An Analysis on Financial Performance of Indian Depositories

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ABSTRACT

In India, Depository system was started in June (1996). It was initiated by Stock Holding Corporation of India Limited (SHCIL) in July, 1992. A depository is an organisation for financial services where the securities of shareholders are held in electronic form. A depository interfaces with its investors through their agents called depository participants (DPs). The main objective of depository is to reduce settlement risk by minimizing the huge paper work. At present there are two depositories NSDL & CDSL are working in India. The present study is an attempt to know the role and growth of their depositories in Indian capital market for 10 years (i.e. From 2009-2018) the paper entitled "An Analysis on Financial Performance of Indian Depositories". This Study is purely based on secondary data.

Keywords: National Security Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL), Dematerialisation, Indian Capital Market, Depository, Depository Participants (DPs), Financial Performance, Trend analysis.

I. Introduction

The economic growth and development of any country depends upon a well-knit financial system. This financial system supplies the necessary financial inputs for the production of goods and services which in turn promote the well-being and standard of living of the people of the country. In the developed countries, these two sides of the economic coin work together to promote growth and to avoid runaway price inflation. When in a developing country, the lack of a strong and sound financial system generally works against the national economy. An efficient functioning of the financial system facilitates the free flow of funds to more productive activities and thus promotes investment. Thus, the financial system provides the intermediation between savers & investors and promotes faster economic development. Financial system comprises a set of sub-systems of financial institutions, markets, instruments and services which help in the formation of capital.

The financial system is characterised by the presence of an integrated, organized and regulated financial markets and institutions that meet the short-term and long-term financial needs of both the household and corporate sector. Both financial markets and institution plays an important role in financial system by rendering various financial services to the community. They operate in close combination with each other.

The financial market exists to facilitates sales and purchases of financial instruments and comprises of two major markets namely the capital market (deals in medium and long-term investment) and money market (deals in short-term investment). These markets can be divided into two segments viz, primary and secondary. The primary market is used by issuer for raising fresh capital by making initial public offer or rights issue or offer for sale of equity or debt. The secondary market is the place for old securities which have been already issued and granted stock exchange quotations. It provides a regular and continuous market for buying and selling of securities. Thus, the capital market is important for raising funds for capital formation and investments and forms a very vital link for economic development of any country.

In the year 1947, the first depository of the world was set up by Germany. The total no. of depositories in the world was 22 only. The number had crossed 250 by the end of 2004 and at the end of 2014 the number become 310, and at present it is more than 310 in number. In July 1992, the move on depository in India was initiated by the Stock Holding Corporation of India Limited this was the time when it prepared concept paper on "National Clearance and Depository System "in collaboration with Price water house under a programme sponsored by the US agency for international development. Under the chairmanship of Shri R. Chandrashekharan (Managing Director, SHCIL) the government of India Constituted a technical Group, which submitted its report on December, 1993. A seven-member action squad constituted by the Security & Exchange Board of India (SEBI) subsequently to discuss the various structural and operational parameters of Depository system. Considering the various problems and issues, the government of India promulgated the Depository ordinance in September, 1995 thus paving the way for setting up of depositories in the country. The depositories Act was passed by the parliament in August, 1996.
provides that a depository, which is required to be a Company under the company act 1956 and depository participants need to be registered with SEBI. The Depository shall carry out the dematerialization of securities and the transfer of beneficiary owner through electronic book entry. The investors however, have the option to hold securities in the physical or electronic form, or they can rematerialise securities previously held in electronic form. After the enforcement of depositories act 1996, The first depository of India (NSDL) came into operation in 1996 and in 1999 the second depository (CDSL) came into operation.

On the simplest level, depository is used to refer to any place where something is deposited for storage or security purposes. Depository is an institution or a kind of organization which holds securities with it, in which trading is done among shares, debentures, mutual funds, derivatives, F&O and commodities. Indian capital market has been witnessing rapid growth in recent past. However, this growth has not watched with supporting infrastructure to handle the growing huge volume of paper that has flooded the market, choking our existing system. This has caused problems like delay in transfers, long settlement period, high levels of failed trade and bad deliveries, high-risk exposure etc. These characteristics were normally the attributes of an under developed market. To overcome delay in forgery certificates, mutilation of certificates, settlement, loss in transit, stolen certificates, litigation etc. a new system of trading, viz. Depository system was introduced, which facilitates investor to hold securities in electronic form and to trade in these securities. The needs for depository occur mainly due the following reasons:

- Limitations of Physical Transfer
- To ensure transparency in allotment of shares
- Consolidation of folios & instruments.
- Reduced cost of transaction
- Centralised Systems in Securities Dealings

1.1 Services provided by Depository
- Transfer of securities, change of beneficial ownership
- Corporate action benefits directly transfer to the Demat and Bank account of customer
- Electronic credit in public offerings of companies.
- Dematerialization
- Rematerialisation

1.2 Benefits of Depository System:
- Depository system takes hold of all securities in the country listed in that particular stock exchange.
- Introduction of electronic system enables speedy transactions and accuracy.
- In a depository system, the security holders can sell and buy securities by which liquidity is brought to the securities.
- Blank transfers are avoided and holding of shares in Benami names is also prevented.
- Registration and stamp charges for the sale of securities could be easily collected by the government which was evaded under the previous system.
- Depository promotes more activity in the capital market as trading in genuine share. is ensured under Depository system.
- Depository avoids use of stationery and prevents delay in registration of transfers.
- Dividend and interest on securities are properly distributed through this system and in the case of convertible debentures, on the due date, the securities are converted into company shares.
- Depository acts as collateral security for the raising of loans from any financial institution.
- no bad deliveries
- It enhances the liquidity of securities in the market.
- reduction in transaction cost
- It eliminates problems relating to change of address of investors, transmission etc
- It makes faster disbursement of non cash corporate benefits like rights, bonus, etc. possible.
- faster settlement cycle
- no stamp duty on transfer of shares;
- faster disbursement of corporate benefits like rights and bonus;
- It eliminates problems relating to selling securities on behalf of a minor.

1.3 Disadvantage of Depository System
- Discrimination between dematerialized and physical shares will affect transactions in the market. This has to be avoided.
- Lack of control
- Depository system is not effectively regulated by SEBI. This is evident from the fact that the Clearing and Settlement Corporation is not effectively handled by the SEBI.
Complexity of the system
Promoters of some companies dematerialised shares in excess of the company’s issued capital.
Some listed companies had obtained duplicate shares after the originals were pledged with banks and then sold the duplicates in the secondary market to make a profit.

