



## Central Depository Services (India) Limited



CDSL/CS/ANP/2020/32

January 29, 2020

**The Manager,  
Listing Compliance Department,  
National Stock Exchange of India Ltd,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051**

**Sub: Investor Presentation for the Quarter ended December 31, 2019**

**Re: Disclosure under Regulation 30 of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Madam/ Sir,


Please find enclosed Investor Presentation for the Quarter ended December 31, 2019.

The above information may also be available on the website of the company:  
[www.cdslindia.com](http://www.cdslindia.com)

This is for your information and record.

Yours faithfully,

For **Central Depository Services (India) Limited**

  
**Amita Paunikar**  
VP-Legal & Company Secretary





# Investor Presentation

FY 19-20 | Q3

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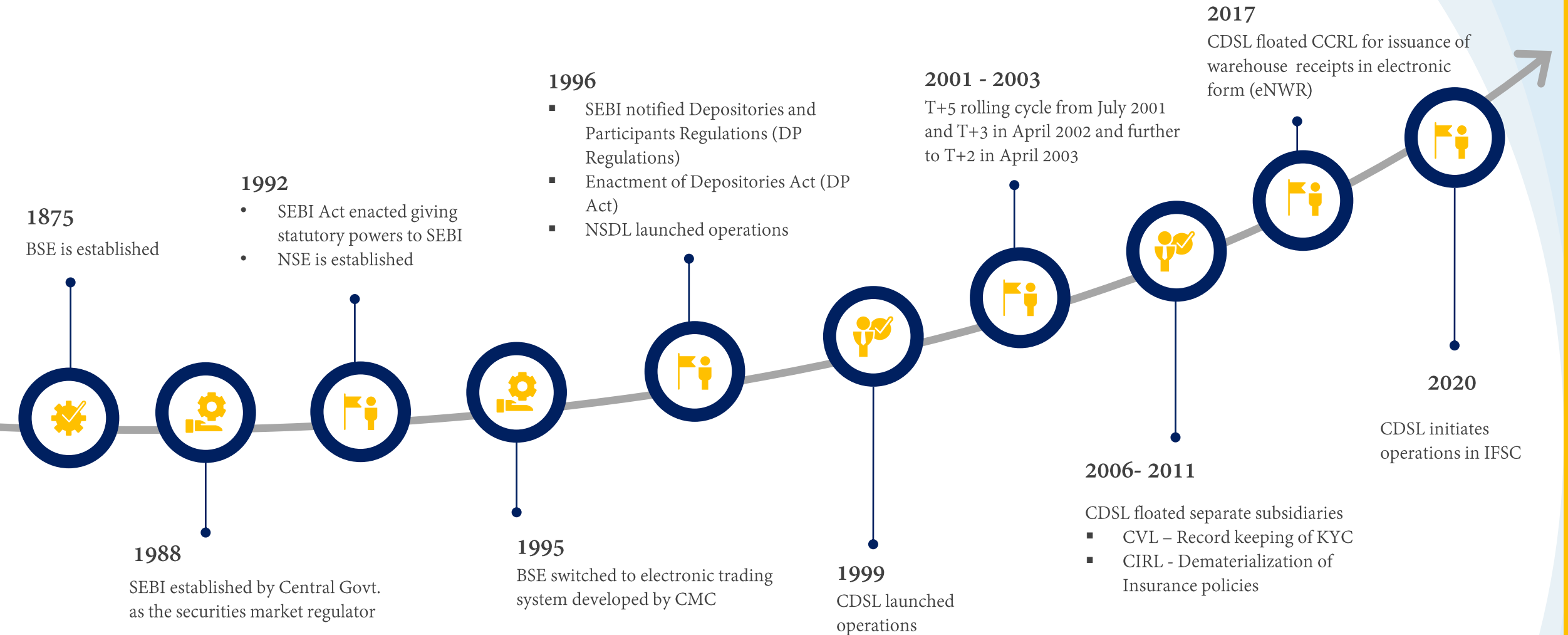
**5** Our Financials

# Our Company

*About CDSL*

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# Evolution of the Capital Markets in India





# Timeline



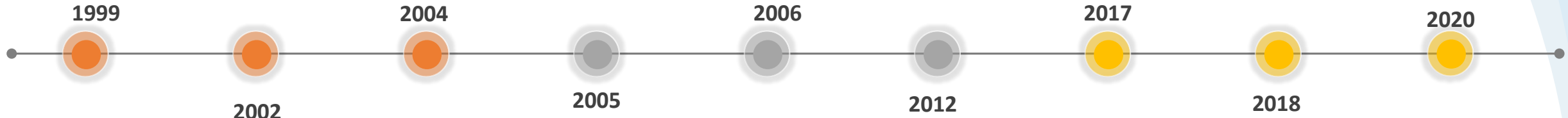
**Commencement of Business**

Our Company launched its internet facility *"easiest"*\*

Our Company was awarded the ISO 27001 from Det Norske Veritas (Rotterdam)

Listed on the National Stock Exchange (NSE) after receiving an overwhelming response in the IPO

- CDSL inaugurates its IFSC branch at GIFT City
- The number of active demat accounts opened with our Company crossed 20 million.



1999

2002

2004

2005

2006

2012

2017

2018

2020

Our Company launched its internet facility *"easi"*\*

Number of active demat accounts with our Company crossed 1 million

Mr. U. K. Sinha, SEBI Chairman launched CDSL Ventures KRA, India's first and largest KYC Registration agency

The number of active demat accounts opened with our Company crossed 15 million.

**1**

- **1<sup>ST</sup> DEPOSITORY TO GET LISTED IN INDIA**
- **1<sup>ST</sup> DEPOSITORY TO BEGIN A BRANCH IN IFSC, GIFT CITY**
- **1<sup>ST</sup> DEPOSITORY TO REACH THE MILESTONE OF 2 CRORE DEMAT ACCOUNTS**

*\*(electronic access to securities information)*

*\*(Electronic Access to Securities Information and Execution of Secured Transactions)*

•1. In terms of market share, CDSL is second largest depository in India, DTCC: The Depository Trust & Clearing Corporation; JASDEC: Japan Securities Depository Center, Inc.



