



“Computer Age Management Services Limited  
Q4 FY '25 Earnings Conference Call”  
May 06, 2025



**MANAGEMENT:** **MR. ANUJ KUMAR – MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER – COMPUTER AGE  
MANAGEMENT SERVICES LIMITED  
MR. RAM CHARAN SR – CHIEF FINANCIAL OFFICER –  
COMPUTER AGE MANAGEMENT SERVICES LIMITED  
MR. ANISH SAWLANI – HEAD, INVESTOR RELATIONS –  
COMPUTER AGE MANAGEMENT SERVICES LIMITED**

**MODERATOR:** **MS. MASSOM – MUFG**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 FY '25 Earnings Conference Call of Computer Age Management Services Limited hosted by MUFG Investor Relations. Today, from the management of the company, we have Mr. Anuj Kumar, MD and CEO; Mr. Ram Charan SR, CFO; Mr. Anish Sawlani, Head, Investor Relations.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference has been recorded. Please note that this conference is being recorded.

I now hand the conference over to Ms. Masoom from MUFG. Thank you, and over to you, Ms. Masoom.

**Masoom:** Thank you. Good morning, and welcome to Q4 FY '25 Earnings Conference Call for Computer Age Management Services Limited. Before we proceed to the start of the call, 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.

The 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:** Hi. Good morning, everyone. Thank you, Masoom, for the introduction of the Safe Harbor. Thanks, everyone, for joining this Q4 earnings call of CAMS. Like we've done in the past, I'll take you through a quick summary of facts, which are all encapsulated in the presentation. We estimate each one of you will have a copy. And then Ram Charan will cover the financials. I estimate we will still have about 35 minutes to go through your Q&A, if not longer.

In terms of the quarter, I'll just cover the year first. I start with the full year FY '25. So in terms of the entire year, our revenue was up. It's a handsome increase for the year at 25%. All parts of the machinery fired and fired very well, both MF and non-MF. Inside of non-MF, again, several parts of the business fired quite well, bringing us to those growth rates.

So like you can see, MF revenue grew by about 25 %, plus non-MF was just short of 25%, but sustained growth in non-MF, I think, has indicated the faith of the marketplace and what we are building in that portfolio. And again, we are very hopeful and confident that we will have a repeat here in FY '26 in delivering at least high double-digit, 24%, 25% growth in non-MF to continue this year, too.

For the year, share of non-MF revenue was at 13%. Given the backdrop of all of this, given the backdrop of 25% revenue increase, we had growth in absolute EBITDA of almost 30% -- 29.7%. EBITDA percentage stood at a handsome 46%. And I'm sure you've been witness to our performance for the last 6-odd quarters, and you've been seeing those middle 40s, mid-40s

EBITDA performance for some time, being at about 47%, but very happy to tell you that for the year, it stood at 46%.

Absolute PAT grew 33%. Absolute PAT margins was just short of 32%. I must remind all of you that in the markets, and you know that almost 90% of this business is linked to what happens in the capital markets, especially the segments of MF, KRA, Alternatives and to an extent, small extent Payments, all this growth has been achieved despite the fact that from September up to March, what we saw was almost a sustained pressure on the indices, which started easing, let's say, in the months of April and May.

But for September to March, there was sustained pressure. At the peak, large cap indices had scaled back almost 14%, 15%. And new Demat and broking accounts were not opening. There was some moderation. I would not say pressure, but some moderation in terms of how SIPs were being triggered. So despite all of that, you're seeing the results that are in front of you.

I'll move forward. When I show you the same thing for the quarter, and I think it's important to just understand what happened in the quarter. From a quarter's perspective, we were staring at a backdrop of 3Q or third quarter, which was almost INR370 crores in revenue, INR173 crores in profits. From an operating part, we did not lose much.

From an operating part, we lost about INR3 to INR4 crore in revenue against that backdrop of INR370 crores. What moderated the revenue was largely the price adjustment that we had referred to in the last earnings call. You will recollect that we had said that given the fact that most of our large contracts are now heading to be fully digital, any pricing asymmetry had to be taken out, which we were doing for some time.

And I think that's one impact that you're seeing in the fourth quarter. So from an operating perspective, we lost about 1%, 1.5% revenue. The balance between 2% and 3% was lost because of the price. So you see that revenue grew overall year-on-year for the quarter, just under 15% MF, again, under 15%, non-MF, about 15.8%.

And again, non-MF, despite some of the headwinds, not in the entire non-MF portfolio, but in some of it, I think it's just a great vindication of how this part has done. The share of non-MF for the year was 13%, for the quarter was 13.7%. So it is inching up, and we will make sure that we continue to obtain what we have stated as a perceptible differential between the growth rates of non-MF and MF. Non-MF, even for this year, we're projecting in excess of 20%, closer to 25% growth.

For the quarter, absolute EBITDA grew by about 12%. Despite whatever happened, despite the fact that revenue fell by almost INR14 crores, so almost 4% plus, we have still been able to deliver a close to 45% EBITDA margin. And I would say there is no better testament to how we run this model and how this model operates across its various constituents that despite some of these headwinds, we've been able to deliver close to 45% EBITDA margin.

PAT grew about 10%, and overall PAT margin stood at 31% for the quarter. So this is a broad financial summary. I know that a lot of you are very curious about the various components of

this entire revenue and profit trending, including yields, bps and how it will play out in the next few quarters. I'm very happy to take that up as we move forward in this call.

I'll move forward. Just some business highlights. And again, I think just foundationally, the way we built business because you build these businesses on operating excellence, delivery, diversity of products, a healthy sales pipeline and how you are winning and growth of market share, all of that leads to revenue growth. Revenue growth obviously leads to profit growth in our business like any other business.

Foundationally, I think all these forces are lining up, not all our cylinders are firing. And we wouldn't have achieved what we achieved in the fourth quarter if those things were not happening. Overall, our market share by assets stood at 68% -- our market share, although we've not been quoting that metric in the past. But given the fact that some other people quoted 26 out of 51 working AMCs are with us.

Our overall AUM growth in the quarter was 24%. This largely mirrored the industry's growth. Equity assets grew about 29%. Equity assets, despite the fall in the indices, have been the toast for this industry and have been the toast for us. Equity assets also helped the INR25 lakh crore mark. Inflows remain sustained. You've been seeing the SIP and non-SIP inflows. And you know that, that number has held quite well.

SIPs collectively delivered more money in the fourth quarter than they did in the third. Our live SIP account grew about 18% to get to about 5.7 crores. That's live SIPs. Gross new SIP registration for the year grew 51%. So just imagine that whatever we built all this while, the growth was significant at 51%. Our unit investor base did well across the 4 crore mark.

