

## Innovation through Technology

### From The Editor's Desk

Dear Reader,

With the advancement in technology over the years, Internet is not merely evolving but revolutionising our lives. NSDL has played a crucial role in making the lives of investors simpler by introducing Internet based *SPEED-e* facility in the year 2001. *SPEED-e* facility enables investors to submit delivery instructions over Internet using *SPEED-e* website. For using the *SPEED-e* facility, it is essential that your Depository Participant be registered for this facility. Over the period, NSDL has enhanced its *SPEED-e* facility to include the feature of SPICE (Submission of Power of attorney based Instructions for Clients Electronically) in the year 2009 whereby clients can submit instructions to debit their account and credit their margin accounts based on the Power of Attorney (POA) given by them to the CM. As on October 31, 2014, 166 DP's of NSDL are offering *SPEED-e* facility to their investors.

Further, in the year 2004, NSDL extended its internet based services by introducing IDEAS (Internet-based Demat Account Statement) which facilitates account holders to view the latest balances and transactions in their demat accounts online. More than 4 lakh investors use this platform to check their balances from anywhere, anytime.

Investors can prevent unauthorized transactions in their demat account by updating their mobile number with their Depository Participant (DP). On updating their mobile number with their DP, investors will receive SMS alerts on their registered mobile number for all debit and other important transactions taking place in their demat account directly from NSDL on the same day. NSDL sends millions of SMS alerts every month (free of cost) to investors which help them in monitoring and safeguarding their investments in demat.

NSDL continued its quest to provide innovative solutions for clients when it launched its 'e-voting' platform in 2012. Investors can now cast their votes on resolutions of companies requiring voting through Postal Ballots/General Meetings electronically. This issue of Kaleidoscope will provide insights about 'e-voting' facility & its benefits to investors. Ministry of Corporate Affairs has authorised NSDL for setting up an electronic platform for facilitating shareholders to use this facility. We are sure that the contents of this issue will help you understand the concepts of 'e-voting' facility thereby casting votes electronically.

**Best Regards,**  
**NSDL**

**Note :** In June 2014, NSDL has developed its maiden mobile app for investors. Investors can download it from Google Play Store. It is available on Android & IOS platforms.

#### "Quote of the month"

" Plant your seed in the morning and keep busy all afternoon, for you don't know if profit will come from one activity or another – or maybe both" - King Solomon

#### "Did You Know"

NSDL empowers investors to have their say through e-Voting. NSDL's leadership in electronic voting strengthens corporate democracy and empowers investors to vote on shareholder resolutions using an online platform without the need of physical presence at general meetings.

# Click & Find : Introduction to e-Voting

Shareholders normally exercise their votes on resolutions proposed by companies through postal ballot. If a company decides to pass any resolution by resorting to postal ballot, it will send a notice to all the shareholders, requesting them to send their assent or dissent in writing on a postal ballot. The process of seeking shareholders' approval through postal ballot is not only time consuming but also involves huge cost such as administration and posting costs, paper work, etc.

The Ministry of Corporate Affairs has in its efforts for “Green Initiative in the Corporate Governance” has permitted paperless compliances by the companies through electronic mode. Section 192A, of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 recognizes voting by electronic mode for postal ballot to increase the participation of retail investors in the decision-making process of companies. The Postal Ballot Rules, 2001 were superseded by Postal Ballot Rules, 2011, which prescribed the appropriate mechanism for e-Voting.

In order to facilitate the Issuers to enable electronic voting, National Securities Depository Limited (NSDL) has developed an internet based “e-Voting” platform, which will enable shareholders / stakeholders to cast their vote on the resolutions proposed by the companies by Postal Ballot. Electronic voting replaces the postal ballot process and saves time and cost of the company. e-Voting is a mechanism through which security holders of companies can vote on resolutions electronically anywhere and at any-time during the period of voting, through the electronic voting system developed by NSDL. In case of e-voting, there is no physical collection and counting of postal ballot papers. Also, there is no need for verification of signatures of the shareholders who have exercised their votes.

