

CDSL/CS/NSE/SJ/2026/63

May 07, 2026

**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 04, 2026.**

**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 27, 2026, for scheduling of Conference Call on Monday, May 04, 2026. 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](http://www.cdslindia.com)

This is for your information and record.

Thanking you.

Yours faithfully

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

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

***Encl: As above***



“Central Depository Services Limited  
Q4 FY '24 Conference Call”

May 04, 2026



**MANAGEMENT:** **MR. NEHAL VORA–MANAGING DIRECTOR AND CEO**  
**MR. GIRISH AMESARA – CHIEF FINANCIAL OFFICER**  
**MR. SUNIL ALVARES – MANAGING DIRECTOR &**  
**CEO– CDSL VENTURES LIMITED**  
**MR. LATESH SHETTY, MANAGING DIRECTOR & CEO**  
**– CENTRICO INSURANCE REPOSITORY LIMITED**  
**MR. KAMLENDRA SRIVASTAVA – MANAGING**  
**DIRECTOR & CEO – 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 FY26 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 construed 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 2026 earnings call. Today we have with us the management team of CDSL represented by Mr. Nehal Vora, MD and CEO; Mr. Girish Amesara, CFO; and other senior leaders from the management team. We will start with a brief overview of the quarter by Mr. Nehal Vora and then we will open up the floor for the question-and-answer session. Thank you and over to you, Nehal sir.

**Nehal Vora:** I'd like to thank you, Amit, for the kind introduction. A very good afternoon and welcome 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 fourth quarter and financial year 25-26, which ended on March 31, 2026. We've posted a detailed investor presentation on our website for your reference. I'm joined by the CDSL leadership team.

Let us start with the industry highlights and I would like to take you through some of the key aspects of our performance. The recent geopolitical developments have added some uncertainty to the global environment, influencing energy prices, capital flows, and short-term market sentiment. Whilst India's fundamentals continue to remain extremely strong, these global crosscurrents have led to phases of volatility, including in Indian markets. In such periods, the role of trusted market infrastructure becomes even more important.

Our priority has remained to ensure the market operations, depository processes, and investor-facing systems continue to function smoothly and securely. For CDSL, the system performance is not only about managing peak volumes, but it is also about being prepared for evolving market structures, regulatory developments, and a continuously expanding investor base.

Against this backdrop, the quarter has been one of steady participation and continued broad-based growth, even as market activity moderated from last year's highs. Our focus remains on strengthening the underlying value proposition of the platform through technology, service standards, ease of integration, and trust.

The combined average daily turnover at BSE and NSE for March was around 1 lakh crores. At the same time, investor participation continued to broaden. I am happy to report that we have crossed 22.4 crores demat accounts as a depository industry. CDSL saw more than 2.7 crores

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accounts opened this financial year, bringing our total to 18.01 crores demat accounts as on March 31st, 2026, maintaining our 80% plus market share with a consistently incremental market share of 85% to 90%, supported by the continuous trust of investors and depository participants on our platform.

We are encouraged further by the key recognitions CDSL received during the quarter, including the Golden Peacock Innovative Product Service Award for the year 2026 and the Golden Peacock Award for Corporate Social Responsibility for 2025 for our CSR activities. We were recognized as the Best Institution in Asia for Diversity, Equity and Inclusion by Asia Asset Management Awards 2026.

I'm also humbled to share that Business Today recognized me, on behalf of the entire CDSL team and the ecosystem that has placed its trust in us, in the Market Infrastructure Institutions category as India's Best CEO of 2026. Among many others, CDSL IPF also received multiple awards at the IAMAI awards for various investor education campaigns. These recognitions continue to motivate us in strengthening our focus towards innovation, inclusion and trust across the Indian securities markets.

In the entire year, we continue to strengthen our presence across adjacent areas of market infrastructure. CDSL Ventures, our wholly owned subsidiary and the first and largest KYC registration agency received SEBI's no objection to set up a separate business unit at GIFT IFSC, proposed to be registered with IFSCA as the first KYC Registration agency. The setting up of CDSL IFSC in GIFT City is an important step to support international issuers, investors at the India International Financial Centre.

Both CDSL and its subsidiaries spanning KYC, insurance, commodities and GIFT City are positioned to extend the principle of dematerialization and online onboarding infrastructure further into the financial ecosystem, opening fresh avenues of long-term value creation. I would like to add, amongst the many key market reforms which have been launched in this quarter, the one which I would like to highlight is the Form 15G, 15H, now Form 121.

