

CDSL LTD.

RECOMMENDATION : BUY

MARKET PRICE : Rs.1141.45 (As on 1st Sep 2023)

TARGET PRICE : Rs.1427.00

FACE VALUE : Rs.10

BSE CODE : 0

NSE CODE : CDSL





Central Depository Services Limited (“CDSL”) was found in 1999 to fulfil one goal: **Convenient, Dependable and secured depository services**. Over two decades later, everything the Company has done – the values it has built on, dematerialisation of various asset classes, e-services – have all been in support of that singular goal at an affordable cost.

ABOUT THE COMPANY

The Company is Market Infrastructure Institution (MII) and a crucial part of the Capital market structure, providing services to all Market participants - Exchanges, Clearing Corporations, Depository Participants (DPs), Issuers and Investors. A Depository is a facilitator for holding of securities in the dematerialised form and an enabler for securities transactions.



Our Group companies

Central Depository Services (India) Limited



CDSL Insurance Repository Limited

54.25% holding

CDSL Commodity Repository Limited



CCRL

52% holding



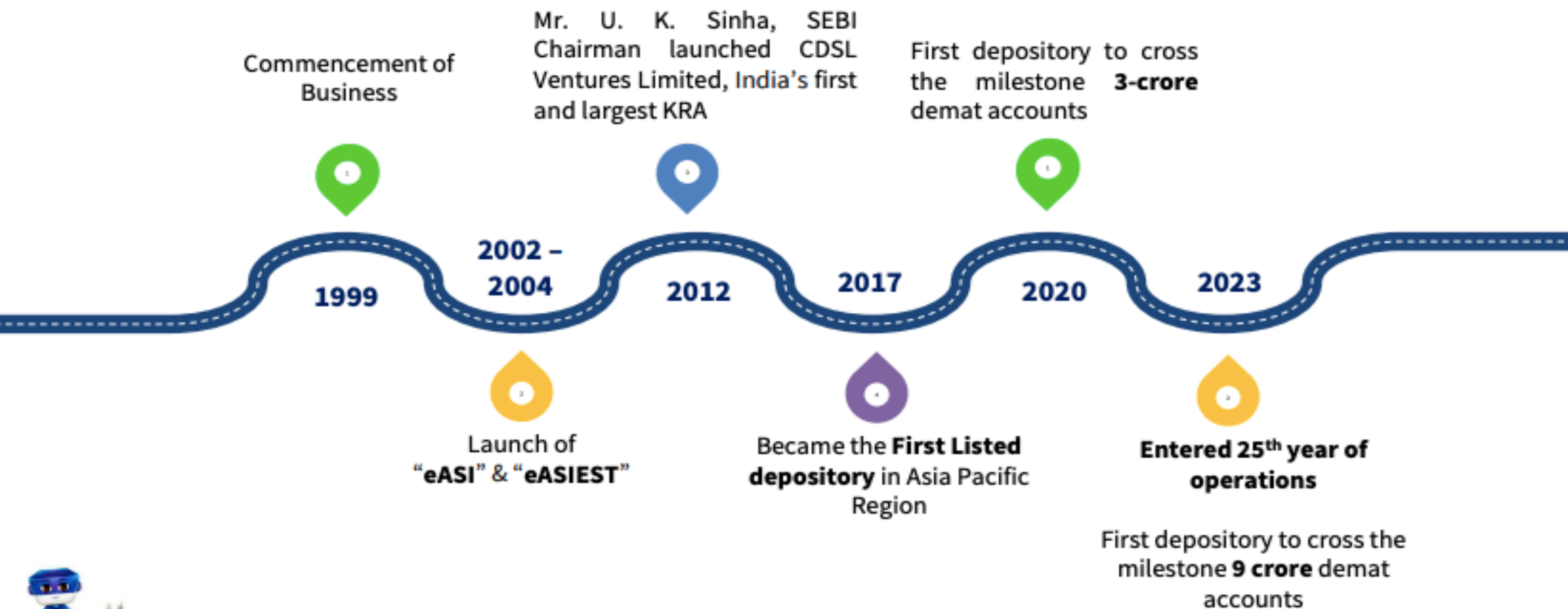
CDSL Ventures Limited

100% holding





Our Milestones





What's New?

CDSL received its first International Award

The 'Global & Innovative Leadership' award by Global Custodian Awards.

9 crore demat account milestone

CDSL became the 'First Depository to open more than **9 crore demat account**'.

CDSL Neev@25

CDSL launched a pan-India 25-cities financial literacy campaign, 21 of which were border cities & many of these events were for armed forces as per our focus on **Empowering our Protector**.

Highest Dividend declared

Dividend of Rs. 16 per equity share declared subject to approval of the shareholders.





