

Role of Depositories in Tax Collection



NSDL

Technology, Trust & Reach

NSDL Snapshot

- First and largest CSD in India, started operations in 1996
 - Pioneered dematerialisation in India
- Ownership
 - 26% IDBI Bank, 24% National Stock Exchange, 7 % Administrator of the Specified Undertaking of the Unit Trust of India- Unit Scheme 1964 , 11 other bank participants with maximum 5% stake each
- All traded securities covered
 - Connects to all stock exchanges
 - One account for all ISINs. Can trade with any broker on any exchange.
- Services offered through 277 participants with 31,205 service centres

Number of accounts

18.9

million

A new account
opened every

6

seconds

Custody Value

US\$ **2.4**

trillion

Issuers

Individual Segregation at CSD

- **Mandatory Individual Segregated Accounts at CSD**
 - Beneficial Owner name is on the Account. Legal title to Account holder
 - **Full protection from participant default. Full Portability.**
 - Transfer Orders entered in CSD achieve finality in real time
 - Individual position computation at CSD in real time.
- **Direct Client Account access from CSD**
 - Real time view of account accessible to client directly from CSD, on internet and mobile apps
 - Electronic instructions can be given by client
- **Needs light processing and IT applications at participant**
 - Web frontend to participant branches, besides computer to computer communication. In theory can operate directly using CSD infrastructure.
 - Needs a back office product for special needs
- **NSDL fees to participants**
 - **US\$ 0.06 flat fee per debit transaction. Credits are free.**
 - **CM pool account fees capped at US\$ 70 per quarter**

Asset Types

- Equities
- Mutual Funds
- Corporate Debt
- Government Securities
- Commercial Paper
- Certificate of Deposit
- Pass Through Certificates
- Securitised Instruments

Products and Services

Core Services

- Settlement of trades
- Pledge
- Dematerialisation/Rematerialisation
- Client Account Maintenance
- Non-Cash Corporate Actions

Value-added Services

☐ Targeted at Investors:

- CAS
- IDEAS
- Trades
- ACE
- SPEEDe
- Mobile App
- Trade Repository

☐ Targeted at DPs:

- DIS Management System

☐ Targeted at brokers/institutional clients

- SteADY
- FPI portal
- SPEEDe
- SPICE
- Corporate Bond Database
- Collateral Management Service

☐ Targeted at issuers

- eVoting
- eNotices
- Webcasting
- Foreign Investment Limit Monitoring
- System Driven Disclosures
- MCA – IEPF Account

THANK YOU