



Exploring New Horizons

From The Editor's Desk

Dear Reader,

We would like to thank our readers for giving feedbacks for our newly launched monthly newsletter 'The Financial Kaleidoscope'. Through this newsletter, we will always try to provide the investors with latest information & useful knowledge about investing, enabling them to invest in making the right investment decision.

'Diwali' - the Festival of Lights will be round the corner by the time this issue is out. While many existing investors revisit their portfolios, many new investors begin their investing journey on the Laxmipujan day in Diwali. NSDL has always been instrumental in providing best in class technology solution to investors. We advise all new investors to open a BSDA demat account this season and begin their journey in the realm of investments. Existing investors too can open the free e-insurance account with any of NSDLs Approved Persons (APs) for availing the easy holding of life insurance policies. Investors should also plan their old age income starting today by opening a NPS account (National Pension System). With all this, you will be getting ready to reap the benefits of the finance minister's vision of introducing Single window view of your investments through a single Demat Account. As on date, a Demat account will certainly help investors to track all their investments in Equities, Mutual Funds, Government securities, bonds etc.

Further, investors should use the 'e-voting' facility of NSDL to cast their votes on resolutions of companies requiring voting through Postal Ballots/General Meetings electronically. Ministry of Corporate Affairs has authorised NSDL for setting up an electronic platform for facilitating shareholders use this facility. Till date, more than 1000 companies have availed the e-Voting services of NSDL on 1320 occasions.

The issue of September 2014 will continue to provide insights about Mutual Funds. It will also tell you more about the open ended mutual funds. We have also given focus on guiding investors to convert their mutual funds into demat. We are sure that this suggestion and the contents of this issue will make your Mutual fund unit management and your investment life simple.

We wish all our readers a very Happy Diwali and Happy Investing future!!!!

Best Regards,

NSDL

"Did You Know"

In the PPF Scheme under section 80C of Income Tax Act 1961, annual ceiling has been enhanced from ₹ 1 lakh to ₹ 1.5 lakh p.a. in the Union Budget 2014-15.

"Quote of the month"

"I never attempt to make money on the stock market. I buy on the assumption that they could close the market the next day and not reopen it for five years."- Warren Buffett

In the previous issue of 'The Financial Kaleidoscope', we have explained the different types of Debt instruments, significance of Money Market/ Liquid instruments & the potential for retail investors to tap the Indian Capital market. In this issue of Kaleidoscope, we will explain the significance of Equity Mutual Fund in an Open Ended scheme & its types in detail.

Equity mutual funds

These funds invest maximum part of their corpus into equity holdings. The structure of the fund may vary for different schemes and the fund manager's outlook on different stocks. The Equity funds are sub-classified depending upon their investment objective, as follows:

Sectoral Scheme

Sectoral funds invest in a specific sector like infrastructure, IT, pharmaceuticals, etc. or segments of the capital market like large caps, mid caps, etc. This scheme provides a relatively high risk-high return opportunity within the equity space.

Mid cap & Small cap

Mid caps are typically defined as companies with market caps that are between \$2 billion and \$10 billion whereas small caps are typically new or relatively young companies and have a market cap between \$300 million to \$2 billion.

Index Scheme

Index Scheme is a type of mutual fund with a portfolio constructed to match or track the components of a market index, such as the Standard & Poor's 500 Index (S&P 500) etc. An index mutual fund is said to provide broad market exposure, low operating expenses and low portfolio turnover.

Tax Saving / ELSS

As the name suggests, this scheme offers tax benefits to its investors. The funds are invested in equities thereby offering long-term growth opportunities. Tax saving mutual funds (called Equity Linked Savings Schemes) has a 3-year lock-in period.

Diversified

Diversified fund provides Capital appreciation over long term Investment predominantly in equity and equity related securities & has High risk.

Balanced

This scheme allows investors to enjoy growth and income at regular intervals. Funds are invested in both equities and fixed income securities; the proportion is pre-determined and disclosed in the scheme related offer document. These are ideal for the cautiously aggressive investors.

Monthly Income Plan (MIP)

MIP of mutual fund is a debt-oriented scheme that generally invests up to 75-80% of its corpus in debt instruments and the remaining in equity instruments. It aims to provide investors with regular pay-outs (through dividends).

We would be explaining you the different types of Close-ended schemes in detail in our next issue of 'The Financial Kaleidoscope'. Mutual Funds can also be held in demat form. NSDL has enabled holding of mutual fund units in dematerialized form. You can use your existing demat accounts for converting your mutual fund units in dematerialized form.

