



Demat by NSDL
Towards a secure future

*NEST UPDATE

August 2005

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66,70,944
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Rs. 16,82,731 Cr.
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Rs. 47,380 Cr.
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Subscription to SPEED-e

The following Depository Participant (DP) has subscribed to the SPEED-e facility of NSDL in the month of July 2005:

- Multiplex Capital Limited

Clients of the above mentioned DP can now avail of the facility of submitting various instructions through SPEED-e facility.

This takes the total number of DPs who have subscribed to SPEED-e to 52.

Subscription to IDeAS

The following DP has subscribed to the IDeAS facility of NSDL in the month of July 2005:

- State Bank of Hyderabad

This takes the total number of DPs who have subscribed to IDeAS to 104. This is inclusive of 52 DPs who have subscribed to SPEED-e.

Closure of Mukesh Babu Securities Limited DP Operations

NSDL has informed all its DPs that Securities and Exchange Board of India has rejected the application for renewal of registration of Mukesh Babu Securities Limited (MBSL), a DP at NSDL. Accordingly, name of MBSL has been deleted from the Depository System.

This has been intimated to the DPs vide Circular No. NSDL/PI/2005/1347 dated July 25, 2005.

*For
private circulation only*

* National Electronic Settlement and Transfer

Performance Summary

Investors :

Table 1

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Jul-03	39.10
Jul-04	54.43
Jul-05	66.71

As on July 31, 2005, there are 66,70,944 Investor accounts from within the country and abroad. 2,023 clearing member accounts have been opened to facilitate trading and settlement of demat shares in the stock exchanges connected to NSDL. Table 1 shows the growth in investor accounts over a period of three years.

Dematerialisation :

As on July 31, 2005, 14,059 cr. securities having a value of Rs. 16,82,731 cr. were dematerialised. Table 2 shows the dematerialisation figures over the last three years.

Table 2

Month - Year	Demat Quantity (Cr.)	Demat Value (Rs. Cr.)
Jul-03	7,020	668,626
Jul-04	8,977	989,627
Jul-05	14,059	1,682,731

Settlement :

Table 3

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Jul-03	289	23,225
Jul-04	209	24,107
Jul-05	448	47,380

In July 2005, a total quantity of 448 cr. shares having a value of Rs. 47,380 cr. were settled in demat form in the stock exchanges connected to NSDL. Table 3 shows the settlement figures over the past three years.

Companies :

EQUITY

As on July 31, 2005, 5,682 companies are available for demat. Table 4 indicates the increase in the number of companies that have joined NSDL over a period of three years.

Month - Year	No. of Companies Operational
Jul-03	4,925
Jul-04	5,382
Jul-05	5,682

DEBENTURES / BONDS

Table 4A

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
May-05	605	6,968	286,565
Jun-05	605	6,980	291,479
Jul-05	607	6,956	294,186

As on July 30, 2005, 607 issuers have issued 15,849 debentures/bonds in demat form. 8,893 instruments have been redeemed and 6,956 instruments are available for dematerialisation. Table 4A shows the growth over a period of last three months.

COMMERCIAL PAPER

As on July 30, 2005, 368 issuers have issued 6,697 commercial papers in demat form. 6,248 instruments have been redeemed and 449 commercial papers are available for dematerialisation. Table 4B shows the growth over a period of last three months

Month - Year	No. of Issuers	No. of active Instruments
May-05	366	479
Jun-05	367	482
Jul-05	368	449

Depository Participants :

Table 5

Month - Year	No. of DPs
Jul-03	212
Jul-04	217
Jul-05	217

As on July 31, 2005, 217 Depository Participants are offering depository services. DP services are provided from 2,863 locations across the length and breadth of the country.

Corporate Action Statistics

Sr. No.	Description	During July 2005		For the F.Y. 2005-2006 (upto July 2005)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1	Equity Shares	666,787	1,974,544,080	2,182,325	6,595,027,533
2	Preference Shares	8	258,850,109	179,214	540,785,813
3	Bonds	12,298	16,680,446	43,299	52,843,689
4	Commercial Papers	96	52,696	463	253,204
5	Certificate Of Deposits	73	351,500	351	1,471,100
6	Securitized Instruments	59	1,062,192	255	199,886,557
7	Mutual Fund Units	352	18,860,435	1,587	21,541,961
8	Warrants	11,018	2,880,984	11,018	2,880,984
9	Postal Savings Certificates	1,330	320,252,400*	5,107	2,668,666,000*
10	Commodities	473	9,306	1,151	48,788
Total		692,494	2,593,544,148	2,424,770	10,083,405,628

* Value in Rupees

List of Companies that have changed Names

(During July 2005)

Sr. No.	Old Name	New Name
1	DCM Estates & Infrastructure Limited	Purearth Infrastructure Limited
2	Premier Auto Electric Limited	PAE Limited
3	Pipavav Ship Dismantling And Engineering Limited	Pipavav Shipyard Limited