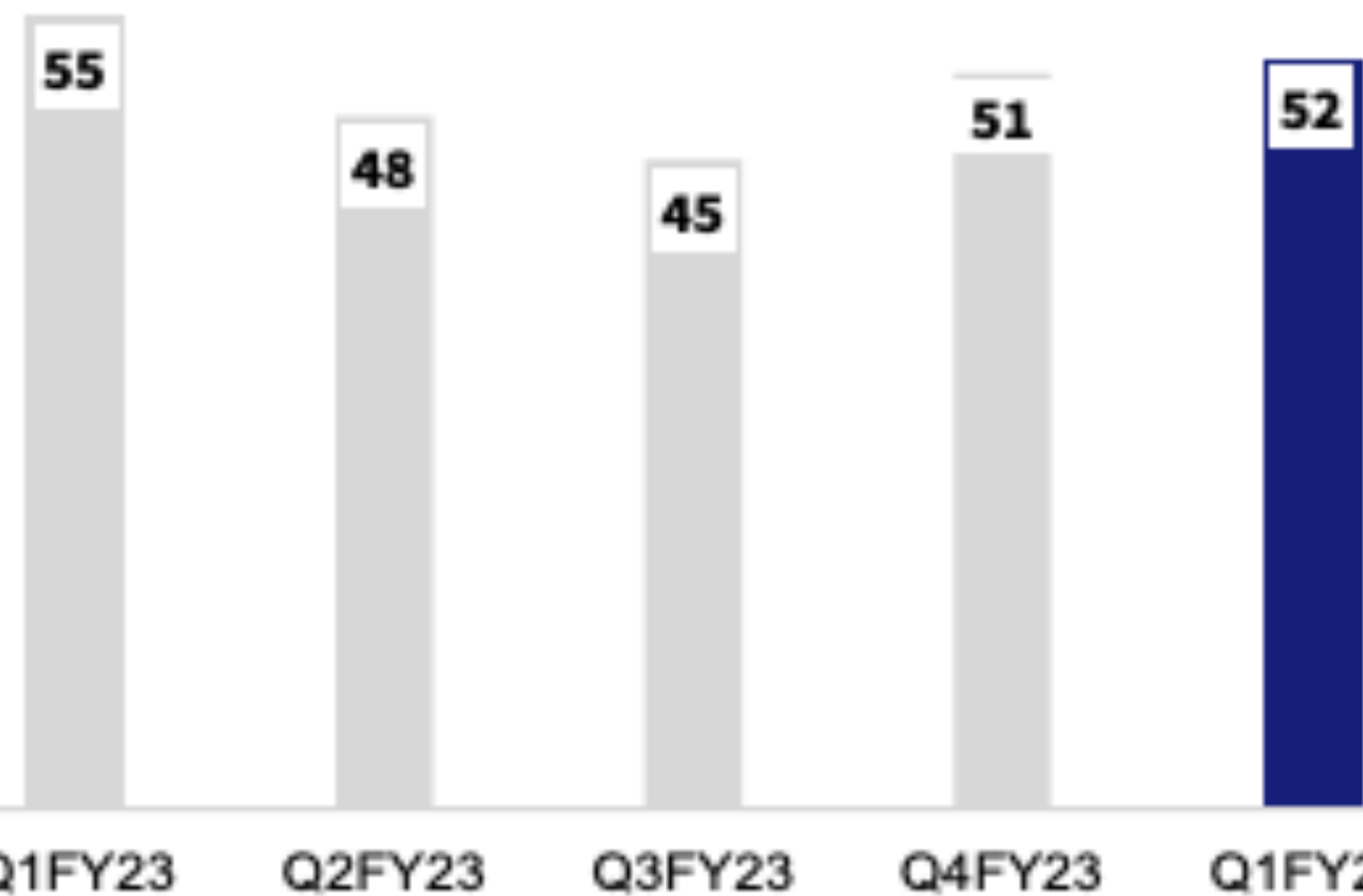
Our Business

Empowering #AtmanirbharNiveshak

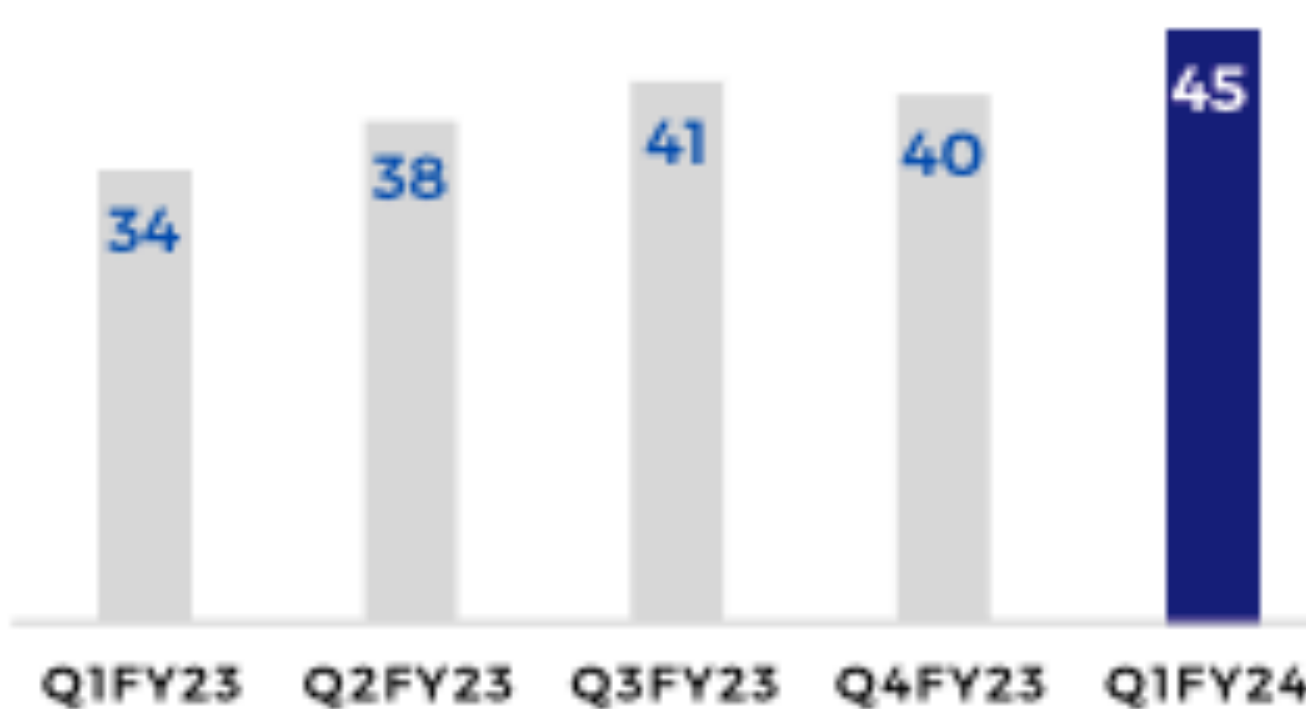
BO Accounts

■ CDSL Net A/c opened in the quarter (in lakhs)
