

Stock Info

Symbol	CDSL
CMP	₹ 1,280.7
P/E Ratio (TTM)	52.12
Enterprise Value	₹ 27,280 Cr
Market CAP	₹ 27,452 Cr

Financial Ratios

ROE (TTM)	29.92
ROCE (TTM)	39.21
Current Ratio (TTM)	3.49
Net Profit Margin (TTM)	56.68
EV/EBIDTA (TTM)	36.12
Price To Cash Flow (TTM)	53.51

Shareholding Pattern

PARTICULARS	SEP 24	DEC 24	MAR 25
Promoters	15	15	15
Share Holding Pledge	0	0	0
FII	13.7	17	11.32
Total DII	21.15	18.84	15.29
Public	50.14	49.15	58.4

Indexed Stock Performance



PARTICULARS	CDSL	NIFTY50
1M	15.4%	9.8%
6M	-16.05%	-0.61%
1Y	23%	8.43%
3Y	116.67%	48.28%
3Y-CAGR	29.4%	14.03%

Analyst

Anoushka Roy (anoushka.roy@tradebrains.in)

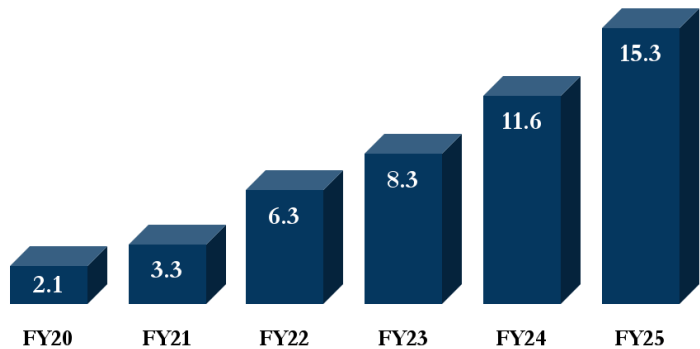
Shashi Kumar

►Company Overview

Central Depository Services (India) Limited (CDSL), established in 1999 and headquartered in Mumbai, is one of the two central securities depositories in India, alongside NSDL. As a leading Market Infrastructure Institution (MII), CDSL holds a dominant position in the Indian capital market, with a 79% market share and a 90% share in newly opened demat accounts as of FY25. CDSL plays a critical role by providing reliable, secure, and user-friendly depository services to all major stakeholders, including stock exchanges, clearing corporations, depository participants (DPs), issuers, and investors.

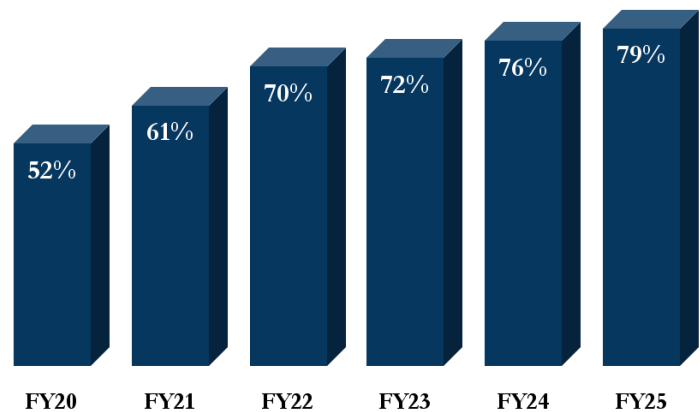
As of April 2025, CDSL has recorded 15.5 crore investor accounts and 579 active depository participants and holds 8.5 lakh crore securities in dematerialized custody, with the total value of these securities amounting to approximately Rs 72.4 lakh crore. CDSL facilitates the holding, transfer, and settlement of a wide range of securities, such as equities, bonds, and mutual fund units, in electronic form, effectively replacing the need for physical certificates. The company also offers e-locker, the Myeasi Mobile App, M-Voting, e-Voting, SMART, and electronic access to securities information and execution of secure transactions.

