

Enhancing Investor Centric Services through Technology and Education



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National Securities Depository Limited (NSDL – www.nsdl.co.in), established in 1996 is one of the largest Depositories in the world. NSDL pioneered the concept of dematerialization in India and coined the term ‘demat’ which is now a household term. At a time when investors held physical shares and debenture certificates, NSDL had introduced the concept of electronic holding of securities in India. Before NSDL, the market was plagued with a number of problems

including fake and forged certificates, delayed settlements, unregistered transfers, bad deliveries and so on. Coupled with electronic trading in securities introduced by NSE, this has transformed the Indian capital markets. NSDL has always been a showcase institution of the Indian capital markets.

NSDL has played a major role in pioneering use of technology in capital markets. In 1996, when most banks were operating using paper ledger books and the Indian customer was not exposed to electronic fund transfer systems, NSDL set up a nation-wide electronic network wherein securities could be held in paperless form and transferred instantaneously to anyone across the country.

With a strong legal framework under The Depositories Act and SEBI regulations, supported by its Bye Laws and Business Rules, NSDL has established technology infrastructure that enables recognition of the beneficiaries’ title and settlement of securities in dematerialised form. This has reduced risk and cost while improving operational efficiency in the functioning of Indian capital markets.

Let us hear from what Ms.Padmaja Chunduru, MD & CEO.

The global pandemic caused multifold challenges to people and businesses not only in India but all across the world. But NSDL took it as a challenge and converted it into an opportunity. I am very glad to state that while we witnessed a substantial increase in demat accounts in the last two years, it is equally important to note that NSDL’s custody value crossed 4 Trillion US \$, which indicates participation from both retail and institutional investors. Further, the service centres of Depository Participants too have expanded from 36,000 to 57000, indicating reach of Depository Participants to service the investors. NSDL’s investors are now present in 99.2% of pincodes in India and spread across 189 countries.

What is most satisfying is that during covid, NSDL worked with speed and focus to support this order of growth and ensure that all services to the markets functioned

with no disruption whatsoever, even while operating in a work from home scenario for bulk of its employees as also those of market participants. Not only the depository system but all the critical national projects and businesses operated by our subsidiaries functioned smoothly with no interruption. It is also a demonstration of the resilience of NSDL infrastructure and the manner in which it supported continued economic activity.

Role of Technology

Technology played a very crucial role on it. Today, on NSDL’s website, a Client can choose a DP of his/her choice and open demat accounts online, request for nomination online, add/modify email and income range online to be KYC complied.

Investor at a click of button can access his holding and portfolio details through NSDL SPEED-e APP, which is currently used by almost 1 Million Users.

NSDL-CAS further eases the process and life of investors, which presents an aggregated view of assets held in demat form across multiple accounts and mutual fund folios held across various AMCs, belonging to an investor. We received appreciation across length and breadth of the Country. Investors including HNIs were thrilled and delighted that they are receiving their portfolio summary across all their demat accounts in one go and that too from an Market Infrastructure Institution (MII) like NSDL. So far, we have sent 35 Crore CAS statement to investors. In the coming days, we will also be including your National Pension Scheme (NPS) holdings in NSDL-CAS.

Further for Issuers/Companies, NSDL’s digital onboarding platform for unlisted companies allowed companies to easily get admitted in the depository. NSDL’s Online Commercial Paper System enabled companies to issue commercial paper using end-to-end digital workflows. Issuer portals provided digital enablement of various services to issuer companies.

Putting Investor First – NSDL’s Investor education programs

NSDL is cognizant of the fact that “India that is Bharat” in the youngest Nation. India is in a phase that demographic dividend is in our favour. But there is a need to channelize it in the right direction. With this basic idea in mind, NSDL launched its flagship Investor Education program called Market Ka Eklavya. ‘Market ka Eklavya’ is a program presently targeted towards the college students and aims at empowering them with financial knowledge. This is the right time to prepare them for future and train them to be prudent investor. The launch was graced by the esteemed presence of the Hon’ble Finance Minister at the Silver Jubilee celebration of NSDL.

The title of the initiative viz., ‘Eklavya’ is inspired by an ancient character from the Indian epic Mahabharata, known for his proficiency in Archery which he learned without the physical presence of a Guru (teacher).

As said by Hon’ble Finance Minister of India on the occasion of launch of Market Ka Eklavya “I was very

impressed with the name Eklavya because even then it was a sort of distant learning because his guru didn't keep him next to Arjuna and teach him. He was learning it from somewhere but he was so sharp, he could get it, that was also in a way distant online learning." Market Ka Eklavya is an online awareness program in 8 languages including Hindi, English, Marathi, Gujarati, Tamil, Malayalam, Kannada, Telugu and English. It aims to introduce the basics of the securities market. It is a simple, immersive, and practical program designed to equip the youth with financial awareness and discipline by reasoning through first principles. The course clarifies simple concepts of investing like thumb rules for investing and expense management, when, where and how to Invest, Do's and Don'ts of investing etc. It mainly educates the students on demystifying the jargons, 3I's – types of Income; Inflation and its impact, types of Investment; 3S – Start early-power of compounding, Spread wide, Stay long etc.

To mark the significance of Azadi Ka Amrit Mahotsav NSDL launched a fast-track version of our flagship program by the name 'Market Ka Eklavya - Express' across 28 states, 75+ cities; which reached over 5,700 students covering all States of India.

You would be happy to know that 48% of participants were female. We are seeing a small but powerful impact it has made on the students. The online program makes it possible to reach the Tier 2 and Tier 3 cities across the length and breadth of India.

NSDL is also making impact through Social Media in creating awareness among investors. NSDL is active on platforms like LinkedIn, Facebook, Twitter and You Tube. We are working towards making best use of this technology to reach out to investors at large for creating awareness.

Investors can scan the QR code for accessing and following NSDL on social media handles

