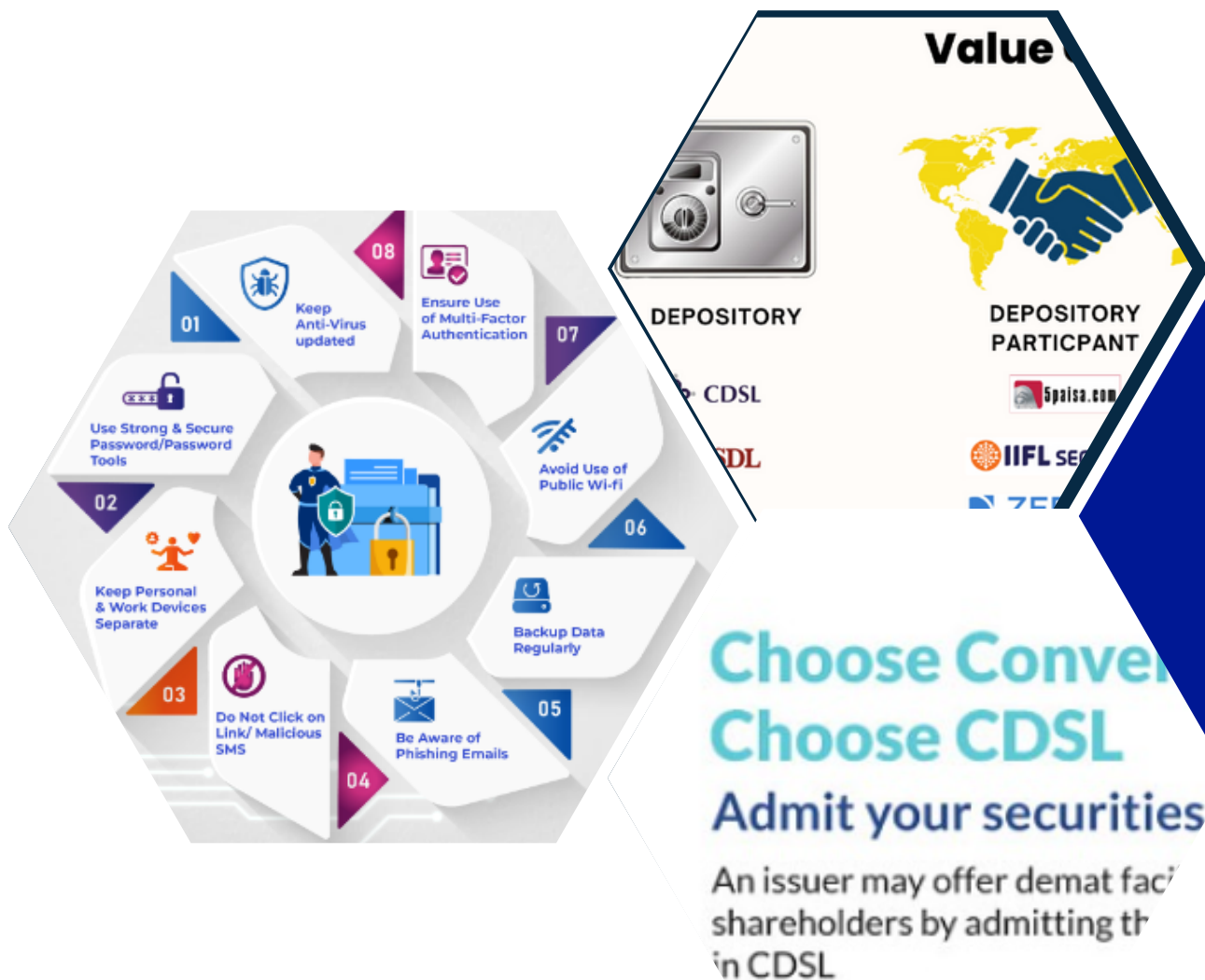


# Research Report

## Central Depository Limited



The infographic is divided into two main sections. The left section, titled 'Value', features a central illustration of a person in a uniform holding a shield and a padlock, surrounded by eight numbered tips for digital security: 01. Use Strong & Secure Password/Password Tools; 02. Keep Personal & Work Devices Separate; 03. Do Not Click on Link/Malicious SMS; 04. Be Aware of Phishing Emails; 05. Backup Data Regularly; 06. Avoid Use of Public Wi-fi; 07. Ensure Use of Multi-Factor Authentication; 08. Keep Anti-Virus updated. The right section, titled 'Value', shows a silver safe, a handshake over a world map, and the text 'DEPOSITORY PARTICIPANT'. Below this, it lists 'CDSL' and 'Spaisa.com' as participants, and 'IIFL SEC' and '75' as other entities. At the bottom right, the text reads: 'Choose Convenience Choose CDSL Admit your securities An issuer may offer demat facilities to its shareholders by admitting them in CDSL'.