This grew significantly ahead of the market. Market was 22%. Our new investor account grew 26%. But what is most gratifying, I think, is that in the history of CAMS, I've been here 9 years, I don't remember a single year where we took more than 1 AMC live.

In the first quarter -- in the fourth quarter, we took Angel One, which is a marquee name; Unifi which is another marquee name, live during the quarter, taking the live AMC count now to 21. But I think the good news is that there are five more of these, which are waiting to go live, which will happen within the next 6 months. And I think from investing in the future and creating a future perspective, there is no better news than this.

So this five more comprise, of course, Jio BlackRock, Pantomath, Choice, Torus Oro, CeyBank. There's one more. So that's the count that we are expected to take live in the next 6 months and again brings a lot of strength in the overall scale up of the business as we move ahead.

Beyond mutual funds, CAMSPay revenue grew 85% year-on-year for the quarter. We launched BIMA-ASBA. You know, this is a new innovation where you can apply for a life insurance policy and not worry about money getting out of your account and then the insurance company telling you that the application is rejected.

You will just see a blocked amount like you see in IPOs. Alternatives had a very strong quarter, 56 new mandate wins. Total new mandate wins for the year, including for WealthServ, crossed

200. And those are astounding numbers. You have to be in a place of significant solid market leadership for so many new clients. And so many existing clients to place their hands and say, look, they want to work with you, which is what's happening here. We now have over 200 installations of CAMS workflow.

Repository, improved market share, I think that's great news, improved market share to over 40%. You know that we've been quoting 37 % and 38%, the two numbers for the last almost 1 year -- last 4 quarters. LIC of India signing up for repository services. This will begin with the digital issuance only, it will not go to legacy yet.

But at some time, it will, I think. From a signal perspective, it's a fantastic signal for the marketplace when that happen. Total count of e-policies is now exceeding 1 crore, it's 1.1 crore. During the year, of course, we want to grow this significantly. We know that a base growth rate of between 40 to 50 lakh will anyways happen given our 1 million new policies per quarter track record, and we're trying to get some parties to expand this 50 lakh to, let's say, 60 lakh or 70 lakh. So it should be a promising year. For CAMSRep insurance live with integrated services of Bima Central, Star Union Dai-Chi was the last one, which came in.

CAMS KRA had a tough quarter -- had a tough quarter for all the reasons known to you. New folio account creation and MFs fell. New demat accounts and new broking accounts fell. Despite this for the year, CAMS KRA had a 30%-plus increase in revenue. But nice diversification outside MFs, 3 leading brokerages.

When I say leading, think of these as one of the top 10 came into the roster and we'll start -- have started giving us payload. Fintuple went beyond the custody-led platforms to create a foray in NPS, which is the pension services with a product called Fintuple have won their first deal to build and integrate a back-office platform for a very leading pension funds PoP business. Think of it again in the top 10.

And Think360 had launched the PFM product. We had reported this last time that we are now implementing a large fixed price, fixed revenue contract free of scope. It's one of the most downloaded and I could say the most downloaded financial apps in the country. So across product lines, I think it's been just great going for the entire business.

Move forward. The charts on operational highlights. There's nothing in particular that I want to stop and call out. It's all accessible to you, guys. Transactions continue to scale, equity AUM share went up about 0.2% from late 65% to 66.1%. Equity net sales, obviously, during the year, held quite well.

Move to the next. And then similar trends for the fourth quarter are on the charts, and you can develop from them. Move forward. Next.

There are more product-wise highlights. I'm just thinking if there's anything you want to call out. Yes, I would say LIC as an account for account authentication services for CAMSPay has begun to scale up. So we would like, obviously, this to become a largish account for us riding on what we will do in depository and in payments. So the account services have done well.

UPI AutoPay continues to be promising. AutoPay transactions grew almost 25% quarter-on-quarter. I know there are questions from some of you on whether we had any lumpiness or onetime revenue in CAMSPay, nothing in particular. Maybe a couple of crore rupees, I'll let Ram Charan talk about that. But across the product line, we've said this in the past, and I'm saying it again, that we don't try to book any upfront income to inflate this quarter. We just let the milestone-led billing come to us wherever it is asset or transaction based, we will bill when we get the assets on the transaction. So that's how the whole thing works.

Other than that, I think I've covered most of the stuff, move forward. So what we'll do is I'll hand this over to Ram Charan now. I'll hand this over to Ram Charan to take you through the financials, and then we'll have time for the Q&A after that. Ram?

**Ram Charan SR:**

Thanks, Anuj. Anuj has already gone through the numbers, some level of detail, so I won't repeat those numbers. I'll just kind of drill down on a couple of details on the financials, which may kind of bring some of the questions that you have also. The quarter-wise growth, you have seen it's 14.7% year-on-year basis and a drop of 3.7% quarter-on-quarter.

The asset-based revenue, actually, if you see the assets went down by around 1.5% on an average basis in the quarter. And actually, the volume variance for us, which is what is attributable to the reduction in the AUM is actually the 1.5 percentage.

So the major contributing factor for the reduction has been, as Anuj mentioned, the price reset that we did for one of our major customers. If you take that away, I think the AUM to AUM fee growth broadly is in line with what we expected.

The good news is that the reset has been broadly finalized, barring crossing the t's and dotting the i's. I think we are at a stage where we know with certainty what the impact will be for this quarter and going forward also. From a non-MF perspective, you've seen that there has been a healthy growth even in the current quarter, we have added around 6.6% quarter-on-quarter.

The good part is this is a little more broad-based, unlike some people have attributed this being very localized, but it's actually a little more broad-based. For example, AIF grew, say, 16% year-on-year, Pay grew 85% year-on-year. Rep grew 19% on a quarterly basis. Obviously, there was some strain on the KRA revenue, which is attributable to the slowness in the capital markets.

But actually, there are 3, 4 cylinders that are firing now, and it's not one vertical that is contributing disproportionately, although Pay has done exceedingly well when compared to a few other verticals, but the growth is also a little more broad-based in terms of the various verticals in non-MF.

From a yield perspective, I know a lot of questions could be there on the yield. And as Anuj said, we will take it forward in terms of any questions that you have. But I'll just leave you with 3, 4 points, right, which is that the repricing that we had alluded to in the last quarter, we had, in fact, stated explicitly in the last quarter is actually behind us now. We know exactly what is going to happen in terms of yield movement from this particular account going forward.

So you have seen a 4% drop in yield quarter-on-quarter basis, purely from an AUM fee perspective. And this is a different way. We are a little more granular in reporting what we do when compared to competition, which is that we report the AUM fee bps as such, which is currently around 2.24 bps.

What we expect, if you actually pay out the impact going forward is that you will see -- we have done almost like 50% of the impact is there in the base in this particular quarter. So if you actually move forward, you will see probably a similar impact in terms of quantum coming in the next quarter or 2 and post which everything will be there in the base.