Securities admitted for Dematerialisation during July 2005

COMPANY	ISIN
ABG Shipyard Limited	INE067H01016
Arebee Star Maritime Agencies Private Limited	INE071H01018
Gini & Jony Apparel Private Limited	INE091H01016
HDFC Ventures Trustee Company Limited	INF066H19019
Indo Asian Fusegear (India) Limited	INE076H01017
Marmagoa Steel Limited	INE698E01023
Pithampur Steels Limited	INE077H01015
Rane (Madras) Limited	INE050H01012
Ring Plus Aqua Limited	INE093H01012
Sarthak Global Limited	INE075H01019
Sarthak Industries Limited	INE074H01012
Score Information Technologies Limited	INE326F01010
Shivagrigo Implements Limited	INE092H01014
Spectrum Power Generation Limited	INE094H01010
Suzlon Energy Limited	INE040H01013
The Kadri Mills [CBE] Limited	INE065H01010
Vivada Inland Waterways Limited	INE084H01011
Well Pack Papers & Containers Limited	INE063H01015

Topic of Interest

Corporate Actions in the Depository System

Corporate Actions are events initiated by corporates, which impact shareholders. They could be cash corporate actions like dividends, interest payments etc. or non-cash corporate actions like issue of bonus shares, splitting the face value, consolidation, merger etc. that result in change in the number of securities held by the shareholder or allotment of other securities to the shareholder. NSDL facilitates the Issuer to distribute securities arising out of non-cash corporate actions in dematerialised form directly to the account of the investor.

At the request of the Issuer, NSDL electronically provides details of beneficial owners to the Issuer/R&T Agent as on the date of book closure/ record date. The Issuers request for the beneficial owners details as on one day prior to the book closure start date or as on the record date (e.g. If book closure is from September 6, 2005 to September 10, 2005, the Issuer will request for beneficial owner details as on September 5, 2005. If record date is on September 5, 2005, the Issuer will request for beneficial owner details as on September 5, 2005). The details provided by NSDL include particulars such as, name, address, bank account details etc. of the beneficial owners.

Cash Corporate Action:

The Issuer/R&T Agent distributes dividend, interest and other monetary benefits directly to the beneficial owners on the basis of information provided by NSDL in respect of securities held by the beneficial owner in dematerialised form in NSDL. If the bank details including MICR number are valid, Issuer may use Electronic Clearing System (ECS) to credit dividend/interest directly into the bank account of the beneficial owner. Bank account details as furnished by the beneficial owners to Depository Participants (DPs) are printed by the Issuer on the dividend/interest warrant. It is important for investors to verify that the bank account details mentioned in their DP accounts are accurate. This will avoid delays in receiving dividend etc.

Non-Cash Corporate Action:

The Issuer collates the entitlements of the beneficial owners who are to be given securities in dematerialised form. Based on the entitlement details uploaded by the Issuer, credits are effected to the accounts of the beneficial owners on the execution date mentioned by the Issuer. If the account number of the beneficial owner to which the Issuer intends to give credit do not match with those maintained at NSDL, the Issuer obtains correct account number from the beneficial owner to give credit of securities in electronic form or may have to distribute the securities in physical form.

Automatic Corporate Action:

Credit of securities corresponding to a non-cash corporate action, which is based on a pre-determined ratio (e.g. bonus shares, split of shares, consolidation of shares, securities issued as a part of mergers/de-mergers/ amalgamation scheme etc.) is automated in NSDL system.

In an automatic corporate action, Issuer/R&T Agent sets up the ratio of entitlements in NSDL system, based on which the system automatically credits entitlements into beneficial owner's demat account on the 'execution date'.

Advantages of distribution of non-cash corporate benefits through NSDL system to the investors:

- Faster receipt of securities.
- Automatic credit to the investor's account - no need to follow-up with the company.
- Loss of share certificates in-transit is eliminated.
- Transaction statement reflects the details of credits related to corporate actions.
- Trading of securities can commence faster, since the receipt of shares in the hands of the shareholders is faster.
- No-Delivery period is reduced.

Precautions:

- Investor must ensure that securities purchased by him/her are transferred to his/her demat account from the broker's pool account well before the record date or book closure date, failing which, corporate benefits will flow to broker.
- Investors must ensure that the correct demat account details (DP Id & Client Id) are mentioned in forms for public issue, rights issue etc. where the Issuer distributes securities directly to the demat account of the investor.
- Investors must intimate to the DP, change in address details, if any and get the same updated in NSDL system in order to receive dividend/interest warrants, annual reports, notices of companies etc. from the Issuer at the correct address.
- As bank details are printed on the dividend/interest warrants, beneficial owners should ensure that the bank details, including MICR details provided to the DP are proper and updated. In case of any change in bank details, the investor should inform the same to the DP and get the same updated in NSDL system.

NSDL Calendar of Events

Investor Depository Meets

August 11, 2005	Ludhiana
August 12, 2005	Jalandhar
August 13, 2005	Amritsar
August 26, 2005	Panaji
August 27, 2005	Margaon
September 3, 2005	Mumbai

Business Partner Training

August 9-11, 2005	DP Training
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NSDL Certification Program

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