CDSL Demat Accounts (in crores)



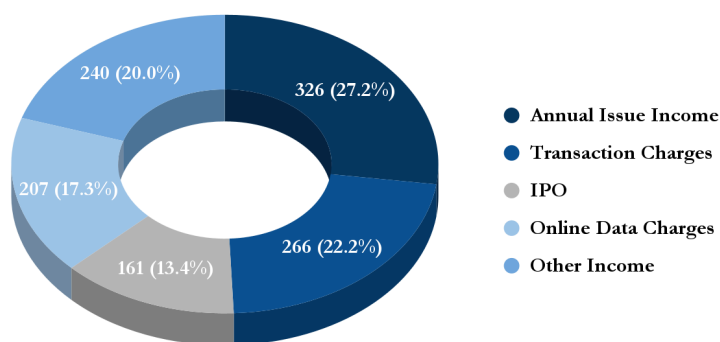
(Source: Company Reports, Trade Brain Research)

CDSL Market Share



(Source: Company Reports, Trade Brain Research)

CDSL's Income Classification FY25



(Source: Company Reports, Trade Brain Research)

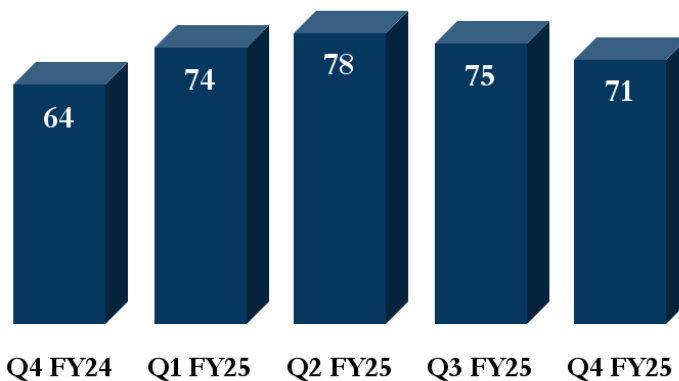
Business Segments

Depository Activity: The Depository Segment includes providing various services to investors, like dematerialization, rematerialization, holding, transfer, and pledge of securities in electronic form, as well as providing e-voting services to companies. In FY 2025, the depository segment revenue stood at Rs 848.21 crore, marking a YoY growth of 32.3%, from Rs 640.95 crore in FY24.

Data Entry and Storage: The data entry and storage segment relates to centralized record-keeping of Know Your Customer (KYC) documents of capital market investors. In FY 2025, the data entry and storage segment revenue stood at Rs 231.84 crore, recording a 36.6% YoY growth from Rs 169.65 crore in the previous year.

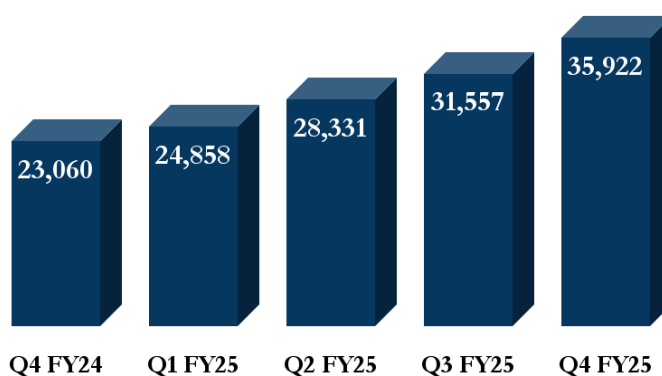
Repository Services: The repository service's main objective is to provide policyholders/warehouse receipt holders a facility to keep insurance policies/warehouse receipts in electronic form and to undertake changes, modifications, and revisions in the policy/receipt with speed and accuracy to bring about efficiency, transparency, and cost reduction in the issuance and maintenance of policies/receipts. In FY 2025, the repository services segment revenue stood at Rs 2.59 crore, growing at 16.7% YoY, from Rs 2.22 crore in FY24.

Demat Custody (Rs in Lakh Crores)



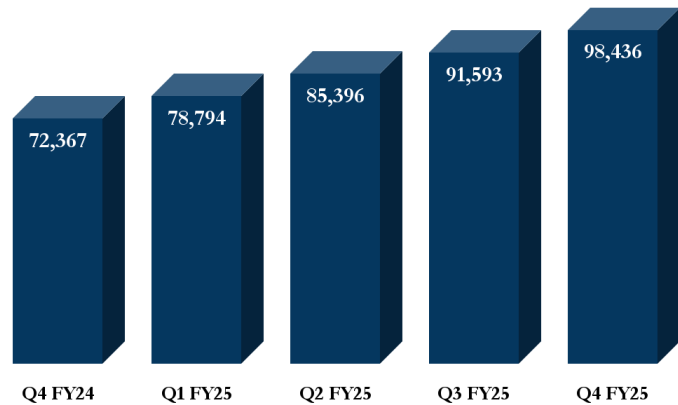
(Source: Company Reports, Trade Brain Research)