Additionally, we also executed the next phase of the Demat account portability cum closure automating investor transfer and smooth transmission of securities from nominee to legal heirs. Form 15G, 15H now can be accepted by both depositories as a measure of ease of doing business. The Securities Market Code 2025 tabled in the Honourable Parliament in December 2025, is a significant development in India securities market rules and regulations since SEBI's creation in 1992.

The code aims to consolidate Indian securities market framework into a single statute governing primary and secondary markets, market intermediaries, depositories and other Market Infrastructure Institutions. We are cognizant of the scope of this regulation and look forward to the next phase of the statute as and when it is passed by the Honourable Parliament. We will continue to study the developments closely and engage constructively as the framework evolves.

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In line with the evolving nature of our ecosystem, this quarter, we hosted the third edition of our Reimagine Symposium on the theme of 'Reimagine Securities Market through Data Synergy' held in Mumbai on 7 Feb 2026. The event was graced by eminent leaders, including the honourable SEBI Chairman, Shri Tuhin Kanta Pandey, SEBI Whole-Time Member, Shri Sandip Pradhan; Shri Mistry, former Vice Chairman and Chief Executive Officer of HDFC; Shri Avneesh Pandey, Executive Director, SEBI, Shri Sunil Kadam, Executive Director, SEBI, among other key leaders of the Indian Securities Market.

At the Symposium, CDSL IPF team launched its own investor education comic book in collaboration with 'Amar Chitra Katha'. This initiative reflects our efforts to make investor education simpler, more accessible and more engaging, especially for the first-time investors who would like to enter the securities market from across India.

It is another step in helping investors stay aware, alert and protected. I would really encourage all of you to look at the comics on the CDSL IPF website. And the interesting thing is it's in 12 languages. so, you can read these comics in your regional language and would really encourage you to share them with the near and dear ones from all the age groups.

As the participation deepens across metros and beyond metros, including younger investors and women investors, our responsibility is to make access, education and protection move together as a single unit. Our priorities remain centered on strengthening market infrastructure, improving process efficiency and supporting the evolving needs of a growing investor ecosystem.

Now coming to our financial results, I'm glad to share that for the Year '2025-26', we've reported a stand-alone total income of INR1,096 crores and a standalone net profit of INR468 crores. The CFO will take you through the detailed numbers shortly. Steadily moving forward into the financial year, we remain focused on enabling every Indian Investor to become a truly Atmanirbhar Investor.

Through continuous innovation and investor education, we aim to deliver consistent and sustainable financial and business performance while upholding our investor-centric culture. As always, our role is to enable the markets to function efficiently across cycles, and we remain focused to do this objective with sharp discipline and responsibility.

That has been possible because of the strong ecosystem of all Market Infrastructure Institutions. So, I'd like to extend my sincere appreciation and gratitude to all our stakeholders, basically SEBI, the depository participants, investors, issuers, other market participants, shareholders and employees.

Thank you. Over to you, Girish.

**Girish Amesara:**

Thank you, Nehal. Good morning, everyone. First, I'll speak on standalone numbers for the full financial year. The total income on a standalone basis is achieved at INR1,096 crores as against INR985 crores for the previous year. The standalone net profit for financial year '25-'26 is achieved at INR468 crores as against INR462 crores.

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Speaking on the fourth quarter of this financial year. On a standalone basis, the income is achieved at INR215 crores as against INR205 crores for the corresponding quarter of the previous year. The stand-alone net profit for the quarter is achieved at INR69 crores as against INR81 crores for the corresponding quarter of the previous year.

In terms of consolidated numbers for the financial year '25-'26, the total income is achieved at INR1,239 crores as against INR1,199 crores for the previous year. The consolidated net profit is achieved at INR455 crores as against INR526 crores for the previous year.

For the fourth quarter on a consolidated basis, the income is achieved at INR268 crores as against INR256 crores for the corresponding quarter of the previous year. The stand-alone net profit -- consolidated net profit for the fourth quarter is achieved at INR80 crores as against INR100 crores for the corresponding quarter of the previous year.

With this, I will request Sunil to take us through CVL numbers. Thank you, and over to you, Sunil.

**Sunil Alvares:**

Thank you, Girish. So far as CVL was concerned, the revenue from operations for FY26 was INR182 crores as compared to INR231 crores for the previous year. Other income was INR15 crores as against INR23 crores for the previous year. Total income for FY26 was INR198.17 crores as against INR254.94 crores.