— CDSL's BO Account as on (in lakhs)

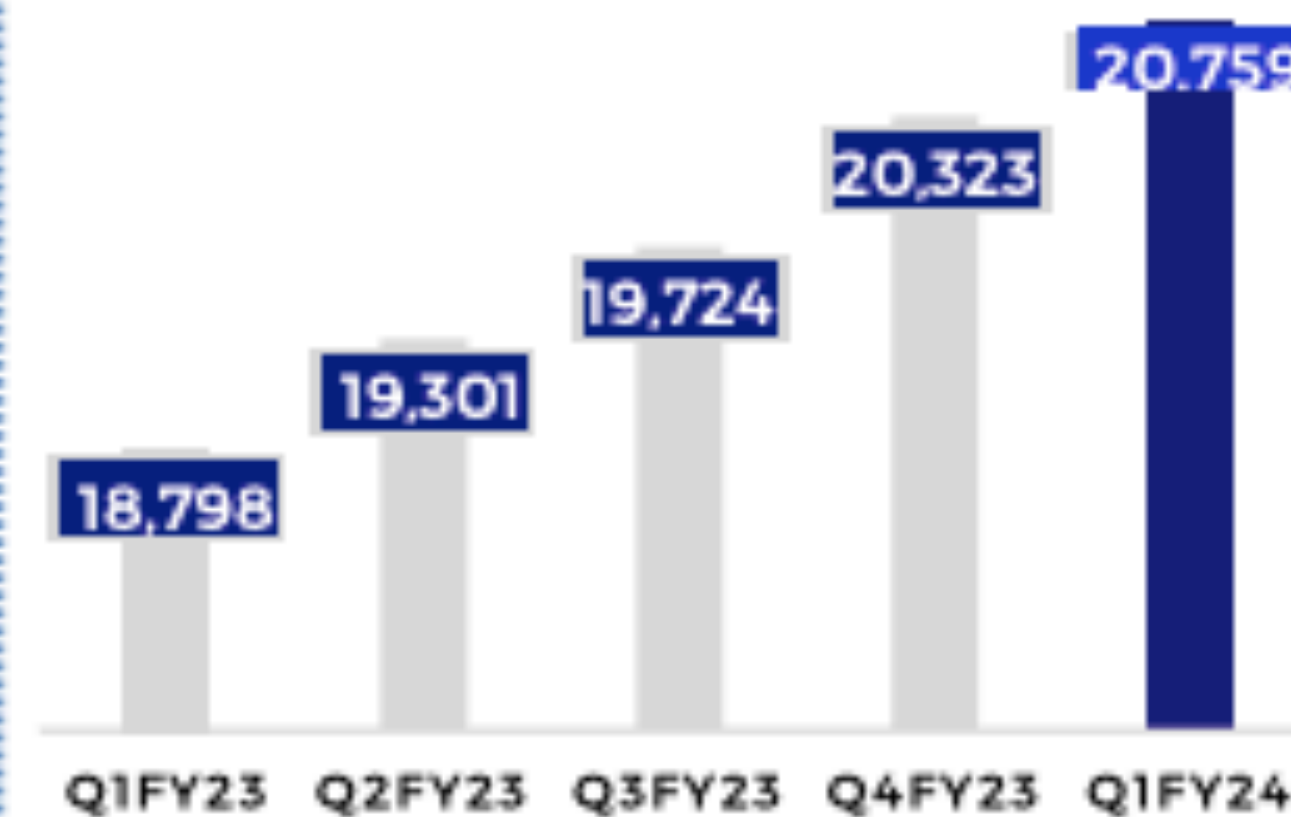
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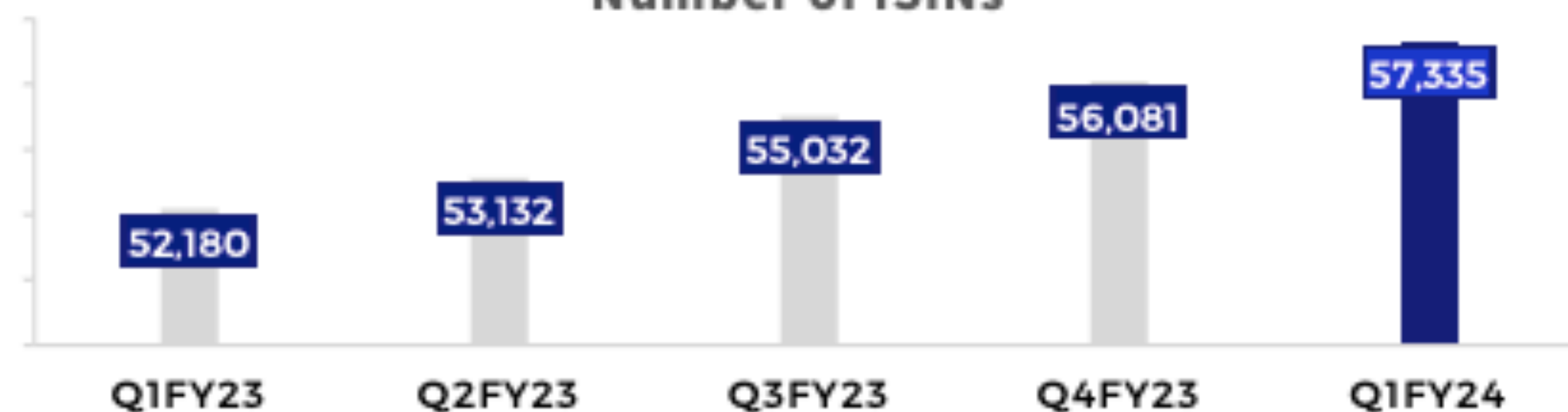
Demat Custody (Rs in lakh crores)



