



TECHNO FUNDA REPORT



CENTRAL DEPOSITORY SERVICES (INDIA) LTD

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Sector: Depository

Recommendation

BUY

Buy Price Range

₹2300 - 2350

Target Price
₹3250-3300

Market Capitalization
₹24,505 Cr.

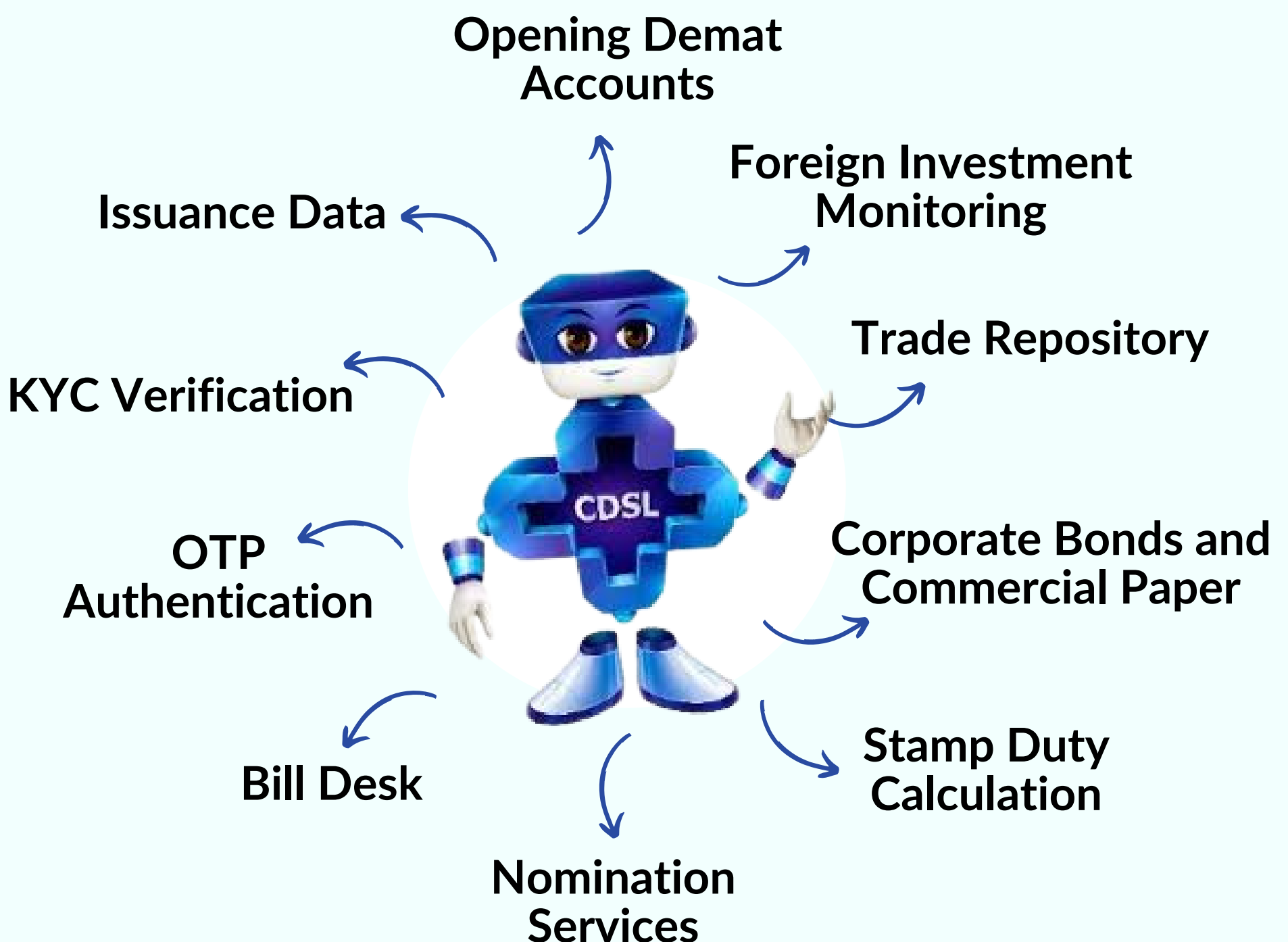
Holding Period
1.5-2 Years

Expected Return
35-40%



CDSL AND THE DEMATERIALIZED REVOLUTION

- Central Depository Services Limited (CDSL) stands as a silent guardian within India's capital market infrastructure.
- It plays a critical role by facilitating the dematerialized holding of securities.
- CDSL acts as a central hub, connecting exchanges, clearing organizations, depository participants, issuers, and investors for seamless and secure electronic transactions.



WHY TO INVEST?

Diversified Business Model

The Company operates in three segments i.e. depository, data management & repository mitigating risk and fostering long-term growth.

Dominant Market Share

CDSL boasts a commanding market position with a significant increase in demat accounts (1.08 Cr in FY16 to 11.56 Cr in FY24) and a nationwide network of over 580 DPs, ensuring seamless reach.

Subsidiary Strength

It's subsidiaries (CVL, CIRL, CCRL) contribute significantly to the revenue, further diversifying revenue and strengthening market presence.

Strategic Investments

The Company actively invests in emerging opportunities like ONDC (1.54% equity stake), demonstrating a commitment to innovation and a robust digital commerce ecosystem.

Technological Edge

CDSL prioritizes continuous investments in technology and human capital, ensuring efficient operations and a strong value proposition for market participants.

Favorable Regulatory Environment

The evolving regulatory landscape emphasizes trust, creating a positive environment for CDSL's services.

