

Our Mission... Your Growth



“Computer Age Management Services Limited Q2 FY'26 Earnings Conference Call”

October 29, 2025

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MODERATOR: **MR. NIKUNJ SETH – MUFG**



Moderator: Ladies and Gentlemen, Good Day and Welcome to Computer Age Management Services Limited Q2 FY26 Earning Conference Call.

As a reminder, all participant lines will be in 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 note that please signal an operator by pressing “**” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Nikunj Seth from MUFG. Thank you and over to you, sir.

Nikunj Seth: Good morning, everyone, and welcome to Q2 & H1 FY26 Earning Conference Call of Computer Age Management Services Limited.

From the Management today, we have with us Mr. Anuj Kumar – M.D. and CEO; Mr. Ram Charan – CFO; and Mr. Anish Sawlani, Head, Investor Relations.

Before we proceed to the opening remarks, I would like to give a small disclaimer that this conference may contain certain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as on date. These statements are not guarantees of future performance and involve risks and uncertainties which are difficult to predict. A detailed disclaimer has been published in the “Investor Presentation.”

Now, I would like to hand over the conference to Mr. Anuj Kumar. Thank you and over to you, sir.

Anuj Kumar: Thank you, Nikunj, and good morning, everyone. Welcome to this Q2 Earnings Call of CAMS. Like we have done in the past, the format remains the same, but 20-25 minutes covering this deck by myself and Ram, and then we will have enough time left for questions.

As you would have seen the results yesterday, we had a board meeting in the night. It was a very strong quarter of CAMS. We achieved the highest ever quarterly revenue in Q2, driven by what I would call a strong performance across the entire base, both MF and non-MF segments and within non-MF across all the key business lines. So, despite the fact that we had a large price given in the early part of the year, we scaled back quickly, and the highest ever quarterly revenue is a strong testimony to that.

So, just as a derivative, I think quarter-to-quarter numbers are perhaps more indicative of what is happening, year-on-year you will see them muted, but QoQ 1st Quarter, MF revenue grew 6.4%, non-MF grew 17.9%. You will recollect that 1Q was slightly muted in non-MF too, given what was happening to account opening and the allied activities which impact our KRA business. So, a very



strong QoQ growth, 6.4% MF, almost 18% non-MF. Of course, year-on-year, a little more muted, MF at 3.2%. Non-MF I think is holding clip at 15% year-on-year, growth number two.

Overall, from a mutual funds perspective, I think it is a very nice milestone. We have crossed Rs.52 lakh crores AUM in the month of September. But the way I look at it is that we crossed Rs.50 lakh sometime during the quarter, then crossed 52 lakh by September, on the best day in October, we touched and crossed 55 lakh. So, in close succession, those are very nice mood-building numbers.

Market share remains at about 68%. Overall, AUM grew 16%, broadly mirroring the industry, we may have gained share a little.

I think the great news is on the equity side where equity net sales crossed about Rs.1 lakh crore in the quarter. That is not a very common occurrence. It is the highest ever number for us.

Net sales market share, which is like I keep saying, is a very foundational formative element of our overall mix. Net equity sales market share grew to 69% from 65% just riding on the overall net sales number. Equity assets were Rs.28.7 lakh crore. Inflows continue to remain sustained. The markets, of course, started doing well again. We are still far away from the all-time peak, but the markets overall did better. So, equity net sales, both market share and absolute numbers I think is a great indication to what is happening.

SIP collections, this is again another solid foundational metric, which has held on its own in the last six, seven, eight quarters despite the markets having been soft in a large part of that time period. This collection grew 21% year-on-year. And when you look at it, this is perhaps a very large formative number again. This number grew 21% year-on-year. Live SIP market share improved almost two percentage points, 63.4%, quarter-on-quarter, over 61.5% and new SIP registrations continue to remain very healthy at over a crore, so about Rs.1.14 crores registrations in Q2 FY26.

I think the other parts, when you look at equity net sales, I think fantastic number when you see SIP collections, a very sustained strong number. Live SIP market share improvement, again, a great indicator. I would say NFO sales is another thing where we saw just a fantastic action; 33 schemes launched during the quarter, 80% share of NFO collections. I know that this number is typically between 65% to 80%. there are rare instances where it is crept above 80%, but 80% is a great market share gaining moment for us. So, that is something that we achieved.

SIF product category, which has now been under discussion for a year, and you know that for the MF segment, it will be accretive because it will take away some of the share from the less organized segment to the MF companies.



*Computer Age Management Services Limited
October 29, 2025*

We launched the first one with SBI and got Rs.1,000 crores for a brand-new segment for one of the schemes to just garner Rs.1,000 crores and several thousand investors where your start is about, we will have to commit a Rs.10 lakh presence. I think it is a very good start. For the first three or four months, let's say back in September to December '24, the reaction to SIF was muted. Now we are expecting that at least eight to nine of our AMCs camp service funds, the biggest names that you have heard of, are very interested and you will see launches from now to March. So, a very healthy new product class, whether you want to call it asset class is building up inside of the AMCs businesses, which is heartening for us.

From a new RTM mandate perspective, again, two great wins. You all know ASK Asset Managers, for a long period of time, they ran the largest PMS in the country, even today, one of the largest ones, the PMS that they run. That was once they have chosen to come to CAMS, they have already been our customers for AIF. AlphaGrep Asset Managers, which is a relatively newer entity, has also decided to come to CAMS. So, this will take the AMF RTA client count to 28.

The second migration in the three years, actually the third and five by count FT in '21, Navi in '23, Taurus in '25. So, the third successful migration of Taurus happened. We have gone live recently in the last about four to five weeks. So, that got accomplished.

I think another very, very foundational metric, vindicating the majority of the organization we built and the strength of all that we are doing. We had onboarded several AMCs, six of which are live. So, for those of you who downloaded the presentation, you can see all of this has happened within this calendar year. I am talking of every event having taken place within 2025. So, amongst our AMCs, we typically have a track record of launching one in a year because that is as many licenses as used to come out, which is, you would have launched Parag Parikh in 2015, Mahindra in 2017, YES Bank in 2018, things like that. But in one year, we have taken live and all very, very remarkably well-known names. Angel One, we all know, Unify, Jio BlackRock, Seabank Sri Lanka, Taurus, which is a migration, and Choice, which is a very large salient, broking house. All these AMCs have been taken live within the year.