1.4 Key Features of the Depository System in India:
- Multi-Depository System:
- Depository services through depository participants:
- Dematerialisation:
- Fungibility:
- Registered Owner/ Beneficial Owner:
- Free Transferability of shares

1.5 Depositories and Their Role in The Indian Capital Market
All the functions of depositories are undertaken by NSDL with the help of electronic network. The magnitude of transactions of NSDL could be judged by the volume of transactions undertaken by NSE which has gone up multifold. This is no mean an achievement, especially when the NSE could overtake BSE during previous years. Comparatively, BSE is oldest. Their role comes into play from the time an investor makes a decision on investing. Their role comes into play from the time an investor makes a decision on investing. In India, there are two depositories namely National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL) that are registered with SEBI.

1.5.1 About NSDL
NSDL, the first and largest depository in India, established in August 1996 and promoted by institutions of national stature 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. Although India had a vibrant capital market which is more than a century old, the paper-based settlement of trades caused substantial problems like bad delivery and delayed transfer of title, etc. 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. At NSDL, we play a central role in developing products and services that will continue to nurture the growing needs of the financial services industry. In the depository system, securities are held in depository accounts, which is more or less similar to holding funds in bank accounts. Transfer of ownership of securities is done through simple account transfers. This method does away with all the risks and hassles normally associated with paperwork. Consequently, the cost of transacting in a depository environment is considerably lower as compared to transacting in certificates.

NSDL provides bouquet of services to end investors, stock brokers, stock exchanges, custodians, issuer companies etc. through its network of more than 264 Depository Participants / Business Partners. NSDL has been able to win the trust of crores of investors and other intermediaries, thus standing true to its tag line – Technology, Trust and Reach. We at NSDL believe that ‘Every Indian should not only become an ‘Investor’ but a ‘Prudent Investor’ indeed.

Promoters / Shareholders
NSDL is promoted by Industrial Development Bank of India (IDBI) - the largest development bank of India, Unit Trust of India (UTI) - the largest mutual fund in India and National Stock Exchange (NSE) - the largest stock exchange in India. Some of the prominent banks in the country have taken a stake in NSDL. And Other Shareholders are : State Bank of India, HDFC Bank Limited, Deutsche Bank A.G., Axis Bank Limited, Citibank N.A., Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited, Union Bank of India, Canara Bank, Kotak Mahindra Bank Limited, Dena Bank & Kotak Mahindra Life Insurance Company Limited.

Stock exchanges linked with NSDL
The following stock exchanges have linked up with NSDL to facilitate trading and settlement of dematerialized securities.
- Madras Stock Exchange Ltd. (MSE)
- National Stock Exchange of India Ltd. (NSE)
- Inter-connected Stock Exchange of India Ltd. (ISE)
OTC Exchange of India (OTCEI)
The Calcutta Stock Exchange Association Ltd. (CSE)
The Delhi Stock Exchange Association Ltd. (DSE)
The Stock Exchange, Mumbai (BSE)
The Stock Exchange, Ahmedabad (ASE)

NSDL offers the following facilities:

- Dematerialisation i.e., converting physical certificates to electronic form;
- Rematerialization i.e., conversion of securities in demat form into physical certificates;
- Facilitating repurchase / redemption of units of mutual funds;
- Electronic settlement of trades in stock exchanges connected to NSDL;
- Pledging/hypothecation of dematerialized securities against loan;
- Electronic credit of securities allotted in public issues, rights issue;
- Receipt of non-cash corporate benefits such as bonus, in electronic form;
- Freezing of demat accounts, so that the debits from the account are not permitted;
- Nomination facility for demat accounts;
- Services related to change of address;
- Effecting transmission of securities;
- Instructions to your DP over Internet through SPEED-e facility. (Please check with your DP for availing the facility);
- Account monitoring facility over Internet for clearing members through SPEED facility;
- Other facilities viz. holding debt instruments in the same account, availing stock lending/borrowing facility, etc

Benefits of NSDL

- Elimination of bad deliveries -
- Elimination of all risks associated with physical certificates -
- No stamp duty
- Immediate transfer and registration of securities -
- Faster settlement cycle -
- Faster disbursement of non cash corporate benefits like rights, bonus, etc. -
- Reduction in brokerage by many brokers for trading in dematerialised securities -
- Reduction in handling of huge volumes of paper
- Periodic status reports
- Elimination of problems related to change of address of investor -
- Elimination of problems related to transmission of demat shares -
- Elimination of problems related to selling securities on behalf of a minor -
- Ease in portfolio monitoring
- Certification in Depository Operations :
- Investor grievance :
- Insurance Cover :
- Computer and communication infrastructure
- Machine level back-up :
- Disaster back up site :
- Back-up in case of power failure
- Periodic Review

Safety features

- There are various checks and measures in the depository system to ensure safety of the investor holdings. These include
- A DP can be operational only after registration by SEBI, which is based on the recommendation from NSDL and their own independent evaluation. SEBI has prescribed criteria for becoming a DP in the regulations.
- DPs are allowed to effect any debit and credit to an account only on the basis of valid instruction from the client.
- Every day, there is a system driven mandatory reconciliation between DP and NSDL.
- All transactions are recorded at NSDL Central System and in the databases maintained by business partners.
There are periodic inspections into the activities of both DP and R&T agent by NSDL. This also includes records based on which the debit/credit are effected.

All investors have a right to receive their statement of accounts periodically from the DP.

Every month NSDL forwards statement of account to a random sample of investors as a counter check.

In the depository, the depository holds the investor accounts on trust. Therefore, if the DP goes bankrupt the creditors of the DP will have no access to the holdings in the name of the clients of the DP. These investors can transfer their holdings to an account held with another DP.

The data interchange between NSDL and its business partners is protected by protection measures of international standards such as encryption hardware lock. The protection measures adopted by NSDL are more than what is prescribed in the SEBI Regulations.

**Freeze Facility**

A depository account holder (beneficiary account) may freeze securities lying in the account for as long as the account holder wants it. By freezing the account, account holder can prevent unexpected debits or credits or both, creeping into its account. The following types of freeze facility available in the NSDL system may be availed of by submitting freeze instruction to the DP in the prescribed form.

- Freeze for debits only
- Freeze for debits as well as credits
- Freeze a particular ISIN in the account
- Freeze a specific number of securities held under an ISIN in an account

**The benefits of participation in a depository are:**

- Immediate transfer of securities;
- No stamp duty on transfer of securities;
- Elimination of risks associated with physical certificates such as bad delivery, fake securities, etc.;
- Reduction in paperwork involved in transfer of securities;
- Reduction in transaction cost;
- Nomination facility;
- Change in address recorded with DP gets registered electronically with all companies in which investor holds securities eliminating the need to correspond with each of them separately;
- Transmission of securities is done by DP eliminating correspondence with companies;
- Convenient method of consolidation of folios/accounts;
- Holding investments in equity, debt instruments and Government securities in a single account;
- Automatic credit into demat account, of shares, arising out of split/consolidation/merger etc.

