charges and E-Voting charges. So, this all included in the Other Income.
- Ameet Kalyanpur:** So, you gave the number of e-Voting and cash as well...
- Girish Amesara:** Yes, so that's a total of INR 20 crores, both put together.
- Ameet Kalyanpur:** I'm asking whether there's any other major item like INR 5 crores item or...
- Girish Amesara:** No. These two are the major ones, CAS and E-Voting. Both, put together is INR 20 crores. Rest of them all are around INR 1 crores, less than INR 90 lakhs or INR 80 lakhs.
- Moderator:** Thank you. A reminder to all the participants. Anyone who wishes to ask a question, please press star and one now. You may press start and one to ask a question. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Nehal Vora: Thank you so much. I see two questions which have now just popped up...

Moderator: Sure, sir. Can we take the questions?

Nehal Vora: Yes.

Moderator: Okay. The next question is from the line of V. Bala from Finspurt Capital. Mr. Bala I have unmuted your line, kindly proceed with your question. As Mr. Bala has left the queue, will take the next question, which is from the line of Nikhil Agarwal from VT Capital. Please go ahead.

Nikhil Agarwal: Sir, I just wanted to understand. My questions is on the value of KYC business model. So when you fetch a record, when a customer fetch a record, and the KYC has been made by, say, CAMS. So, if it goes through an HDFC AMC, so when HDFC AMC too fetch the KYC record through CDSL, will CDSL get that INR 35, or will it go CAMS?

Nehal Vora: Nikhil, it's not CDSL. It's CVL, CDSL Ventures.

Nikhil Agarwal: I mean, yes. Sorry...

Sunil Alvares: So it's like this the record -- KYC record with CAMS and subsidiary is connected to CVL, the subsidiary can fetch the record from CAMS through CVL, charge the intermediary and then pass on the revenue to CAMS.

Nikhil Agarwal: So CDSL won't get anything from that because the onetime of...

Sunil Alvares: It will be revenue is neutral-based.

Nikhil Agarwal: Sorry...

Sunil Alvares: It will be revenue neutral. From one hand, I'll be taking it from the intermediary and passing it on to CAMS.

Nikhil Agarwal: Okay. So that also means that, whichever record you are creating in the future, if that client goes to another intermediary for a demat account or SIP accounts, that will always come to you. The INR 35 from that client, it will always come to you if that client has taken its record once with CVL?

Sunil Alvares: That's correct. So the KRA which holds the record, the revenue will always come to that KRA.

Nikhil Agarwal: And sir, like I'm -- if this is given somewhere. How many clients are there under the KYC and the CVL who have created a record with CAM?

Sunil Alvares: I didn't get your question. Come again.

Nikhil Agarwal: How many records has CVL created till date?

Sunil Alvares: We have 4.8 crores records.

- Nikhil Agarwal:** 4.8 crores. And what would be the market share?
- Sunil Alvares:** See, these figures are not reported anywhere by the KRAs. So our estimate is it should be around 65%.
- Moderator:** The next question is from the line of Anoop Biswas from CDSL Limited. Please go ahead.
- Anoop Biswas:** Sir, I have a question on repository business. Is LIC...
- Nehal Vora:** Anoop. Can I ask you, from which company are you?
- Anoop Biswas:** No sir, I am an individual Investor. So this LIC is, Life Insurance India, is this company is register with our repository business?
- Nehal Vora:** Yes. Can you repeat the question?
- Sunil Alvares:** So LIC is one of the promoters of the insurance repository in CDSL, but it has not yet joined the repository through DEMAT of the insurance policies.
- Anoop Biswas:** But in this case, what is your comment on that?
- Nehal Vora:** Comment on what?
- Sunil Alvares:** No. It is totally to the management of LIC to decide when they want to join. So they have -- they are exploring it, and once they feel that it is the right time, they will join.
- Moderator:** Thank you. Sir, right now we do not have anybody in the queue. Do you want me to...
- Nehal Vora:** Yes, we can now close. Thank you.
- Moderator:** Okay, sir. Any closing comments from your end?
- Nehal Vora:** Yes. I just wanted to ask all of you remain safe and secure. And wishing you all the very best in the new Samvat year, happy Diwali and a prosperous New Year to you and your family. Thank you.
- Girish Amesara:** Thank you.
- Sunil Alvares:** Thank you.
- Moderator:** On behalf of Axis Capital Limited: That concludes this conference call. Thank you for joining us, and you may now disconnect your lines.