## About CDSL



As a securities depository, CDSL facilitates holding of securities in electronic form and enable securities transactions (including off-market transfer and pledge) to be processed by book entry



Initially promoted by the BSE which subsequently divested a part of its stake to leading Indian banks



Has connectivity with clearing corporations of all the leading Indian stock exchanges including the Bombay Stock Exchange (“BSE”), National Stock Exchange (“NSE”) and Metropolitan Stock Exchange of India Limited (MSEI)

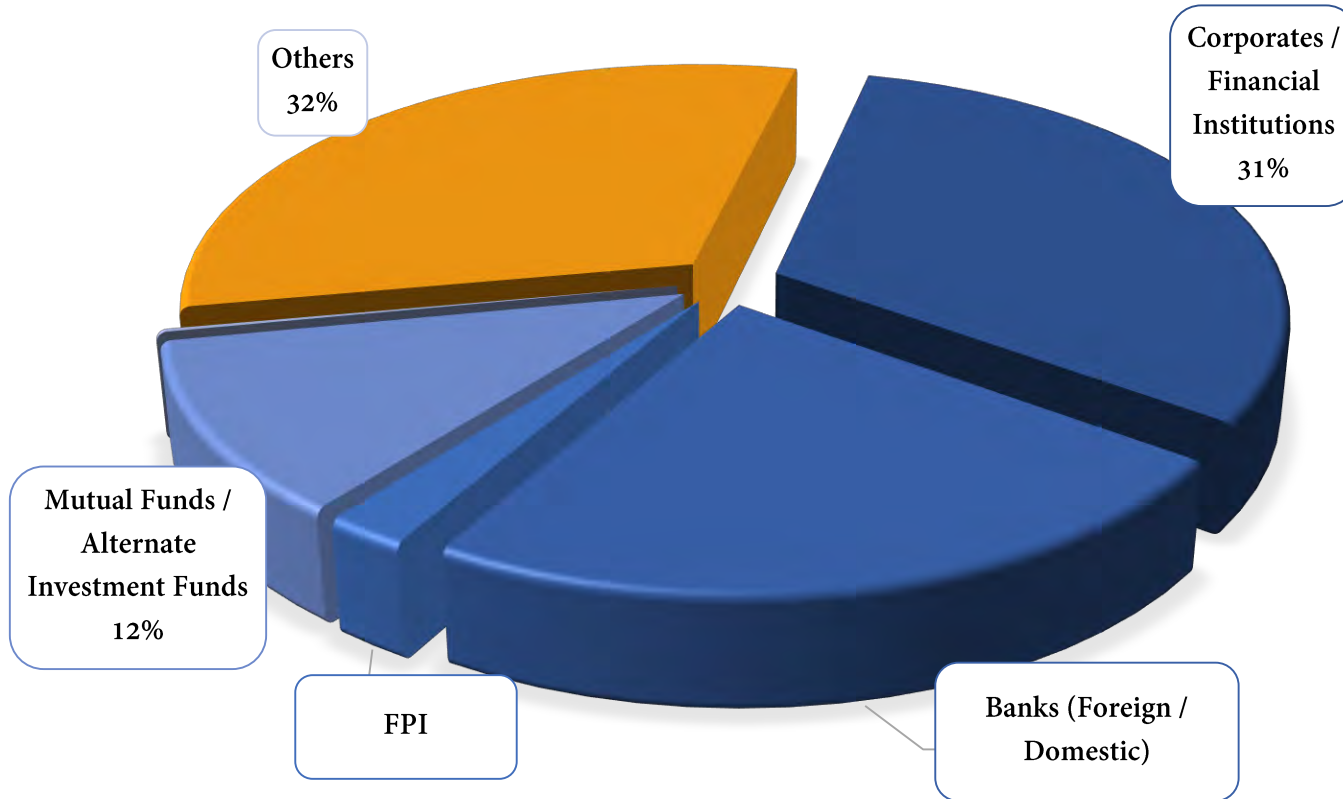


CDSL was set up with the objective of providing convenient, dependable and secure depository services at affordable cost to all market participants



CDSL has deployed state-of-the-art server hardware, enterprise flash storages and highly resilient network infrastructure. Centralised database architecture thereby reducing risk and cost to the Depository Participant

# Our Shareholders



**CDSL is the First Listed depository of India & Second Listed depository in the world**

Top 5 shareholders	%
BSE Limited	20.00%
HDFC Bank Ltd.	7.18%
Standard Chartered Bank	7.18%
Canara Bank	5.72%
Life Insurance Corporation Of India	4.15%

Shareholders	%
Institutions	68%
Retail	32%

**Professionally driven**

*As on December 27, 2019*





## Our esteemed Board



**Shri B. V. Chaubal,  
Chairman**

Former Deputy  
Managing Director -  
State Bank of India



**Smt. Preeti Saran, Public  
Interest Director**

Secretary (retired),  
Ministry of External  
Affairs, Government of  
India.



**Dr. Bimal. N. Patel, Public  
Interest Director**

Director-General, Raksha Shakti  
University Member of the  
National Security Advisory  
Board, Government of India,  
Member of the 21st Law  
Commission of India,  
Government of India.



**Shri Siddhartha Pradhan, Public  
Interest Director**

Former Vice-Chairman, Income Tax  
Settlement Commission and Former  
Additional Secretary, Department of  
Disinvestment in the Ministry of  
Finance. Currently Member of a High  
Level Committee of Ministry of  
Petroleum & Natural Gas relating to  
Petroleum Sector Restructuring.



**Shri Umesh Bellur,  
Public Interest  
Director**

Head of Dept. of  
Computer Science &  
Engineering, Indian  
Institute of  
Technology Bombay,  
Mumbai, India



**Shri Masil Jeya Mohan , Shareholder  
Director**

Additional Executive Director,  
Investment, Operations, Life  
Insurance Corporation of India (LIC)



**Shri Nayan Mehta, Shareholder  
Director**

Chief Financial Officer of  
BSE Ltd.