And again, I would say from a maturity and resilience perspective, this is 6X the workload that we did as a company or anyone else did about five or six years back. But all of this is live. These are performing AMCs, collecting money, servicing investors, paying the distributors, and doing thousand dollars of things that are needed to continue keeping an AMC operation vibrant. You will see most likely three more of them going live, because that is the number of one AMC mandates that we are sitting on. Now, we are towards the end of October. So, whether someone launches in December or January or February, that is a matter of timing. But you will see and for us as a company, it will be a fantastic track record of having taken live six already, and maybe another two or three in the next four to five months. So, that is like I said a great indicator of how we build the organization.



Go to the next. In the beyond mutual funds, I am just flipping over to the next chart. Non-MF revenue which you know we are focused on, we are building out salient business lines, making investments, and building scale. Last five years, compounded revenue growth of non-MF has been, we have stated 25, but the actual number has been 28. So, it has been a very hard thing to scale that. But from a quarter perspective, CAMS non-MF revenue share improved 14.4. This is total non-MF revenue divided by total enterprise revenue. This is 14.4. CAMS pay which has been one of the leading lines, grew 26% quarter-on-quarter. So, continue to see momentum in the UPI and UPI out-of-pay businesses. You know that that is the flavor of the season. Continue to scale and NACH and NACH processing because that is the spine on which the SIP business is built. We went live with the payment gateways and are seeing significant ramp-up in that business. So, we expect this momentum to continue in the coming quarters. So, that is one of the leading lines

In non-MF, alternatives, again, deliver the highest ever quarterly revenue. Continue to underline the market leadership. The overall assets under administration are inching close to Rs.3 lakh crores, added a significant number of mandates, 40-plus during the quarter.

We entrenched our footprint in GIFT City. You know that we service over 30 clients from there. The first outbound retail fund, which is a mutual fund scheme, went live, which is DSP's global equity fund. But you will see again, just like I was talking about SIF, you will see multiple such schemes go live from GIFT City. So, I think the moment is coming when both investors, manufacturers, sellers are beginning to focus on that, the administrative territory and make sure that they scale.

CAMS Rep, I am sure you have seen this on our website, you have seen this on many social media posts. BIMA Central won two very, I would say, exclusive recognitions, one of the GFF, where it was accorded the status of the most promising insurtech in the country. Cumulative user count in BIMA Central went up to over 12 lakhs. Transactions continue to scale. We also won one new contract for end-to-end servicing for the servicing business.

KRA revenue rebounded and look at the rebound; we had a dip from 4Q to 1Q. So, 1Q you saw depressed metrics. For obvious reasons, there was a clampdown on F&O accounts opening, markets were soft and therefore new entrants to the broking community were limited in number, but Q&Q, we have grown all the way back. We are still not at the highest ever revenue in KRA. I think in the next two quarters we will get there, but 45% revenue up in the quarter, indicating very strong recovery, added 38 new clients.

Also, as you know we had announced, as that we would be buying out through a business transfer the NSE KRA business. This is completely on track. We need an NOC. The NOC has been received. So, we are expecting sometime in the month of December. We would have completed the entire operations transfer, including client contracts, whatever innovation has to be done. We, by the way, have contracts with all those clients, rebadging for employees, all the IP and assets and contracts will



move our way. So, you will see net revenue accretion. It is not very large, but whatever it is, maybe under a quarter, will start coming to us from Q4, which is the Jan-Feb-March of '26. Things continued to scale its business. Acquired two new analytics clients in the US, but for Algo360, which is the SMS Insights product, won some new contracts, including Pay Nearby, SmartCoin, and a few others. That part has done well. But I think on a sustained basis between pay, alternatives, and KRA, KRA was a rebound, but strong sustained growth, and from a product and customer participation perspective, I think great news from insurance too. So, those lines continue to perform well. I am personally very pleased with AI bringing everything back you will remember a conversation in 4Q and 1Q of this year. So, we were expecting that after whatever revenue adjustments happened in the initial quarters, we wanted to kind of jump back to a highest ever revenue state quickly, which we have done as a company.

I think for MF to scale back to its peak revenue, perhaps take this quarter 3Q. And from an anonymous perspective, Accent focus continues to remain on key business lines, and we will continue to see scale-ups.

I will now hand over to Ram Charan to talk a little about the 'Financials'.

Ram C Sesharaman: Thank you, Anuj. I will just add some numbers flavor to what Anuj said in terms of the overall business.

So, if you remember from a yield commentary perspective, for the last few quarters, we had guided everybody saying that there is a price change that is happening in one of the larger customers, and the impact will be felt across two quarters and 90% of the impact has been taken, and you will see some small tail impact in the current quarter. Happy to say that is how it has actually played out also.

So, if you see in the current quarter, the yield, we had said that we expect a 0.03 to 0.04 kind of a yield compression quarter-on-quarter. That is exactly how this turned out to be. And bear in mind, this is on the back of no change in equity mix also. Generally, higher equity mix gives us some benefit from a yield perspective. But in spite of a static equity mix, we are still at a very moderate depletion in yields, which means that what we have guided in terms of the yield movement has kind of played out exactly the same way. So, on back of 7% growth in AUM quarter-on-quarter, we have grown the asset-based revenue more than 5%. The overall revenue has grown 6.4% quarter-on-quarter and 3.2% year-on-year.

Non-asset-based revenue, there is some weakness; as I said, non-asset-based revenue is a separate bucket that we showed to you, because there are some drivers to it which are not exactly AUM-based like OPE, which is more a function of the campaigns that we do, the statutory changes that happen, or NFO that gets launched. So, both of this was a little muted. So, hence, you will see some muted growth in non-asset-based. But overall, from a mutual fund perspective, we have grown quarter-on-



quarter. And as Anuj mentioned, it is kind of we are back on track in terms of almost tracking to the highest ever mutual fund revenue, which we hope to obtain in the next quarter. Non-mutual fund revenue has, again, last quarter, we said that there could be some dip in pay, but we expect that to come back to normal. And this quarter, again, happy to say that the growth rates are back from a payment business perspective. And the KRA and payments together, quarter-on-quarter, we have almost 18% growth on revenue in back to the higher growth rates that we are projecting from a non-mutual fund perspective. So, we are on target overall to broadly reach the 20% growth year-on-year that we are projecting from a non-mutual fund perspective.

From an expense perspective, we had a muted quarter. Again, the beginning of the year, when asked for a projection, we said that we will try to keep the cost increases on a year-on-year basis to around 10% to 11%. Happy to say, again, we are on track for that. There is some one-off expense that has happened from other expenses perspective for a couple of crores this is just more a provision made for a delayed collection, which we hope will get reversed in the next quarter. So, overall, we are on track. In fact, barring depreciation, the quarter-on-quarter expense growth has been much less than 5%, which is a very muted growth in expenses. So, expenses are broadly in control.