## Get Started : Procedure to register for e-Voting facility

In this issue of Kaleidoscope, we will explain you the procedure for an investor to register for e-Voting facility of NSDL. The e-Voting system of NSDL facilitates voting from all shareholders i.e., shareholders holding shares in physical and demat mode. Shareholders need not carry out the pre-registration related activity at their end. The registration details viz., User ID and password will be sent by the Issuer / R&T Agent /NSDL in the following mode:

- ✓ In case email address of the Sole / First Holder is available with the Issuer/R&T Agent:
  1. NSDL will generate User ID & password and send the same to the email address provided by issuer/R & T Agent.
  2. Using the User ID and password, you will login to the e-Voting system (<https://www.evoting.nsdl.com>) of NSDL & cast your vote.
- ✓ Others (where email address of the Sole / First Holder is not available with the Issuer/R&T Agent)
  1. NSDL will generate User ID and password and provide it to the Issuer/R&T Agent.
  2. The Issuer/R&T Agent will dispatch the User ID and password in a PIN mailer at the address of the Sole/First Holder.
  3. Using the User ID and password, you will login to e-Voting system (<https://www.evoting.nsdl.com>) of NSDL.

### Advantages of e-Voting to shareholders:

- ✓ Ease of operation. With User ID and password, an investor can login to e-Voting system (<https://www.evoting.nsdl.com>) of NSDL through internet and cast your vote from your residence, office etc.
- ✓ Sufficient time to vote till the end of voting cycle
- ✓ Elimination of postal ballots getting lost in-transit
- ✓ Paperless mode of casting vote

## Subscription to **SPEED-e**

During October 2014, City Union Bank Limited (DP ID IN303036), a Participant of NSDL has subscribed to the **SPEED-e** facility. Clients of the above mentioned Participant can now avail the facility of submitting various instructions through **SPEED-e** facility.

Further, Canon Capital and Finance Limited (DP ID IN303850) has discontinued offering **SPEED-e** services consequent to the deletion of its DP ID from the depository system.

This takes the total number of Participants who have subscribed to **SPEED-e** to 161.

## Investor Education initiatives undertaken by NSDL

### ➤ **Joint Awareness Programmes with ICICI Securities Limited & India Infoline Limited:**

In order to reach out to investors that are spread across the country and to apprise them about the facilities available in NSDL depository system and the awareness on stock markets, NSDL conducted four Joint Awareness Programmes with ICICI Securities Limited at Deoghar & Dumka in Bihar, Tirunelveli in Tamil Nadu, Baruipur in West Bengal & also a Joint Awareness Programme with India Infoline Limited at Kharagpur & Siliguri in West Bengal during October 2014 which were attended by around 378 investors.



**Joint Awareness Programme organized by NSDL in association with India Infoline Limited at Kharagpur, West Bengal in October 2014.**

### ➤ **Sponsorship in events conducted by Institutions:**

In October 2014, NSDL participated as one of the sponsors at Banking Frontiers' NCBS (National Cooperative Banking Summit) & FCBA (Frontiers in Cooperative Banking Awards) event. NCBS and the FCBA are the most celebrated annual event for the co-operative banks sector. NCBS & FCBA 2014 was the 8th edition which was attended by around 350 bankers. This event was conducted in Hyderabad with the theme F.A.S.T. Banking viz. Formula for Affordable and Scalable Transformation.

### ➤ **Training Programme conducted for college students:**

In October 2014, NSDL conducted a training programme for around 30 students representing from VVM's Shree Damodar college of Commerce and Economics Margao, Goa. Various aspects on Depository related services were addressed to these students attending this programme.

1. **e-voting** : e-Voting is voting through an electronic system where shareholders can vote on resolutions of companies requiring voting through Postal Ballot as per extant rules and regulations without having the necessity of sending their votes through post.
2. **Postal Ballot** : “Postal Ballot” means casting of votes by shareholders by postal or electronic mode instead of voting personally by being present for transacting business in a general meeting of the company.
3. **Proxy** : Proxy is a person appointed or authorized to act for another, especially a person appointed to vote as one wishes at a meeting.
4. **Encryption** : Encryption is the conversion of electronic data into another form, called ciphertext, which cannot be easily understood by anyone except for authorized parties.
5. **HTTPS** : Hypertext Transfer Protocol Secure (HTTPS) is a communications protocol for secure communication over a computer network, with especially wide deployment on the Internet.