**Prepared by**  
Ashima Jain

# About

Central Depository Services Limited is a Market Infrastructure Institution (MII), part of the capital market structure, providing services to all market participants - exchanges, clearing corporations, depository participants (DPs), issuers and investors. It is a facilitator for holding of securities in the dematerialised form and an enabler for securities transactions.

## Services

The company facilitates holding and transacting in securities in the electronic form and facilitates settlement of trades executed on stock exchanges. These securities include equities, debentures, bonds, units of mutual funds, Certificates of deposit (CDs), commercial papers (CPs), Treasury Bills (TBills), and others.

Services include - e-Voting, M-Voting, Myeasi Mobile App and e-Locker.

## Network

The company had 592 DPs servicing across 28 states and 8 union territories and over 20,689 DP service centres across India as of March, 2021.

## Synopsis of Financials

- Sales has increased due to increase in Annual issuer charges.
- Moreover, user facility charges and settlement has also increased.
- Profit of the company has grown majorly due to foreign investment limit monitoring charges.

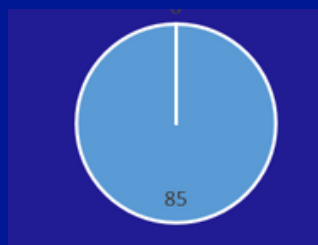
## Stock data (as on 18th Jan 2024)

Nifty Price	: 21425.35
52 week High (in Rs.)	: 1988
52 week Low (in Rs.)	: 881
Market Cap. (in Crore)	: 19306 Cr.
NSE Code	: CDSL

## Stock data (2022-2023)



## Shareholding Pattern (Sep 2023)



-PUBLIC GROUP  
-PROMOTER GROUP

## Financial Summary

Particulars	March 2021	March 2022	March 2023
Sales	344	551	555
Sales Growth %	60.21%	60.40%	0.68%
Operating Profit	212	365	319
OPM %	62%	66%	57%
Profit before tax	260	409	365
YOY Growth	7%	7%	-
EPS in Rs	19.17	29.78	26.41

# Synopsis Quater Results

## Con-Call Q2FY23: Key Highlights

### Financial Results:

- Q2 FY '24 total income increased by 35% to INR 230 crores
- Q2 FY '24 net profit increased by 35% to INR 109 crores
- Market capitalization increased by 8% to INR 319 lakh crores

### Demat Accounts:

- Total demat accounts as of September 30, 2023, stood at INR 12.96 crores
- CDSL's share of demat accounts is at INR 9.62 crores

### Turnover and Recognition:

- Daily turnover for Q2 FY24 increased by 33%
- CDSL received recognition for excellence in digital execution

### Business Environment and Trust:

- Ongoing efforts to enhance ease of doing business and instill trust in the financial ecosystem

### Guidance and Corporate Actions:

- No specific revenue or earnings guidance provided
- No information on future IPOs or corporate actions

### CDSL Ventures Limited:

- Q2 FY '24 operating income increased by 67% to INR 43 crores

### Capex and New Products:

- No specific information on upcoming capacities or new products

### Industry Environment and Recent Developments:

- No information on industry environment or recent developments

### Future Initiatives:

- The company is assessing the potential for loan against insurance policies and the adoption of e-insurance frameworks.

### Technology and Service Standards:

- CDSL continues to focus on technology investments and maintaining a high level of service standards to support the growth of the Indian securities market.
- The company's technology investments are ongoing, with continuous assessment and upgrades to ensure a comprehensive and relevant platform for stakeholders.

# Quarterly Results

Particular	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023
Sales	137	140	149	141	125	150	207
Expenses	46	66	58	57	56	70	79
Operating Profit	90	75	91	85	68	80	128
OPM %	66%	53%	61%	60%	55%	53%	62%
Other Income	11	6	21	20	19	24	23
Interest	0	0	0	0	0	0	0
Depreciation	4	4	5	5	5	6	6
Profit before tax	98	77	107	99	82	98	145
Tax %	20%	25%	25%	25%	23%	25%	25%
Net Profit	78	58	80	75	63	74	109