So the whole guidance that we gave in terms of the annual drop in yields, if you see in the current year, we would have ended the -- this is a yearly average I am speaking about, we ended the year with bps of around 2.33 which would have been a 6% to 7% drop in compared to the last year. And then next year, you will see a similar kind of a drop, right? We had guided that it will be around 6% to 7%, and I think this will be within this range for the next year.

But if you take the quarterly bps, which is the last quarter bps, which is at 2.24 and if you actually see how it will play going forward, I think the end of Q4 of next year, the depletion yields could be close to 4%, right? So that's the exact numbers for you in terms of what we anticipate. Obviously, the AUM grows more and the mix is more favorable to us.

One of the contributing factors this quarter has been that there is a negative mix impact, which is that the equity has -- the overall percentage has come down by a percentage point, so which means that what would have been a couple of crores of additional revenue has not accrued to us.

But going forward, if the mix is constant, we expect that the yearly yields when compared to the last year, the current year, the yearly yields will drop by around 7 percentage to 8 percentage, most likely around 7 percentage. And if you take the last quarterly yields and you compare it with the last quarter of next year yields, I think the drop will be closer to 4 percentage to 4.5 percentage.

So the thing I would like to reiterate is that the uncertainty that we had projected to you last quarter in terms of repricing is largely behind us. And the amount -- 50% of the amount is there in the base and 50% will get into the base over the next quarter or 2. From a profitability perspective, again, we've shown strong margins.

We've always said that we will try and endeavor to get a margin of 44 to 45 percentage and this quarter was a difficult quarter. There was -- from an AUM growth, there was no growth. In fact, there was a small reduction in AUM plus the repricing impact. Obviously, the non-MF growth helped us in kind of mitigating the impact. But to end the year -- end the quarter with a 44.9% margin is, I think, again, as Anuj said, a testimony to the resilience of the entire model, right?

So we've always said that's a fixed cost model. And I think this quarter proves the fact that you didn't have a growth in AUM, but your cost also remain static. We did not decrease the cost too much, but you also know no cost increase was there.

So this is broadly the commentary on the margins, the yields and the growth in non-mutual fund business. I will now leave it to the moderator to open the floor up for questions.

**Moderator:**

The first question is from the line of Swarnab Mukherjee from B&K Securities.

**Swarnabha Mukherjee:**

I just wanted to understand, sir, in terms of the contours of the renegotiated contract, I'm trying to understand why would the yields drop happen over say, 3-odd quarters like you said because -- I mean, is it that different schemes would start getting repriced at different points of time? Or how will it work?

Because I was thinking that even if it might have happened somewhere in between the quarters, it will take possibly one more quarter for everything to come into the base. So if you could help us understand it will take 2, 3 quarters only because of the renegotiation impact and not maybe, of course, otherwise telescopic pricing might continue to play out. Sir, that is one question.

Second is in terms of the insurance repository, sir, I think congratulations that trends look very encouraging. So how much is this coming from the LIC contract? Or is it yet to come going forward? And if you could give some color on given the fact that more -there is more appetite to issue digital policies through insurance account, how is the pricing environment? If you could give us broad indications of, say, account creation charges and what you incur as revenue when you do the maintenance of an existing account?

Thirdly, on the cost side, sir, normally, we've seen that I think in first quarter, we see a bump in your employee expenses. How should we think about for FY '26 or maybe 1Q '26 onwards on that?

And also similar commentary on other expenses because I think when I look at the other expenses number at a consolidated level, continue to see that even over the quarters, it has increased. Are these like outlay for the newer segments because of which you have to spend more, if you can give some indication of that. These would be my questions, sir.

**Ram Charan SR:**

So Swarnab. I'll just try to take 3 of your questions and on the insurance, Anuj will probably chip in. So in regard to the commercial construct, obviously, we wouldn't like to get into details of the commercial construct, but our endeavor has always been, and we have mentioned it in the last quarter also to stagger the impact.

And also number two has not been to wait for the contract. For example, this particular contract would have come up for renewal in September. But we thought that it will be better to kind of take a staggered impact over a period of a couple of quarters. So the commercial construct is that. It's not that we are deferring anything or there is something that we have delayed provisioning or something.

The commercial construct is that the pricing for some classes will start now, some classes will start later, etcetera. So that's just been reflected in the fact that it will get staggered over a couple of quarters. So most of the impact is there and the 50% is in this quarter, close to 50% will be there in the next quarter.

And whatever is balance, some small part of it could be there in the next -- quarter after that. But that's the way the contract is also structured and that's the way our revenue will be booked. So that's the reason for that.

From the cost side, see, the other expenses, you will see that overall from a cost control perspective, the last quarter has been almost like a flat. If you take away the depreciation, which is obviously a reflection of the increased investments we are doing in CapEx in terms of various compliances as well as the increase in transaction volume.

The cost increase has been zero, literally zero, right? And the other expenses are more a reflection of some timing differences. For example, the -- there could be some delayed collection in some accounts, which could -- accounting-wise, we'll have to create what is called an expected credit loss, which is not a permanent loss.

It's kind of a timing loss. So those things will contribute and there are some legal expenses that we have done. There is this MF Central that we incorporated for which we had to pay lawyer fees, etcetera. So this is not a trend going forward.

Overall, from the next year perspective, we have repeatedly said that we will be able to hold costs at a less than 10% increase, right, when compared to the current year, which I think is very much achievable. We will try to do better than that, but less than 10% is something that we are forecasting for the next year, too. So that shouldn't be something topmost in mind in terms of what we can do. In terms of insurance repository, Anuj, probably help.

**Anuj Kumar:**

So just in terms of insurance repository, you would have seen that still about a year back, we used to increment volumes at the rate of about 20 lakh to 25 lakh a year. Last 1 year, this increase has almost doubled to become 40 lakhs to 50 lakhs. LIC is still not integrated. So while they've taken a decision and integration is happening, real policy flow will start only from the month of July.

They had the option of saying that all new issuance, which is upwards of 2.5 crore policies will come into demat. But what we increasingly believe is that most of the digital channel issuance will happen in demat, so which could be under 1 crore new policies in a year.

So we expect that this year, just at an organic rate, we would have got about 50 lakh new policies anyways. All the impact of LIC could be between 15 lakh to 20 lakh policies if everything happens in time, which it is showing signs that it will.

So it will be a nice feel if we get that 20 lakh on top of the base 50. And then as LIC kind of moves forward beyond digital into other kind of issuances, those numbers can only go up. It has the capability to almost -- given the market share, they're more than half of the market that if they bring in all the heft, the demating pace will certainly go to 2x in the market, let's say, in the next 3 to 4 quarters, that is clear. So therefore, it's a big fell into the market as far as policy issuance and policy accounts are concerned.

