

Central Depositories Services India Ltd (CDSL)

November 22, 2022

In news– Certain services at CDSL were disrupted due to a suspected cyber attack recently.

About CDSL-

- **It is a government-registered share depository**, alongside its other state-owned counterpart National Securities Depository Ltd (NSDL).
- Its foundational goal is convenient, dependable and secured depository services.
- **CDSL was founded in 1999. It is a Market Infrastructure Institution** or MII that is deemed as a crucial part of the capital market structure, providing services to all market participants, including exchanges, clearing corporations, depository participants, issuers and investors.
- Share depositories hold shares in an electronic or dematerialised form and are an enabler for securities transactions, playing a somewhat similar role to what banks play in handling cash and fixed deposits.
- While banks help customers keep their cash in electronic form, share depositories help consumers store shares in a dematerialised form.

National Securities Depository Ltd(NSDL)-

- **NSDL is one of the largest Depositories in the World, established in August 1996** has established a state-of-the-art infrastructure that handles most of the securities held and settled in dematerialized form in the Indian capital market.
- The enactment of **Depositories Act in August 1996 paved the way for establishment of NSDL.**

- Using innovative and flexible technology systems, **NSDL works to support the investors and brokers in the capital market of the country.**
- NSDL aims at ensuring the safety and soundness of Indian marketplaces by developing settlement solutions that increase efficiency, minimize risk and reduce costs.
- In the depository system, securities are held in depository accounts, which is more or less similar to holding funds in bank accounts.

NSDL provides bouquet of services to investors, stock brokers, custodians, issuer companies etc. through its nation wide network of Depository Partners.