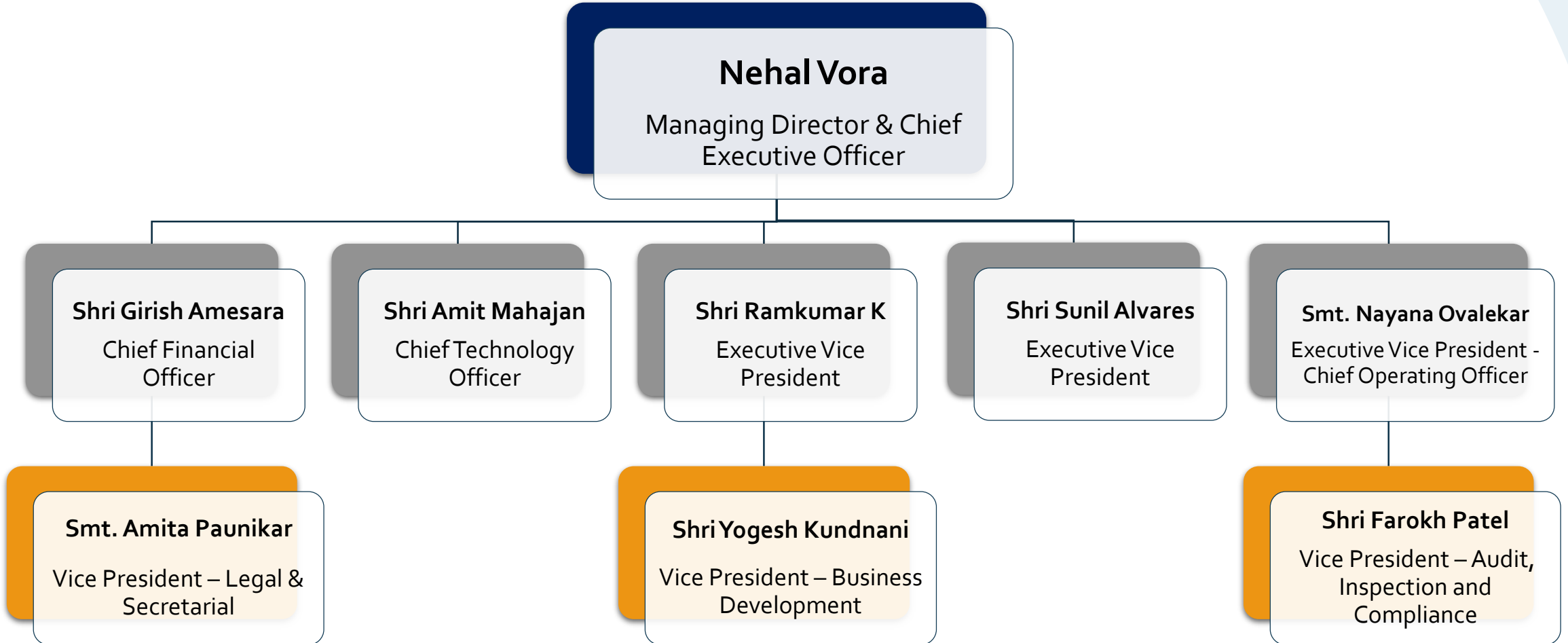


**Shri Nehal Vora**

Managing Director &  
Chief Executive Officer



# Our experienced Management





# Our Subsidiaries

## CDSL Ventures Limited



- Started with Mutual Fund industry
- **First and the largest** KYC Registration Agency (KRA) in the country
- **Over 20.8 million** KYCs registered through over 1000 intermediaries
- CVL commenced RTA Operations in November 2018
- **378 companies** on boarded with electronic connectivity and 2 for single point connectivity

## CDSL Commodity Repository Limited



- **Started operations on 30<sup>th</sup> September 2017** and operates under regulatory authority of Warehouse Development and Regulatory Authority (WDRA)
- **Countrywide network of Warehouses :**  
2651 registered warehouses with WDRA of which 1581 are active

## CDSL Insurance Repository Limited



- CDSL IR has received registration certificate from Insurance Regulatory and Development Authority of India (IRDAI) to act as an **'Insurance Repository'**
- **As on date about 3 Lakh policies**

# What's New!



Inaugurated the first depository branch in IFSC, GIFT City

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More than 2 Crore Demat accounts

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Won the Internet Data Center (“IDC”) Insights Award

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BFSI Gamechanger Award – 2019 for Exemplary leadership innovation

# Our Business

# Business activities



## Creating databases

We undertake the electronic safekeeping of information of ownership of a variety of securities.



## Acting as a platform for transactions

We provide the IT infrastructure for processing transactions and other highly secure electronic records



## Communication

We electronically communicate key information to shareholders



## Intermediary for key Government initiatives

We are the database service providers for enabling the efficient and streamlined functioning for Government initiatives