The prices are all fixed. You know that whatever the prices have moved southwards in the last 2 or 3 years, but they're pretty stable now. So we expect that because most of these are long-term contracts, the prices will stay where they are.

The icing on the cake is that as these new insurance companies come in, they will all start getting integrated with Bima Central, which is the single only proprietary platform to do electronic transactions in one place for your whole portfolio, which means you open an account with CAMS repository services and then Bima Central is open for reminders, payments, digital lien, claim marking, all of those things. So there, of course, the first transaction prices and yields are much better. And as that happens, I think the cumulative impact of the momentum of these 2 things will be perceptible in terms of how that market grows.

**Swarnabha Mukherjee:** Understood, sir. Just a couple of follow-ups. One is how are the commercials for the BIMA-ASBA part? Is there any difference in that? And also, like you had mentioned in your opening remarks about CAMSPay and I think phenomenal growth there, I think quarter-on-quarter is also very strong. So if there is nothing lumpy, as you have mentioned, then how to think about this? Is this coming because of the new mandates you have got in over the last few quarters? Or is it that organically, the whole ecosystem is driving this growth?

**Anuj Kumar:** So I'll take the payments question first. I think one part of the growth is just very simple, where we are working with, let's say, mutual funds, where the SIP count and the number of matches or onetime mandates that we register, the triggers continue to happen.

As you see momentum in the smaller SIP counts, the Choti SIP, Jan Nivesh and some of the AMCs are now launching this daily collection product, right, where you can debit INR20, INR50 and INR100 from the accounts of nonsalaried people, you will anyways continue to see growth there. So that's one part of it.

We had said about a year back that we are now broadening our reach into the education system, which is to collect fees and recurring charges from students for merchants, which are essentially universities, colleges and hospitals. That has shown some pickup.

The BIMA-ASBA part will scale over a period of time. Right now, it's a very new thing, but you must have read that IRDA insist now that this delay in refunds of monies for policies which are not accepted and not granted is hurting investors, and therefore, this innovation is coming.

Apart from this, we have not built out a payment gateway product. We were a pure payment aggregator. And we have now built out the gateway product. So we've begun to get some revenues from this. So collectively, this is part of the non-

MF business. Non-MF is about run rate about INR200 crores a year. We are saying that this year, we will certainly like to get to about 25 % growth there, too, like in the previous years. So about a INR50 crore absolute increase. Payments should be the number one going in force for growth this year, too. Alternatives and KRA will be the other 2 during this. I hope that answers your question.

**Moderator:** It seems like the participant's line has been disconnected, sir.

- Anuj Kumar:** No problem. We can go to the next, please.
- Moderator:** Okay. The next question is from the line of Devesh Agarwal from IIFL Capital.
- Devesh Agarwal:** Coming back to the price renegotiation that you talked about. So just to understand this better, the entire impact to a large extent will be captured in the first 2 quarters. First quarter has already gone by and the following quarter, we'll see the balance impact.
- Anuj Kumar:** That's correct, Devesh. Just think of it this way that about half of the impact, and I don't want to get into granular reconciliation in this call, but think that half of the impact that we had to take is already in the books. So that's good news. Like we said, we had a INR370 crore revenue quarter in the third quarter. Third quarter to fourth quarter loss is about INR14 crores, out of which business reasons only account for about INR3 crores. The balance is all price. That's half of the impact. The balance half of what we have to take in price will happen in the first and second quarters. But like Ram said, I think we wanted it to be definitive, non-fuzzy. And we didn't even want to give you a directional quote. We just want to give you -- I mean, short of telling you the firm numbers, I'm just telling you what it is.
- So from a future quarter perspective, I think one question in everyone's mind would be on what will revenue look like because we will take some more haircut in 1Q and 2, which will be 50% of the impact. Our guess is that other things holding, this INR355 crores, INR360 crore line should not be breached as far as overall revenue is concerned, which means in 1Q, although I'm not giving you a firm guidance, but just indicatively, we believe that we will not breach that line and go below that. And then we start building up on growth again. That's how the quarter will look.
- Devesh Agarwal:** Right, sir. And you also did mention that the exit run rate for the year is likely to be around 3.1% if you build that 4% -- sorry, 2.15% versus 2.24% this quarter.
- Ram Charan SR:** Sorry, your question on exit yield for the current quarter or what we expect to be in the...
- Devesh Agarwal:** Current quarter from 2.24%, you're saying the FY '26, the exit run rate would be 2.15%. That is the expectation sir.
- Ram Charan SR:** Yes, 0.09% reduction. 0.08% to 0.09% is what we expect.
- Devesh Agarwal:** Sir, this particular contract, if I recollect right, has again come up for renegotiation. As you said, it was due in September, but it has come up a bit early. Now what confidence do you have that we have, to a large extent, completed the negotiations with them, and this will not pick back us in, say, a year or 2 time again?
- Anuj Kumar:** So when you look at it, Devesh, like I said that unlike our peers in depositories, etcetera, where there are standard rate cuts, because the services and scope are undifferentiated. I think in the RTA books, you are aware since you research the sector, that prices can be different depending upon when a client came in and also upon some of the specific scope that was performed for them.

Scope differentials were very deep at one time before the digital era. So I think till about 2021, scopes are very different. So I could be servicing the parent organization of a particular MIF, and I may have a physical ability to do KYC at several thousand branches. We may have biometric machines there. We may be lugging paper and cheques. In the digital era, a lot of that happens digitally. And therefore, that scope asymmetry has been going away for some time.

So when you think of this, I know that some of you believe or like to think of this as coercive negotiation. The way I like to think about this is that it's more about seeking parity in a non-parity-led world. That's what's happened in this contract. So therefore, we don't believe that there is an irrational component to this at all.

It is reasonably rational. We'd also said that we wanted to do this over a longer time period. I mean if you see how we've done it versus how we wanted to do it, I would have liked to do it over a couple of years. We are doing it over a couple of quarters because it's a slightly old-ish dialogue. It was best to put these things behind us.

But I just want to take out the coerciveness the situation from your mind saying that this is a surprise. This should be sprung upon us again and again. I think it was rational. There was a reason. Both sides agreed. We disagreed a little on the timing. But in the end, we've got it done now.

**Devesh Agarwal:** Can we say that once this pricing is done, the similar-sized AMCs will be in -- the price differential between the similar-sized AMCs will be in a small range. And to that extent, we would not see any further this and that...

**Anuj Kumar:** Yes.

**Devesh Agarwal:** And sir, any more contracts which are coming up for renewal in this year in FY '26?

**Ram Charan SR:** So nothing major. We do have, as a part of regular couple of smaller sized contracts coming up as they do in every year. Probably there are 2, 3 that are coming up in the current year. But as I said last time, all the major contracts have been renewed, and this was something which we have also closed in the last couple of weeks.