Total expenditure in FY26 was INR124.09 crores as against INR108.44 crores for the previous financial year. Profit before tax for this year was INR74.07 crores as against INR146.50 crores and profit after tax was INR55.36 crores as against INR109.95 crores.

With this, I would open the floor for your questions. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. We'll take the first question from the line of Supratim Datta from Jefferies.

**Supratim Datta:**

My first question is on the technology cost. You have highlighted previously that you have been investing for the future. This line item has been growing at somewhere around 30% for the last 2 years. Just wanted to understand over the last 2 years, what kind of capacity have you already created versus when you started 2 years back? If you could give us some color?

And versus 2 years back now, how much more folios or how much more demat accounts can you now handle versus when you started 2 to 3 years back? If you could give us some color on how this technology spend has actually translated into capacity creation, that would be very helpful? That's the first part.

Secondly, typically, your business has been an operating leverage business. So, I wanted to understand, while I do understand you don't give forward-looking guidance, but how much further would you need to invest in technology from here? Do you need to invest at the same pace? Or should the pace slow down now that you have created the capacity? If you could give some color on that, that also will be very helpful. Lastly, could you give us the sense around

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how many folios did you end FY26 with? And what is your eCAS and e-voting revenue? Those are the 3 data keeping questions.

**Nehal Vora:**

So, thank you for your questions, Supratim. I think one needs to see this business, and I have been talking about this, that technology is the DNA of our business. It's kind of the Raw Material, Work in Progress, and Finished goods. What we have done over the years is creating, both horizontal and vertical scalability.

And you would have seen that in September 2019, we were 1.8 crore demat accounts. Today, we are about 10x plus more in a short period of 6 years. So, technology has to cope with the scale, both in terms of infrastructure, application, security and the linkages which form this. All these 4 components have to be invested in.

Second is that products change and the ecosystem platforms are also changing. So, we need to create that value proposition of the same value of a large fintech player who may have its entire infrastructure of technology within itself versus a midsized player who may have taken a product, versus a small player, who may outsource a lot more to an outside product.

Now the value proposition for all these 3 components have to remain high for them to remain continuously invested and committed to the CDSL platform. And therefore, the scalability of volumes is one aspect, but the scalability of access across depository participants having different scales themselves, it has to be up to speed and ahead of the curve to kind of ensure that the value proposition of this connectivity remains extremely high. And you see the number of application protocol interfaces with which CDSL has moved about has grown significantly and exponentially.

Now this is to ensure that the entire account opening to transactions to pledging, etc. becomes extremely seamless when it's an API-based protocol because that respects the scale at which each DP is, without kind of constraining it with focusing more on the lower end or on the higher end. It gives that flexibility of that infrastructure to customize the access to the scale at which I would like.

To draw really an analogy which I've done in the past is the coastal road or the recently launched metro line in Mumbai. Now if you see the scale, the roads are built to give a value proposition. And you can have a small car also being driven on the coastal road and a large car also being on the road.

The requirements from an infrastructure point of view for both these cars are very different, but they both need to feel the value proposition when they drive on these roads to get mass scale in. And this has been the same foundation on which CDSL infrastructure has been built. And therefore, there has been a consistent growth investor wanting to access the CDSL platform, the market share of new account openings always in the range of 85% plus. Now to maintain that kind of a market share, one needs to continuously invest in the technology and the people so that the value proposition, the commitment and loyalty towards CDSL platform continues to remain high.

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Your second question was in terms of how much do you think this will continue? See, as markets evolve, the ecosystem evolves, the players evolve. And when that is not constant, it's difficult for me to commit on what would be the constant at CDSL then because our commitment is to remain constant as a partner to the entire ecosystem. We want to deepen our partnership with every part of the ecosystem so that they continue to remain committed to the platform.

Whatever it takes to ensure that this commitment remains high is what we are committed to in ensuring that our technology platform is really ahead of the curve. So, it's a process. It's like saying the coastal road is built from point A to point B and now the second phase and, the third phase is getting built.

And the value proposition of the first phase will enhance when second and third phase also grow. So that's the same philosophy with which CDSL is continuing to grow on its technology platform. The second component to that is that there are newer products and new asset classes, which are slowly coming into the ecosystem. And each of these will require its own nuances on what is the expectation of technology.

Now whether the current technology is able to handle that or it requires certain tweaks to ensure that the facilitation and the customization necessary for such products is also taken into play, is something which needs to be built upon. Your third question is how long do you see this? I would see there's a huge potential as SEBI survey itself talks about only 9% to 10% participation of the growing and young population.

