

Unlocking Value: NSDL Integration for New-Age Brokers



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Digital transformation

NSDL has been a technology enabler and a pillar to Indian Securities Market. NSDL's bouquet of products and services has facilitated market participants and investors of ease of operations and automation.

Indian Capital Markets have embraced transformation initiatives such as the shortening of settlement cycles with T+0 and mandatory block mechanism to minimise the settlement risks, Unified Payment Interface

for block mechanism and the introduction of framework for Alternate Investment Funds for innovative investment products etc. NSDL has adopted a multi-pronged IT strategy to deliver a plethora of transformation initiatives aimed at (a) Ease of Doing Business (b) Enhanced Digitisation and Digitalisation for Operational Efficiency, (c) Customer Centric Digital Journeys for its B2B2C products (d) Adoption of Innovation as a Strategic Lever for Disruptive Business Transformation and (e) Focus on Building a Resilient, Secure and Scalable infrastructure.

Reflection of Growth

For the F.Y. 23-24, the value of assets under custody crossed \$ 5 trillion constituting 87% of market share. NSDL undertook a comprehensive review of the business capabilities, products and user experience. As a part of Project API (Aspire, Perspire and Inspire), the company further enhanced many of its products and introduced DIY journey. The process transformation and digitisation initiatives are aimed at driving operational efficiency and minimising operational risks. Various Corporate Actions processes are automated, Digital Issuer onboarding and ISIN generation services as suite of features were introduced. e-Voting and e-Notice Campaign Automation enable the Issuers to manage intensive campaigns in a seamless manner. For Custodians, NSDL's CAF - Common Application form facilitates easy on-boarding of FPIs.

The recently launched services for AIFs to ascertain holdings of their unit holders, facility for Tax consultants for uploading tax certificates for Custodians on NSDL's STeADY platform and many more new offerings are available for market participants for ease of operations. NSDL is the MII to launch a block chain based Distributed Ledger Technology 'DeLiTe' for Debt issuance and Covenant monitoring. This has been well received as a product by the market and received number of awards & recognition, both in India and abroad.

NSDL's offering for new age brokers

In the rapidly evolving landscape of financial markets, new-age brokers are continuously seeking ways to enhance their service offerings and maintain a competitive edge. One significant strategic move would be for them to integrate with NSDL to become a Depository Participant (DP). This integration brings a host of benefits that can significantly impact a broker's operations, client satisfaction, and market presence. Let us deep dive into the advantages and benefits the new-age brokers will have in integrating with NSDL.

NSDL is one of the leading depositories in India, and being associated with it as a DP significantly boosts a broker's credibility. Clients are more likely to trust brokers that are linked to established and regulated entities like NSDL. This trust translates into higher client confidence, more business, and a stronger brand reputation in the market. With NSDL's infrastructure, new age brokers can integrate with NSDL's account opening API for easy Client onboarding process, making it faster and more efficient. The API in particular, speeds up the account opening process, reducing the turnaround time for clients. This efficiency can enhance the client experience, making it easier for brokers to attract and retain clients. Further, NSDL's various APIs have facilitated easy integration and ease-of-doing-business viz, Account opening, e-DIS, margin pledge, early pay-in etc. Integrating with NSDL on these APIs will allow new age brokers to streamline their back-office operations and facilitate customer servicing.

On the core integration, NSDL's eDPM system (centralised) facilitates processing of critical transactions and a separate Cloud DPM system (private) facilitates receiving of feeds and opening of Client accounts and servicing. This architecture design facilitates handling of larger client base and a higher volume of transactions without compromising on service quality. The scalability offered by NSDL's infrastructure supports the growth ambitions of new-age brokers, allowing them to expand their market presence across length and breadth of the country. Furthermore, NSDL's e-Services facilitates new age broker to submit instruction electronically on behalf of their Client with any DPs of NSDL through eDIS / DDPI. NSDL's e-Services facilitates new age brokers in meeting with set deadlines for T+1 in efficient manner. In addition, new age broker can integrate with NSDL Bank DPs using NSDL's open architecture technology in servicing the demat account holders with these DPs. Thus, it facilitates additional revenue business stream.

On the data security and privacy aspect, NSDL has an in-house Security Operations Center (SOC) that operates 24/7 to detect, analyse, contain, and respond to cyber security events. The SOC uses an analytical platform to correlate data from network, security, and server infrastructure. By integrating with NSDL, new age brokers can leverage its robust data protection measures, ensuring that client data is safe from breaches and cyber threats. This level of security is crucial for maintaining client trust and complying with regulatory requirements related to data privacy.