So you will not see any major re-pricing or major contract negotiations or major drop in yields because of new customer contracts that we are negotiating in the current year other than what obviously we have spoken about the current contract.

**Devesh Agarwal:** Right, sir. And sir, in terms of new AMCs, it's heartening to see that 4, 5 new AMCs have started operations, and we expect another 4, 5 AMCs to start operation over the next 6 months. Do you think this incremental new AMCs that have come up almost to the number of around 10, will that have a drag on the margins in FY '26 as they scale up the operations or they are too small to take the margins?

**Anuj Kumar:** Yes. Right now, they are too small to create a drag. I think the positive thing is that 2 have hit operations, 5 more will hit. So that's 7 new in 1 year. And I think as they all stabilize and move

to a few INR1000 crores of AUM, the collective AUM will be large, still small in the context of the overall INR49 lakh crores, INR50 lakh crores that we manage.

I don't think -- I just look at it as a large positive, Devesh, that this creates the way for us to scale in the marketplace over the long term. The total cost in these may be at a company level, 100, 120 people deployed, which is not very significant in terms of the overall size of the company.

**Ram Charan SR:** I'd also like to add that it's not as if we start investing on this the day they go live, which means for most of these 4, 5 AMCs, the cost that you see in the fourth quarter contains the cost not only of the gone live AMCs, but also the going live AMCs, right? It's not as if we can start the earlier day and make them live.

So we start 6 months in advance. So a large part of the cost that you're seeing and in spite of that, my salary cost is 32 to 33 percentage is there in the base. And obviously, there will be some incremental costs, but it's not going to be material in the overall margin perspective.

**Devesh Agarwal:** Right, sir. And sir, one last one. In the non-MF side, if you can share what was the margin in FY '25 and EBITDA margins? And what are your expectations going forward. That will be the last?

**Ram Charan SR:** So you will see that there is a mix, right? So you have a profitable -- very profitable KRA, you have a profitable payments, but you also have some growth businesses, which are going to turn the corner in the coming couple of years or a couple of quarters in some cases, which is your account aggregator, CRA, repository, etc., Think Analytics, etc.

So combined margins, we said is between 10% and 15%. The last quarter is also coming with a similar number of between 10 and 15 percentage of EBITDA. Our expectation is next year, this will go closer to 20% of EBITDA, right? That's the expectation from our side that we will reach a 20% EBITDA on the non-mutual fund businesses in the next year, which will obviously have a beneficial impact on the overall company margins.

**Moderator:** The next question is from the line of Supratim Datta from Ambit.

**Supratim Datta:** My first question is on the non-asset-based revenues. Just wanted to understand what would be the split of your MF Central or call center and the paper-based transaction in this revenue? This has been growing despite you talking about digital transactions becoming more prevalent. So I wanted to understand how has the mix of revenue here changed versus 2 years to today? And how much of this would be linked to transaction? If you could give some color on that, that would be very helpful.

My second question is on the payment aggregator business. I understand that you have -- you talked about the education institutions that you have gone into. So could you give us a split of your revenues coming from customers now? What would be MF versus what would be your educational institutes there? And how does that -- and how does that play out over the next 2 to 3 years? If you could give some color on that, that also will be very helpful.

And lastly, on the cost bit, I'm not sure whether this has been discussed before, I joined a bit late. So on the employee cost, typically, we have seen escalation this year, the employee cost growth was higher than what typically it has been?

And I understand that's because of the new businesses that you have been ramping up. But as I look into FY '26 or '27, how should I think about employee cost? Is there a need for further addition here? Or how does that play out as a proportion of your revenues? If you could give some color on that, that would be helpful.

**Ram Charan SR:**

Sure. I'll just take the questions one after another. One is the non-asset-based revenue split. I say 30 -- almost one-third of it will be the transaction revenue. When I say transaction revenues, there is also the paper transaction and some amount of digital transaction, but predominantly it's paper transactions revenue.

So -- and you do have an increasing component of things like what you mentioned, which is the MF Central and the various other applications that we kind of get a license fee for, for example, the analytics application called MFDEX or the CRM application or the data replication application and some analytics, , etc. So you are right from a mix perspective, we do see some increasing contribution from the applications and miscellaneous billing that we do on the value-added services.

And you will have probably -- just to take a rough split, if you have INR200 crores as your non-asset-based billing, around INR75 crores could be your transaction and your miscellaneous application could be around INR35 crores, right? Your call center could be around INR30 crores and your OP will be a large part of it, which is INR50-plus crores will be the OP and NFO could be a couple of crores.

That's a broad split. It's not the exact number, but just to give you an idea, there's a broad split of a INR200 crores non-assetbased revenue that you have. The increase in this is attributable to 2 things. One is the call center is growing. It's growing by around 5 to 10 percentage. It's also because the application revenue is growing because of the new functionalities that we bring in, the new applications that we give to our AMCs for which we bill.

So both of these are causing the increase in the mix, so to say. But predominantly, it still continues to be the transaction billing that we do, up to one-third almost is like that, right? From the second question that you had, I think it was on the cost side. Yes, actually, you will see the first quarter of the coming year or any year for that matter is the year in which predominantly the appraisal kicks in.

A major part of the employee workforce will get -- have got an increase effective from April 1. So that could suppress the margins by a couple of percentage points. And that's why we kind of say that the quarter 1 has been historically, not only the current year, every year you've taken the past, you have seen the margins of close to 43% -- 42.5% to 43% will be the EBITDA because there will be a onetime -- not a onetime, but there will be an impact of the annual appraisals that happen.

But we did have a lot of hiring happen last year, right? We added on a net headcount basis, around 750 to 800 people last year. And as you also rightly alluded to, a lot of it is because of the ramp-up we are doing in the non-mutual fund businesses. We've also invested on talent. We've got new talent out from IITs and IIMs to kind of power our future.

We are working on things like cybersecurity, various other cutting-edge technologies, which will require a different skill set. So not only have the number of people increased, the cost per person has also increased from an overall hiring perspective. But this year will be a little more muted. I think we have the building blocks in place.

We have built the platform. We have built out a sales force, which is going to the market, which was nonexistent probably 3, 4 years back. So all this has taken some bit out of the profits from us for the last year. But going forward, we feel that there will be stability, stability in terms of the employee cost, stability in terms of the other costs also.

So to have 32% of overall revenue to be -- it is around 33% is currently to be the employee cost would be a good assumption to make, and that's what we are working towards. Mind it that we will also have some rationalization in manpower going forward because of the automation initiatives, because of the staggered implementation of the re-architecture.