Number of issuers



Number of ISINs



Spread across 98% pin-code





Innovative Services

Empowering #AtmanirbharNiveshak

Single sign-on enables its **Beneficial Owners (BOs)** direct access to cast their **eVotes** directly through the websites of their Depository Participants

Distributed Ledger Technology (DLT) records and monitors all assets vis-à-vis life cycle of a secured bond viz. bond issuance, redemption, etc.

eDIS allows a demat account holder to make an electronic debit request in a secured manner using an API.

EASIEST Allows Beneficiary Owners (BOs) to submit their debit transactions

Electronic Consolidated Account Statement (eCAS)
Enables investors to view all their capital market investments together

eMargin Pledge An API interface for DPs using which an investor can make an online Margin Pledge / Margin Funding setup for availing of margin benefits.

eNOMINATION allows to fill nomination details for the demat account online

Electronic Know Your Customer (eKYC)
Aadhaar-based eKYC provides proof of identity and address to the service provider instantly

eAGM Enables shareholders to virtually attend live streaming of Annual General Meetings (AGMs) of companies





Our Subsidiaries



About CVL

- Conceptualized, designed & implemented the **KRA system** with the Mutual Fund industry in 2006.
- First and the largest KYC Registration Agency (KRA) in the country
- CVL commenced RTA Operations in November 2018.
- Refund Processing for PACL investor claims
- Dedupe activity for PMJJBY insurance claims

Aadhaar based
eKYC Services

Aadhaar based **eSign**
Services

Processing of **CKYC**
records

GST Suvidha
Provider Services

Accreditation Agency

Online account
Opening(OLAO)
Services





Our Subsidiaries



About CIRL

- CIRL has received registration certificate from Insurance Regulatory and Development Authority of India (IRDAI) to act as an **‘Insurance Repository’**
- Equity holding by **10** Insurance Companies and CDSL
- Partnership with **40 Life** and **General** Insurers
- Comprehensive view of all policies including **life, health** and **motor** vehicle
- **No charge** to our Customers



e-Insurance

Policies

**Insurance
companies**



Our Subsidiaries



About CCRL

- Facilitates ownership & transfer of commodity assets in electronic mode.
- It serves commodities exchanges and wider market beyond
- Started operations in 2017 and operates under regulatory authority of Warehousing Development and Regulatory Authority (WDRA)

