



# CDSL

Your Depository

Case Study

**NxtGen<sup>1</sup>**  
Infinite Datacenter

## About CDSL:

Central Depository Services Limited (CDSL) was founded in 1999 to fulfil one goal - offering convenient, dependable and secured depository services. Over two decades later, everything we have done – the values we have built on, dematerialisation of various asset classes, e-services – have all been in support of that singular goal, at an affordable cost.

CDSL is a Market Infrastructure Institution (MII) and a crucial part of the capital market structure, providing services to all market participants - Exchanges, Clearing Corporations, Depository Participants (DPs), Issuers and Investors.

A depository is basically a facilitator for holding of securities in the dematerialised form and an enabler for securities transactions. CDSL holds 3.96 Crore Investor Accounts, have 588 Depository Participants, 495,622 Mn Mn as number of securities in Demat custody and has 3,18,60,263 Mn Value of Securities in Demat Custody. In 2020, CDSL became the first Depository to cross 20 million (2 Crore) active Demat accounts.



## Technology adoption by CDSL:

The financial services industry has always been in the forefront of adopting technology earlier than most other industries. Moreover, being a highly regulated industry, it is also imperative that compliance and risk management areas are addressed in the process of technology adoption. CDSL has also faced tremendous business challenges including constantly changing business dynamics, regulatory changes, risk and compliance matters as well as cost pressures. With financial information at the core of their systems, it is imperative to safeguard and protect the data of their financial intermediary partners and end customers by adopting best practices in information security. The CDSL core depository application has been built and been continuously enhanced and enriched adopting new technologies as and when they are available and are relevant to the platform. Introducing new products, features and functionality into the system is a continuous process wherein products/services enhancements, customer convenience, revenue earnings potential, cost savings potential and regulatory policies decide the priorities of such enhancements being taken up for implementation.

## Business challenges:

CDSL had hosted DC and DR with the same vendor, which was a key business risk. CDSL team was looking for a DC in Mumbai and DR in Hyderabad (different seismic zones and also to maintain continuity of CDSL existing staff at Hyderabad setup).

To reduce business risk and maintain compliance, CDSL chose two different vendors for DC and DR in order to avoid any future instability from any one service provider.

## Solution:

When it came to selecting the new colocation service provider, committee of CDSL (CTO, CIO, Infra and Network Head) visited all prospective vendors facility in Mumbai for physical site inspection, facility and compliance that required for regulators.

- NxtGen's proposed solution was based on delivering required compliance, higher power density and minimizing the footprint. This allowed for a flexible model providing immediate access to additional power whilst reducing the amount of space taken within the data center server hall. NxtGen's ability to manage high power density per rack aided CDSL not only in reducing data center footprint but also resulted in significant increment in efficiency and reduction in cost. CDSL being the nation's foremost depository services provider, was looking for additional security with restricted access to their IT infrastructure. NxtGen Data Center equips eight layers of physical access security checkpoints with anti-tailgating mantraps further accompanied by dedicated cage with biometric access using four eye principle, CCTV, physical security, BMS etc. NxtGen data centers are Tier-3 certified by Uptime Institute and compliant with regulatory guidelines.
- NxtGen datacenter is also certified with CSA Star Certification, ISO 9001:2015, ISO/IEC 20000-1:2011, ISO/IEC 27001:2013 and PCI DSS. NxtGen's solution also provided the flexibility for easy access to additional space in case of future expansion.
- The professional service provided for lift & shift of the infrastructure from the existing data center was done within a short span of time (over the weekend) and seamlessly ensuring that the CDSL team had ample time to switchover to the new facility and continue to offer uninterrupted services to their customers. NxtGen delivered a comprehensive solution to CDSL's data center migration requirement and the entire project was completed on time and to the satisfaction of the CDSL team.

## Business Outcomes:

NxtGen struck the right balance between the quality of service and cost optimization and offered CDSL a competitive advantage in terms of serving their end customers efficiently. NxtGen's custom-built colocation cages for CDSL not only ensured physical security but also helped them effectively manage and protect their mission-critical applications and systems. NxtGen's holistic approach led to seamless migration of CDSL's infrastructure over the weekend without affecting their business continuity. This was only possible through a strategic migration project plan jointly developed by both NxtGen & CDSL team.

Looking ahead, while the industry's reputation for stringent regulatory compliance will always present new and interesting challenges, NxtGen's quest for developing innovative solutions and delivering exceptional customer service is what brings peace of mind to the CDSL team.



**Jitendra Panchal**

VP Information Technology  
Central Depository Services Limited

*"The partnership with NxtGen has been absolutely valuable. Undoubtedly, NxtGen not only knows their business but has a comprehensive understanding of their customers' requirements. Honestly, infrastructure migration is not a cakewalk but NxtGen's proficient team, quick response and strategic approach made it as seamless as possible. I think it's important to partner with a managed service provider who can help you throughout your journey. There are many pieces to IT infrastructure and on the top of it compliance, so it's important to work with partner who can bring you resources on different areas, whether it's security, infrastructure, Connectivity etc. We partnered with NxtGen and have not looked back. It's just a beginning of long-term business relationship with NxtGen".*

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