And on a quarter-on-quarter basis, we have seen almost 60% of the incremental revenue flow to the bottom line, which means that the profit margins are back to more than 44% on an EBITDA basis. We have got almost a 90 basis points increase in EBITDA in the current quarter. And from a PBT, we are at almost 40% PBT and a PAT of almost 30%, 29.6%. So, all the metrics are trending upward this quarter, and we think the next quarter could be stronger than this if the assets inflow to sustain.

So, overall, the performance was a back on track, good performance, a strong performance in the quarter and the board was pleased to declare an interim dividend of Rs.14 per share from the reserves of the company.

So, this is the summary of the financials. I will now hand it back to the moderator for opening it up for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Madhukar Ladha from Nuvama Wealth. Please go ahead.

Madhukar Ladha: Hi, sir. Congratulations on the good set of numbers. My question was more on the non-MF side of the business first. So, this whole CAMS-KRA, we have seen a good rebound over here and I think in your presentation, you mentioned that you added 38 plus sort of new clients and which are primarily non-MF. So, I want to understand which is the client category or which type of clients are getting added over here? Second, of the KRA revenue, how much of it will be sort of new account creation and how much will be fetch numbers? And then finally, on the rate that we get for a new account creation fetch, can you give some color on that, what are the rates there and what is the comparative



pricing and what are the total number of records that we have? So, that is on the KRA side. And second, now in light of this, again, discussion paper by SEBI which came in last evening, there seems that again the TERs are getting cut, at least there is a direct sort of five basis points impact and then also sort of 15 basis points deduction on TER, but there is also some benefit on GST, etc., that will come. So, I know it is too early to ask this, but the worry is obviously there that again, AMCs come and cut yields. So, what will be sort of your reaction and how do we sort of alleviate these fears or how do you think about this? Yes, these would be my broad questions. Thanks.

Anuj Kumar:

Sure. So, let me start with the first part of the question, which was on CAMS-KRA. We have now total close to 2 crores PANs. With the induction of NSE-KRA, this will go to increment by about 13-14 lakh PANs. So, that when you think of us in the coming quarter, think of us like CAMS-KRA having about 2.20 crores, PANs, that is sustaining this commercial activity of approximately Rs.50 crores annually of revenue. Today, I think when you look at the market, you know that this activity is a lot more intense in the non-MF segment than in the MF segment, for obvious reasons, MF account opening has been at a much faster clip for many years, which is both DMAT and broking. With F&O, that number increased. This part, just think that in the last three years, this entire about 28% to 30% revenue contribution to CAMS-KRA is brand new. This did not exist if I take you back to let us say FY22, we did not have this segment. This 30% contribution has got built. In this segment, I would say the real scale trick is to win one of the top-10 clients and get them to stay with you, because frankly, 28 or 30 or 40 clients are typically let us say fintech clients, smaller DMAT clients, smaller broking clients, but the mass, it is a long tail business, the mass sits in the top-10 or top-15. So, our focus always has been to get those clients, never too easy. Like you know proposition always is to get someone to start working with us, not for price, but for quality and delivery reasons, ask them to contribute 10% to 20% to CAMS-KRA uploads and downloads, and then move from there. So, that is really the focus of the theme. I think the redeeming feature is building from zero about 28% to 30% of revenue contribution from non-MF has been a big thing. So, think of it as about building 8% to 10% a year. If we can do this for the next three years, I think that is a great growth trajectory because most of the CAMS-MFs will continue to work with CAMS from a KRA perspective, but this is brand new and this is what is driving growth. So, that is part one of the answer. Do you want to add something?

Ram C Sesharaman:

Just on the rates, Madhukar, I think the rates have been very stable. So, without getting into specifics, we have seen the rates to be very stable from upload and download in IOP perspective. So, we see no big concern on that. If at all there is some data reduction that may happen, that will obviously be driven by volumes. But as of now, the rates seem very stable for this.

Madhukar Ladha:

Understood. And just on the KRA part only, what percentage of the revenue is for the new sort of records that got created? And of the now 2.2 crores approximately and 20 lakhs are from the acquisition, so of the 2 crores organic CAMS KRA, how many records would we have added in the



last three years, and are we seeing any material increase in the record addition now, because I think longer term, the person who has more record is in a better position, right, so is that the way to think about it, how do you think about it?

Ram C Sesharaman:

So, approximately, you will probably have uploads of 10 to 12 lakhs PANs a quarter, 10 lakh PANs is probably a good estimate to have, which is the fresh PANs that gets into the system based on CAMS. So, the 2 crores, you keep adding that organically. But obviously, the PAN potency depends on how many times they get drawn against, the download revenues dependent on that. The thumb rule is that every PAN gets downloaded at least three times in new accounts, post the first upload that happens. So, obviously, this is an industry that is driven by the stock, right? So, we are progressing on growing that stock from organic and also from an acquisition of NSE perspective, it is getting around 12 to 13 lakh PANs from them. So, this is going to be the driver of the business going forward and we are actually inching up in terms of the number of PANs that we are adding. And given that some brokers also added out of a customer list, I think this is also going to add a disproportionately higher rate going forward. So, that is kind of looking good from the overall PAN addition perspective.

Anuj Kumar:

I will only add dimension to this, Madhukar. I am sure you are looking at the KRA business. Here is the way I look at it. That part of the mix is to continue getting these uploads, which Ram said on a base of about 2,20 crores is about 40 lakh a year. Currently, that's about 17-18% close to 20% of the base. The second is that existing PANs and new PANs should be consumed with speed, which means I can create, I can create inventory, but I may not sell. I have to continue selling them at least at the same rate as I was doing in the past for my revenue to kind of hold at the historical rates and for my revenue growth to match the PAN growth count. And the third is pricing should remain stable. So, those are the three components. I think that is the way I look at the business. If there is any other question on this, I am just happy to answer.

Madhukar Ladha:

And just one question I think got left out, of the 38, most of them you are saying are fintech, I know that you got one of the top three brokers, any addition in the top-10 amongst the 38?

Anuj Kumar:

Yes, you can say one where we have a contract, we are just trying to make sure that they migrate volumes to us, that they start off with 10%-15% upload and download contribution. So, yes, one of them, it has to kind of operationalize properly.

Madhukar Ladha:

Got it.