## Monitoring and Reporting to Statutory Authorities

# Role of CDSL :

Providing tools to Independent Directors

## Transparency

Provides transparency in the governance system

## E-voting

Eliminates influence and maintains confidentiality

## Dematerialisation

Elimination of physical shares

**Analysis of Data**  
Analysis of multiple demat accounts, IPO Analysis

## Reg-Tech

System based alerts and disclosures

## Surveillance

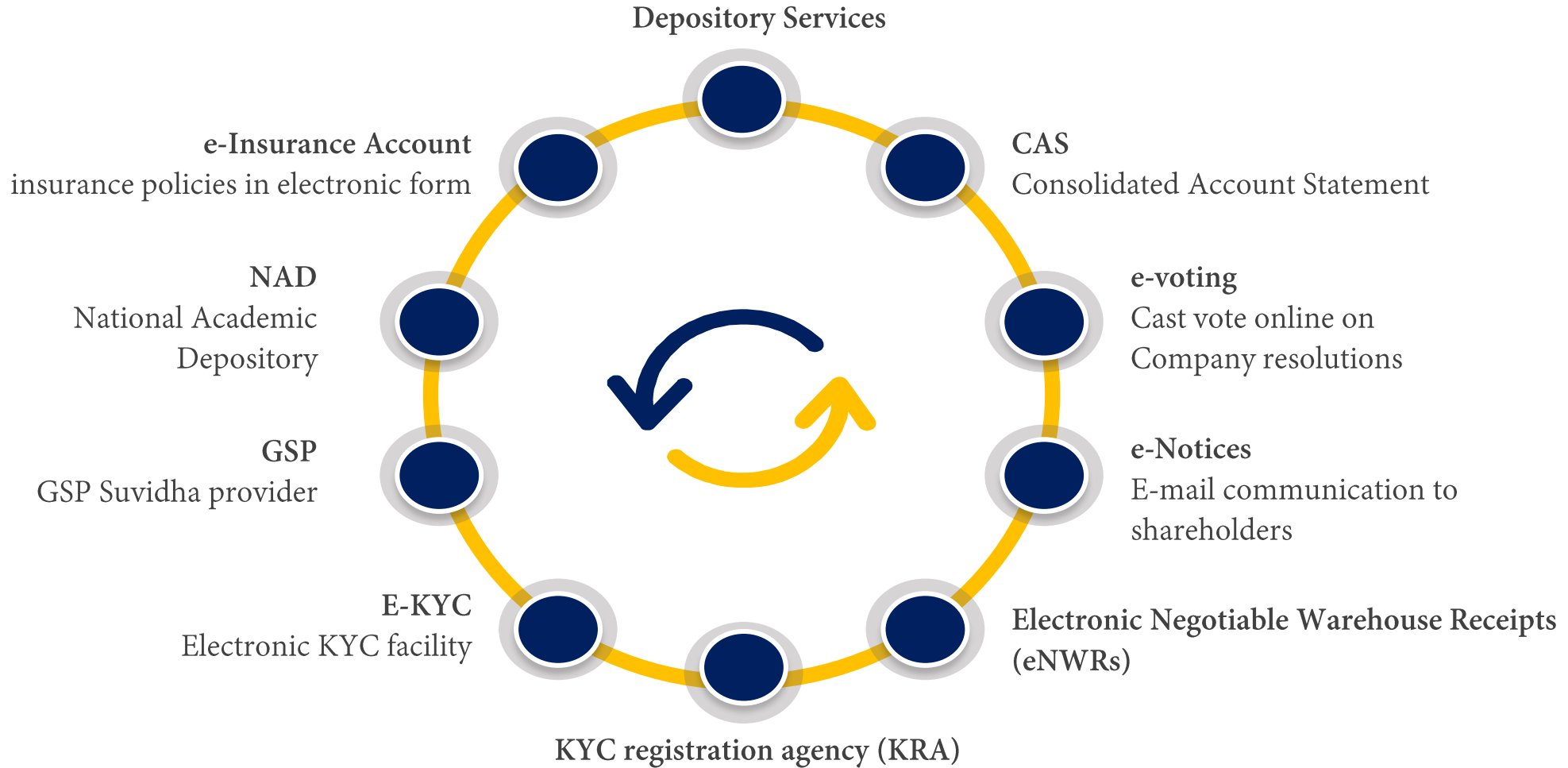
Monitoring of shareholding limits

## Information Dissemination

To Stat Authorities, Stock Exchanges, etc



# What we create





## Overview of securities trade and settlement process

01

DP of Seller transfers the BO's securities from BO account to Clearing Member (CM) Pool account (transit account for transfer of securities) of Seller's CM

02

Pay in of securities: Movement of securities from CM Pool account of Seller's CM to the Clearing Corporation

03

Pay out of securities: Movement of securities from Clearing Corporation to CM Pool account of Buyer's CM

04

DP of Buyer's CM transfers securities to Buyer's account

# Overview of depository services

**01**

Depository services to BOs are extended through DPs who act as CDSL's agents

**02**

Investor or BO who opens a demat account with a DP can utilize CDSL's depository services. Accordingly, a DP is a "Point of Service" for the investor

**03**

DPs can also set up branches or service centers

**04**

BO has to submit the request for dematerialization by submitting the Demat Request Form ("DRF") duly completed along with the concerned physical certificates to DP

**05**

To settle trades done on a stock exchange (on-market trades) and trades which are directly settled between two BOs (off-market trades), BOs may submit duly completed delivery instructions in the prescribed form to their respective DP

**06**

For receipt of securities into his/her account, a BO may also choose to give one time "standing instruction" to DP

Key revenue items	Key drivers
<ul style="list-style-type: none"> <li>▶ Transaction charges                             <ul style="list-style-type: none"> <li>▶ Charged on per transaction basis to the DP</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Number of retail investors trading on exchanges</li> <li>▶ Cash segment delivery volumes on exchanges</li> </ul>
<ul style="list-style-type: none"> <li>▶ Issuer related charges                             <ul style="list-style-type: none"> <li>▶ Charged on annual basis to the issuers registered with the Central Depository on per folio (number of investors) basis and on issued capital basis</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Number of listed securities and no. of investors per security</li> </ul>
<ul style="list-style-type: none"> <li>▶ Other charges                             <ul style="list-style-type: none"> <li>▶ Include other charges pertaining to corporate actions, closure of dematerialization services etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Corporate actions</li> </ul>
<ul style="list-style-type: none"> <li>▶ Interest income                             <ul style="list-style-type: none"> <li>▶ On treasury investments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Surplus in profit and loss account</li> <li>▶ Security deposits</li> <li>▶ Other deposits</li> </ul>

Key cost drivers for Depositories	Key dependencies
<ul style="list-style-type: none"> <li>▶ Technology costs</li> </ul>	<ul style="list-style-type: none"> <li>▶ Mainly the initial IT capex that may need some upgrades periodically + Ongoing annual maintenance costs.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Employee costs</li> </ul>	<ul style="list-style-type: none"> <li>▶ Mostly fixed in nature, might increase after some intervals with increase in scale</li> </ul>



# Value Added Services



## eASI

- ✓ Anytime/Anywhere access to the demat account
- ✓ Transaction and holding statement with valuation
- ✓ Information on Corporate announcements



## eASIEST

- ✓ Permits Clearing Members and BOs to submit off-market, on-market, inter-depository and early pay-in debit instructions from their demat account
- ✓ All the facilities and benefits of easi are automatically made available to a subscriber of easiest.