And this can easily grow to 25%, 30%. In the Western world, it is as high as 40% to 50%. So that's the kind of headroom which is available from a population which is growing. And the last nuance is that there is a paradigm shift which is happening where the age of the investor opening the demat account, which was intuitively understood to be 18 plus, has now moved to a few days. Post birth...

So, there's a cultural shift which is happening where a lot of newborn demat accounts are getting opened. And that enhances the expectation which this platform has in ensuring a wide basing and a broad basing of what the needs are. So today, a newly born investor will have different needs from a mature investor to a frequent trader. So, as I said, there are participants of different shapes and sizes, the investors of different shapes and sizes, they are assets of different shapes and sizes.

Now the culmination and the permutation combination of all this will need to be effectively addressed by the technology rollouts that CDSL will continue to do. And hence, it is very difficult to give a firm answer if whether this is good or this is not good because goalposts are all moving in a very rapid basis. So, I hope I have answered your question.

**Girish Amesara:**

On the question of your question on Folio, financial year '25-'26, we had disclosed Folio of INR33.26 crores. Folio as on 31st March '26, we'll be disclosing in the earnings call for June quarter '26-'27.

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- Moderator:** We'll take our next question from the line of Amit Chandra from HDFC Securities.
- Amit Chandra:** Sir, my question is also on the technology cost, and I know you have answered it in quite detail. But just to get some numbers around it because the rise in the cost has been pretty steep. It has been 4x over the last 3 years. And now the technology cost is higher than the employee cost for the full year on a consol basis. So, if you can provide some numbers around how much of this cost of INR162 crores is regulatory led or related to the upgrades of the existing systems?
- Or is it a catch-up in terms of versus what the competition is investing? And if you can provide some numbers, what is the opex here? What is the capex number? And how much we are investing in the tangibles and the intangibles related to technology?
- Nehal Vora:** So, thank you, Amit, for your question. I would first like to start off that technology cost, as you have rightly pointed out that the technology cost on a consolidated basis has overtaken the human resource cost. This kind of demonstrates my vision, which I have been articulating in various investor calls in the past that we are a tech-based and applied technology-based company.
- Our intent is to ensure that the efficiency and the leverage effect of technology rollout will overtake the employee cost. So, it's becoming a more tech-based company supported by able humans, is how CDSL is restructuring itself as compared to people, as to how we see ourselves as participating in the wider ecosystem. In terms of your second question, whether it is growth or regulatory-driven or competition catch up,
- I think the numbers between me and my competition would speak for itself as to where we are and where we are. I would not like to comment on the competition because I think as a Market Infrastructure Institution, our core focus and intent is to support the ecosystem and to make it as seamless for investors to access the platform, the Depository Participants to access the platform. And numbers speak for themselves, but our focus is not numbers. Our focus is value proposition. And that's what I have been talking for all these years.
- On your third question, whether we are investing in any tangibles or intangibles, I think tangible is that the number of APIs which have been rolled out, the ease in which the Depository Participants have seen speed and scale even when there are larger volumes is something which is the tangible.
- The intangibles is the loyalty, which we continue to enjoy, the commitment we continue to enjoy the market share of new account openings we continue to enjoy, the age bracket, which I mentioned about lower age people entering the ecosystem and trusting us with their hard-earned savings and money for their newly born also these are the core intangible which we are really enjoying and hope to continue to enjoy in the future.
- Amit Chandra:** And also on the annual charges, how many folios we would be having right now? And with the flurry of IPOs that we have seen in FY '26, what kind of folio additions are we expecting because we see a reset in the first quarter. So, if you can give some color on that in terms of how strong the folio addition has been with the data that we have currently.

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And also, in terms of the sharp fall that we have seen in the IPO and the corporate action revenue, I know there has been pretty less IPOs in quarter 4, and that is a known number. But the extent of fall has been pretty sharp. And I think if you can give some breakup between the IPO revenue and the corporate action revenue and whether it is largely led by only fall in the IPO or there is a part of sharp fall in the corporate action as well?

**Nehal Vora:** So, we don't give the numbers between IPO and corporate action it's just correlated. That's the reason we don't give it. But I think it's overall, the industry has seen less IPOs. Both the depositories have seen a significant fall in the IPO and corporate action income. In terms of large IPOs, yes, there are large IPOs expected in this financial year. And this is exactly the point which I was making that we need to be platform ready, infrastructure ready connect ready and speed ready in these large platforms and these large IPOs come. So, it's really building for the present and also for the future and remaining that scalability factor that as and when large IPOs come, we are able to support that.