**1.5.2 CDSL**

CDSL was incorporated at Mumbai on December 12, 1997 as “Central Depository Services (India) Limited”, a public limited company under the Companies Act, 1956. Our Company obtained its certificate of commencement of business from Ministry of Corporate Affairs on December 19, 1997. Our Company was initially registered by way of a certificate of registration on August 19, 1998 by SEBI under the Depositories Regulations and subsequently obtained its certificate of commencement of business as a depository under Depositories Regulations on February 8, 1999.

CDSL is a depository that holds securities in dematerialized form and facilitates trading and settlement of securities to be processed by book entry. It is the second largest central depository of securities in India, based in Mumbai, Maharashtra. The depository began its operations in February 1999. It is promoted by Bombay Stock Exchange in association with prominent banks of the nation, i.e. State Bank of India, Union Bank of India, Bank of Baroda, Bank of India, Standard Chartered Bank.

Securities available for demat includes equity, debentures, bonds, commercial papers, government securities, certificate of deposit, mutual funds and so on.

**Role of CDSL in Indian Depository System are:**

- Maintenance of individual investors’ beneficial holdings in an electronic form
- Dematerialization and re-materialization of securities
- Account transfer for settlement of trades in electronic shares
- Allotments in the electronic form in case of initial public offerings
- Distribution of non-cash corporate actions
- Facility for freezing/locking of investor accounts
Benefits of CDSL

Convenience: Benefits related to convenience are: Wide DP Network, On-line DP Services, Wide Spectrum of Securities Available for Demat, Competitive Fees Structure, Internet Access, Client level pay-in, Lower transaction cost, No custody fee, Settlement of trades at BSE (Pay-in, Auto Pay-in, Early Pay-in, Pay-out), Settlement of trades at NSE and other exchanges (Pay-in, Early Pay-in, Pay-out).

Dependability: Benefits related to Dependability are: On-line Information to Users, Conveninet to DPs, Contingency Arrangements, Meeting User’s Requirements, Audit and Inspection, Dormant Account Monitoring, Helpdesk.


1.5.3 Key Differences Between NSDL and CDSL

The significant differences between NSDL and CDSL are discussed in the points given below:

✓ NSDL is the pioneer electronic depository of securities, established in India. On the other hand, CDSL is the second central depository of securities which facilitates book entry transfer of securities.

✓ Account wise, the active investor accounts in NSDL are comparatively higher than in CDSL.

✓ When it comes to promotion, NSDL is promoted by India’s apex institutions like IDBI (Industrial Development Bank of India), UTI (Unit Trust of India) and NSE (National Stock Exchange) whereas CDSL is promoted by Bombay Stock Exchange in association with Bank of Baroda, State Bank of India, Housing Development Finance Corporation, Union Bank of India, Standard Chartered Bank.

✓ NSDL operates in the NSE. Conversely, CDSL operates in BSE.

Comparison of NSDL & CDSL

<table>
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<tr>
<th>Basis for Comparison</th>
<th>NSDL</th>
<th>CDSL</th>
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<tr>
<td>Expands to</td>
<td>National Securities Depository Limited</td>
<td>Central Depository Services Limited</td>
</tr>
<tr>
<td>Meaning</td>
<td>NSDL is the first depository established in India, which ensures trading and settlement of securities in electronic form.</td>
<td>CDSL is the second largest depository in India, which facilitated book entry transfer of securities.</td>
</tr>
<tr>
<td>Key Promoters</td>
<td>IDBI, UTI and NSE</td>
<td>BOB, BOI, SBI, HDFC and BSE</td>
</tr>
<tr>
<td>Market</td>
<td>National Stock Exchange (NSE)</td>
<td>Bombay Stock Exchange (BSE)</td>
</tr>
<tr>
<td>Depository Participants</td>
<td>277</td>
<td>597</td>
</tr>
<tr>
<td>Active Investor Accounts (In Crores)</td>
<td>1.73</td>
<td>1.53</td>
</tr>
<tr>
<td>Demat Custody Value (In Crores)</td>
<td>17586566</td>
<td>1995128</td>
</tr>
<tr>
<td>Beneficiary Accounts Average Growth</td>
<td>218.34%</td>
<td>48.51%</td>
</tr>
<tr>
<td>Average Growth Over Available Companies ForDemat</td>
<td>35.33%</td>
<td>23.68%</td>
</tr>
<tr>
<td>Depository Participants Average Growth</td>
<td>31.22%</td>
<td>16.79%</td>
</tr>
<tr>
<td>Average Growth In DP Service Centres</td>
<td>83.28%</td>
<td>110.75%</td>
</tr>
<tr>
<td>Average Growth In Quantity Of Demat Shares/Securities</td>
<td>59.34%</td>
<td>49.14%</td>
</tr>
<tr>
<td>Average Growth InDemat Custody</td>
<td>59.00%</td>
<td>772.01%</td>
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II. Review of literature & Research Methodology