Number of Issuers



(Source: Company Reports, Trade Brain Research)

Number of ISINs



(Source: Company Reports, Trade Brain Research)

► Investment Rationale

Solid Financial Performance: The consolidated total income grew by 32% to Rs 1,199 crores compared to Rs 907 crores YoY for FY25, and net profit grew by 25% to Rs 526 crores from Rs 420 crores YoY. Key segment performance highlights of Q4 FY25 include annual issuer income up 34% to Rs 87 crores YoY, transaction charges down by 36% to Rs 49 crores, IPO/CA income down by 4% to Rs 25 crores, online data charges income declining to Rs 37 crores, and other income growing by 21% to Rs 58 crores. This growth, led by low volumes and market volatility. Key business performance highlights include CDSL becoming the first depository to register 15.29+ crore demat accounts as of March 31, 2025, and during FY 2024-25, approx. 3.73 crore new demat accounts were opened.

Key Innovative Services: CDSL has won the Market Infrastructure of the Year Award, recognizing CDSL's innovative contribution to modernizing market access and infrastructure, including initiatives like eKYC, eDIS, eAGM, Single Sign-On, Distributed Ledger Technology (DLT), EASIEST, Electronic Consolidated Account Statement (eCAS), eMargin Pledge, eNOMINATION, Early Pay-in & Beneficiary Account Mapping for all investors, enhancing market efficiency, regulatory compliance, and customer-focused growth. These solutions have enabled shareholders to vote securely, streamline KYC processes, facilitate seamless transactions with the DP, and access electronic grievance redressal.

Market Dynamics: Furthermore, Indian mutual fund AUM grew by 19.8% CAGR from FY15 to FY25, a 6x increase from Rs 10.68 lakh crores to Rs 65.74 lakh crores. Over the past 25 years, the Indian capital market has delivered positive growth in 20 of those years. The foreign investors have been participating actively in the Indian bond market, showing strong market resilience in FY25, supported by controlled inflation, a stable RBI policy, improving fiscal deficit trends, and the inclusion of Indian bonds in the JP Morgan Government Bond Index, which encouraged foreign investors to participate actively. According to a CRISIL report, standalone depository income is expected to grow at 11% CAGR, reaching Rs. 15,000 crores by FY27. India has streamlined its stock settlement process by reducing settlement cycles from T+5, T+3, and T+2 to T+1, enhancing liquidity and minimizing investor risk. In March 2024, India also became the first country to implement an optional T+0 settlement cycle, allowing same-day stock settlement for select stocks, alongside the T+1 cycle for the broader market.

Strong Subsidiary Performance: CDSL has 4 business lines, which are CDSL Ventures Limited (100% holding), the first and largest KYC registration company in India, with over 8.93 crore KYC records providing RTA services to around 2638 companies. CDSL Insurance Repository Limited (54.25% holding) has received the IRDAI registration certificate for insurance repository partnering with 45 life/health and general insurers holding more than 18 lakh policies in 17.5 lakh E-Insurance Accounts (e-IA). CDSL Commodity Repository Limited (52% holding) facilitates clients' ownership and transfer and obtains electronic credit for commodities deposited at the Warehousing Development and Regulatory Authority (WDRA) and India International Bullion Holding IFSC (20% holding). CDSL has made non-current investments of Rs. 6,230 crores into its subsidiaries as of March 31st, 2024. This strong performance from the subsidiaries positions the CDSL to gain market share as well as expand to other segments.

Market Leadership: The role of depository services has changed the existence of the stock market today. Depositories hold and maintain securities as a custodian on behalf of the investor, in electronic form. The Indian depository services are dominated by two huge players - CDSL and NSDL. CDSL holds 152,984,202 active client accounts, whereas NSDL holds 39,452,403 active client accounts, CDSL holding the major market share of 79% as of Mar 31, 2025. By offering secure, efficient, and investor-friendly services, CDSL has positioned itself as the backbone of retail participation, reinforcing its leadership in the depository ecosystem.