We will have some rationalization in manpower going forward also from the core business. So overall, we do not see an increase in employee cost in the current year from an overall cost base perspective. If anything, we are looking at a small decrease so that you will definitely stability - - see stability in employee cost.

Your other question was on insurance.

**Supratim Datta:**

Payments Aggregator. So just wanted the split of the customer base now given that you have...

**Ram Charan SR:**

Yes. So when we started off, you would understand it's almost 100% a few years back of mutual fund and SIPs and related stuff. So we had a process of diversification where we got into first NBFCs. And as Anuj was mentioning, we now got into education space. We have tied up with a couple of colleges and ERP provider, but it is early stages from education perspective.

So overall, it will be a few crores of revenue in a year. What we have also done is diversified the insurance space also. We have signed up at least 5 new insurance customers. So our -- while it will be more kind of a 55%, 45% split of MF and non-MF in the current year, going forward in the next year, we expect it more to be 60%, 40% kind of a split -- sorry, which is 60% of non-mutual fund revenue and 40% of mutual fund-related SIP revenue for the payment business is what we expect in the current year.

**Supratim Datta:**

Got it. And one final question. Sir, just wanted to understand this Jan SIP, which has been launched by several MFs, how would the pricing there be different from regular SIPs?

**Anuj Kumar:**

So these products, like you know, the Choti SIP across the industry and Jan Nivesh in the context of one AMC have been launched. The crescendo of activity that you would expect hasn't been attained yet. For your purpose, you can think of these as regular equity instruments. We

obviously give the industry some remission in our overall charging framework for assets, for KRA and for payments.

And for an obvious reason that at that size where you're collecting only INR100 or INR20 a day, the cost of collection, cost of an SMS or e-mail, all those costs add up to prohibitively discourage anyone from scaling these products.

So the industry kind of thought and discussed for almost a year in terms of how we should expand this. And in the end, not just CAMS, but collectively between the RTAs, KRAs, depositories and payment aggregators, we decided that we will give it a leg up. I won't go into specific numbers, but just think of it this way that in the interest of creating this initial scale, we have also contributed to some differential pricing.

It's a uniform differential pricing. So it's not that CAMS is giving any special deal to anyone. But that decision was kind of nudged by SEBI, led by AMFI and has been taken at the industry level.

**Moderator:** The next question is from the line of Sarthak Nautiyal from Eraya Capital.

**Sarthak Nautiyal:** I just want to know one thing. As we have told, there's a very high switching cost in this industry, right? So I just want to know why any RTA will shift from KFin to CAMS or CAMS to KFin? This is my first question.

**Anuj Kumar:** Sure. So just given the nature of the business, you know that the liability side operations scope is vast. It creates very strong linkages of both the end investor and the intermediaries to our platforms, to the RTA platforms. There is a very long and onerous recordkeeping work that has to be done. There are liabilities which are shared by the RTAs.

If they have committed a mistake, the mistake may have happened 20 years back. All the digital linkages, the compliance reporting, all of that has to be done and the front office network has to be used for a particular client.

So like in any large operation, this is very different to either IT services or BPO, as you know. BPO, you know that a lot of companies put their entire scope on RFP every 5 or 7 or 10 years. It's very different here that a yank out decision is very difficult to take. You wouldn't have seen in the last 10 years, any scaled AMC to have taken that decision. One or 2 small ones may have taken that decision owing to performance kind of reasons for delivery reasons, but it's not a very common efforts.

**Sarthak Nautiyal:** Okay. So sir, I just want to ask a follow-up question on that. I have asked the question to KFin, met with the management. They have said that in the last 15 years, 10 of the mutual funds have shifted from CAMS to KFin. So can you throw some light on it?

**Anuj Kumar:** Well, I would say you should do a follow-on and get names from them and then make a phone call to me and then we can see.

**Ram Charan SR:** I think there -- I think nothing has happened. The public records are there for everybody to see. So you can look at it, the 2 things have shifted from KFin to CAMS. But the other way around, I don't think it has ever happened in the last ticket. So yes, as Anuj said, it will be useful for you to kind of reach out to us with specific names so that we can either revert or correct ourselves.

**Moderator:** Sorry to interrupt. It seems like the participant's line has got disconnected. Hello, sir. Am I audible? Hello, sir?

**Anuj Kumar:** Go on, please.

**Moderator:** Okay. I'll go with the next question. The next question is from the line of Prayesh Jain from Motilal Oswal.

**Prayesh Jain:** Just first question is on the mutual fund business. Is there any impact of lesser number of days on the yield in this quarter? Generally, AMCs feel the pinch of it, but do we also feel the pinch of it?

**Ram Charan SR:** So Prayesh, I think I'd just like to correct the misconception that probably a lot of your colleagues also had and have reached out to me on. So the way we bill is the number of days does not determine the revenue. That's very simple. You have an average AUM for a month, which is the AUM on a daily basis. We take the average for the month.

So it doesn't really matter whether the average is for 28 days or 30 days. You just have a final average number. And the rates are applied on a monthly basis. So irrespective of whether you have a 28-day or a 31-day month, the revenue for the month will not be impacted by the extra 1 or 2 days. The rates are actually annual rates, but are applied on a monthly basis, irrespective of whether it's a 28 or 31-day month. So there will be no change by the fact that the quarter has 2 days more or less to the overall revenue number.

**Prayesh Jain:** Got that. Secondly, on the CAMSPay business, you enrolled LIC and how -- when was this? And do you think that a large part of your growth guidance on FY '26 would be -- LIC would be a key factor in terms of CAMSPay?

**Anuj Kumar:** So good question. This business was signed up exactly 1 year back in March, April of '24. It is not about premium collection yet. So I just want to clarify. We are not collect -- we don't have any exclusive deal to collect insurance premium yet.

These are account authentication services, which is a normal service which you see across the insurance and the asset management world where you verify somebody is a pays account that it is generally held by them, is not a third-party account and the branch, etc., has not got shut. So that's a set of services because the digital business is going up, I think a lot of non-cheque payments are beginning to happen. So this is that service. So we continue to be in conversations with them to expand.

The FY '26 guidance of growth in CAMSPay is not so much LIC. LIC will scale, but I think it's all the components, the large growth in the SIP numbers in the last 1 year, some addition from payment gateway, some from education. Of course, LIC will be a component, but I would not

think that it is going to be more than 10% or 15% of the overall growth numbers that are being spoken about.

**Prayesh Jain:**

Right. And with respect to the margins, how should we look about margins in FY '26? You mentioned that the employee cost would be maintained at about 33% of revenues. That is what you mentioned, right? And opex should see some kind of steady growth. On the other hand, non-MF businesses profitability should improve. So given this trajectory, should we expect an improvement in EBITDA margins in FY '26 versus FY '25?