Anuj Kumar:

So, that was part one of your question. Part two of your question was on the consultation paper. Frankly, we had a board meeting till about 9.30 in the night. And this has just come out. Our belief is that there was a longest TER discussion from let us say mid of '23 to mid of '24. And then that TER discussion got deferred. It had various components. Components of security trading tax, GST, and brokerage paid above a cap on the sale and purchase of securities by mutual funds were three



elements which were focused on at that time. But then that did not kind of progress to conclusion. I still have to look and understand what this one is about from a consultation paper perspective. Like we have always said in the past that, I mean, part a) of the story is that we made our entire delivery extremely efficient. You can see it from the pricing, either from a VIFS pricing or from a pricing per account folio perspective. It is also a fact that we are a large participant in the overall ecosystem. We eat off the same plate. So, I think we have to establish whether this is materially impacting to the AMCs. If it is materially impacting to the AMCs, that is something that we have to estimate. Will they make requests to discuss rates, etc., I think it is a subsequent step. I cannot guarantee that that instance will be zero, but I think it is just too early to conjecture and come to a conclusion at that point.

Madhukar Ladha: Understood, sir. All right. All the best.

Anuj Kumar: Thank you.

Moderator: The next question is from the line of Sucrit Patil from Eyesight Fintrade Pvt. Ltd. Please go ahead.

Sucrit Patil: Good morning to the CAMS team. My question is, as India's financial infrastructure expands through new platforms and investor segments, how do you see CAMS evolving its role to stay central and differentiated in this ecosystem?

Anuj Kumar: You only have to watch what we are doing and you will see that we are very, very closely aligned. We are a commercial organization, but very closely aligned to the agenda. We are closely aligned to the agenda because the agenda, I mean, produces a lot of opportunity for us. We are a domestic-focused company. Our eyes are focused on just this one part. We are creating infrastructure, so think of it this way, that we have the largest infrastructure in mutual funds for the last 20 years. That is a great vindication of our intent. We today have the second largest infrastructure in customer onboarding and verification, which is the KRA business. We have a large, I would say, financial services-focused infrastructure as far as payments are concerned, all formats of payments for banking, non-banking, insurance, mutual funds, that is our business. When you look at insurance, we are one of the central figures in DEMAT of insurance. DEMAT has not really progressed as much as it could have. There is no utility in the country like Bima Central. You do not have a utility where you can go and monitor your portfolio of insurance. You can see today's maturity values or surrender values. There is no place where you can apply for a mark a lien and ask for a loan against securities or initiate a claim. There is no unified single place except for Bima Central. Apart from all of this, we built utilities around account aggregators. You may have seen us announcing ConsentPro, which is ahead of the times in terms of the implementation of the DPDP Act. Frankly, we are not doing this because we are looking for license businesses which give price protection. To be frank, a lot of these businesses may be licensed, but they give no price protection. Our account aggregator business today has the revenues at 4% or 5% of where they were four years back when we started. But we believe it



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October 29, 2025*

is an opportunity. We believe it is an expertise of the company rather than going everywhere, we just want to stay in this one place. So, I hope that just the actions that we have taken in the last five years and last many years are a good vindication of this. If there is anything else in your mind, I am happy to answer?

Sucrit Patil: My second question and final question is to Mr. Ram Charan, sir. Looking ahead, what internal levers or cost planning do you see as most important for sustaining margins, especially as service mix and volumes evolve?

Ram C Sesharaman: Okay. So, we have repeatedly said that this is a fixed cost kind of a business, but there are some levers available for us and big ones at that. The biggest thing is automation and automation from a process perspective make the process more efficient on a daily basis and try and make it as automated as possible. And we have achieved a significant progress and success in most of the processes, right from the posting to your reconciliation to transaction acceptance, etc., A big initiative in that regard is the entire RE-ARC project that we are doing, the re-architecture of the platform. The new platform is kind of stated to go live in phases starting from the end of this financial year. I think once that goes live and we are working for it, this will have a disproportionately higher impact on the way that we approach things and it will just make the process more efficient and more automated, AI-enabled, and various other things which will kind of lessen our dependence on manual labor going forward. So, we do have many levers that we are working on, primarily being the automation of the process, the new RE-ARC platform, making things more efficient than what it is. So, I think all those things will be very useful and we are confident that our margin profile will be absolutely maintained even in the face of some cost pressures from an inflation perspective and from a yield pressure, we will be able to hold margins. I think that much of an assurance that we can give.

Anuj Kumar: I just want to add one thing on this theme which we have not spoken about too much, but I am sure most of you would have noticed that back in the month of August, we unveiled the brand of CAMS AI. We have not changed the company's name yet. We have not done any high decibel PR because that is not a habit where we do a lot of things and not do much. We were preparing ourselves for the last year and a half, you can think of it as all of '24 and perhaps all of '25, to really have the spine, the capability, talent, tooling, the structure to build AI-rich solutions. So, we took time to unveil the branding. So, you have seen the launch of CAMS AI. You will very shortly see two things. One is the composite, a very wholesome deployment of artificial intelligence inside our operation, which means the operation, it is a large platform which has been built over 30-years. You will see that deployment will obviously be conducive to managing productivity, which means you will see a PR. That is one. The second thing you will see is deployment for some of these solutions outside our core business, which means inside the core business, obviously, we will continue solving the problems that we solve to become more efficient, faster, quicker, doing things with lower risk and more finance.



Sucrit Patil: I think that is good guidance from your part with regard to AI. And I wish the entire team best of luck for the Q3.

Anuj Kumar: Thank you.

Moderator: The next question is from the line of Lalit Deo from Equirus Securities. Please go ahead

Lalit Deo: Good morning sir. Just two questions. Firstly, for the non-MF business, could you give us what would be the overall EBITDA margin in this particular quarter as we have already highlighted that it was around 12%, just wanted to understand that? And how are we tracking in terms of different sections?

Ram C Sesharaman: If I may just ask you, what is your question on the margins for the non-mutual fund businesses, because you are not very clear, obviously disturbance. Okay. So, as we have said that inherently, all the non-mutual fund businesses are platform-based businesses, which means the platforms have been built and the investment phase are largely over in terms of all the platforms, for example, a Bima Central or a pension fund or an account aggregator, etc., So, as the revenue increases, the margin profile keeps increasing. We have said that the margins are currently between 10% and 13% EBITDA is what it keeps happening. The current quarter's margins are on the same lines, although payments margin has increased a little because of the higher volumes that we are seeing from a payments perspective. But overall, we are at a sub-15% EBITDA margin, and our stated aim and expectation is that this will go to a 25% margin in steady state, given that our incremental investments are going to be muted, but the revenue is going to flow directly to the bottom line. So, we are at a sub-15% EBITDA now and we expect that we will reach 25% within the next couple of years.