Regulatory support: The latest SEBI measure for ease of doing business for stockbrokers to undertake securities market-related activities in Gujarat International Finance Tech-City—International Financial Services Centre (GIFT-IFSC) under a Separate Business Unit (SBU). Such SBUs exclusively engaged in stock broking activities must have to segregate their business from the Indian securities market-related activities of the stockbroker. Under Regulation 31 of SEBI, based on the requests received from depositories and stock exchanges, all the companies whose securities are listed in the exchange must provide clarity & transparency in the disclosure of shareholding pattern to the investors in the securities market. Further, SEBI has revised timelines for the issuance of Consolidated Account Statements (CAS) by depositories. The AMCs/MF-RTAs shall send the monthly common PAN data to depositories on or before the fifth (5th) day from the month end, benefiting the depositories to consolidate and dispatch the monthly CAS to investors (opted for eCAS) by the twelfth (12th) day from the month end, reinforcing CDSL's pivotal role in delivering timely investor communication. These regulatory measures strengthen investor trust and expand the operational scope for CDSL, aligning with its growth and leadership in the depository ecosystem.

Industry Overview

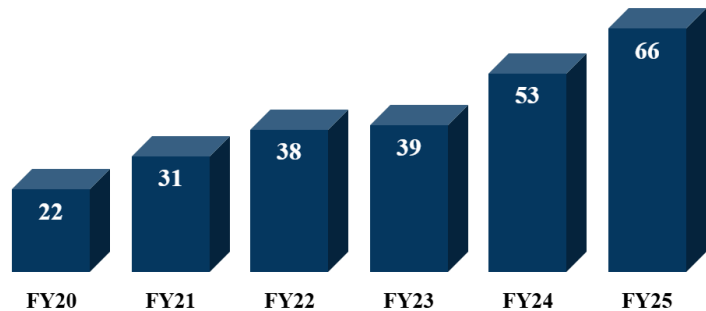
India's equity market ranked as the 3rd best-performing among the top 15 global markets, with the Nifty 50 delivering a 14.3% CAGR from 2020-2025, surpassing the S&P 500's 12.5%. Foreign Portfolio Investors (FPIs) remained net buyers of Indian debt for the second consecutive year, adding USD 6.7 billion after investing USD 14.6 billion in FY24. Meanwhile, NSE's average daily cash segment turnover rose 38% in FY25.

Retail participation in India's capital markets has surged, driven by digitization, lower transaction costs, and easier market access. Despite a USD 14.6 billion FPI equity outflow in FY25, domestic institutional investors (DIIs) injected a record USD 71.8

billion, reflecting reduced reliance on foreign capital. As per the December 2024 Indian Ownership Report, domestic mutual funds reached an all-time high 10.5% share in the Nifty 500, supported by rising SIP inflows.

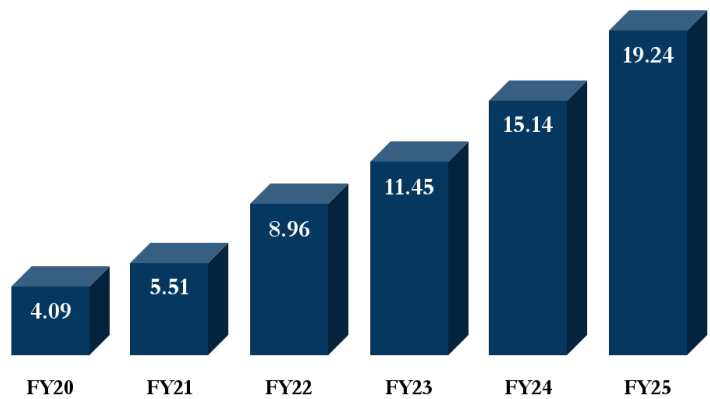
The securities depository industry remains a high-barrier duopoly between NSDL and CDSL, with CDSL holding a dominant 79% market share as of FY25. Rapid digitization, simplified processes, and broader retail participation have accelerated dematerialization, pushing investor accounts to 19.24 crore by March 2025, where 4.1 crore were added in FY25 alone. Yet, retail penetration remains modest at 7% of the population, indicating significant growth potential.