2.1 Review of Literature

This section covers the review of literature of some of the important studies, research papers and articles on the various aspects of depository system. Shah (1996)1 highlighted that resolution of the single vs. multiple depositories, immobilization vs. dematerialization and role of capital adequacy norms for the custodians which is helpful in quick implementation of depository system in India. Aggarwal and Dixit (1996)2 expressed their views about the legal framework for depository system in India. They also explained the benefits of the paperless trading, responsibilities of depository or participants and eligibility criteria, etc. Dias et. al (1996)3 pointed out the problems faced in the area of depository system due to setting up depositories by stock exchanges. Aggarwal (1996)4 pointed out that the introduction of depository system in India will eliminate many problems like back office functioning, post-trade, post-issue work, settlement and registration work. Sarkar (1996)5 analyzed the implications of the scripless trading and share transfer based on book entry merely due to the existence of the depository ordinance 1995. George (1996)6 explained the role of the NSDL in revolutionizing the paperless stock settlement system of the country. He also examined the steps taken by the depository to ensure that the scripless trading system is a success and stressed on the importance of the role of the regulator in making the depository system successful. Gurusamy (1996)7 explained that the introduction of depository system would help in transfer of securities in the capital market by a mere book entry. He also pointed out the advantages of depository system such as delay in transfer, registration, fake certificates, soaring cost of transactions, more paper work, non availability of depositories in when the transfer of securities take place by physical delivery. Rao and Pramannik (1998)8 studied the functioning of scripless trading, rights and obligations of depository. They have also shown the relationship between depository and other agencies, relationship between depository and participant, between depository and beneficiary, depository and SEBI and relationship of depository with Companies Act. Hurkat and Ved (1999)9 discussed the role of depository system in many advanced countries in the stock and capital markets the world over. They also analyzed the services offered by NSDL, dematerialization, re-materialization, trading and fee or charges, comparison of a bank and a depository for the benefits of the depository. Burton (2002)10 revealed the redesign of the depository structure and procedures and said that this is a viable model system and is being monitored closely and improved on a continuing basis. Mehta and Turan (2002)11 explored the depository system as a process, which eliminates the paper work and maintains the electronic record of the ownership of securities. Gupta (2002)12 examined the role of SEBI which enables the investors to choose their depository and the DP to keep their securities in the electronic form and to trade in the demat segment. Ravi Shah (2002)13 highlighted that NSDL and CDSL have changed the face of the Indian capital market. The move from an account period settlement in ‘paper form only’ to a T+3 settlement in pure electronic form has been achieved in a record span of few years, whereas it took anywhere between 10-20 years in most of the developed countries. Kanko (2004)14 discussed about Duopoly Model of security settlement, which shows how pooling payment can help in using liquidity efficiently in relation to CSD (Central Securities Depositories) foreign securities. Schmiedel et. al (2006)15 analyzed the existence and extent of economies of scale in depository and settlement systems. The study indicated the existence of significant economies of scale but degree of such economies differs by settlement, institution and region. Nishanth and Mitra (2007)16 highlighted the trends in the growth of dematerialization in the Indian capital market. They analyzed the total turnover and demat segment turnover volume-wise and stated that dematerialization of securities is one of the major step aimed at improving and modernizing the levels of investor’s protection measures. Raju and Patil (2007)17 quantified and analyzed the impact of dematerialization on liquidity in the Indian stock market. Kana (2008)18 highlighted that dematerialization has certainly brought about lot of improvement in the investment habits in our country and is bane for the companies and has created havoc in maintaining the members register and in conducting the members meeting.

2.2 Statement of the problem

An investor can hold almost all his securities in one account with NSDL or CDSL. Considering current importance of depositories, it is necessary to assess the financial soundness of the INDIAN Depositories. So, the statement of the problem would be “An Analysis on Financial Performance of Indian Depositories”. This is a comparative study.

2.3 Research Methodology

2.3.1 Objectives of the study

The broader objectives of the study are:

➢ To Know the Financial Soundness of NSDL and CDSL during the period under Study.
2.3.2 Research Design and Methodology

(i) Research Design
Research Design of the study is analytical.

(ii) Methodology
The basis of present analysis is comparison of data between NSDL and CDSL on yearly (financial year) basis.

(iii) Data Collection & Period of Study
The main source of data used for study is secondary data derived from the annual reports of both NSDL and CDSL. Present study covers the financial performance of depositories for 10 consecutive years. The period of study will be from 2009 to 2018.

(iv) Tools and Techniques of Analysis
The comparison between two depositories of India on the basis of financial performances is presented in present chapter. Financial statement analysis is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

To study the financial performance of NSDL & CDSL over the period of time Mean – the ideal measure of central tendency, Standard Deviation – the ideal measure of dispersion and Co-efficient of Variance (C.V.) – the ideal measure of relative dispersion, Graphical Analysis and Trend Percentage Analysis – Analysis of Simple Index and Chain Base Index and Compound Annual Growth Rate have been used in the present study. The coefficient of variation is used to measure the consistency of the variable. A high CV value reflects inconsistency among the samples within the group. The Trend Percentage Simple Index Number is calculated to study the trend of variables by taking the year 2009 as base year to study the percentage increase-decrease in the amount. So, these statistics have been calculated from the sample data of ten years (i.e. 2009 to 2018) of NSDL and CDSL.

III. Financial Performance: Conceptual Framework

Understanding Financial Performance Measures is helpful to calculate the measures that are relevant to the business. Interpreting Financial Performance Measures is helpful to assess financial strengths and weaknesses of the business and also in the process of Building Equity in the Business.

3.1 Areas of Performance
There are areas where the performance can be improved by effective assessment of various activities performed by a business enterprise in different areas of operations. The areas of operations may be termed as the areas of performance. The important areas are as follows:

- Service Production and Productivity Performance
- Profitability Performance
- Liquidity Performance
- Working Capital Performance
- Fixed Assets Performance
- Social Performance

In the present study financial health of NSDL and CDSL has measured from the following perspectives:

- Activity Analysis
- Profitability Analysis
- Liquidity Analysis
- Fixed Assets Analysis
- Working Capital Analysis

3.2 The Measurement of Financial Performance

Financial performance refers to the act of performing financial activity. In broader sense, financial performance refers to the degree to which financial objectives being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.
3.3 The Financial Performance Analysis

The financial performance analysis identifies the financial strengths and weaknesses of the firm by properly establishing relationships between the items of the balance sheet and profit and loss account. The first task is to select the information relevant to the decision under consideration from the total information contained in the financial statements. The second is to arrange the information in a way to highlight significant relationships. The final is interpretation and drawing of inferences and conclusions.

3.4 Significance of Financial Statements Analysis

Analysis of financial statements is an attempt to assess the efficiency and performance of an enterprise. Thus, the analysis and interpretation of financial statements is very essential to measure the efficiency, profitability, financial soundness and future prospects of the business units. Financial analysis serves the following purposes:

- Measuring the profitability
- Indicating the trend of Achievements
- Assessing the growth potential of the business
- Comparative position in relation to other firms
- Assess overall financial strength
- Assess solvency of the firm

3.5 Beneficial Parties from Financial Statement Analysis of Stock Exchange

The need and importance of performance analysis rise from the viewpoint of different parties, which are actively interested in the affairs of an enterprise. Analysis of financial statements has become very significant due to widespread interest of various parties in the financial results of a business unit. The various parties interested in the analysis of financial statements are:

- Management
- Employees and Trade Unions
- Investors
- Bond holders and Lenders
- Government and its agencies
- Society
- Suppliers and trade creditors
- Researchers
- Stock exchange

3.6 Tools and Techniques of Financial Performance Analysis

For measurement of financial performance of a business the financial statements are analysed. An analysis of financial performance can be possible through the use of one or more tools and techniques of financial analysis. These tool and techniques are classified in three main categories:

1. Accounting techniques
2. Statistical techniques
3. Mathematical techniques

3.6.1 Accounting Techniques

Accounting techniques are also known as financial techniques. Various accounting techniques can be used for the purpose of financial analysis. The Measurement of profitability is as essential as the earning of profit itself for a business firm. The suitable accounting techniques for the financial analysis of stock exchanges are listed below:

- Comparative Financial Statement Analysis
- Comparative Balance Sheet
- Comparative Income statement
- Common-Size Financial Analysis
- Value Added Analysis
- Correlation and Regression Analysis
- Analysis of Time Series
- Cross-sectional analysis
- Cross-sectional cum time series analysis
- Ratios Analysis
- Trend Analysis
3.6.2 Statistical Techniques

Various statistical techniques are used to provide a more accurate and scientific measurement of profitability analysis. Numerical analysis does involve the use of various statistical techniques. Some of the important statistical techniques which are suitable for the financial analysis of stock exchanges are listed below:

✓ **Measures of Central Tendency**
  o Mean (x̄)

✓ **Measures of Dispersion**
  o Standard Deviation (SD)
  o Co-efficient of Variance (CV)
  o Compound Annual Growth Rate (CAGR)

✓ **Index Numbers**
  o Simple Index

✓ **Statistical Tests**
  o **Non-Parametric Tests**: Chi square test, Sign test, Man-whitney test, Krushkal-Wallish test, Wilcoxon Test,
  o **Parametric Tests**: Z-test, t-test, F-test, ANOVA
  o **t-test**

✓ **Mathematical Techniques**

Financial analysis also involves the use of certain mathematical tools such as Programme Evaluation and Review Techniques (PERT), Critical Path Method (CPM), and Linear Programming etc. However, they are not useful for the present study.

✓ **Graphical Presentation/Analysis**

The transformation of data through visual methods like graphs, diagrams, maps and charts is called graphical representation of data. Graphics, such as maps, graphs and diagrams, are used to represent large volume of data. Diagrams and graphs are visual aids, which give a bird's eye view of a given set of numerical data. They present the data in simple readily comprehensible and intelligible form. Graphical presentation of statistical data gives a pictorial effect instead of just a mass of figures. They depict more information than the data shown in the table which through light on the existing trend and changes in the trend of the data.

IV. Comparative trend Analysis of NSDL and CDSL

**Trend Analysis**

Trend analysis indicates changes in an item or a group of items over a period of time and helps to drown the conclusion regarding the changes in data. Trend analysis is immensely helpful in marking comparative study of the changes in an item of groups of items over a period of time and to make conclusions regarding the change in data. For this purpose, a base year is selected and the amount of the item relating to the base year is taken equal to a hundred and Index number are computed for other years based on the amount of item relating to the base years based on the amount of that item in those years. It shows the direction in which concern is going.

1. **Share Capital**

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL</th>
<th>CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Rs.)</td>
<td>Trend Percentage</td>
</tr>
<tr>
<td>2009</td>
<td>80</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>80</td>
<td>100.00</td>
</tr>
<tr>
<td>2011</td>
<td>80</td>
<td>100.00</td>
</tr>
<tr>
<td>2012</td>
<td>80</td>
<td>100.00</td>
</tr>
<tr>
<td>2013</td>
<td>40</td>
<td>50.00</td>
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<tr>
<td>2014</td>
<td>40</td>
<td>100.00</td>
</tr>
<tr>
<td>2015</td>
<td>40</td>
<td>100.00</td>
</tr>
<tr>
<td>2016</td>
<td>40</td>
<td>100.00</td>
</tr>
<tr>
<td>2017</td>
<td>40</td>
<td>100.00</td>
</tr>
<tr>
<td>2018</td>
<td>40</td>
<td>100.00</td>
</tr>
</tbody>
</table>
**Mean** | 56.00 | 104.50  
**SD** | 20.66 | 0.00  
**CV** | 36.89 | 0.00  
**CAGR** | -6.70% | 0.00%

**Source:** Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).

Table I indicates the higher mean of Share Capital in CDSL than NSDL (which indicates a tremendous gap between the mean Share Capital of CDSL & NSDL). Standard deviation in NSDL is higher than that of CDSL (which shows higher fluctuation in NSDL). CV in NSDL is comparatively higher than that of CDSL (it indicates that relative variability of fluctuation is very much higher in NSDL than CDSL). The Compound Annual Growth Rate (CAGR) in Share Capital of NSDL has registered a negative growth of -6.70% while in this case CDSL is leading with a zero-growth rate.

**Chart I** shows that the Share Capital fixed during the year in CDSL. There is not a single year when the Share Capital is not increasing in CDSL. While in NSDL it is decreased. The Share Capital line of NSDL shows the mixed Trends. But, if the Amount are compared they are comparatively very high in CDSL than NSDL. This shows that the CDSL is performing comparatively better in case of Share Capital over the period of time.

2. Reserve and Surplus

**Table II** Comparison of Reserve and Surplus Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL</th>
<th>CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Rs.)</td>
<td>Trend Percentage</td>
</tr>
<tr>
<td>2009</td>
<td>198.7532</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>253.5679</td>
<td>127.58</td>
</tr>
<tr>
<td>2011</td>
<td>305.5338</td>
<td>120.49</td>
</tr>
<tr>
<td>2012</td>
<td>358.2600</td>
<td>117.26</td>
</tr>
<tr>
<td>2013</td>
<td>246.9034</td>
<td>68.92</td>
</tr>
<tr>
<td>2014</td>
<td>275.1614</td>
<td>111.44</td>
</tr>
<tr>
<td>2015</td>
<td>307.1085</td>
<td>111.61</td>
</tr>
<tr>
<td>2016</td>
<td>377.0655</td>
<td>122.78</td>
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<tr>
<td>2017</td>
<td>510.1762</td>
<td>135.30</td>
</tr>
<tr>
<td>2018</td>
<td>596.9528</td>
<td>117.01</td>
</tr>
</tbody>
</table>

**Mean** | 342.95 | 234.43  
**SD** | 124.35 | 116.82  
**CV** | 36.26 | 49.83  
**CAGR** | 11.63% | 17.87%

**Source:** Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).
Table II indicate higher mean of Reserve and Surplus in NSDL than CDSL. Standard deviation in NSDL is also higher than that of CDSL (which shows higher fluctuation in NSDL). CV in CDSL is Comparatively higher than that of NSDL (it indicates that relative Variability of fluctuation is very much higher in CDSL than NSDL). The Compound Annual Growth Rate (CAGR) in Reserve and Surplus of NSDL has registered nominal growth of 11.63% while in this case CDSL is leading with a growth rate of 17.87%. (So CDSL is doing comparatively better with its Reserve and Surplus).

Chart II shows that the Reserve and Surplus is increasing and decreasing year by year. The Reserve and Surplus line of NSDL shows the mixed Trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL. This shows that the CDSL is performing comparatively better in case of Reserve and Surplus over the period of time.