## SMART

- ✓ SMART (SMS Alerts Related to Transactions) is CDSL's SMS alert facility



## e-Mail

- ✓ E-mail alerts for transactions

# Business made easi (Digitization)

Focus on unlocking the business potential with new revenue streams

01

## National Academic Depository

A Repository for holding **Academic Awards** issued by Academic Institutions in Electronic Form

25.80 million academic awards lodged and 578 Academic Institutions have registered with the depository \*

02

## Commodity Repository

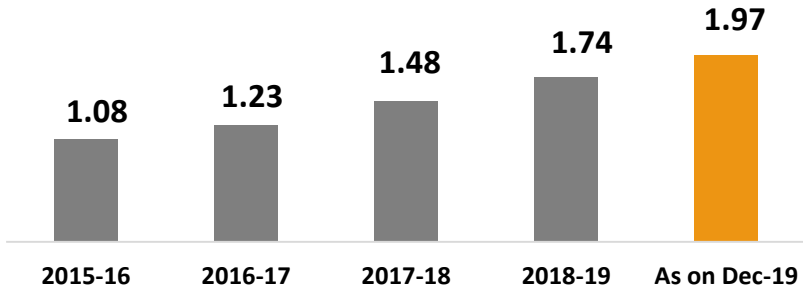
CDSL has forayed into the commodity business by setting up a Commodity Repository to hold electronic warehouse receipts (negotiable and non-negotiable) eNWR & eNNWR in demat form

2703 registered warehouses\*

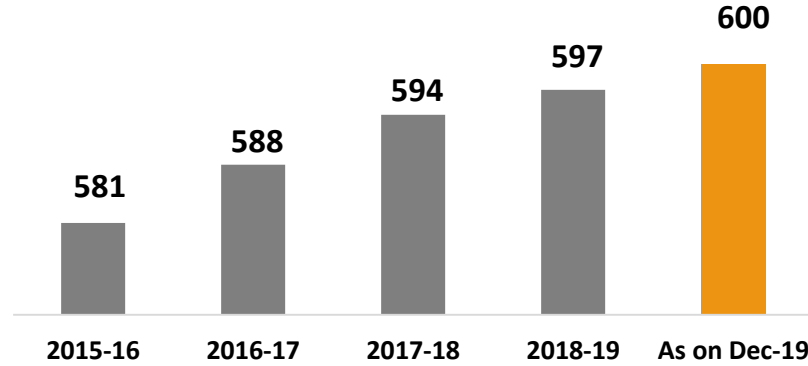
\*As on December 31 , 2019



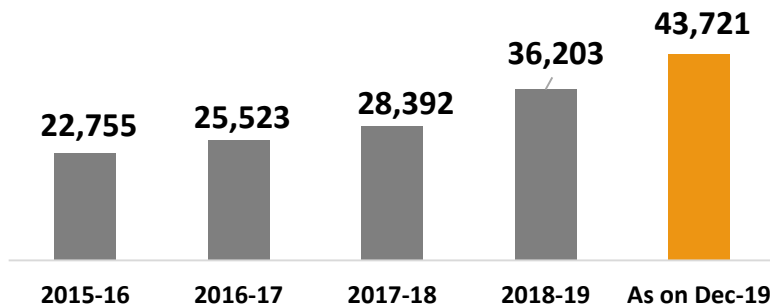
### Investor accounts\* (in crores)