e-NWR

**Registered
warehouses**

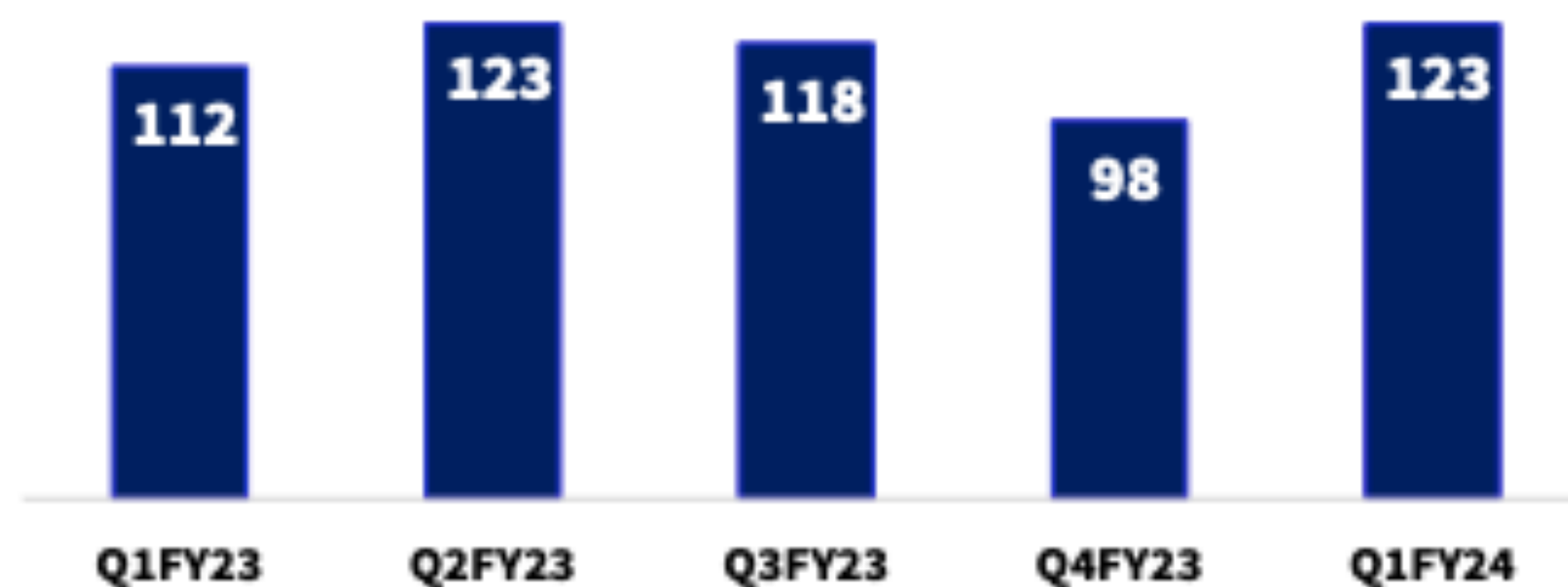
e-NNWR



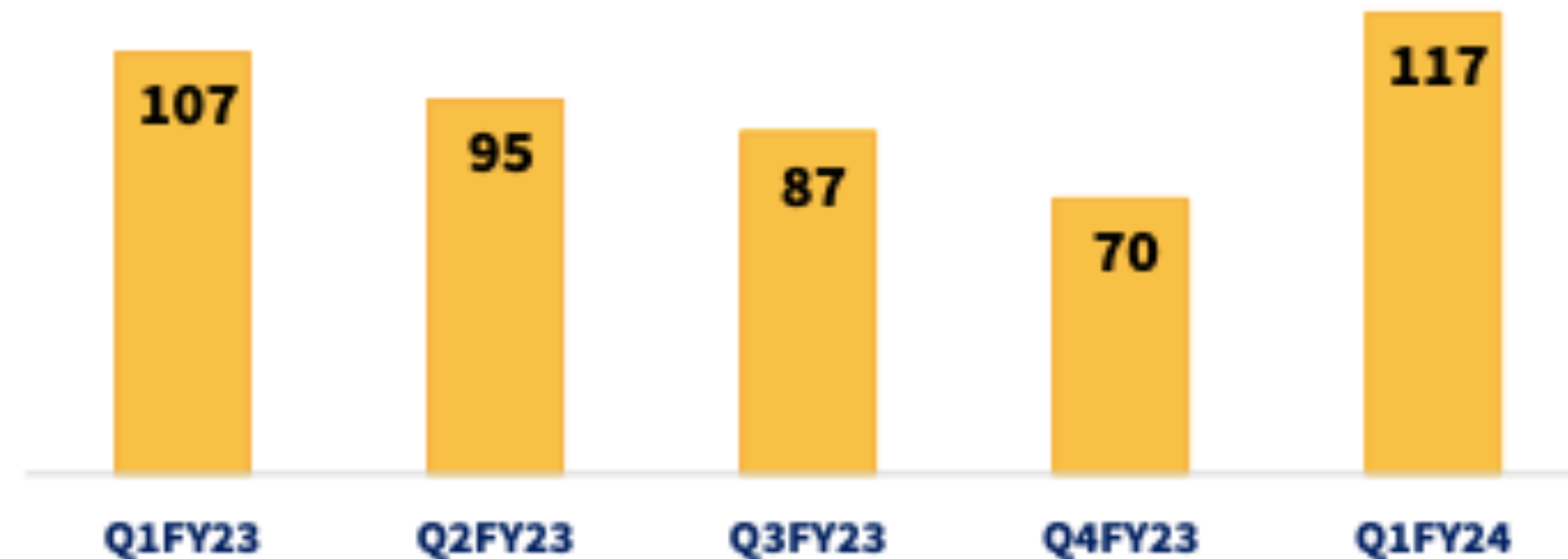


Key Highlights (Quarterly)