**Ram Charan SR:**

So Prayesh, in normal course, that answer would have been yes. But as we have guided earlier, there could be some impact of the price that we will see in the course of the year also, remaining close to 50% of the impact that we will see. So our aim is from a margin perspective, while we ended the year on 46%, next year would probably be a 44% kind of a margin percentage, which is what we are all working for.

Obviously, it is predicated on mutual fund growing reasonably, if not equal to current -- we know it's not possibly equal to the current year's growth in terms of 30-plus percentage. But if there's a reasonable growth in mutual funds and after eating the price impact and increase in non-mutual fund margin and cost control, we feel that 44% EBITDA for the year next year is definitely achievable.

**Prayesh Jain:**

Are you being conservative in terms of giving the guidance? Because obviously, if you look at the Q4 EBITDA margin where you had an impact of about 50% of it, you still delivered a 44.9% EBITDA margin, and you're talking about FY '26 EBITDA margin of about 44 %. So are you being conservative here in terms of that guidance? Or how should we read this?

**Anuj Kumar:**

So Prayesh, think of it this way that we are not building all of this on an expectation of a 20% AUM growth. We've had a 20% AUM growth CAGR over the last 9 years. If that happens, then obviously, the numbers can be better. We are expecting that AUM growth will be more moderate, will be maybe 11%, 12% -- and if AUM grows 11%, 12%, then obviously, revenue growth is 8% to 9%, which has to cushion the incremental impact that's coming and then has to contribute.

And non-MF, we know even at 25% on a INR200 crore base, will add about INR50 crores to the revenue, but cannot add INR100 crores to the revenue. Non-MF, if it does superlatively well, the INR50 crores absolute increment can grow to INR60 crores or at best INR70 crores, but it will never be INR100 crores.

So the way to then think about it is that -- and again, I don't want to do any arithmetic reconciliation here that if non-MF contributes, let's say, INR50 crores to INR60 crores, absolute MF is, let's say, INR120 crores, INR130 crores, net of discount is about INR70 crores, INR80 crores. A possibility to scale overall group revenue on a base of -- I mean, just remember that 10% absolute revenue growth on a base of -- I mean INR1,420 crores, INR1,430 crores is almost INR145 crores.

So my guess is that a double-digit even low teens number will be difficult to hit at the asset growth that we are estimating. If assets grow at 20%, we will have a different story to tell. But

right now, I don't think the ground has been built to assume that FY '26 is a 20% asset growth here.

**Prayesh Jain:**

Got that. That's pretty helpful. Just last question. In terms of capex and investments, how should we think about FY '26?

**Ram Charan SR:**

So there are 2 aspects to it. One is the regular capex that goes in the BAU and other is the re-architecture project that we are running. The first, you will see normal capex happening. This time, we had to do some extra capex because of some SEBI requirements of air gap center, etc. Next year, you will have another INR50 crores kind of an addition to IT capex and probably another INR10 crores, INR15 crores to the other capex that we have.

So -- but from a re-arch perspective, we will accelerate our spending in the current year, right? Last year was the first year where we had probably 8, 9 months of work done in the re-arch in the initial design part of it. So this year, we will kind of accelerate our spend on re-arch. The benefits will start flowing in from the end of this year, too.

So I expect overall from a capex perspective, we will spend around INR100 crores on the overall -- meaning on the rearchitecture part of it, and we'll spend another INR70 crores on the other capex part of it. So this will be a year in which there will be cash outflow for these 2 things from a capex perspective.

**Moderator:**

The next question is from the line of Madhukar Ladha from Nuvama Wealth Management Limited.

**Madhukar Ladha:**

Most of my questions have been answered. I want just one clarification. I think you spelled out the non-asset-based MF revenue in different categories. So you said call center was INR30 crores, out-of-pocket expenses about INR50 crores. And then what is the application revenue? And yes, can you just give that split that adds up to about INR185 crores? That's my first question.

Second question, I think last year, our net sales market share was about 75%. What would that number be for FY '25? And third question on depreciation. So we see a pretty big jump in depreciation in Q4, right? Would that be our run rate going forward for next year? And given that you also just gave out the capex numbers that INR100 crores is going into re-architecture and additional INR65 crores on other capex. So would that mean that this depreciation would probably increase even more than that is what I'm guessing. I wanted some clarity on that. These will be my 3 questions.

**Ram Charan SR:**

So Madhukar, I will just take your depreciation question first. Yes, as I have said that we have actually spent a lot of money on things like renewal of Oracle licenses and SharePlex and air gap centers that we have set up as a part of the regulations. The SEBI has mandated that you have a fourth kind of a data center to protect us in case there's a ransomware attack, etc.

So you will see -- you have seen a depreciation in the current quarter. This should be broadly the run rate going forward. There is no -- barring some accelerated depreciation that we did for

some intangible assets being very conservative. That's probably INR1 crores of depreciation that we took on the books. Barring that, everything is probably part of the run rate.

Obviously, the depreciation on the gone live component of re-arch will start kicking in only from the end of next year when the module goes live. So for the first few quarters, you won't see an increase in depreciation because of that. The regular depreciation because of the additional capex that we do, which is around INR60 crores, INR65 crores that we expect, that will start flowing in as and when we do the purchase of those particular servers or storage or whatever it is.

So the re-arch part of depreciation, I think, will be more something which will start flowing into the books for the end of next year rather than the first few quarters because the module will have to go live. Otherwise, I think we are on track to kind of keep the current quarter as the run rate of the depreciation going forward. That is on the depreciation part of it.

Sorry, just can you repeat the other question?

**Madhukar Ladha:** The breakup of the non-asset-based revenue or...

**Ram Charan SR:** One month's number, it was around INR200 crores was the non-asset-based number.

**Madhukar Ladha:** INR185 crores, right? Isn't it non-asset basis, INR185 crores.

**Ram Charan SR:** Not non-asset-based.

**Madhukar Ladha:** Sorry, INR195 crores, INR195 crores.

**Ram Charan SR:** Yes, approximately INR200 crores. So that's out of which I kind of -- the transaction revenue is around INR71 crores. The miscellaneous is around INR34 crores. There is some NFO revenue and recoverables, which is around -- NFO is around INR6.5 crores. recoverables is INR54 crores and the call center is INR32 crores.

That's the split. Some decimal points here and there will be there. But largely, that has been the trend going forward. It's a small increase in the mix for call center and for miscellaneous application over the last few years, which will sustain going forward.

**Madhukar Ladha:** Understood. So the application and VAS services are still quite low compared to what we hear for the industry and from competition. So any thoughts around that as to what's preventing us from growing this part of the business?