Anuj Kumar: Just look at it this way, that the mature, scaled, non-MF businesses, which is KRA, where the margins will be in the 30s, payments, where the margins will be in the mid-20s, and AIF, which will also be in the mid-to-late 20s, demonstrate that on a Rs.40-50 crores portfolio, it is possible to make 25-30% EBITDA margins in KRA, higher than that. There are investment businesses where we are putting money, which is account aggregator, which is NPS, which is insurance, and a few smaller ones, including MF Central. Those are the ones which have to get to some scale. We have said in the past that our experience is that it takes about the initial Rs.10 crores per annum of revenue for a business to break even. Insurance, for example, would have a much later break even because the costs are larger. Somewhere between Rs.10-15 crores of scale, the business will break even. Above that is the profitability line. Then as you scale up to Rs.25-30-35 crores of revenue, the profits can become very handsome. Like you have seen in a Rs.50-60 crores business, it is possible to cross 30% EBITDA. We do not expect non-MF to easily become a 45-50% EBITDA business, but it is our desire like Ram said for it to become 25-30%. We are very confident that the current line from, let us say, 15% at portfolio level to 25% at portfolio level will happen in the next couple of years.



Lalit Deo: Actually, just lastly, on this insurance segment, within Bima Central, we have added Tata AI as the fourth insurer over there. I just wanted to understand, what should be the broader economics over there, how do we make money in this segment?

Ram C Sesharaman: Okay. So, the revenue model for insurance repository is threefold. One is when you convert or take a new policy online, we get paid, and every payment is done by the insurance company, none by the final policyholder. We get paid some money, and then we get paid AMC from year two on all the policies that get converted under a part of our platform. And thirdly, we get transaction revenue. Now, the way that things have panned out before this integration is that our revenue was entirely dependent on the initial conversion as well as the AMC revenue. But now that we have four insurance companies and more on the pipeline who get integrated, more and more transactions are flowing through the Bima Central platform. The transactions could be in terms of not only change of data, but also, for example, a premium payment. And once we go live with additional features like a lien marking, etc., the transaction count is going to increase disproportionately. So, we have now touched a transaction volume of almost 1 lakh a month and sometimes more. What used to be a negligible number is now kind of ramping up rapidly because of these integrations. So, our monetization will involve around three things. One and two already in place, and third is an increase in share of the overall revenue. Given the number of insurers are getting integrated, number of policies are getting increased, the number of transactions also will increase, and it almost has a beneficial impact on the overall revenue. So, that is the way that we monetize this platform.

Lalit Deo: Thank you.

Moderator: The next question is from the line of Devesh Agarwal from IIFL Capital. Please go ahead.

Devesh Agarwal: Good morning, everyone, and thank you for the opportunity. My first question is on the MF yields. What would be the number for this quarter?

Ram C Sesharaman: Devesh, it is a very tough number to predict in terms of this. But what I can tell you for sure is we do not expect a depletion in the yields. Obviously, there could be some mix impact, which could be plus-minus, going to see new customers, meaning the customers who run smaller size growing more than larger ones, etc., So, it is very difficult for me to predict, but I can tell you we do not expect the yield depletion to be more than 0.02 bps given the current trends. Our expectation is that I do not think it will be more than 0.02 bps. We will try to see how much within that range it is actually.

Devesh Agarwal: No, sir. I was actually asking for 2Q, the quarter gone by.

Ram C Sesharaman: The quarter gone by, we had a yield depletion of points. We said 0.03 to 0.04 will be the expectation and I think we are at 0.04 depletion when compared to the last quarter, which is probably on expected



lines. And we have taken the entire impact of the SBI price reduction on this and hence, we do not see a further yield impact more than the telescopic pricing.

Devesh Agarwal: Understood. So, it should be somewhere around 2.12 basis point, if I am right?

Ram C Sesharaman: This time it is between 2.0 and 2.10.

Devesh Agarwal: And so, now that 100% of the SBI repricing has been captured in this quarter, would you share what would be the pricing difference between the top three mutual funds in 2Q?

Ram C Sesharaman: So, I think as we had indicated very clearly in the last few calls, the entire reset of pricing happened because the parity had to be reached. And if you see the published accounts and if you actually compare it to yourselves, you will see that among the top three, two do not have any difference, the third has been reset from April. So, currently, based on the pricing that we have, we can confidently say that there is no big difference between the prices of the top three, which will involve any renegotiation or any such activity. We are almost on parity levels. Obviously, there will be some differences because of asset mix, etc., which is unavoidable. But broadly, I do not think there is any difference that will kind of cause for a trigger of a repricing or, etc., among the top three customers.

Devesh Agarwal: Right. And so, in the next two years, how many contracts are up for renewal among your top 10-clients?

Ram C Sesharaman: As I said last time, we are in for a period of sort of stability. We do not have any major customers up for renewal. We do have some midsize customers coming up for renewal in the next financial year and the year after that, a few of the large ones will come. So, as I said last time, we will have at least an 18-month of stable prices where there are no big renegotiations happening or repricing happening or even renewals happening, every renewal period will not amount or will not result in a repricing. I think that is kind of an impression that I need to correct, which is that a lot of the contracts get rolled over also without any change in prices, including large ones. But purely from a renewal perspective, we have nothing major coming up for the rest of the year. A couple of midsize customers coming up for renewal in the next year, and the year after that will be where a couple of the larger customers will come for renewal. What it actually amounts to in terms of repricing, I think we will have to wait and see. But again, I would like to caution that does not mean that it is going to be every time there is a renewal, there is going to be a big price giveaway, I don't think that is going to happen.

Devesh Agarwal: Right, sir. And, sir, a more strategic question. Even if you see ex-office regulatory changes, AMCs may always ask for additional discounts. So, what can you do to put a floor to the pricing, is there anything that we can do?