Source: Screener

## Key Ratios

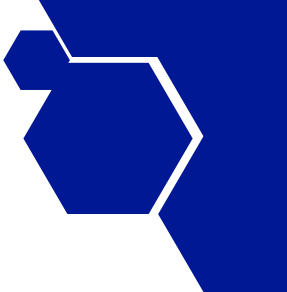
Ratios	Numerator	Denominator	As on March 31, 2023	As on March 31, 2022	% change
Current Ratio (times)	Current Assets	Current Liabilities	3.14	4.61	(32)
The decrease in current ratio is due to investment of surplus cash flows in non convertible debentures having a maturity of more than one year.					
Debt Equity Ratio (times)	Total Debt	Total Equity	No Borrowing as on March 31, 2023 and March 31, 2022		-
Debt Service Coverage Ratio (times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest + Principal Repayments	No Borrowing as on March 31, 2023 and March 31, 2022		-
Return on Equity Ratio (Percentage)	Net Profit after taxes	Average Shareholder's Equity	29.97	34.42	(13)
Inventory Turnover ratio (times)	Average inventory	cost of goods sold	NA	NA	
Trade Receivable turnover Ratio (times)	Net Revenue	Average Trade Receivable	17.61	16.00	10
Trade Payable turnover Ratio (times)	Expenses other than employee benefit expense and depreciation	Average Trade Payables	11.14	12.24	(9)
Net Capital Turnover Ratio (times)	Net Revenue	Working capital = Current assets - Current liabilities	1.24	0.70	77
The increase in net capital turnover ratio is due to increase in turnover and reduction in working capital.					
Net Profit Ratio (percentage)	Net Profit	Net Revenue	60.38	63.59	(5)
Return on Capital Employed (Percentage)	Earnings before interest and taxes	Capital Employed (Total Equity+ Borrowings +Deferred tax liability)	35.58	39.51	(10)
Return on Investment Ratio (Percentage)	Investment Income (Including mark to market of investment)	Investment	5.57	5.19	7

Source: Annual Report

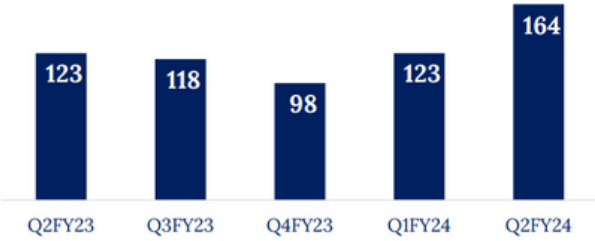
# Yearly Results

Particulars	Mar 2023	Mar 2022	Mar 2021
Equity Capital	104	104	104
Reserves	773	988	1,109
Borrowings	0	0	2
Other Liabilities	206	232	241
<b>Total Liabilities</b>	<b>1,084</b>	<b>1,326</b>	<b>1,457</b>
Fixed Assets	73	106	125
CWIP	23	4	174
Investments	<b>709</b>	925	<b>937</b>
Other Assets	278	<b>290</b>	221
<b>Total Assets</b>	<b>1,084</b>	<b>1,326</b>	<b>1,457</b>