In terms of folio increase, we will be disclosing this as per our practice as the CFO mentioned earlier, in the first quarter call of the next, financial year after the June quarter end. So, at that time, you will be able to see what our folio situation has been as compared to the previous year. So, I hope I have answered your questions.

**Amit Chandra:** Okay, sir. And sir, some bookkeeping questions. What has been the reason for the sharp fall in the other income? And if you can provide the eCAS revenue, the pledge revenue and the revenue from the unlisted companies?

**Nehal Vora:** Yes, I'll ask the CFO to answer these few questions.

**Girish Amesara:** Sure. So, Amit, the investment income is subject to mark-to-market as on 31st March, and that is the main reason for the fall in investment income. In terms of consolidated account statement revenue, it is INR12.08 crores for March quarter. E-voting is INR5.58 crores and other operating income of INR3.23 crores. This is the breakup of the other income that we have provided in the investor presentation.

**Amit Chandra:** Okay. So, the onetime processing fee is the revenue from listed companies, if you can repeat that, sir?

**Girish Amesara:** Unlisted you are talking about?

**Amit Chandra:** Yes, unlisted.

**Girish Amesara:** Okay. The application processing fees for the March quarter has been at INR3 crores.

**Amit Chandra:** Okay. And the issuer revenues from the unlisted?

**Girish Amesara:** It is INR3.5 crores.

**Amit Chandra:** Okay. Okay sir, thank you that answers my question. Thank you.

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- Moderator:** Thank you. We'll take our next question from the line of Madhukar Ladha from JPMorgan. Please go ahead.
- Madhukar Ladha:** Hi. Morning. Just one question on online data charges. Can you provide me with some breakup between Fetch and new record creation, even like sort of proportion, what percentage is from Fetch and data creation, record creation that will be helpful. I think in the previous question, I think you did not mention the pledge revenue. So, it will also be helpful if you could give me the pledge revenue? Yes, that's it from my side. Thanks.
- Nehal Vora:** Yes. So the first question I ask Sunil to answer. Second one, the CFO, Girish, to answer.
- Sunil Alvares:** Typically, the breakdown between fetch and creation is about 80%, 20%.
- Girish Amesara:** Pledge income for March quarter is INR6.30 crores.
- Madhukar Ladha:** Thank you and all the best.
- Girish Amesara:** Thank you.
- Moderator:** Thank you. Next question is from the line of Vetrivil an Individual Investor. Please go ahead.
- Vetrivil:** Congratulations on the quarter. My first question is the expenses margin. Technology and the employee-related expense have increased during the year. Should we expect that to continue over the next few years versus a large investment lead in future growth inactives? And my second question, unidentified investor and app strategy. Could management on the long-term strategy of the unidentified investor app, how would you see the engagement monetization evolution of the overtime? The third question is data app business opportunity. Do you see the data service have the API the infrastructure and verification related service becoming a meaningful revenue contribution of the next few years?
- Nehal Vora:** Okay. Thank you for your questions. The first question was the employee and technology costs. See, we don't give any futuristic statements. And I have, I think, given a very detailed explanation on how the technology spend is being planned as ethos or as a foundation for CDSL. If you see, we are in a business where technology and human resource are the only cost, there is no other cost which is there to this business.
- And it has to be a state-of-the-art to ensure that the value proposition remains extremely strong. But unfortunately, I'm not able to give you futuristic statements because we don't give any future outlook. And second question, if I understood, your line was not very clear, but what I understood is on the investor app. Is it right?
- Vetrivil:** Yes, sir.
- Nehal Vora:** Yes. So, on the investor engagement, I will put it rather than only the app. One is on eCAS, we've launched it in 23 Indian languages to ensure that the inclusion i.e., financial inclusion and social inclusion is extremely high. Similarly, the investor apps also are in multiple vernacular

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languages. It's a continuous process of evolution, and we are improving on the UI, UX also of this, but basically will be rolled out in the next few months or so. The intent is obviously to ensure engagement and information flow, which is happening seamlessly for the ultimate beneficial owner also.

So, this is to ensure that the foundation and the value proposition increases as we move forward and the loyalty and the commitment of the investors towards ecosystem will also grow with that. Your last question is on information and data as a business. There is a new act, which has come in, the DPDP Act, which kind of gives the foundation on how data needs to be protected and used. In terms of whether data can be leveraged as a business will be driven by the SEBI's rules on what is to be provided free and what can be charged for. So as and when that framework comes out, we will be able to take that forward.