3. Fixed Assets

Table III Comparison of Fixed Assets Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL Amount (Rs.)</th>
<th>Trend Percentage</th>
<th>CDSL Amount (Rs.)</th>
<th>Trend Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>96.8025</td>
<td>100.00</td>
<td>10.9768</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>85.5029</td>
<td>88.33</td>
<td>11.9116</td>
<td>108.52</td>
</tr>
<tr>
<td>2011</td>
<td>97.1784</td>
<td>113.66</td>
<td>08.4184</td>
<td>70.67</td>
</tr>
<tr>
<td>2012</td>
<td>97.6200</td>
<td>100.45</td>
<td>05.2347</td>
<td>62.18</td>
</tr>
<tr>
<td>2013</td>
<td>20.7255</td>
<td>21.23</td>
<td>07.8562</td>
<td>150.08</td>
</tr>
<tr>
<td>2014</td>
<td>12.8302</td>
<td>61.91</td>
<td>08.0228</td>
<td>102.12</td>
</tr>
<tr>
<td>2015</td>
<td>14.1431</td>
<td>110.23</td>
<td>05.8070</td>
<td>72.38</td>
</tr>
<tr>
<td>2016</td>
<td>12.1216</td>
<td>85.71</td>
<td>03.5887</td>
<td>61.80</td>
</tr>
<tr>
<td>2017</td>
<td>23.3904</td>
<td>192.96</td>
<td>04.8207</td>
<td>134.33</td>
</tr>
<tr>
<td>2018</td>
<td>34.9110</td>
<td>149.25</td>
<td>74.7884</td>
<td>1551.40</td>
</tr>
</tbody>
</table>

Mean: 49.52 | 14.14
SD: 39.21  | 21.47
CV: 79.18 | 151.83
CAGR: -9.70% | 21.16%

Source: Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).

Table III indicate higher mean of Fixed Assets in NSDL than CDSL. Standard deviation in NSDL is also higher than that of CDSL (which shows higher fluctuation in NSDL). CV in CDSL is Comparatively higher than that of NSDL (it indicates that relative Variability/intensity of fluctuation is very much higher in CDSL than NSDL). The Compound Annual Growth Rate (CAGR) in Fixed Assets of NSDL has registered a very negative growth of -9.70% while in this case CDSL is leading with drastic growth rate of 21.16%. (So CDSL is doing comparatively better with its Fixed Assets).
Chart III shows that the Fixed Assets is Increasing year by year. The Fixed Assets line of NSDL & CDSL shows the mixed Trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL. This shows that the NSDL is performing comparatively better in case of Fixed Assets over the period of time.

4. Investment

Table IV Comparison of Investment Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL</th>
<th>CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Rs.)</td>
<td>Trend Percentage</td>
</tr>
<tr>
<td>2009</td>
<td>116.5137</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>197.5429</td>
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<td>223.6376</td>
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</tr>
<tr>
<td>2014</td>
<td>309.9467</td>
<td>116.36</td>
</tr>
<tr>
<td>2015</td>
<td>318.7816</td>
<td>102.85</td>
</tr>
<tr>
<td>2016</td>
<td>358.1855</td>
<td>112.36</td>
</tr>
<tr>
<td>2017</td>
<td>382.4072</td>
<td>106.76</td>
</tr>
<tr>
<td>2018</td>
<td>428.6335</td>
<td>112.09</td>
</tr>
</tbody>
</table>

| Mean | 285.60 | 186.44 |
| SD   | 93.30  | 96.73  |
| CV   | 32.67  | 51.88  |
| CAGR | 13.91% | 11.65% |

Source: Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).

Table IV indicate higher mean of Investment in NSDL than CDSL (Which Indicates a tremendous gap between the mean of fixed Assets of NSDL & CDSL). Standard deviation in NSDL is also lower than that of CDSL.CV in CDSL is Comparatively higher than that of NSDL (it Indicates that relative Variability/intensity of fluctuation is very much higher in CDSL than NSDL.The Compound Annual Growth Rate (CAGR) in Investment of NSDL has registered a very nominal growth of 13.91%. (So NSDL is doing comparatively better with its Investment).
Chart IV shows that the Investment is mixed during the year. The Investment line of NSDL & CDSL shows the mixed trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL.

5. Current Asset

Table V Comparison of Current Asset Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL</th>
<th>CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Rs.)</td>
<td>Trend Percentage</td>
</tr>
<tr>
<td>2009</td>
<td>110.3696</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>100.2359</td>
<td>90.82</td>
</tr>
<tr>
<td>2011</td>
<td>136.7652</td>
<td>136.44</td>
</tr>
<tr>
<td>2012</td>
<td>181.2100</td>
<td>132.50</td>
</tr>
<tr>
<td>2013</td>
<td>134.0030</td>
<td>73.95</td>
</tr>
<tr>
<td>2014</td>
<td>75.0295</td>
<td>55.99</td>
</tr>
<tr>
<td>2015</td>
<td>116.5568</td>
<td>155.35</td>
</tr>
<tr>
<td>2016</td>
<td>123.2602</td>
<td>105.75</td>
</tr>
<tr>
<td>2017</td>
<td>242.1963</td>
<td>196.49</td>
</tr>
<tr>
<td>2018</td>
<td>323.9362</td>
<td>133.75</td>
</tr>
</tbody>
</table>

Mean | 154.36 | 201.01 |
SD   | 75.62  | 99.47  |
CV   | 48.99  | 49.49  |
CAGR | 11.37% | 9.71%  |

Source: Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).

Table V indicate higher mean of Current Assets in CDSL than NSDL. Standard deviation in CDSL is also higher than that of NSDL. (which shows higher fluctuation in CDSL). CV in CDSL is Comparatively higher than that of NSDL. The Compound Annual Growth Rate (CAGR) in Current Assets of NSDL has registered a very nominal growth of 11.37 % while in case of CDSL is the growth rate is of 9.71%.

Chart V shows that the Current Assets is Increasing & decreasing year by year. The Current Assets line of NSDL & CDSL shows the mixed trends. But, If the Amount are compared they are comparatively higher in NSDL than CDSL.

6. Loan & Advances

Table VI Comparison of Loan & Advances Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL</th>
<th>CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Rs.)</td>
<td>Trend Percentage</td>
</tr>
<tr>
<td>2009</td>
<td>29.1971</td>
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<tr>
<td>2010</td>
<td>29.9980</td>
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<tr>
<td>2011</td>
<td>37.8810</td>
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</tr>
<tr>
<td>2012</td>
<td>28.4100</td>
<td>75.00</td>
</tr>
<tr>
<td>2013</td>
<td>07.1443</td>
<td>25.15</td>
</tr>
</tbody>
</table>
Table VI Indicate higher mean of Loan & Advances in NSDL than CDSL (Which Indicates a tremendous gap between the mean of Loan & Advances of NSDL & CDSL). Standard deviation in NSDL is also higher than that of CDSL. CV in NSDL is Comparatively higher than that of CDSL (it Indicates that relative Variability of fluctuation is very much higher in NSDL than CDSL. The Compound Annual Growth Rate (CAGR) in Loan & Advances of NSDL has registered a very negative growth of -15.78% while in this case CDSL is leading with growth rate of 7.29%.