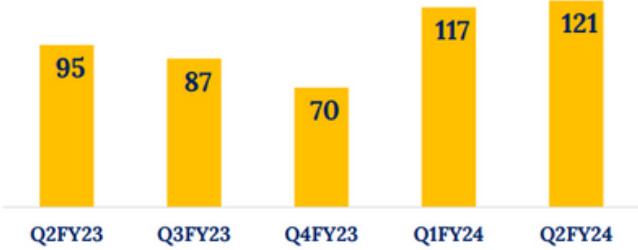
# Financial Performance



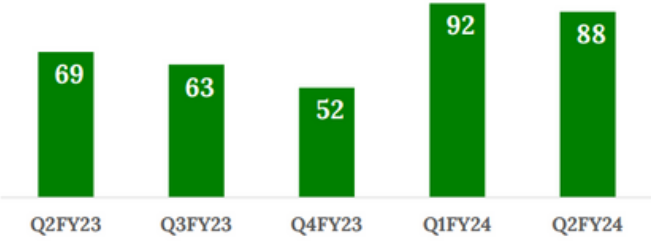
Operating Income



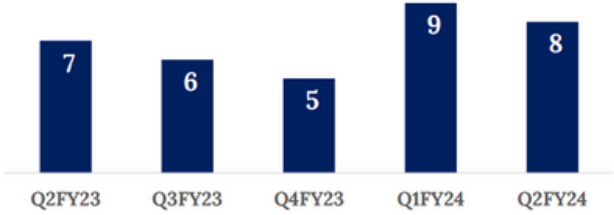
EBITDA



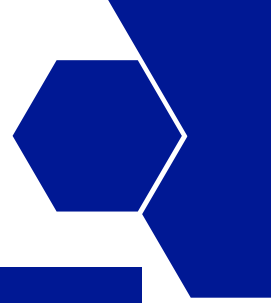
Net Profit



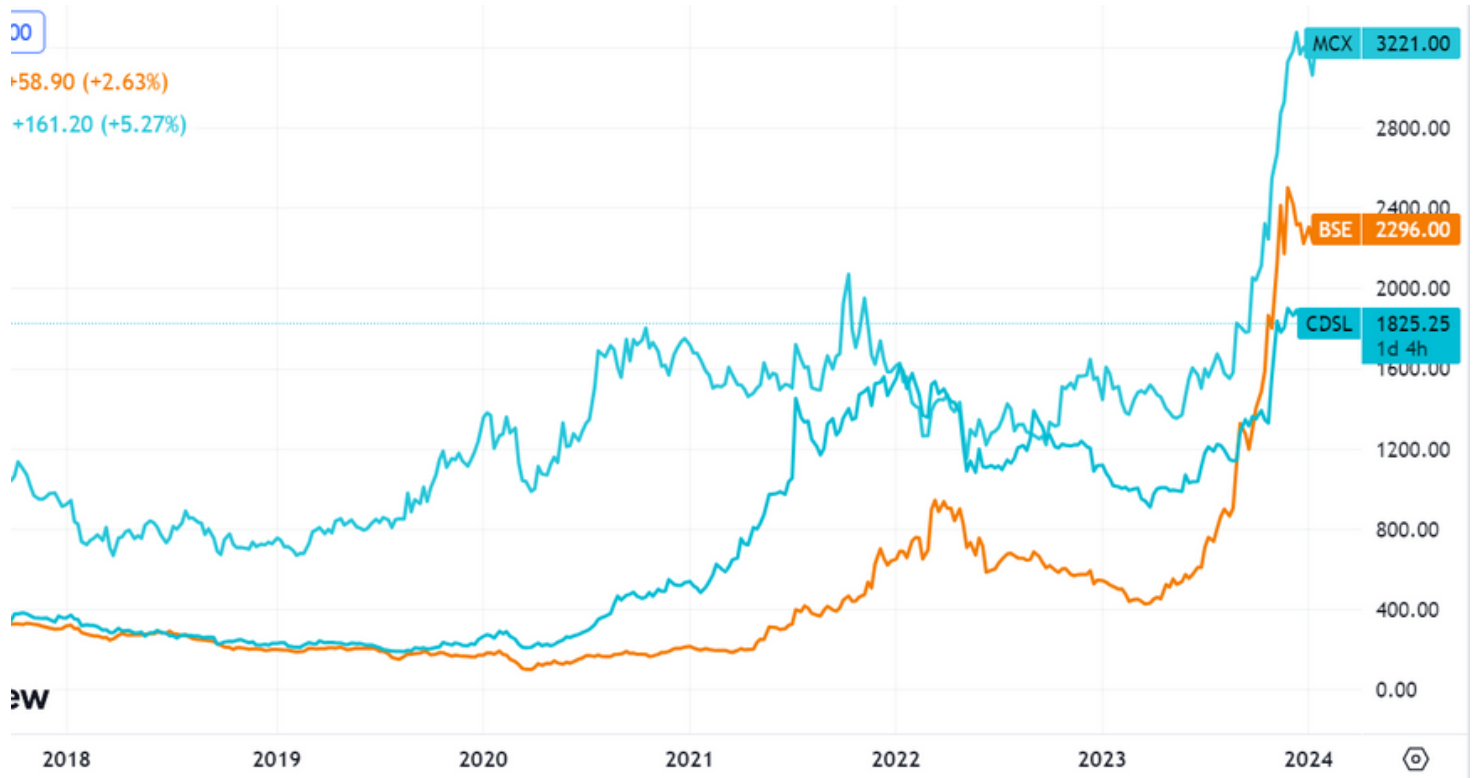
Earning Per Share



# Peer Comparison



## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	BSE	2287.00	88.94	30960.57	0.52	118.41	302.89	362.02	54.50	13.23
2.	CDSL	1847.50	60.30	19306.38	0.87	108.97	35.37	207.31	39.18	30.32
3.	NBCC	89.07	42.58	16032.60	0.61	85.27	33.07	1622.05	4.21	26.40
4.	Multi Comm. Exc.	3142.05	357.47	16024.46	0.61	-19.07	-130.14	165.11	29.60	13.16

Source: Screener

# Final Outlook

CDSL: Hold | LTP: 1823

The stock has been in a declining trend since the beginning of 2022. Based on this trend alone, it would be **risky to buy** the stock. However, there are a number of other factors that you should consider before making an investment decision.

**Fundamental analysis:** This involves looking at the company's financial statements, such as its income statement, balance sheet, and cash flow statement. This can give you an idea of the company's financial health and its prospects for future growth. And according to that company financial this quater is Q2 FY '24 total income increased by 35% to INR 230 crore, Q2 FY '24 net profit increased by 35% to INR 109 crores, Market capitalization increased by 8% to INR 319 lakh crore.

CDSL is more well-known than NSDL because of its reduced charges, which prompted new brokers to register with CSDL. Moreover, CDSL has achieved a significant milestone this year by becoming the first listed depository to register more than 10-crore demat accounts.