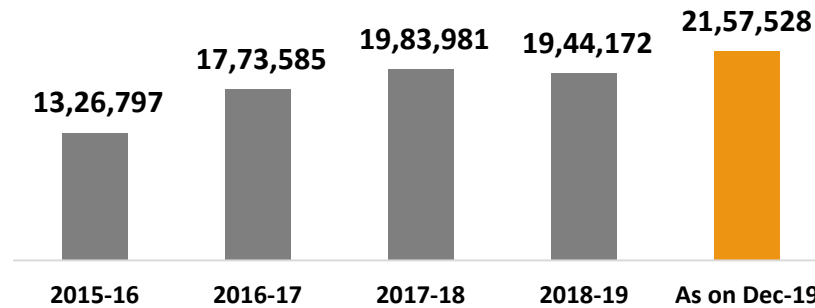
### Number of Depository Participants



### Number of securities (in crores)



### Demat Custody (in crores)



14709 Unique Companies Admitted



1694 Unlisted Companies Admitted from Apr-Dec19



600 DPs offering DP services from over 19,000 locations across the country

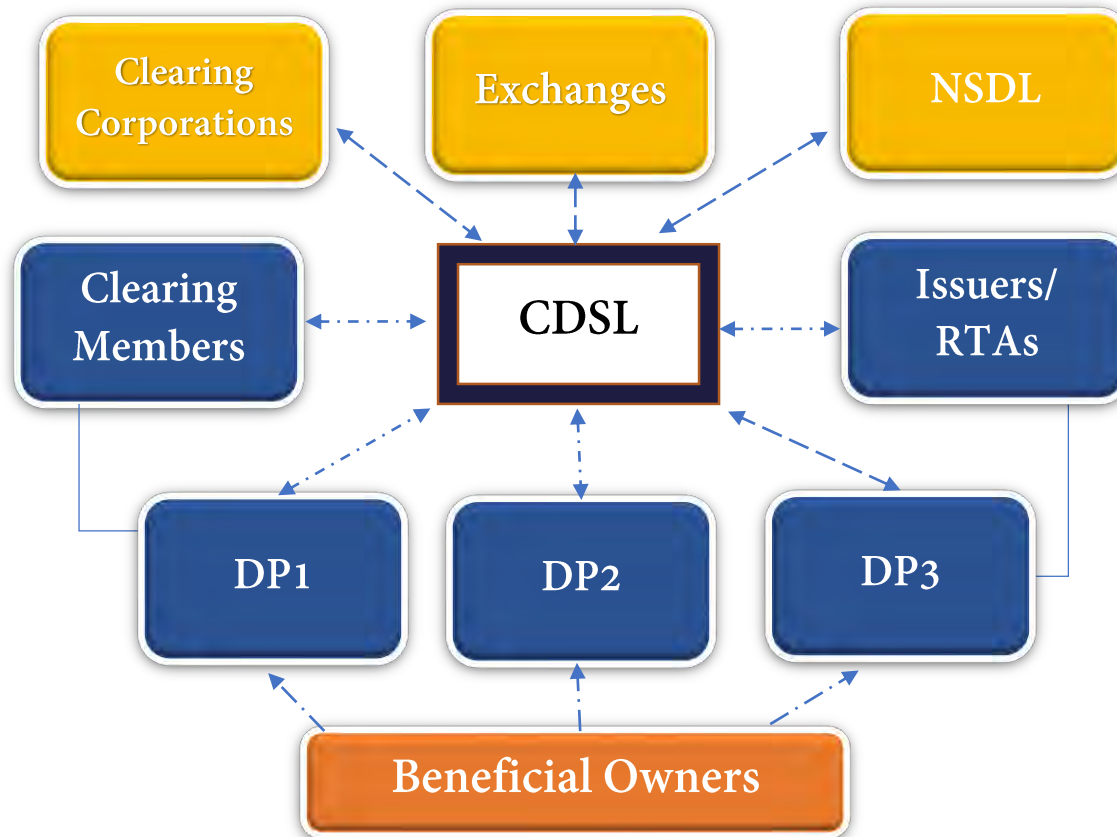
As on December 31, 2019

\*active accounts

# Our Technology

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## Systems Overview



01

### Information Systems Security Policy

- ✓ CDSL has documented Information Systems Security policy and regularly reviews and updates the same to counter new threats and vulnerabilities.
- ✓ CDSL has separately documented Cyber Security and Cyber Resilience framework which is regularly reviewed and updated

02

### Cyber Crisis Management Plan (CCMP)

- ✓ As per regulatory guidelines, the cyber crisis management plan has been documented and approved by Standing Committee on Technology and CDSL Board.

03

### Certifications

- ✓ ISO 27001 (Information Security Management System)
- ✓ ISO 22301 (Business Continuity Management System)

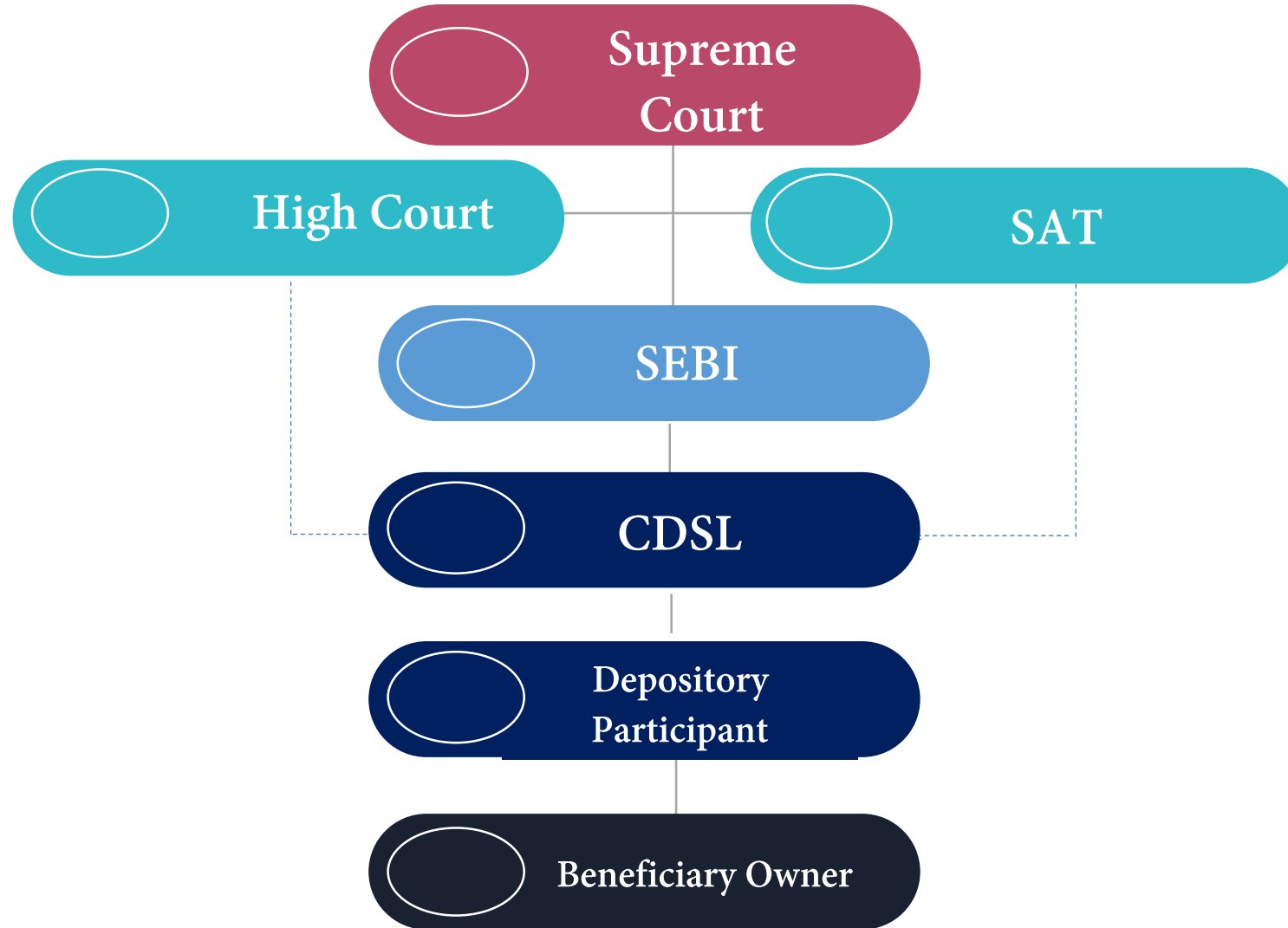
# Our Framework

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# Legal Framework





# Regulatory Framework



Depositories Act

Out of CDSL's 600 DPs, 542 DPs are stock brokers\*

*Participant to belong to specific category like:*



Securities and Exchange Board of India (Depositories and Participants) Regulations

Public Financial Institution

Custodian

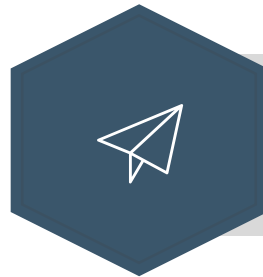
Stock Broker

Registrar and Transfer Agent (RTA), etc.