Chart VI shows that the Loan & Advances is increasing and decreasing year by year. The Loan & Advances line of NSDL and CDSL shows the mixed trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL. This shows that the CDSL is performing comparatively better in case of Loan & Advances over the period of time.

7. Current Liabilities & Provision

Table VII Comparison of Current Liabilities & Provision Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL</th>
<th>Trend Percentage</th>
<th>CDSL</th>
<th>Trend Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>75.9397</td>
<td>100.00</td>
<td>33.4335</td>
<td>100.00</td>
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<td>2010</td>
<td>87.2518</td>
<td>114.90</td>
<td>38.3656</td>
<td>114.75</td>
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<tr>
<td>2011</td>
<td>115.6984</td>
<td>132.60</td>
<td>44.2403</td>
<td>115.31</td>
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<tr>
<td>2012</td>
<td>138.0000</td>
<td>119.28</td>
<td>29.2105</td>
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<td>2013</td>
<td>15.4978</td>
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<td>51.8292</td>
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</tr>
<tr>
<td>2014</td>
<td>69.2010</td>
<td>114.90</td>
<td>65.0952</td>
<td>125.60</td>
</tr>
<tr>
<td>2015</td>
<td>89.3340</td>
<td>129.09</td>
<td>64.2462</td>
<td>129.17</td>
</tr>
<tr>
<td>2016</td>
<td>109.0284</td>
<td>170.15</td>
<td>54.1447</td>
<td>87.54</td>
</tr>
<tr>
<td>2017</td>
<td>159.7386</td>
<td>146.51</td>
<td>76.5052</td>
<td>141.30</td>
</tr>
</tbody>
</table>

Mean 92.38 53.88
SD 40.82 18.19
CV 44.19 33.76

Source: Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).
Table VII indicate higher mean of Current Liabilities & Provisions in NSDL than CDSL (Which Indicates a tremendous gap between the mean of Current Liabilities & Provisions of NSDL & CDSL). Standard deviation in NSDL is also higher than that of CDSL. (which shows higher fluctuation in NSDL). CV in NSDL is Comparatively higher than that of CDSL. The Compound Annual Growth Rate (CAGR) in Current Liabilities & Provisions of CDSL has registered a nominal growth of 8.63% while in case of NSDL the growth rate is of 7.72%.

Chart VII shows that the Current Liabilities & Provisions is Increasing and decreasing year by year. The Current Liabilities & Provisions line of NSDL and CDSL shows the mixed trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL. This shows that the NSDL is performing comparatively better in case of Current Liabilities & Provisions over the period of time.

8. Net Current Asset

Table VIII Comparison of Net Current Asset Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL</th>
<th>CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Rs.)</td>
<td>Trend Percentage</td>
</tr>
<tr>
<td>2009</td>
<td>63.6270</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>42.9821</td>
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</tr>
<tr>
<td>2011</td>
<td>58.9478</td>
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</tr>
<tr>
<td>2012</td>
<td>43.2100</td>
<td>73.30</td>
</tr>
<tr>
<td>2013</td>
<td>76.2209</td>
<td>176.40</td>
</tr>
<tr>
<td>2014</td>
<td>5.8285</td>
<td>7.65</td>
</tr>
<tr>
<td>2015</td>
<td>28.3800</td>
<td>486.92</td>
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<td>2016</td>
<td>59.1829</td>
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<td>2017</td>
<td>133.1679</td>
<td>225.01</td>
</tr>
<tr>
<td>2018</td>
<td>164.1976</td>
<td>123.30</td>
</tr>
<tr>
<td>Mean</td>
<td>67.57</td>
<td>140.38</td>
</tr>
<tr>
<td>SD</td>
<td>47.63</td>
<td>82.06</td>
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<tr>
<td>CV</td>
<td>70.49</td>
<td>58.46</td>
</tr>
<tr>
<td>CAGR</td>
<td>9.72%</td>
<td>9.39%</td>
</tr>
</tbody>
</table>

Source: Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).

Table VIII indicate higher mean of Net Current Assets in CDSL than NSDL (Which Indicates a tremendous gap between the mean of fixed Assets of CDSL & NSDL). Standard deviation in CDSL is also higher than that of NSDL. (which shows higher fluctuation in CDSL). CV in NSDL is Comparatively higher than that of CDSL. The Compound Annual Growth Rate (CAGR) in Net Current Assets of NSDL has registered a very nominal growth of 9.94% while in case of CDSL the growth rate is 9.39%.
Chart VIII shows that the Net Current Assets is increasing & decreasing year by year. The Net Current Assets line of NSDL & CDSL shows the mixed Trends. But, If the Amount are compared they are comparatively very high in CDSL than NSDL.

9. Total Income

Table IX Comparison of Total Income Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL Amount (Rs.)</th>
<th>Trend Percentage</th>
<th>CDSL Amount (Rs.)</th>
<th>Trend Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>216.7864</td>
<td>100.00</td>
<td>75.4386</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>317.4808</td>
<td>146.45</td>
<td>104.2256</td>
<td>138.16</td>
</tr>
<tr>
<td>2011</td>
<td>396.9092</td>
<td>125.02</td>
<td>102.0910</td>
<td>97.95</td>
</tr>
<tr>
<td>2012</td>
<td>467.9800</td>
<td>117.91</td>
<td>102.2429</td>
<td>100.15</td>
</tr>
<tr>
<td>2013</td>
<td>122.1337</td>
<td>26.10</td>
<td>104.4850</td>
<td>102.19</td>
</tr>
<tr>
<td>2014</td>
<td>129.7663</td>
<td>106.25</td>
<td>105.4495</td>
<td>100.92</td>
</tr>
<tr>
<td>2015</td>
<td>152.4930</td>
<td>117.51</td>
<td>105.1964</td>
<td>99.76</td>
</tr>
<tr>
<td>2016</td>
<td>168.0636</td>
<td>110.21</td>
<td>116.0785</td>
<td>110.34</td>
</tr>
<tr>
<td>2017</td>
<td>236.5234</td>
<td>140.73</td>
<td>186.8500</td>
<td>160.97</td>
</tr>
<tr>
<td>2018</td>
<td>309.9243</td>
<td>131.03</td>
<td>225.6759</td>
<td>120.78</td>
</tr>
</tbody>
</table>

Mean 251.81 122.77
SD 118.10 46.09
CV 46.90 37.54
CAGR 3.64% 11.58%

Source: Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).