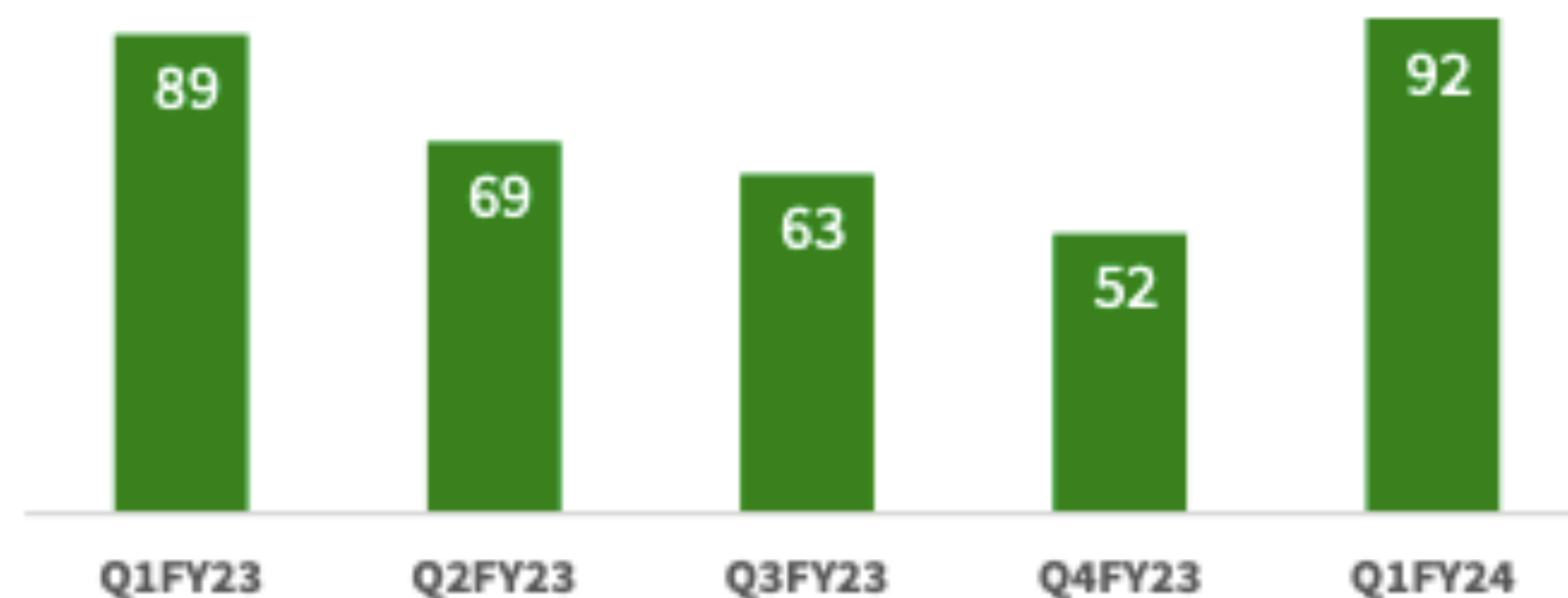
Operating Income



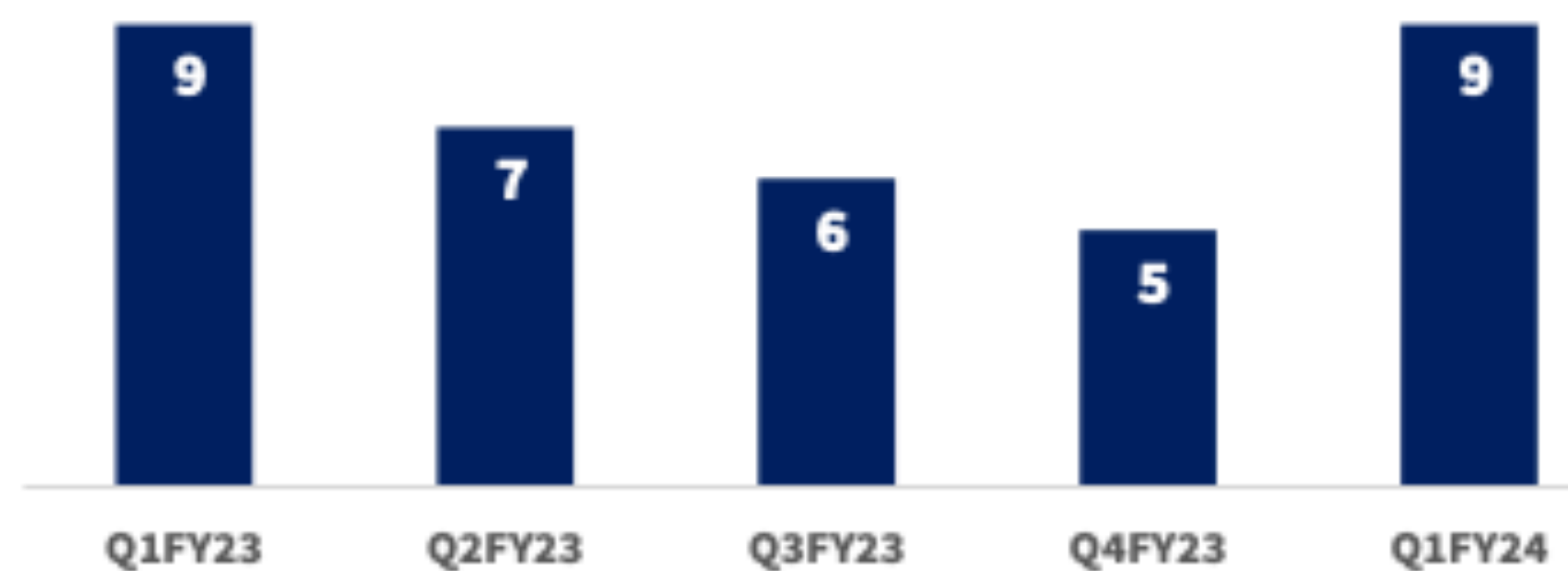
EBITDA



Net Profit



Earning Per Share



Standalone

All amounts in crore except EPS



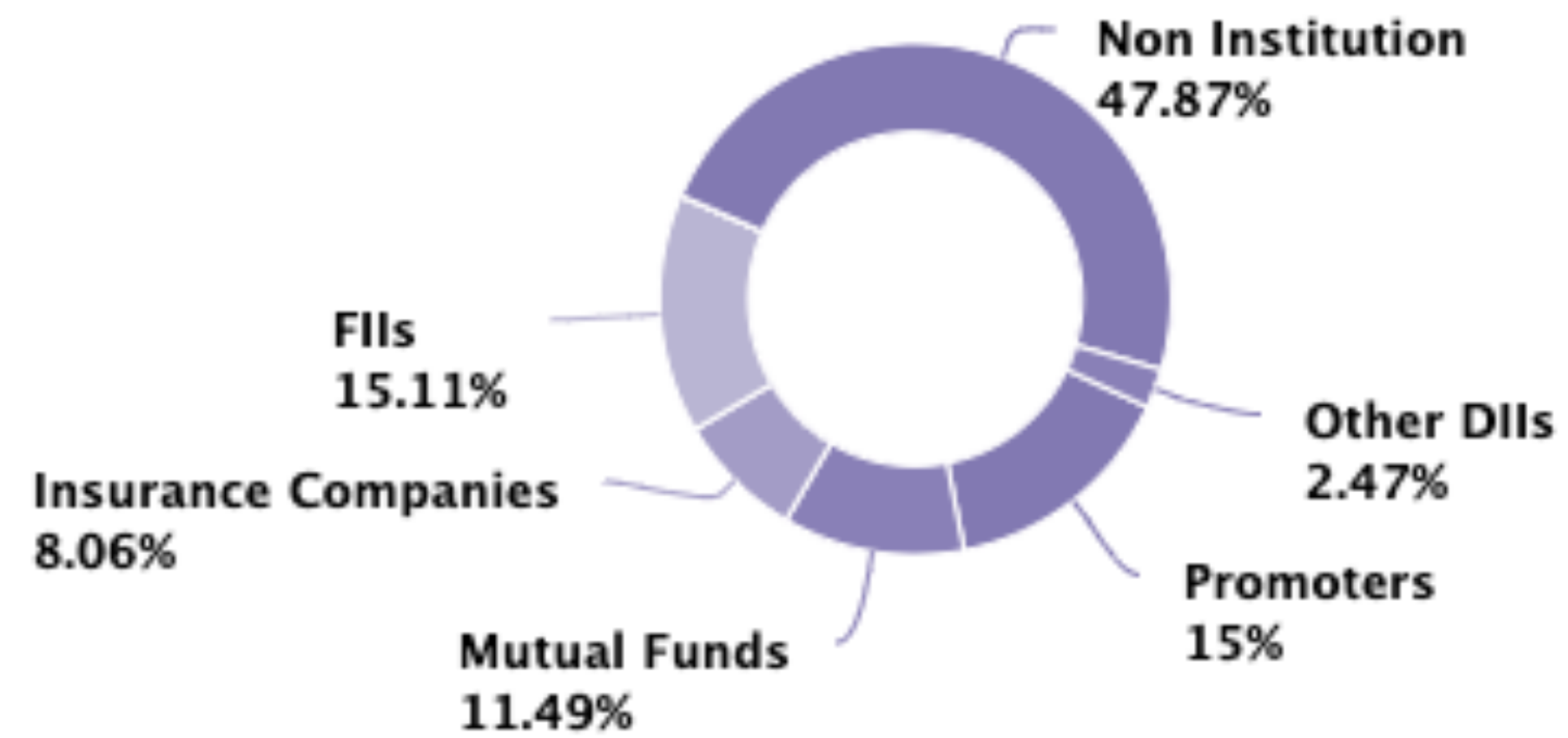
Yearly Results

YEARLY RESULTS OF CENTRAL DEPOSITORY SERVICES LTD (in Rs. Cr.)	MAR '23	MAR '22	MAR '21	MAR '20	MAR '19
Net Sales/Income from operations	555.09	551.33	343.69	225.06	194.65
Total Income From Operations	555.09	551.33	343.69	225.06	194.65
EXPENDITURE					
Employees Cost	80.99	50.55	41.33	47.30	34.19
Depreciation	19.48	11.46	9.20	11.73	9.92
Other Expenses	150.75	133.92	90.55	88.75	51.53
P/L Before Other Inc., Int., Excpt. Items & Tax	303.86	355.40	202.61	77.29	99.01
Other Income	65.85	54.57	56.94	59.19	49.19
P/L Before Int., Excpt. Items & Tax	369.71	409.97	259.55	136.48	148.21
Interest	0.13	0.01	0.02	0.03	--
P/L Before Exceptional Items & Tax	369.58	409.96	259.52	136.45	148.21
P/L Before Tax	369.58	409.96	259.52	136.45	148.21
Tax	89.19	96.74	58.26	29.73	33.38
P/L After Tax from Ordinary Activities	280.38	313.22	201.27	106.72	114.83
Net Profit/(Loss) For the Period	280.38	313.22	201.27	106.72	114.83
Minority Interest	-0.02	-0.63	-0.93	-0.56	-1.31
Share Of P/L Of Associates	-4.42	-1.41	--	--	--
Net P/L After M.I & Associates	275.94	311.18	200.34	106.16	113.51
Equity Share Capital	104.50	104.50	104.50	104.50	104.50
Reserves Excluding Revaluation Reserves	1,109.23	988.42	772.72	619.49	563.64
EPS BEFORE EXTRA ORDINARY					
Basic EPS	26.41	29.78	19.17	10.16	10.86
Diluted EPS	26.41	29.78	19.17	10.16	10.86
EPS AFTER EXTRA ORDINARY					
Basic EPS.	26.41	29.78	19.17	10.16	10.86
Diluted EPS.	26.41	29.78	19.17	10.16	10.86