Indian Mutual Fund AUM (Rs in Lakh Crores)



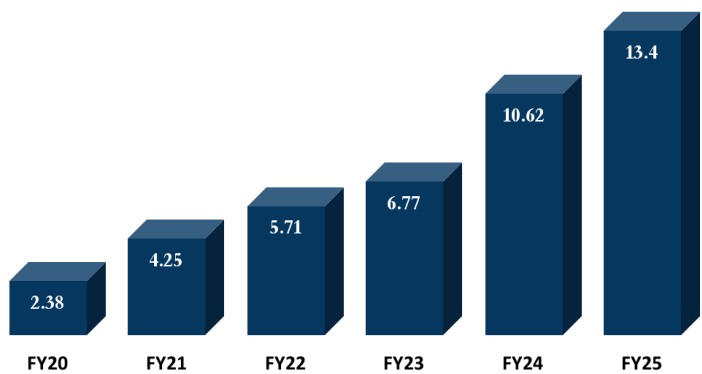
(Source: AMFI, Trade Brains Research)

No. of Demat Accounts in India (in crores)



(Source: Investor Concalls, Trade Brains Research)

SIP AUM Growth (Rs in Lakh Crores)



(Source: AMFI, Trade Brains Research)

► Risks and concerns

Shifting consumer preferences: A shift in consumer preferences from trading or investing in securities could considerably reduce the demand for services and may adversely impact the business, financial condition, and overall performance.

Regulatory Compliance and Competitive Landscape: The securities depository business operates under strict regulatory oversight, and changes in legal or procedural requirements can affect its growth. Furthermore, SEBI's discussion paper on revising ownership and governance norms may lower entry barriers, potentially intensifying competition in the sector.

Cybersecurity risks: High reliability on technology could lead to cybersecurity risks and may impact business operations. Cyber threats and data privacy breaches pose major risk factors, and addressing these risks is crucial to safeguarding the business interests.

Tariff Constraints: The company charges tariffs for DPs as well as issuers and registrar, and transfer agents (RTAs), which is the main operational income and is dependent on capital market activities. Any market volatility could challenge the revenue of the business.

Q4 FY25 Concall Highlights:

- Revenues have increased by 32 % to Rs 1199 crores, against 907 crores from the previous financial year, and an annual profit of Rs 526 crores, against 420 crores during the previous financial year. Growth of about 25 % in the consolidated profits.
- The average daily turnover has surged by about 37 % in FY25, reaching about Rs 1,20,000 crores. This growth is reflected in the growth of DMAT accounts this year.
- India has added about 4.1 crore DMAT accounts in the year, taking the total to about 19.24 crores as on 31st March 2025.
- CDSL experienced a 32 % growth in the number of DMAT accounts, reaching a total of 15.29 crores and enjoying a market share of about 79%.
- CDSL introduced the unified features in the investor app, MyEC, earlier in the year.
- CDSL is focusing on the hashtag Atma Nirbhar investor-focused approach while striving for innovation, resulting in consistent and sustainable financial and business performance.
- The total income QoQ stood at Rs 256 crores, against 267 crores for the corresponding quarter of the previous year. The net profit QoQ stood at Rs 100 crores, against Rs 129 crores for the corresponding quarter of the previous year.
- CDSL holds over Rs 1,500 crore in cash
- Demat accounts grew from 1.8 crore (2019) to 15.5 crore.
- Increased from 19.5 crore (FY24) to 22.76 crore (FY25). The Benefits of IPO-driven folio growth are expected to reflect more clearly in FY26.
- E-KYC and E-Sign services are growing via tie-ups with onboarding solution providers. Revenue has yet to scale significantly.
- CDSL declared an all-time high dividend of Rs 25 per share, factoring in a 1:1 bonus issued earlier. The company paid 61.3% of its dividend out of operating profits.

►**Outlook and Valuation**

Income Statement (Extract)

Particulars (Rs in Cr)	2023	2024	2025	2026E	2027E	2028E
Revenue from Operations	555	812	1082	1374	1691	2029
Other income	66	95	117	123	129	136
Total Revenue	621	907	1199	1497	1820	2164
Total Expenses	232	323	458	546	621	694
Employee benefits expense	81	96	122	155	190	229
Computer technology related expenses	7	63.3232	113	144	177	212
Other expenses	144	163.1169	223	247	254	254
EBITDA	389	584	741	951	1199	1470
EBITDA Margin %	70%	72%	69%	69%	71%	72%
Depreciation and amortisation	19	27	49.0	70	100	133
EBIT	370	557	692	882	1099	1337
EBIT Margin %	67%	69%	64%	64%	65%	66%
Finance costs	0	0	0	0	0	0
Share of profit/(loss) of associate	4	1	3	0	0	0
PBT	365	556	695	881	1099	1337
Effective Tax Rate	24%	25%	24%	25%	25%	25%
Tax amount	89	136	169	220	275	334
Net Profit	276	420	526	661	824	1002
NPM %	44.44%	46.24%	43.89%	44.15%	45.30%	46.32%
Profit/Loss attributable to owners	276	419	527	661	824	1002
No of Equity shares (in cr)	10.45	10.45	20.9	20.9	20.9	20.9
EPS (Basic)	26	40	25	32	39	48