Table IX indicate higher mean of Total Income in NSDL than CDSL (Which Indicates a tremendous gap between the mean of fixed Assets of NSDL & CDSL). Standard deviation in NSDL is also higher than that of CDSL. (which shows higher fluctuation in NSDL). CV in NSDL is comparatively higher than that of CDSL. The Compound Annual Growth Rate (CAGR) in Total Income of CDSL has registered a growth of 11.58% while in case of NSDL the growth rate is 30.63%.
Chart IX shows that the Total Income is increasing & decreasing year by year. The Total Income line of NSDL & CDSL shows the mixed trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL.

10. Total Expenditure

Table X Comparison of Total Expenditure Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL Amount (Rs.)</th>
<th>Trend Percentage</th>
<th>CDSL Amount (Rs.)</th>
<th>Trend Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>176.0516</td>
<td>100.00</td>
<td>28.8660</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>210.6587</td>
<td>119.66</td>
<td>35.6127</td>
<td>123.37</td>
</tr>
<tr>
<td>2011</td>
<td>282.8063</td>
<td>134.25</td>
<td>33.5473</td>
<td>94.20</td>
</tr>
<tr>
<td>2012</td>
<td>336.0200</td>
<td>118.82</td>
<td>33.1883</td>
<td>98.93</td>
</tr>
<tr>
<td>2013</td>
<td>111.9157</td>
<td>33.31</td>
<td>50.6974</td>
<td>152.76</td>
</tr>
<tr>
<td>2014</td>
<td>78.1178</td>
<td>69.80</td>
<td>54.6615</td>
<td>107.82</td>
</tr>
<tr>
<td>2015</td>
<td>91.9433</td>
<td>117.70</td>
<td>57.4987</td>
<td>105.19</td>
</tr>
<tr>
<td>2016</td>
<td>81.4031</td>
<td>88.54</td>
<td>55.5076</td>
<td>96.54</td>
</tr>
<tr>
<td>2017</td>
<td>113.2564</td>
<td>139.13</td>
<td>70.2854</td>
<td>126.62</td>
</tr>
<tr>
<td>2018</td>
<td>157.4706</td>
<td>139.04</td>
<td>84.2581</td>
<td>119.88</td>
</tr>
</tbody>
</table>

Mean 163.96 50.41
SD 88.66 17.95
CV 54.07 35.60
CAGR -1.11% 11.31%

Source: Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).

Table X indicate higher mean of Total Expenditure in NSDL than CDSL (Which Indicates a tremendous gap between the mean of Total Expenditure of NSDL & CDSL). Standard deviation in NSDL is also higher than that of CDSL (which shows higher fluctuation in NSDL). CV in NSDL is Comparatively higher than that of CDSL (it Indicates that relative Variability/intensity of fluctuation is very much higher in NSDL than CDSL). The Compound Annual Growth Rate (CAGR) in Total Expenditure of NSDL has registered a negative growth of -1.11% while in this case CDSL is leading with drastic growth rate of 11.31%. (So CDSL is doing comparatively better with its Total Expenditure).

Chart X shows that the Total Expenditure is increasing & decreasing year by year. The Total Expenditure line of NSDL & CDSL shows the mixed Trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL. This shows that the NSDL is performing comparatively better in case of Total Expenditure over the period of time.

11. Profit Before Tax

Table XI Comparison of Profit Before Tax Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL Amount (Rs.)</th>
<th>Trend Percentage</th>
<th>CDSL Amount (Rs.)</th>
<th>Trend Percentage</th>
</tr>
</thead>
</table>

Chart X shows that the Total Expenditure is increasing & decreasing year by year. The Total Expenditure line of NSDL & CDSL shows the mixed Trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL. This shows that the NSDL is performing comparatively better in case of Total Expenditure over the period of time.
Table XI Indicate higher mean of Profit Before Tax in NSDL than CDSL. Standard deviation in NSDL is also higher than that of CDSL. CV in NSDL & CDSL is nearly same. The Compound Annual Growth Rate (CAGR) in Profit Before Tax of NSDL has registered a growth of 14.11% while in case CDSL the growth rate is 11.75%.

Source: Annual reports of NSDL & CDSL from their official websites (www.nsdl.co.in and www.cdsl.ac.in).

Chart XI shows that the Profit Before Tax is increasing & decreasing year by year. The Profit Before Tax line of NSDL shows the mixed Trends. But, If the Amount are compared they are comparatively very high in NSDL than CDSL. This shows that the NSDL is performing comparatively better in case of Profit Before Tax over the period of time.

12. Profit After Tax

Table XII Comparison of Profit After Tax Trends of NSDL & CDSL (in Crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSDL</th>
<th>CDSL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (Rs.)</td>
<td>Trend Percentage</td>
</tr>
<tr>
<td>2009</td>
<td>26.6848</td>
<td>100.00</td>
</tr>
<tr>
<td>2010</td>
<td>73.4721</td>
<td>275.33</td>
</tr>
<tr>
<td>2011</td>
<td>75.2877</td>
<td>102.47</td>
</tr>
<tr>
<td>2012</td>
<td>89.9200</td>
<td>119.44</td>
</tr>
<tr>
<td>2013</td>
<td>23.8856</td>
<td>26.56</td>
</tr>
<tr>
<td>2014</td>
<td>39.9575</td>
<td>167.29</td>
</tr>
<tr>
<td>2015</td>
<td>43.9678</td>
<td>110.09</td>
</tr>
<tr>
<td>2016</td>
<td>81.9927</td>
<td>186.40</td>
</tr>
<tr>
<td>2017</td>
<td>87.1456</td>
<td>106.28</td>
</tr>
</tbody>
</table>
Table XII indicate higher mean of Profit After Tax in NSDL than CDSL. Standard deviation in NSDL is also higher than that of CDSL. CV in NSDL is Comparatively higher than that of CDSL. The Compound Annual Growth Rate (CAGR) in Profit After Tax of NSDL has registered a growth of 14.77% while in this case of CDSL the growth rate is 11.78%.

Chart XII shows that the Profit After Tax is increasing & decreasing year by year. The Profit After Tax line of NSDL & CDSL shows the mixed trends. But, If the Amount are compared they are nearly same in NSDL than CDSL. This shows that the NSDL is performing comparatively better in case of Profit After Tax over the period of time.

V. CONCLUSION
The main objective of preparing financial statement is to show the result achieved by an enterprise through its operations and activities for the particular period or a particular date. Measurement of performance through the financial statement analysis provides good knowledge about the behaviour of financial variables for measuring the performance of different units in the industry of an enterprise and to indicate the trend of improvement in the organizations.

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