Key Financial Ratios

KEY FINANCIAL RATIOS OF CENTRAL DEPOSITORY SERVICES LTD (in Rs. Cr.)	MAR 23	MAR 22	MAR 21	MAR 20	MAR 19
PER SHARE RATIOS					
Basic EPS (Rs.)	26.41	29.78	19.17	10.16	10.86
Diluted EPS (Rs.)	26.41	29.78	19.17	10.16	10.86
Cash EPS (Rs.)	28.70	31.07	20.14	11.33	11.94
Book Value [ExclRevalReserve]/Share (Rs.)	120.30	108.74	88.04	73.29	67.89
Book Value [InclRevalReserve]/Share (Rs.)	120.30	108.74	88.04	73.29	67.89
Revenue from Operations/Share (Rs.)	53.12	52.76	32.89	21.54	18.78
PBDIT/Share (Rs.)	37.24	40.33	25.72	14.18	15.13
PBIT/Share (Rs.)	35.38	39.23	24.84	13.06	14.18
PBT/Share (Rs.)	35.37	39.23	24.83	13.06	14.18
Net Profit/Share (Rs.)	26.83	29.97	19.26	10.21	10.99
NP After MI And SOA / Share (Rs.)	26.41	29.78	19.17	10.16	10.86
PROFITABILITY RATIOS					
PBDIT Margin (%)	70.11	76.43	78.18	65.84	80.57
PBIT Margin (%)	66.60	74.35	75.51	60.62	75.51
PBT Margin (%)	66.58	74.35	75.50	60.61	75.51
Net Profit Margin (%)	50.51	56.81	58.55	47.40	58.50
NP After MI And SOA Margin (%)	49.71	56.44	58.28	47.15	57.84
Return on Networth/Equity (%)	22.73	28.47	22.83	14.66	16.98
Return on Capital Employed (%)	29.04	35.65	28.06	17.68	20.85
Return on Assets (%)	18.93	23.47	18.48	12.29	14.48
Total Debt/Equity (X)	0.00	0.00	0.00	0.00	0.00
Asset Turnover Ratio (%)	0.45	0.39	31.70	26.07	25.03
LIQUIDITY RATIOS					
Current Ratio (X)	3.56	5.16	5.06	5.28	2.84
Quick Ratio (X)	3.56	5.16	5.06	5.28	2.84
Inventory Turnover Ratio (X)	0.00	0.00	0.00	0.00	0.00
Dividend Payout Ratio (NP) (%)	0.00	30.22	23.47	47.47	38.84
Dividend Payout Ratio (CP) (%)	0.00	29.14	22.44	42.74	35.72
Earnings Retention Ratio (%)	0.00	69.78	76.53	52.53	61.16
Cash Earnings Retention Ratio (%)	0.00	70.86	77.56	57.26	64.28
COVERAGE RATIOS					
Interest Coverage Ratios (%)	2,915.29	42,568.88	11,284.63	4,642.08	--
Interest Coverage Ratios (Post Tax) (%)	2,915.29	42,568.88	11,284.63	4,642.08	--
VALUATION RATIOS					
Enterprise Value (Cr.)	9,416.34	15,307.19	6,690.82	2,228.63	2,520.44
EV/Net Operating Revenue (X)	16.96	27.76	19.47	9.90	12.84
EV/EBITDA (X)	24.19	36.32	24.90	15.04	15.94
MarketCap/Net Operating Revenue (X)	17.11	28.06	19.95	9.95	12.92
Retention Ratios (%)	0.00	69.77	76.52	52.52	61.15
Price/BV (X)	7.82	14.15	7.82	3.09	3.79
Price/Net Operating Revenue	17.11	28.06	19.95	9.95	12.92
Earnings Yield	0.03	0.02	0.03	0.05	0.04

Shareholding Pattern an on Jun'23



Summary

- ❖ With deliverance of robust performance in Q1 of FY'24, the Company's Net Sales grew up by 6.77% i.e. Rs.149.68 crs in Jun'23 as compared to Rs.140.18 crs in Jun'22. However, the Net Profits surged by 27.32% i.e. Rs.73.57 crs versus Rs.57.78 crs in Jun'22.
- ❖ As per fine financials and fair fundamentals, the Company is available at a good price of Rs.1141.45 with its 52 week low of Rs.880.90 and 52 week high of Rs.1451.90.
- ❖ The Shareholding Pattern as on Jun'23, shows the Promoters held 15.00% stake, the FIIs and the Other DIIs altogether stood with 17.58% stake. Whilst, the Mutual Fund Houses own 11.49% holdings in the Company.
- ❖ CDSL Ltd. is held by PPFAS MF, NIPPON INDIA MF, PGIM MF, INVESCO MF, ICICI PRU MF, HDFC MF, CANARA ROBECO MF, ABSL MF, SBI MF, SUNDARAM MF, ITI MF and a few more.
- ❖ On consolidated basis, the Company registered Return on Equity (ROE) and Return on Capital Employed (ROCE) around 22.73% & 29.04% respectively as on Mar'23.
- ❖ For the year ending Mar'23, CDSL Ltd. has declared an equity dividend of 160.00% i.e. Rs.16.00 per equity share. The Company has a good dividend track report and has consistently declared dividends for the last 5 years.

Disclosure

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Introduction:

I, Amiteshwar Singh, am the proprietor of M/S Amiteshwar.in. I am a Research Analyst registered with SEBI having registration no. INH100010013. I provide services through my website www.researchlyne.com which is primarily focused on research of Multi-Cap stocks of India.

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1. My spouse, Mrs. Prabhjash Kaur
2. My daughter, Ms. Palvit Kaur

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