Anuj Kumar:

So, we have said this in the past, Devesh, that this is a market which does not have too much competition. There are two domestic providers. The thought of putting a floor on price, doing anything else that concentrated providers do, has not happened in the market. I think all the time we have tried to demonstrate value to our clients. And like Ram said, more than half the contracts, which could have been negotiated, just get rolled over because clients see value. I think essentially the way I look at it is that our ability, and we have said this, that our ability to grow our business at current scale, we are a Rs.1,450 1,500 crores company, for us to grow revenue at the rate of Rs.150 to 200 crores a year is perhaps the most acid test that I look for. I know that you are looking for pricing dips and stability of pricing dips. I am just taking you a little away from that and trying to kind of share my point of view on how I think about running this business, that our attempt is to scale this business, let us say, by 200 crore, 50 crores of non-MF, 150 crores of MF is almost a given if we have assets growing by 8 to 10 lakh crores a year. Our current base has crossed 50. If I have assets growing at 8 to 9 lakh crores a year for the next three years, we will get to 150 crores of MF increase. Non-MF, you have seen, we have crossed over Rs.40 crores of revenue increase last year. We will cross over Rs.40 crores of revenue increase this year. We believe that our cost increases will always be in the range of 60, 70 crores and not more than that. Operating EBITDA therefore, growing by Rs.100 crores is really how it works. And in most of these platform businesses, when we are pouring revenue from the top, a lot of that goes to the bottom line. I need not illustrate it for you because you can see it happen yourself. Within this is a big question that you ask me very often in the past, that can we fix a price, floor it down somewhere and say that we will not fall in bps anywhere below that? Possible. We have not yet gone down that route. But yes, prices have become very fine. It is a viable thought. We have not implemented anything like that yet.

Devesh Agarwal:

Understood. One last one. For the new AMCs, as I understand the pricing is very competitive for some of the new AMCs. Could you share one, what is the additional cost that you have to incur whenever a new AMC starts an operation? And once we have this 8-10 AMCs who start operation, what could be the drag on the margins or the profit for us? Like what you shared on the non-MF side that there is an initial 10-15 crores cost for the business, any number for a new AMC that starts operation, is there a cost for us?

Anuj Kumar:

So, Devesh, I just want to answer this question in two parts. First is that new AMCs are deeply discounted or any new ones are deeply discounted. Since you, all of you and you yourself now track scheme accounts, please look at two AMCs that we won from competition; one is Navi and one is Taurus. And you can take a look whenever the scheme accounts are available to you on whether we discounted those. We are actually charging more. You can say it is a subset of our win, but it is a relevant subset because somebody wanted to come to us and we told them we will not sell it at a lower price. This is clear evidence that will be indisputable. Kindly do take a look. For one, you will have to wait till next July, for the other, there is evidence available in front of you. For all the others, we have won new ones in the past, I will not name individual contracts, but there was a contract we



won, let us say, at the end of 2022, went live at the end of 2023, you have seen scheme accounts. That deep discounting does not exist. We may have a support period of six or nine months, maybe a year, at which time the AMC is only Rs.1,000 to 2,000 crores, but it is not that they are enjoying any freebies for five years. Just to answer your question, a typical new account goes live with a team of about 12 to 13 people. We are liberal. We do not want our quality of service to deplete, so it goes live with 12 to 13 people and will have its own database and its own app server, etc., and PCB site, etc., all those things are there. If you want me to estimate what is the cost of running a new AMC, it will probably be Rs.2 to 3 crores. It would not be more than that, which means that if they get to Rs.1,000 crores revenue and we get just basic yields, we will start offsetting that cost. That is really the cost. Six of these are, by the way, live. I just want to point out that six of them are in the base. Choice you can ignore because it went live over the weekend, but the other five have been in my base, most of them for 4Q of last year, some of them again in 1Q, and then mostly everything was live in 2Q. So, if you believe there is additional cost incurrence because of these, even if your argument is correct, which it is not, there is no fresh accretion of cost, three more have to go live, most of the others, which are six, are live in the base.

Ram C Sesharaman:

Just to just reiterate the last point, Devesh, you will see that the margins of mutual funds are very stable, right, are very stable over the last few quarters, barring if you take away the impact of the price and it getting back to what we think is the normal company margin of 45-plus percentage. So, as Anuj said, if you have six AMCs who have gone live and supposedly deeply discounted pricing and a lot of costs getting incurred, I am sure you would have seen the impact on the margins, which you are not seeing, right, which you are not seeing at all. So, I think that is again one of the misconceptions that we will need to correct. So, what we have in the base is already there, what we are getting revenue is already there, and still your margins are stable if you just equalize for a moment the last few quarters of the price discount that we gave. And they are also getting back to what is actually the margin historically also.

Devesh Agarwal:

Understood. Thank you so much and all the very best.

Moderator:

The next question is from the line of Dipanjan Ghosh from Citi. Please go ahead.

Dipanjan Ghosh:

Hi, good morning, sir. So, just a few questions from my side. First, if I look at the alternates business, obviously, there have been a very, very strong pickup in momentum on a sequential basis. But if I look at last year also, between 1Q and 2Q, there was a decent improvement of almost 10%-plus and then it kind of again fell off. So, just to get some sense on whether if there is any seasonality in this business or incrementally, we can think of more like 11 crores to be more than that to be like more of a steady state run rate in that segment? That was the first question on the alternates business. Second, I just want to go back to one of the previous participant's questions on the KRA business. This sequential offtake that you have seen, how much of that would be, let us say, because of new DEMAT account getting opened and incrementally when you see the visibility for let us say, October



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October 29, 2025*

also, I mean, because we are towards the end of October, do you see this run rate sustaining? And my last question is, again, going back to the mutual fund business. You mentioned that, two years out, somewhere around FY28, you would probably see multiple large asset managers coming up for renegotiations. Given that at that particular stage, the absolute quantum of money that some of these asset managers that will be paying to you, depending on that AUM at that point of time, would be a very, very significant number, do you think that there can be a case that, given that it will be almost three decades of your operation, that some of them might want to move to more of a cost plus sort of a model or some different sort of a revenue model compared to the AUM linked model that we have today? Those were the three questions.

Anuj Kumar:

Okay. Great, Dipanjan. I will perhaps answer your questions in a different order if you are okay, starting with MF, and then I ask Ram to chip in if needed. See, as far as the MF business is concerned, you have to think of it and believe that it is an infrastructure business. It is not IT services. It is not BPO. It is not a per transaction business. Today, for example, like we have said in the past, I do not give a very long answer, if a regulatory change happens or if a new product comes into the market, our charging remains at asset level. For SIF, I may have built a lot of new things, because the regulation said that the mutual fund cannot let it masquerade as a mutual fund product, the font size has to be different, the website should be different, customers should know it is a different product. Everything is designed and built by us. We do not build on instructions. We are not expected to seek somebody's help. So, it is a very bespoke our design product. The platform belongs to us, the entire intelligence, the infrastructure is ours, and the operations whatever labor we incur is part of that. It is not amenable to be run as an IT services or any services business, which is cost-plus. Where a change happens, the buyer asks for a price, we give a price, so the nomination methodology is going to change. You will have to now give us a video starting 1st December if you do not want to nominate someone. The mutual funds do not have time, and we do not have time for them to come to us with these changes and say what is the change going to cost? That is how services work. That is how a cost of model works. Despite this not being a cost-up model, I think today you have to look at the pricing. And again, I will repeat what I have said in the past, that today we have about Rs.11 crores folios with balances, Rs.1,200 crore-plus of MF revenue. We sell each folio at Rs.110 or Rs.120. You pay Rs.300 for your DEMAT account. The provider, the principal pays for ISIN for downloading the Benpos, for doing corporate action. There are 100 ways where you pay money to the other equivalent cohort entities, you do not pay that here. So, the equivalent pricing is maybe one-third of what comparable domestic pricing is. And I think therefore, while there are potential arguments saying, oh, why do not we insource, can we build it ourselves, we are so big, can this go to cost-plus? I am not saying the instances of those questions are zero, but they are very few. I think the industry believes in outsourcing. The industry believes that they have been able to scale this to this level and declutter their lives by letting the advisor do what they are doing, letting the sellers and banks do what they are doing, and letting the RTL do what they are doing, and giving us enough independence to design the outcome and not just take instructions. I think that is an abiding belief system in the