Bank / Foreign Bank

Clearing Corporation

NBFC



SEBI (Listing Obligations and Disclosure Requirements) Regulations



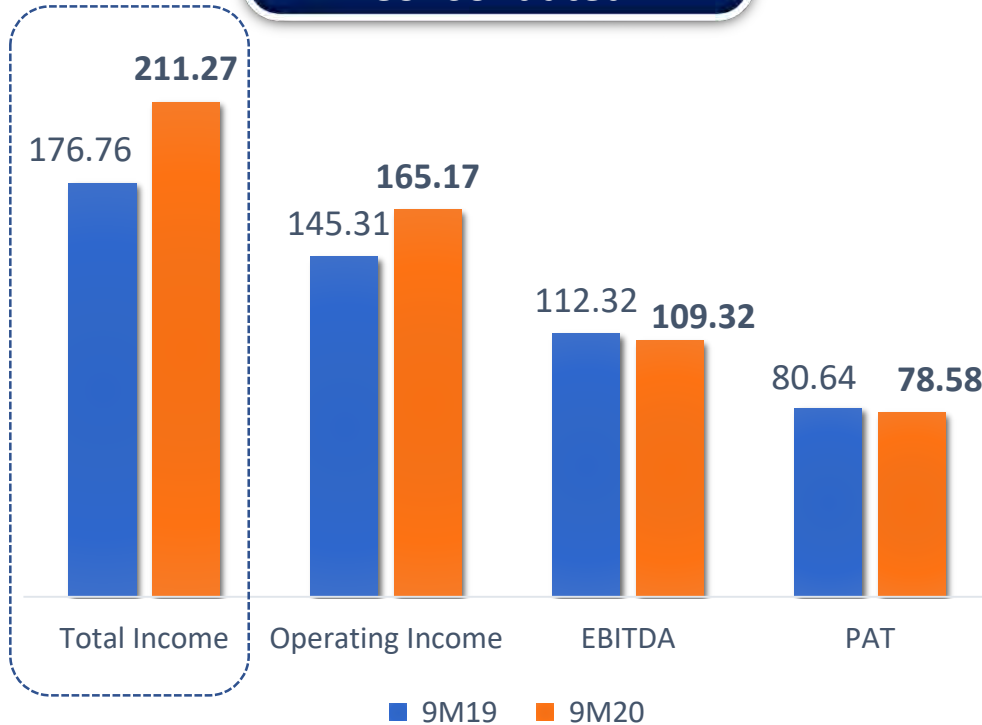
CDSL Bye-Laws

# Our Financials

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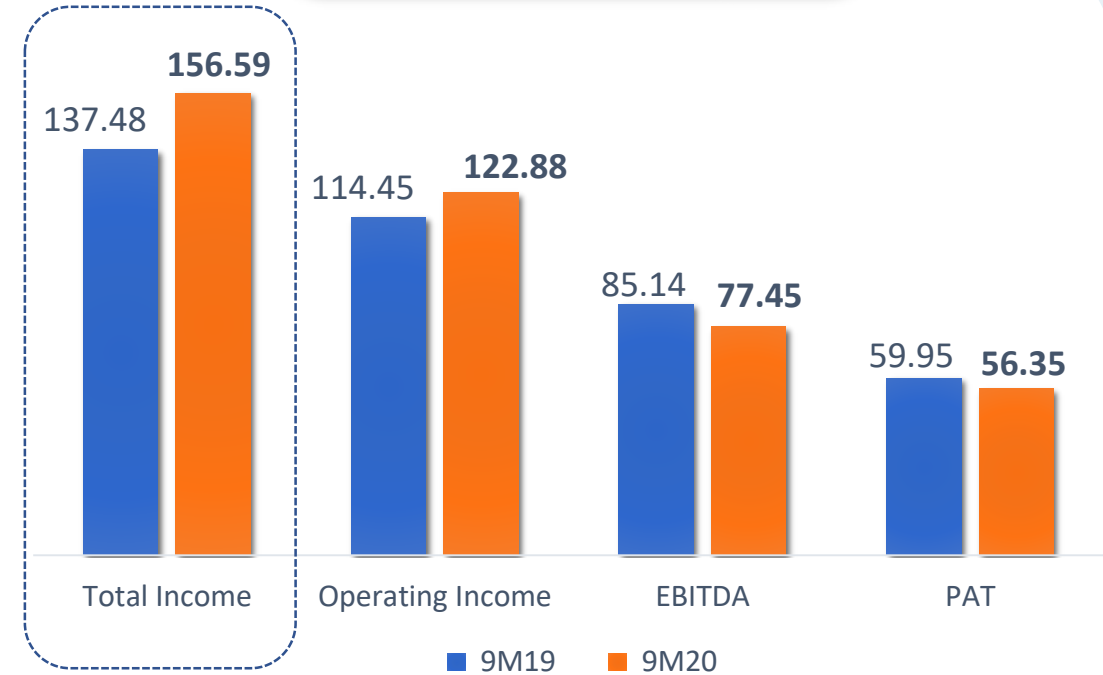
# Key Financial Highlights

## Consolidated



Particulars	Dec-18 9M	Dec 19 9M
Earning Per Share	7.65	7.42 *
Net Profit Margin	46%	37% *
Net-worth (₹ In Crore)	634	698 *
Book Value	60.71	66.78 *