## Blog

By Hasti Vora

As Mr. Warren Buffett rightly projects “don’t depend on a single income, make investment to create a second source”. With this objective in mind, investment in the financial sector is highly recommended which in itself is a world. Making the superlative utilization of savings within the right form of manner is of great significance. Capital markets have been broken into various key areas where one could invest as per his choice. The market has always been an eye opener at large for all the investors out there. Some of the common ones include that of treasury bills, commercial papers, financial instruments, mutual funds & list goes on. The presence of these markets boosts the confidence of investors for investing in the same. Considering India’s scenario in the Capital markets, investments are bound to give fruitful results provided the market is studied and investments are done ethically as again here the reminder is that of the “don’t put all your eggs in one basket”.



Over the past century there have been many profound technological, economic and social transformations. The full development and diffusion of innovations such as electricity, telephones and automobiles have accompanied the emergence of mass production, mass consumption and mass government. There are many who, facing the next century, wonder if it will be possible and/or desirable to continue along the path of such prodigious change. Some worry about the capacity, both technological and social, to continue advancing and inventing new tools, new products and new ways of organising everyday work and home life. Others worry that the ongoing transition costs may be too high, or that the risks to cherished traditions or the threats to environmental sustainability will, singly or together, be too great to bear.

Keeping with the pace of developing latest technological applications, NSDL, the first & largest Depository in India was established in the year 1996 to make the lives of the investors simpler. Before Depository came into existence, Indian capital market had the inherent difficulties in handling paper based transactions & settlement of trades owing to threats/risks such as delays, theft, mutilation associated with handling of securities in physical form which would often result in bad delivery, delayed transfer of title etc. With the latest technology available, investor, today, need not wait, with his fingers crossed, for a fortnight or more, for getting crossed cheques or crisp notes for the sale proceeds of his securities. The trading cycle has been shortened to T+2. This shortening of the cycle has been done in a phased manner but in a rapid succession – from T+5 to T+3 to T+2, all in a matter of two years.

Today, Internet illustrates how technological innovations inadvertently pave the way for new forms of production and organisation that, in turn, exert recognisable influence on the further development of technology. For that reason the Internet was still a research network in both senses until the early 1990s. The significance of those roots in the culture of academia for the way in which Internet-related technological development is organised lies primarily in the scientific nature of the innovation in question. Internet has been a medium for NSDL to provide the Internet based facilities such as SPEED-e & IDeAS.

In the year 2001, NSDL introduced the SPEED-e facility whereby investors can submit delivery instructions over Internet using SPEED-e website. In the year 2004, NSDL introduced IDeAS (Internet-based Demat Account Statement) which facilitates account holders to view the latest balances and transactions in their demat accounts online. In the year 2009, NSDL operationalised SPICE (Submission of Power of attorney based Instructions for Clients Electronically) whereby clients can submit instructions to debit the account of the Clients and credit their margin accounts based on the Power of Attorney (POA) given by the Client to the CM.

Until 2007, technology was at its best but mobile wasn't the use of a common man. The use of pagers was more demanding for people to read & send messages. With the innovation of mobile devices at a lower cost, use of mobile thus became the best friend providing user friendly applications for a common man. NSDL in the year 2007, introduced the SMS alert facility whereby investors received SMS alerts directly from NSDL for various transactions taking place in their demat account.

In the year 2012, NSDL launched its 'e-voting' platform whereby Investors can now cast their votes on resolutions of companies requiring voting through Postal Ballots/General Meetings electronically.

In June 2014, NSDL continued providing latest facilities by introducing mobile app, for investors. Investors can download it from Google Play Store. It is presently available on Android & IOS platforms.

NSDL has always been a showcase institution to the World. It will continue its journey of using latest available technology for providing useful applications to its customers & business partners & Capital markets of India at large. NSDL plans to continue this journey of innovations through its new products on the anvil like e-DIS & e-IPO thus making the path of investors more convenient & simple.



**1. I know about voting by 'Postal ballot'. What is e-Voting?**

e-Voting is voting through an electronic system where shareholders can vote on resolutions of companies requiring voting through Postal Ballot as per extant rules and regulations without having the necessity of sending their votes through post. Ministry of Corporate Affairs has authorised NSDL for setting up an electronic platform to facilitate shareholders to cast vote in electronic form. Accordingly, NSDL has set-up an electronic infrastructure to facilitate shareholders to cast votes in electronic form through internet.

**2. There are demat accounts / shares certificates held by joint holders. In such a case who will cast the vote in e-Voting system?**

As, only one of the several joint holders is entitled to exercise voting power, in case of e-voting only first holder is recognized for the purpose of sending user ID & password for e-voting. Accordingly, the vote casted using the User ID and password sent to first holder is recognized on behalf of all the joint holders, as the shareholder who casts the vote through the e-Voting services of NSDL is doing so on behalf of all joint holders.