**Vetrivil:** Okay sir thank you.

**Moderator:** Thank you. Next question is from the line of Sanketh Godha from Avendus Spark. Please go ahead.

**Sanketh Godha:** Thank you for the opportunity. So, one data keeping question is on the impairment cost for the quarter. And second question, sir, is with respect to one of the DPs migrating fully to the competition. So just wanted to understand whether we are seeing any incremental trends because the reason why I ask this question is that with our incremental market share, though our outstanding market share is still stable on demat accounts, but incremental market share is seeing a bit of pressure, not big bit, but small bit.

So are you seeing any enemy competitive pressure from the, any existing DP either trying to be more open architecture giving for 2 companies or even migrating from one to another in the sense. So just, that's one question. And second is the data keeping impairment cost.

**Nehal Vora:** So, I'll ask the CFO to answer the first question. But before that, I'll answer your second question. I think your information is slightly misplaced. There is no DP which has completely moved. It continues to remain on both the platforms.

In terms of competition is the way of life, and that's why we have 2 depositories. And I think that is to ensure that the best value proposition continues to remain driven to the ecosystem, to the intermediaries and to investors. So that is basically the, and I would like to welcome that because that's how we have always functioned as India has always functioned with 2 depositories.

I think the exact reason why we are investing in technology and people is for this very reason, is to ensure that the value proposition not only remains high, it remains really ahead of the curve and gives the entire ecosystem what it really aspires for.

And that's our constant endeavour to ensure that the product, services and platform remain robust, but at the same time, nimble to the changing needs of the market. So, whilst competition will do what it has to do, we will do what we have to do. But I think as a collective ecosystem,

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the intent is that more and more people, the participation of the Indian securities markets grows. So, I would see it as a collective effort in getting more and more people into the Indian securities market.

**Sanketh Godha:** Understood, sir. And maybe on the impairment cost.

**Girish Amesara:** The impairment cost is INR7.62 crores for the March quarter.

**Sanketh Godha:** And lastly, sir, on the unlisted revenue opportunity, which got moderated a bit. So incrementally, do you think this run rate of INR3 crores per quarter or INR3.5 crores per quarter will continue because the opportunity now has been largely addressed.

And second, with related unlisted companies only because their join fees play a significant role. And somehow though we have managed to crack the market share in the demat account in a big way, but somehow in unlisted companies, we did not do as much, how much we did in the demat account. So, any additional efforts or BD, which is required to be done to make sure that we gain market share in unlisted space?

**Nehal Vora:** So, on the unlisted revenue, I think, is something which as the markets evolve, as the economy grows, as the GDP grows, the level of these private limited companies are also going to grow. And I think that's the reason why there has been that.

So, I see it as a positive that more and more larger companies will come into the fold. And obviously, that regulation is also not cast in stone. These numbers are not cast in stone as they see the participation grow and the inclusion grow; I think the intent is to bring more and more companies into this fold. In respect to your second question, the market share as compared to our competition. So, there was basically the ISIN issuance, which has been exclusively given to our competition for many years.

The intent is now it's going to be done by both in the near future. So therefore, that additional advantage, perceived additional advantage, which is there would now be with both the depositories. I think we will continue to focus on our service and the ease of doing business and the service standards to ensure that more and more people choose our platform.

But on the overall picture, I think it's yet a very small ecosystem. There is a large, untapped demand, which is waiting to get tapped. So, I think I would see it as maybe early days in terms of coming to a conclusion who has won, who has not won. I think overall, the more and more companies come into the ecosystem, that is where the intent is.

**Sanketh Godha:** Understood. Sir, ISIN thing it already went live that both the depositories can give, or it will become effective in a couple of quarters?

**Nehal Vora:** I'm sorry, could you repeat that?

**Sanketh Godha:** No. Sir, you said in unlisted companies, the ISIN number issuance is to today available with the Competitor.

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**Nehal Vora:** It has to yet go live. It will be done in the future.

**Sanketh Godha:** Okay. But any effective timeline, sir?

**Nehal Vora:** No, no. So again, timelines, we don't give any futuristic outlook. You'll wait and watch. We are continuously on it to ensure that it would go live as soon as possible.

**Sanketh Godha:** Understood, sir. Thank you.

**Moderator:** Thank you. We'll take our next question from the line of Harshit Toshniwal from Premji Invest. Please go ahead.