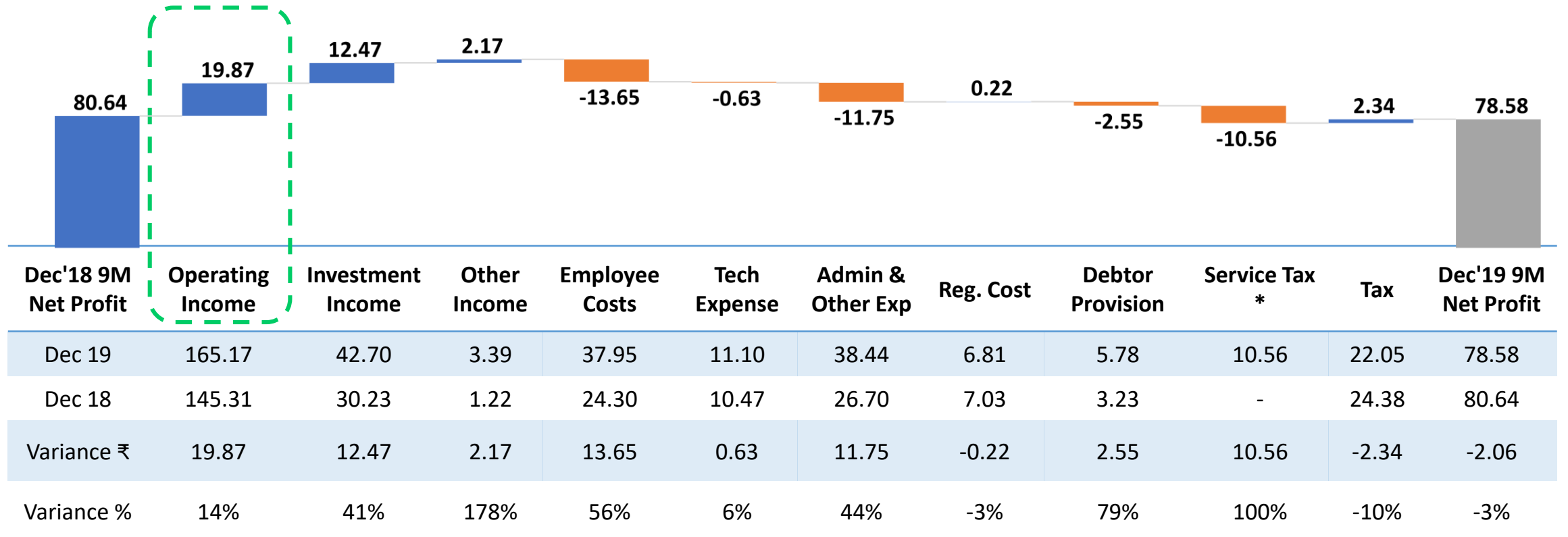
## Standalone



Particulars	Dec-18 9M	Dec 19 9M
Earning Per Share	5.74	5.39 *
Net Profit Margin	44%	36% *
Net-worth (₹ In Crore)	518	551 *
Book Value	49.56	52.73 *

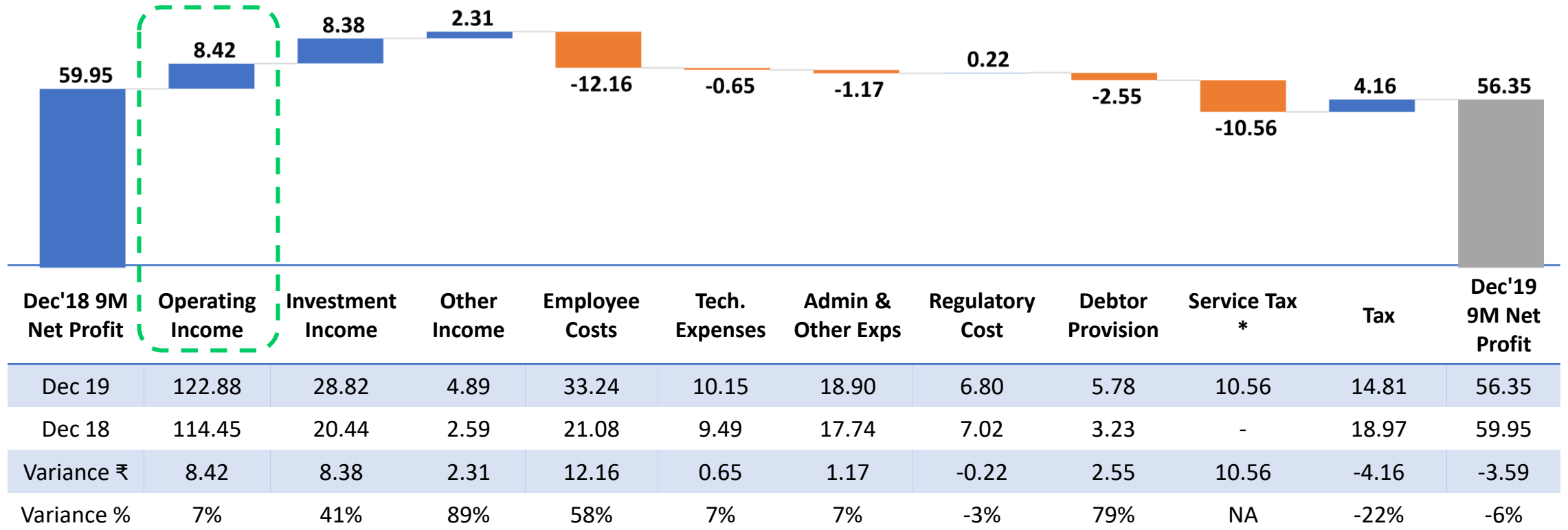
# Consolidated P&L for the nine months ended 31/12/19

Particulars	Dec-18 9M	Dec 19 9M	Variance over PY	Variance over PY (%)
Total Income	176.76	211.27	34.52	20%
Total Expenses & Other Items	96.12	132.69	36.58	38%
Net Profit	80.64	78.58	-2.06	-3%



# Standalone P&L for the nine months ended 31/12/19

Particulars	Dec-18 9M	Dec 19 9M	Variance over PY	Variance over PY (%)
Total Income	137.48	156.59	19.11	14%
Total Expenses & Other Items	77.53	100.24	22.71	29%
<b>Net Profit</b>	<b>59.95</b>	<b>56.35</b>	<b>-3.59</b>	<b>-6%</b>



Thank you