Strong Financial Performance

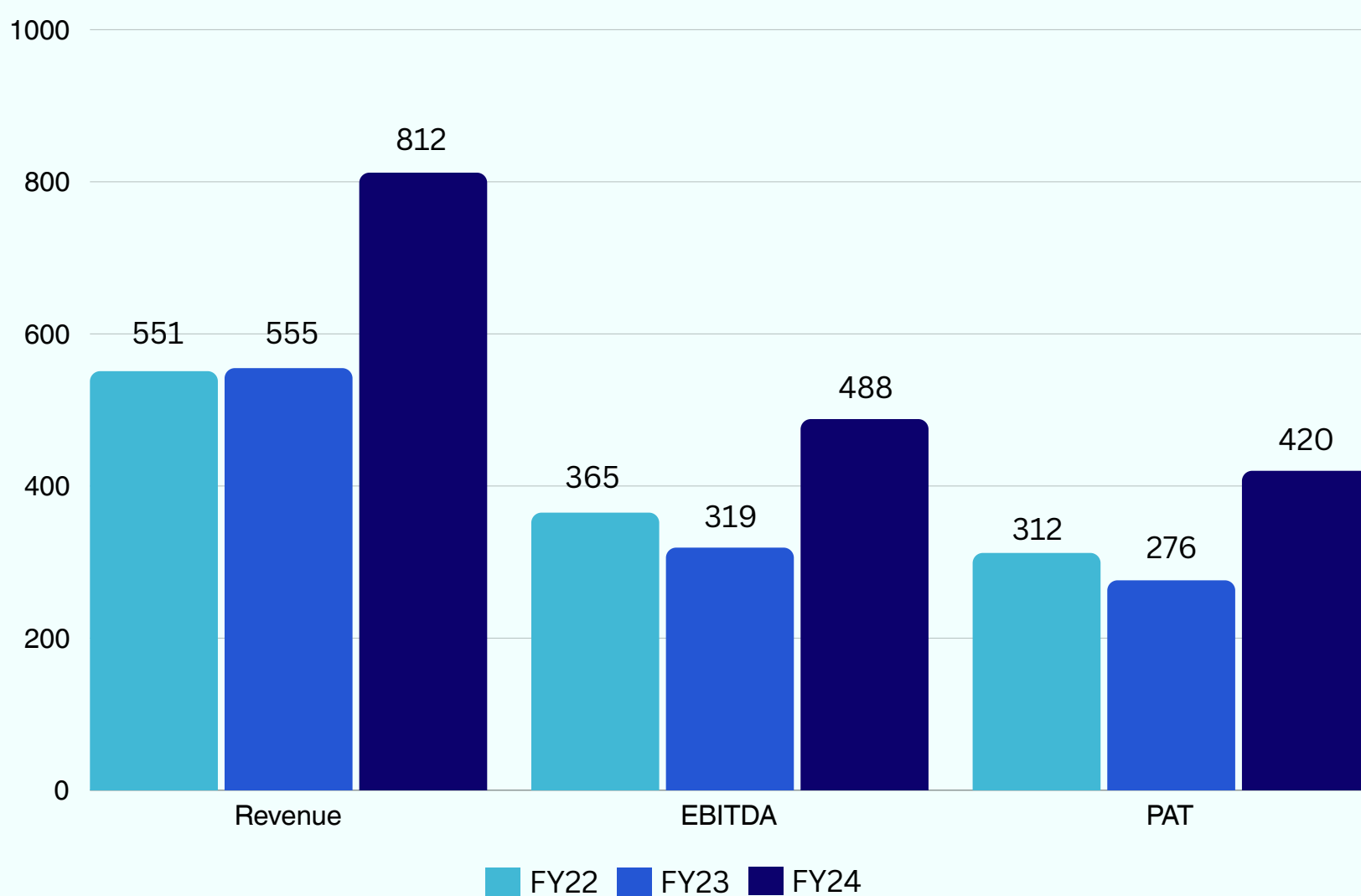
It maintains a debt-free status and exhibits impressive financial growth. Their total income for FY 23-24 increased by 46% and consolidated net profit by 52%, showcasing strong financial health and profitability.

Bonus Issue

CDSL's recent approval of their first-ever 1:1 bonus issue could create a near-term tailwind.

FINANCIAL HIGHLIGHTS

(all figures are in ₹ Cr.)



FY24 KEY FINANCIALS

40.2% ROCE (Return on Capital Employed)	61% Operating Profit Margin
51.60% PAT (Profit After Tax) Margin	46.30% Sales Growth YoY
33% Compounded Sales Growth 5 Years	52% PAT Growth YoY
30% Compounded PAT Growth 5 Years	0.0x Debt/Equity Ratio
5,056 Interest Coverage Ratio	54.8% Dividend Payout
15% Promoter Holding	58.5x Price to Earning Ratio

QUARTER- 4 FY24 FINANCIAL HIGHLIGHTS

93.54 %
Revenue Growth YoY

61%
Operating Profit Margin

53.75%
PAT Margin

TECHNICAL HIGHLIGHTS



- Stock has witnessed a breakout of a rounding bottom formation on the longer timeframe.
- In the Shorter timeframe, it has also given a breakout of a long consolidation formation.
- Momentum indicators are supporting the current strength and upward price action.

RESEARCH BY



SHIVANI NYATI
VP, Wealth Management

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SWASTIKA INVESTMART LIMITED

☎ 08069-049876 🌐 www.swastika.co.in ✉ research@swastika.co.in

Member of NSE, BSE, MCX, NCDEX, MSEI,
CIN : L65910MH1992PLC067052

Reg off: Flat No. 18, North Wing, Madhavshwar Society, 11/12 S.V. Road,
Andheri (W), Mumbai – 400058, Ph. 022-26254568, 69

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read all the related documents carefully before investing.

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