**Harshit Toshniwal:** Hi, sir. I just had two quick questions. Am I audible?

**Moderator:** Harshit, your volume is very low.

**Harshit Toshniwal:** Hi, is this better?

**Nehal Vora:** Yes, it's better.

**Harshit Toshniwal:** Sir, the first one was on the KYC regulation. So, for example, I think from 1st April onwards, that fetch rate has reduced from 35 to 28 and probably creation fees also to some extent. So, on a like-to-like basis, if you can help us with what exactly would be the rate impact, is it a 20% rate impact which we should build, assuming volumes remain same?

And sir, the second question was, sir, I think on the technology people have asked you a lot already, but I just want to say that obviously 24 crores demat accounts which we have right now is a number which has grown 5x in the last 5, 6 years, and which hence justifies our increase in technology till date. But if I look at our today's number of run rate, INR160 crores is the cost and another INR120-INR100 crores we keep spending on the fixed asset accretion. So roughly INR250- INR240 crores is what we are effectively investing in technology on an annual basis.

My only question is that say suppose from here on if the demat accounts, obviously 5x is a large amount, but if it starts growing at a moderate 10-15% rate, then should we at least as investors assume that our technology spends will also track that? Because what you are saying is not giving that clarity as to what will be the rate versus even the demat account growth. So, these are the two questions. Would be helpful and if you can be more specific about that these questions.

**Nehal Vora:** Harshit, I have been specific to the extent as per our policy, and I think have been fairly elaborate also on the thinking which goes behind this. One is your number is slightly misplaced, it's 10x more, INR1.8 crores in September 2019, it has grown to INR18 crores as we speak in 2026. So, it's a 10x growth and not a 5x growth, number one.

Number two, as in any technology rollout, there are certain foundational costs and there are incremental costs as we add the volumes grow. But the road and the foundation have to be such that it can support this additional server, assets which has to be built. And therefore, this is a

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transformational change in that sense to allow that scalability to take place both on vertical basis as well as horizontal basis.

So, the way I would like you to see this is that what is needed is being done, and therefore, we have been consistent for the last 6.5 years of seeing consistent growth happening. Had we not invested, the question could have been asked in 2019, the rate of demat account growth on a monthly basis was similar to today's times. But when COVID hit us, there was a sudden spike, which happened. Are we prepared for that? And the answer is we should be because when the opportunity comes, infrastructure takes time to build.

You need to be future ready for these kinds of spikes to take place. And we have seen those kinds of consistent spikes happening in the past. And we do not want to be saddled with losing the trust and faith of the ecosystem. We believe that this is one system which will continue to give us that value proposition at whatever scale we are able to grow.

- Moderator:** Harshit, I request you to join back the queue, please.
- Harshit Toshniwal:** Yes, the first question is what was answered.
- Sunil Alvares:** Yes. with effect from 1st of April, the fetch charges have been reduced by 20% from INR35 to INR28 and the creation charges have been reduced by 75% from INR20 to INR5
- Harshit Toshniwal:** Sir 80% of our KYC charges.
- Nehal Vora:** It's going to be across basically the industry. So, it is not only for CVL.
- Harshit Toshniwal:** No, sir, 80% of our right now KYC charges we get is creation, you said, the mix of creation and fetch 80% is creation.
- Sunil Alvares:** 80% is fetch and 20% is create.
- Harshit Toshniwal:** Okay. Thanks a lot.
- Moderator:** Thank you. Next question is from the line of Neeraj Toshniwal from UBS Securities. Please go ahead.
- Neeraj Toshniwal:** Just continuing with this question on KYC, I just wanted to get some sense on what are the counter we have to kind of recoup some of the lower revenues now from the KYC?
- Nehal Vora:** Yes. So, I'll ask Sunil to answer that, but the intent is that as markets deepen, more investors will come into play. This is an incentivization which the regulator believes with lower cost, more people will want to join the ecosystem. So, the entire population of people investing in securities market will grow further, which will lead to a higher number of people within the ecosystem.
- Moderator:** Thank you. Next question is from the line of Prayesh Jain from Motilal Oswal.

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**Prayesh Jain:** Sorry to harp this KYC thing again. So, one is the implementation of one India, one nation, one KYC. Theoretically, how does that change the business model and approach? Do the fetches increase and creation go down? Or how does that really kind of work? That is one. And second is from a competitive dynamic's perspective with quite a few players now wanting to get into the discount broking model, we've heard quite a few. How is the kind of negotiations or competitive environment there with respect to getting onboard on to the new players that are coming? That would be my 2 questions. Thanks.