**Ram Charan SR:** So 2 parts to it. I'll answer from an accounting perspective is that some of the application revenue that we do is also built into the AUM pricing in large deals, you kind of tend to kind of bundle it as a part of our AUM pricing. And there are a lot of value-added work that we do in our Sterling software also, right, which is more to do with the website development and APIs and all those things, which is counted as a part of the Sterling revenue, which is not a part of this.

But yes, predominantly, we have thought about a lot of these features as a salience, right, from a philosophical perspective. For example, we could build for all our transactions in myCAMs.

We are probably #3 or #4 in terms of gross sales. But we kind of provide it to a customer as a value add increasing our salience in the entire customer ecosystem.

And hence, we are not very charged about making it as a commercial model, right? We kind of are providing value to them. We know that we are providing value to the customers. It's one of the value proposition that we advocate and not necessarily something that we commercially exploit fully. Philosophically, we have let it be like that. Whether we'll revisit in the future is a different question. But so far, we've not -commercial has not been the first priority when we kind of do value add to our customers.

**Madhukar Ladha:** Got it. And final was on the net sales market share. So net sales last year, I think for FY '25 was about 75%. And FY '25, what would that number be?

**Anuj Kumar:** That number will be in the mid-60s. A lot of that depends upon NFO performance, NFO market share, et cetera, which is in the range of 68% to 70%. I think on average, this will be mid-60s to late 60s kind of number.

**Moderator:** The next question is from the line of Uday Pai from Investec.

**Uday Pai:** Just a couple of questions. Firstly, on the AIF side, while you mentioned that we are adding multiple clients, we have crossed 200 clients threshold. But in terms of revenue, the run rate has been pretty much same over the last 5 quarters. So any thoughts over there? And the second question is on the KRA side. Could you mention the split of the KRA between new SIP revenue split on account of new SIP creation and on new demat? Or is it 100% SIP creation only? Those are the 2 questions.

**Anuj Kumar:** Sure. So on AIF, I just want to reinforce that it's a significant, well-established market leadership story. Why is it like that? You've seen the number of wins. And obviously, you are in the marketplace, so you can see where most of the new AIFs are heading. We've held on despite significantly heightened competition in the last 2 to 3 years with several new players kind of coming and flexing their muscles, including on price.

We've held that 50% share of the outsourced market. We are the largest player in GIFT City with -- in excess of 30 commercial customers. We absolutely rule and straddle the digital onboarding market with 200 installations across the domestic market. The revenue has grown about 17% year-on-year. We would have liked it to be over 20%.

Do remember that this is now a much smaller bps yield kind of a market. It's a more fixed price kind of a market that AIF has developed into. But from an overall market perspective, and we don't do stamp duty only or demat only kind of deals. We don't have a single customer, even if it's a relationship customer, just to report some inflated customer counts because we know those are empty calories, and we don't want to work for being paid INR5,000 a year.

So we have none of that, not a single contract like that. We believe we've built a very pristine portfolio there. And as our automation and delivery continue to go up, you will see significant scale up build in this market over the coming days.

- Ram Charan SR:** I would just like to add that I don't know why you have the impression that it is static because on a 12-month basis, the AIF revenue has grown 18 percentage. Even on a sequential quarter basis, last time we grew 6 percentage, right, which is not -- decent numbers, right, which is not bad numbers at all. On a year-on-year basis, we have grown 16 percentage on AIF revenue. So yes, we are making progress. The growth is there. It is significant growth. It's not by any stretch, kind of a static kind of revenue number.
- Uday Pai:** Sure, sir. On the KRA side?
- Ram Charan SR:** So the KRA, rough split that you should take is that from an MF perspective, we'll have around 65% to 70% of revenue will be contributed by the SIPs or the MF, new onboarding, not strictly SIPs, new onboarding in the mutual funds. And from a demat or the share broking side, we'll have the 30% to 35% of our revenue.
- Anuj Kumar:** Do keep in mind that the demat and broking marketplace is 3x the size of the MF marketplace, which means the number of new investors and new accounts which are opened in MF, about 2.5 to 3x are opened in the demat and broking world. So as an opportunity, it's a much bigger opportunity. From a penetration perspective, we are continuing to penetrate.
- Uday Pai:** Sure. Sir, just one last question, if I can squeeze in. Is LIC exclusively working with CAMSRep or it has onboarded other repositories as well? And what is the size of potential revenue that you see over there?
- Anuj Kumar:** LIC signed up with CAMSRep as the first contract over a period of time. So you must have seen at least one announcement from a competing depository, but they are signing up with everyone. So they'll sign up with all the 4 depositories. Like I said, in the first year, we expect that LIC will contribute 50 lakh to 70 lakh new policies to the industry on a full year basis.
- On a part year basis, the number may be smaller. So that's what I can tell you that from our base of gaining 40 lakh to 50 lakh new policies, LIC could easily add about 15 lakhs to 20 lakhs to that. So they could easily represent about 30% to 40% of new policies coming in. And obviously, it will be a fill into our revenue.
- Should we have one last question on the phone?
- Moderator:** The next question is from the line of Sanketh Godha from Avendus Spark.
- Sanketh Godha:** Right, you said that non-MF business EBITDA margins are somewhere between 10% to 15%. And if I do a back calculation, the mutual fund EBITDA margin will come somewhere between 50% to 51%? So -- and you said that 46% can potentially go to 44%. So is it fair to say that you are trying to see probably 4% to 5% compression in the mutual fund business largely because of the yield pressure and muted MF growth. So that's the way you are looking at the business to play out in '26?
- Ram Charan SR:** So I think we said that we do expect on a year-on-year basis, the yields to compress. I think give you the numbers to be -- compared to FY '25, I think we will have a 7% yield compression. But that is assuming a very, very moderate increase in AUM, right? So obviously, the AUM growth

is much more than you will see a different yield compression number. So yes, from a year-on-year basis, from yield compression, we do feel that compared to FY '25, FY '26, we will have a close to 7 percentage compression in yield.

**Sanketh Godha:** Okay. And lastly, a data keeping question. If you can give 2 numbers, your employee count and second, your number of KRA accounts you have. I think that number was some 1.8 crores. So what is the recent number?

**Ram Charan SR:** Around 1.9 crores plus PANs in our KRA business. And what is the second question you asked?

**Sanketh Godha:** Number of employees.

**Ram Charan SR:** Number of employees around 8,100.

**Sanketh Godha:** 8,100. Okay, perfect. That's it from me.

**Moderator:** Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to management for closing comments.

**Ram Charan SR:** Thank you. Thank you for your participation in this call and the continued interest that you are showing in CAMS. As always, please feel free to reach out to Anish or Gayathri or to Link Intime in case you have any questions, and we are also available for any clarifications that you may have. Thank you once again, and please continue to be interested in the CAMS progress.

**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.