**3. Is there any charge for using e-Voting system of NSDL?**

No. Currently, NSDL does not levy any charge on the shareholders for using the e-Voting system.

**4. Will proxy be able to cast vote in e-Voting system?**

e-Voting system brings flexibility, convenience and ease of operation for the shareholder to cast vote through internet thus, eliminating the need to appoint a proxy.

**5. Is time period for e-Voting same as Postal Ballot?**

Yes. The time defined in the Postal Ballot Rules, 2001 for Postal Ballot is applicable for e-Voting as well.

**6. Once I cast my vote on e-Voting System, can I modify my vote before the closing of e-Voting cycle?**

No. Vote once casted will be considered final and cannot be modified.

**7. Voting on selective resolutions is permitted in Postal Ballot. Is the same available in the e-Voting system as well?**

Yes. Since a shareholder can decide to vote only on some of the resolutions put to vote, the same can also be done in e-Voting system as well.

**8. How will I know if e-Voting website is secured?**

If you are visiting the website with a secure connection, you will be able to identify the website through the site's certificate. A secure or encrypted website address will begin with HTTPS rather than HTTP and you will see a lock icon in the Address bar. Secure connections use certificates to identify the website and to encrypt your connection so that it will be more difficult for a hacker to view. You can also click the lock icon in the Address bar to see more information about the secured website.

Send in your queries by mentioning your contact details (contact name, address & contact number) with the subject "Questions for YQOA" to [info@nsdl.co.in](mailto:info@nsdl.co.in) & selected questions along with answers would be published in our forth coming issue.



It gives us pleasure to inform that **NSDL Database Management Limited (NDML)** which is a 100% subsidiary of **National Securities Depository Limited (NSDL)** has set up “**NSDL Insurance Repository (NIR)**”, approved by **Insurance Regulatory Development Authority (IRDA)**, to enable individuals to hold insurance policies in electronic form.

Kindly visit nearest **Approved Person (AP)** branch and open an **e-Insurance Account**. List of **Approved Persons (AP)** with contact details is available on <https://nir.ndml.in>


#### **Benefits to e-Insurance Account (eIA) Holder:**

- ◆ Insurance Policies under one umbrella: e Insurance Account will provide Single view for all policies. e- Insurance Account (eIA) eliminates the problem of policy mutilation or loss of document associated with holding of policies in physical form.
- ◆ No charges: No charges for eIA opening, eIA maintenance, transactions, policy conversion to the eIA holder.
- ◆ Ease in Premium payments: Policy holder will be able to pay premium for all policies from single e-Insurance Account.
- ◆ One point contact: Eliminates communication to different Insurance companies separately for updation of demographic details.
- ◆ Access based on login ID and password: Will facilitate customers with 24/7 access to their account.

Visit us at <https://nir.ndml.in> to open your e-Insurance Account absolutely free of cost.

Kindly write to us at [helpdesk.nir@nsdl.co.in](mailto:helpdesk.nir@nsdl.co.in) or call at 022 – 4914 2631.

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# Read and Win!

Does the e-Voting system of NSDL facilitate e-Voting for only demat account holders of NSDL?

Send your replies providing your contact details (Name, address and contact no.) with the subject 'Knowledge Wins Contest - November 2014' to [info@nsdl.co.in](mailto:info@nsdl.co.in)

#### Terms and Conditions

- NSDL shall be solely responsible for the execution and administration of this Contest.
- This Contest is only open to Indian Citizens. (NSDL employees are not allowed to participate in this contest.)
- All personal details submitted must be accurate and complete and are subject to proof upon request by NSDL.
- NSDL reserves the right, at any time, to verify the validity of entries and entrants and to disqualify any entry not submitted in accordance with these Terms or which tampers with the entry process.
- NSDL reserves the right to discontinue the contest at any given point of time without prior intimation.
- All prize drawings will be made on a strictly random basis and the decision made by NSDL will be final.

# KNOWLEDGE WINS Contest

Lucky 25  
Winners will  
Win Free  
Goodies



Your suggestions for newsletter are valuable to us.  
Send in your suggestions mentioning your contact details (contact name, address & contact number) with the subject "Suggestions for the newsletter" to [info@nsdl.co.in](mailto:info@nsdl.co.in)

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