industry. Unless that changes at a transactional level, I do not see either a cost-plus mentality coming in or an insourcing mentality coming in. That is one of your questions. Do you want to take -?

Ram C Sesharaman: Yes, yes. So, Dipanjan, if your question was how much of your new carriers are coming because of your share brokers, etc., as against the mutual fund, the estimate is between 25 and 30 percentage. There is actually new PANs coming from that. Of course, the exact numbers I could have a look and ask Anish to kind of get back to you on the number, but this is the estimate that we have. You had a question on the AIF business similar to what you had last time. And my reply remains the same, which is that we see that this business is strong enough to grow this 15% a year. On average, yes, 1st Quarter was a little disappointing in terms of this. Even this quarter, a few of new logos addition, and also from an expendable number, the number is very healthy. And GIFT City is doing well in terms of the overall revenue, broken even in GIFT City also. So, I think the prospects are bright for us to reach this target of a 15% growth year-on-year. We stick to that estimate. And I think there will be no seasonality on this on quarter-on-quarter basis. We expect that this will kind of hold true for the rest of the year.

Dipanjan Ghosh: So, just one small question if I can chip in. Any inorganic plans in the horizon I mean barring the one that you are already ongoing?

Anuj Kumar: I would say we continue to scan the market. There are a lot of opportunities available in the payment space. Like you know we have not decided that that is the way we want to scale the company. Because some of that is just pure technology sales, that some of it is a per transaction payment company kind of architecture. There are very small opportunities available. You can buy lumps of Rs.20, 30, 40 crores of revenue. You will not easily buy 100 crores revenue. Payments, of course, you can buy multiples of Rs.100 crores. So, we continue to look at the market. There is nothing immediate which can hit us in the next two or three months. But yes, I must say that beyond the target of growing the company by Rs.200 crores through existing business lines, we continue to look at the market carefully. We have the cash. We have the management bandwidth to do this. But you would not hear anything in the next couple of months.

Dipanjan Ghosh: Got it. Got it, sir. And thank you for all the detailed explanations and all the best.

Ram C Sesharaman: Thank you. Thank you very much.

Moderator: The next question is from the line of Siddharth from Vittae. Please go ahead.

Siddharth: Good afternoon, sir. Thanks a lot for the opportunity for me to connect. So, I just want to give a get a quick idea as to lot of PMS are rolling out with their, AMCs at the moment. And you do have a good share in the, upcoming AMCs which are to be rolled out. Just want to understand what kind of revenue contribution to the top line can be possible from that? And how much on a relative scale that



do you have the share of the, upcoming AMCs? And also would like to get an idea about the geographical presence that you are planning to have in the future scales at the moment as it was highlighted on the, previous concall?

Ram C Sesharaman: Sorry, can you just come back with your third question? Your third question was on -?

Siddharth: It was regarding your geographical presence. Correct me if I am wrong, was getting to an outlook of, you are venturing or stepping into new markets to, expand your global presence as well. So, just wanted to check in on that part as well after mainly checking with the new AMCs rolling out?

Ram C Sesharaman: Got it. No, you are right. We do have higher share of the new AMCs and a lot of them are PMS players as Anuj would have mentioned in the first slide itself that we did get the biggest one and a few more are in the pipeline. So, from a revenue contribution perspective, the way the industry works, the industry size currently is upwards of 70 trillion and our assets under management is almost like 55 trillion. For a new AMC, it will be an initial few years for everybody is a little kind of a tough year in terms of ramping up their AUM. So, even at a very decent pricing for them to even get to Rs.10,000 crores in a couple of years or three years' time is a very big task in this market and we have seen the new launches getting to that level in probably three to four years' time if not more. So, the revenue contribution that comes from the new PMS who have come into AMCs or the new AMCs for that matter is always going to be a little on the lower side, right? The game is that once they reach a scale of, say, more than Rs.15,000-20,000 crores, that is when they start contributing and not only do they start making money, they also start contributing from a profitability perspective to the service providers like RTAs. This is more future-proofing our market share, right? We are pretty sure that with all the wins that we have had in the foreseeable future and beyond our market share, we are going to be the market leaders in this place, and that is kind of the new logo ensure that more from a short-term revenue or a profitability perspective where the contribution will be a little lesser given that it will take time for the AUM to ramp up. On the question of geographical stuff, I think we have repeatedly said that we are focusing on the domestic market. We continue to believe in the potential of the domestic market. We continue to see a lot of upside and market share given the various metrics on penetration, launches, etc., We feel there is a lot of room to grow, not only from a mutual fund perspective, but also the other businesses that we have forayed into from a non-mutual fund perspective. So, the business that you saw from an international perspective was a more inbound that we got from Sri Lanka. And I just like to stress that the same platform with minimum customization has been used for that also, so which means that it was not as if we made a separate product offering and invested a lot for that particular sales or from a product process. So, we continue to kind of cater to such inbound, we would probably do a couple of things which our existing customers take a foray into other geographical regions we may go with them. But as a strategy, we continue to be fully domestic-focused, not only from a mutual fund, but non-mutual fund perspective also.

Siddharth: Okay, got it. So, thanks a lot for the clarity and yes, we can take this forward. Thank you.



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

Prayesh Jain: Yes, hi, everyone. Just, on this question, somehow you answered earlier, but just trying to get more insight into it. So, if, for example, AMC, which would have been giving you a certain fee at Rs.1 lakh crore AUM today, let us assume that it's just an equity AUM, the new AMCs that you have enrolled, would they be, in case they reach that Rs.1 lakh crore equity AUM in the next couple of years, would you still earn the same amount of fee that you would be earning today on that Rs.1 lakh crore AUM? Just trying to understand, is there a pricing gap between what you are earning today and what are you giving the pricing to the new AMCs?