(Source: Company Reports, Trade Brains Research)

Balance sheet (Extract)

Particulars (Rs in Cr)	2023	2024	2025	2026E	2027E	2028E
Fixed Assets	125	342	446	578	697	800
Capital work-in-progress	173	0	7	7	8	8
Investments	949	1168	1370	1580	1845	2177
Trade receivables	38	67	53	60	65	67
Cash and cash equivalents	50	18	32	44	61	78
Other Assets	123	187	254	267	280	294
Total Assets	1457	1782	2162	2536	2957	3423
Equity Capital	105	105	209	209	209	209
Other Equity	1109	1359	1551	1897	2295	2740

Non-controlling interest	43	44	44	44	44	44
Borrowings	2	1	3	4	4	5
Trade Payables	20	28	37	48	53	57
Provisions	27	32	35	37	39	41
Other Liabilities	151	213	283	297	312	328
Total equity & liabilities	1457	1782	2162	2536	2957	3423

(Source: Company Reports, Trade Brains Research)

Cash Flow Statement Extract)

Particulars (Rs in Cr)	2023	2024	2025	2026E	2027E	2028E
Profit before tax	365	556	695	881	1,099	1,337
Depreciation and Amortisation Expense	19	27	49	70	100	133
Finance cost	0	0	0	0	0	0
Other Adjustments	-48	-81	-104	0	0	0
Operating cash flows before working capital changes	337	502	640	951	1,199	1,470
Total working capital changes	5	-3	49	7	4	6
Cash Generated from/(used in) Operating Activities	342	500	689	959	1,202	1,476
Income Tax (Paid)/Refund (Net)	-93	-114	-146	-220	-275	-334
A. Net Cash Flows from/(used in) Operating Activities	249	386	543	738	928	1,142
Purchase of Property, Plant and Equipment	-194	-54	-124	-180	-200	-220
Investments	-11	-20	-31	-21	-19	-17
Other Investments	79	-176	-143	-210	-265	-331
B. Net Cash Flows from/(used in) Investing Activities	-126	-249	-298	-412	-485	-568
Dividends paid	-157	-167	-230	-315	-426	-558
Payment of lease rental	-1	-1	-1	1	0	1
C. Net Cash Flows from/(used in) Financing Activities	-158	-169	-231	-314	-426	-558
(D) Net Increase in Cash and Cash Equivalents (A + B + C)	-35	-32	14	12	17	16
Cash and Cash Equivalents at the Beginning of the Year	86	50	18	32	44	61
Cash and Cash Equivalents at Year End	50	18	32	44	61	78

(Source: Company Reports, Trade Brains Research)

Ratio Analysis

Profitability Ratios						
EBITDA margin	70%	72%	69%	69%	71%	72%
EBIT margin	67%	69%	64%	64%	65%	66%
Net Profit Margin	44%	46%	44%	44%	45%	46%
Return Ratios						
ROE	22%	28%	29%	31%	32%	34%
ROCE	29%	36%	38%	40%	42%	44%
Leverage Ratios						
Debt-to-Equity Ratio	0.0	0.0	0.0	0.0	0.0	0.0
Current ratio	3.6	3.3	3.5	3.6	3.9	4.3
Per Share Data						
EPS basic	26	40	25	32	39	48
Book value per share	120	144	86	103	122	143

(Source: Company Reports, Trade Brains Research)

►Summary

We initiate a "Buy" rating on Central Depository Services (India) Ltd. with a target price of Rs 1,645 per share based on earnings and PE multiples of FY26/27E. CDSL, holding a dominant 79% market share with over 15.29 crore active demat accounts, has been recognized for its innovative digital services like eKYC, eDIS, and eCAS, enhancing investor access and regulatory compliance. Its strong subsidiaries, including the largest KYC registration agency, support market diversification.

Financially, CDSL saw a 32% YoY revenue growth and 25% profit growth in FY25. Regulatory backing and India's evolving market dynamics further bolster CDSL's leadership in the depository ecosystem.

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Ratings	Expected absolute returns over 12 - 18 months
BUY	More than 10%
HOLD	Between 10% to -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stocks, but we refrain from assigning valuation and recommendation
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note : Returns stated in the rating scale are our internal benchmark .