**Nehal Vora:** So, your first question is about one KYC. And I think KRAs are well positioned, not only CVL, but all KRAs are well positioned because there's a validation process, which will ensure that the expectations out of KYC becomes more sharper or more influenced by, as there'll be an intermediary layer of KRA. That's the way we see it. But we'll have to wait for the formal announcements to happen to see what the impact is.

In terms of new discount brokers wanting our platform, etc., again, going back to my earlier reply that foundationally, if we are providing value proposition, speed and our investment in technology is what differentiates us as a technology product or as a platform product is what will drive people coming to us. So, it's not only about speaking to them, reaching out to them, but even the look and feel of the experience once they go through the platform would be the main driver on whether they will want us versus our competition.

**Moderator:** Next question is from the line of Rohan Nagpal from Helios Capital Management.

**Rohan Nagpal:** Just a couple of questions on my end. So just wanted clarity, you said the split between creation and Fetch was 80% 20%? Or was it the other way around?

**Nehal Vora:** Creation was 20%, Fetch is 80%.

**Rohan Nagpal:** And I think you mentioned on last quarter's call that there was a shift in volume in the revenue mix towards fetch. Is that continuing? Or is it in steady state?

**Nehal Vora:** It was always that.

**Rohan Nagpal:** Okay, thank you. That's it from my end.

**Moderator:** Next question is from the line of Mitesh Gohil from Axis Capital.

**Mitesh Gohil:** Yes, sir. Thanks for taking the question Most of the questions have been answered. Just one question on the online data charges. So as against INR35, what is our blended charge as of 31st March? And as from today, what is that blended price charge posts the negotiation with the client? Have you taken the entire 20% price cut?

**Nehal Vora:** So, there is no question of a blended cost as you are mentioning. Each one has its own cost and driven by what SEBI has described.

**Moderator:** Next question is from the line of Prajay Soni, an individual investor.

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**Prajay Soni:** Hi, good afternoon to everyone, and congratulations for the year. Thank you for taking my question. I have just one quick question. How are we billing our customers for the depository segment? Like basically, our core revenue drivers? And how are we recognizing those revenue for this segment? And if we have any key metric which we can measure to see it translate to our top line?

**Nehal Vora:** So, I think the key revenue drivers is I think put down. It's part of our investor presentation is the market-based transaction charges and also folio-based charges, which are charged to the issuer companies. You can do a trend analysis of the past to see as the demat accounts grow what has been the increase in the portfolio-based issuer charges versus the transaction-based charges, which is a function of the market volumes also. So, I think it's fairly clearly identified in the presentation, which is put out on our website. So, you could have a look at it. If you have any further queries, you can send us a mail.

**Moderator:** Thank you. Next question is from the line of Mehul Pathak, an individual investor.

**Mehul Pathak:** Hello. Thanks for this opportunity I have only one question. Sir, congratulations on the good set of numbers. Sir, if you can explain some principles on pricing. Last 2 years, if you see at an economy level, there is inflation of 5% to 6%. Now when number of accounts increase and the transactions increase, operational leverage kicks in and therefore, there is always this sense that prices should reduce.

Therefore, now when would you consider a change, an upward change in prices? Could you explain the principles and how these decisions are taken? And how much is the regulatory interface as far as increasing prices is concerned?

**Nehal Vora:** Yes. I think it's a very good question, Mehul. I think the intent is that inclusion. And as we've seen in the mobile phone market, what were the charges when it started off, it's kind of become 120 or 125 of that because that scale grows, the charges go down so that there is more usage, more inclusion.

So, the same fundamental principle on which it is based. CDSL has always been very fair in terms of ensuring that we are cheaper than our competition, giving that value proposition also. So, it's giving lower cost for inclusivity for more and more players to come into the fold, but also not compromising on the quality, which is getting given to such people at a lower cost. So, it's the best of both worlds is where I would want to really look at this.

We have not changed our charges for many, many years. But in terms of the structure, the SEBI approves charges where depositories are concerned. So there needs a prior approval or any change upward or downward, obviously, after deliberation by the honourable CDSL Board, but it has to be then proposed to SEBI for it to be approved before this gets rolled out. So, I hope I've answered your question.

**Mehul Pathak:** The inflation of the last 2 years and all that, does it not necessitate some change now?

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**Nehal Vora:** They are saying the scale is going up. So that's a play which they keep in mind, what would be the role of the increase in scale versus basically the inflation. They are also very fair in terms of things. So, all these factors are taken into account before any charges are changed.

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

**Nehal Vora:** No, I would just like to thank everybody for your participation and continue to remain safe and healthy. Thank you, everyone.

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