Anuj Kumar: Absolutely. See, we have no reason to discount the base. You would not do it if you were sitting in my place. You would not discount the base. The base is a loyal long-term franchise, which can see if I discount another base. It will be a bad strategy on our part. Like I have said, you can take a look at whatever clients we acquired. So, three large acquisitions, FT in '21, Navi in '23, Taurus in '25, some of them, the new logos have gone live. I know a lot of scheme accounts are not available, but the ones which went live in '23, at least one of your scheme accounts are available. Take a look at all of them. We can do a call separately. We do not want to do that. To be honest, we are okay to let some of the new logos go because just think about it. They might grow to Rs.1,000, 2,000, 3,000 crores, maybe Rs.10,000 crores. On a busy day, sometimes my AUM moves by Rs.50,000 crores. So, I must exercise judgment that in a haste to get new logos, we do not make mistakes and start discounting a base. That just does not make sense. A base is the most precious part. Like I have said in the past, that if you take all AMCs launched in the last five years, the revenue contribution to the RTA business for the marketplace is perhaps 1%. You take all the AMCs launched in the last 10 years, the revenue contribution to the RTA business will not reach 5%. It takes time to kind of grow that. So, therefore, for us, in a quest to get that 1% or 5% with us to deeply discount the base just does not make sense. There is enough evidence. If you find contrary evidence, we can have a conversation.

Prayesh Jain: Got that, got that. Second is, from a profitability perspective, you all mentioned that the non-MF businesses profitability will improve to 30%, 35% in the next couple of years. Should that kind of lead to the overall company level EBITDA margins inching towards more like a 47%, 48% kind of margins or do you think that you will be able to maintain at 44%, 45% given that there could be some compression in margins on the mutual fund business, so just trying to understand that?

Anuj Kumar: Historically, if you see over a 10-year period, we have incremented EBITDA margins by more than 1% a year. If I take out this one event of price equalization, that is how things happened. Non-MF was not a big part of that story because non-MF was, I mean, we seriously started scaling non-MF, let us say, from FY22 or four years back and that is the time period for which we have got this 28% revenue compounding. When you look at non-MF, first look at one lump of three, which means look at alternatives, KRA and payments. That is the scaled part. And like I said, that is producing between 20% to 35%, depending on business line already. Already at a current scale in those three businesses,



we are perhaps very close to 30% of operating EBITDA where we are putting in money, I am still investing in MF Central, investing in the NPS business, investing in fund aggregator, probably investing some money in things like Pentopal and Think, building out new products like ConsentPro, etc., that is where we are investing money. So, the fact that we can produce 30% in non-MF is demonstrated by the big three. I have just got to take some of the others and insurance is somewhere in the middle. Building scale is not very easy. So, it is perhaps a business between 25 to 30 crores right now, but it has some component of labor. Otherwise, insurance would have been part of the mix. So, a part of non-MF, a scaled part is already making 28% to 30%, some businesses are making losses. For them to cross the, let us say, Rs.14, 15 crores revenue, that's like crossing the Rubicon, once they cross that, you will see profits there. So, therefore, on an average, for us to increment company level operating EBITDA by about a percent a year, I think it is a reasonable expectation that you should have and I have.

Ram C Sesharaman:

Just balance this one thing, Prayesh, is that the share of non-mutual fund revenue as a proportion of total revenue is also something which we are hoping to increase and which are working to increase, right? So, which means that from a weighted perspective, if it becomes 20% with a 35% or even a 30% margin, and the remaining things have whatever margin it is. So, it is not fully from that perspective. Mathematically, also, you will have to see the weighted where the margins will not be 48%, 49%.

Prayesh Jain:

Right, right. And the last question is on again the MF yields, right? I think, again, this has been discussed in the call earlier also. But given that it has just been a two-player market, and I am sure that it does not appear that any third player can make an entry here, what is the kind of restrictions that you have to kind of protect your yields from falling further, because I think that is the concern, which has always been there, whether we again come to a 3.5-4% yield decline on an annual basis or at any given point of time, again, there could be an episodic event where we will suddenly feel that the yields are falling by about 10% again, right? That is the biggest fear that we have with respect to yields that whether this yield fall of 3.5%-4% is a number that we should work with, or there could be risks to that?

Anuj Kumar:

No, we have always guided that that is the telescopic part of our contract, that is the part of price depletion that our clients take in their co-business. So, philosophically, that principle still applies and should continue applying that there will be some basic yield depletion because of telescopic rates. The one incident while it has happened, I think you should also appreciate that within two quarters of having implemented that, we are back to the highest ever enterprise revenue. And my hope is one month is gone of this quarter that we will be at the highest ever MF revenue by the end of this quarter too. So, we have recovered very quickly. I understand that that recovery is because of circumstances and some efficiency that we have. Will it happen again? It happened once in 30-years. Will it happen again? I do not know. I would say that it is a rare set of circumstances will lead to an event like that.



I would again say that if you focus on our ability to continue keeping this character of this enterprise at platform revenue, running it at small increments in operating cost, a very small increment in cost of sales, our ability to drive revenue of absolute rupee. Look at the next three, four years. I mean, after that, we will have this discussion every quarter. But when I think of the next three, four years, I want to grow this company by at least Rs.500 crores in the next three years. We believe that we have a very solid paper solution to that. We know that not even half of that will be consumed in cost. So, margins will improve. That is the broad way we look at it. And I think any large price correction of the kind that you have seen one in maybe three decades is not a very likely event.

Ram C Sesharaman: I would just like to add one thing to that is what triggered this as you know is similarly sized customers and parity of price, right, which is broadly in the same range. I think we are at a stage and you will see next year when the scheme goals are published that, we are at a stage where similarly sized customers do not have a big variance in price. So, I think the root cause has been addressed from this particular exceptional event that happened. So, that is where we stand as a company.

Prayesh Jain: Got that. Thank you and wish you all the best.

Moderator: Thank you. This was the last question for today's conference. I now hand the conference to management for closing comments. Thank you and over to you.

Ram C Sesharaman: Thank you. Thank you to all the participants for spending time with us on this earnings call and your continued interest in CAMS. If you have any queries, as usual, please feel free to reach out to MUFG or to Anish Sawlani and we will be happy to address the questions or take your calls. Thank you once again.

Anuj Kumar: Thanks.

Moderator: On behalf of Computer Age Management Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.