PRIVATE CLIENT GROUP | kotak Securities

Dated: 6th Nov 2025

CENTRAL DEPOSITORY SERVICES (INDIA) LTD - BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 1539	**Rs. 1819**

Rationale:

- During Q2FY26, Central Depository Services (CDSL)’s performance was above our estimates on the bottom line.
- Revenue de-grew 1% YoY due to de-growth in Transactions Charges, Online Data Charges and other income.
- EBTIDA decreased 11.1% YoY to Rs178cr.
- During the quarter, CDSL’s PAT de-grew by 13.6% YoY and grew by 36.6% QoQ to Rs140cr.
- Currently, the stock is trading at PE of 42.2x FY28E EPS.
- Hence, we recommend BUY rating, with revised target price of Rs1819.

Positives:

- During the quarter, CDSL added 65 lakh new beneficiary accounts.
- We believe CDSL remains a play on capital market and is a big beneficiary of higher retail participation.

Negatives:

- Low pricing power, dependence on capital market volume and regulatory oversight are the key risks to our estimates.

(EBITDA - earnings before interest, taxes, depreciation, and amortization, PAT-Profit After Tax)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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