For more details, you can log on to <https://nsdl.co.in/mutualfunds.php>

To
Convert your
Mutual Fund Units
into Demat,
give us a Missed Call at
022 - 39386829

Get Started: Four steps to secure unclaimed mutual funds payments

In this issue of Kaleidoscope, let us take a look as to how can an investor take necessary measures for securing unclaimed mutual funds payments. Mutual fund payments of investors, who do not opt for NEFT facility and then fail to encash the payment instrument, remains unclaimed. If the address of the investor changes, the cheque may not get delivered. Further, investor may have also closed the registered bank account and may not have updated the changes with the mutual fund.

As per SEBI guidelines, such funds have to be invested by the fund house in short-term debt instruments. Net asset value (NAV) of these funds is also calculated. Fund houses can charge up to 0.5% per annum as investment management fee. Investors can claim their money by following the given procedure:

✓ **Communication**

The first step for the investor is to identify why the amount has remained unclaimed and communicate the reason to the Mutual Fund Company.

✓ **Information update**

If address change is the issue then the investor must first get the address updated through the KYC Details Change form. To update bank account, the investor must fill up the Bank Account Registration form and provide a cancelled cheque of the new account.

✓ **Letter of indemnity**

In order to receive a new payment instrument, the investor must provide a letter of indemnity in the format prescribed by the mutual fund, citing the folio number, scheme details and details of unclaimed payment.

✓ **Applicable NAV**

If investors claim the money within three years, then the payment is based on the prevailing NAV of the portfolio. If investors claim money after three years, the payment is based on the NAV at the end of the three years.

Points to note:

- In case the investor has not opted for NEFT, the investor needs to seek fresh dividend warrant/redemption cheque.
- Proceeds lying unclaimed in case of deceased investors may be claimed by nominees/legal heirs, as per the prescribed process.

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Technology, Trust & Reach

Managing your Mutual Fund Investments with Demat
It's as easy as cutting butter

Dear Investor,
Manage your Mutual Fund Investments easily by converting them into demat today. It is safe, fast & convenient.

Benefits:

1. View your Investments with valuation online
2. Simple procedure to change the address & bank details
3. Ease of nomination
4. Free SMS Alerts for all debit transactions

To know more visit www.nsdl.co.in/mutualfunds

Sincerely,
NSDL

To Convert your Mutual Fund Units into Demat, give us a Missed Call at **022 - 39386829**

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Understanding Financial lingo

- 1. ELSS:** Equity Linked Saving Schemes are diversified equity mutual funds (funds that invest in the shares of various companies of various sectors) with a tax benefit. To avail of the tax benefit, your money must be locked up for at least three years. The tax benefit for these schemes falls under Section 80C.
- 2. Redemption:** The return of an investor's principal in a fixed income security, such as a preferred stock or bond; or the sale of units in a mutual fund. Redemption occurs in a fixed income security at par or at a premium price, upon maturity or cancellation by the issuer. Redemptions occur with mutual funds, at the choice of the investor. However limitations by the issuer may exist, such as minimum holding periods.
- 3. Dividend:** Dividend is a distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. The dividend is most often quoted in terms of the rupee amount each share receives (dividends per share). It can also be quoted in terms of a percent of the current market price, referred to as dividend yield.
- 4. Corpus:** Corpus is the total amount of money invested by all investors in a scheme.
- 5. Sensex:** An abbreviation of the Bombay Exchange Sensitive Index (Sensex) - the benchmark index of the Bombay Stock Exchange (BSE). It is composed of 30 of the largest and most actively-traded stocks on the BSE. Initially compiled in 1986, the Sensex is the oldest stock index in India.
- 6. CNX Nifty:** The CNX Nifty, also called the Nifty 50 or simply the Nifty, is National Stock Exchange of India's benchmark stock market index for Indian equity market. The CNX Nifty is a well diversified 50 stock index accounting for 23 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds.

Blog

By Hasti Vora
Kelkar College

One of the funny things about the capital market is that every time one person buys, another sells, and both think they are astute. With this fantastic quote, I basically mean the investment in capital market is not just fruitful but a world in itself. Making the optimum utilization of the savings within the right form of manner is equally a crucial decision. A key division within the capital markets is between the primary markets and secondary markets. The existence of these markets increases the willingness of investors as they know they are likely to be able to swiftly cash out their investments if the need arises. One could invest in many financial and liquidity assets which basically include the equities, derivatives, currency derivatives, gold, debentures, Government bonds, commercial papers, GDRs (Global Depository Receipts), ADRs (American Depository Receipts), Treasury bills etc. and also investing it with the right mechanism in an ethical way. Considering India's Scenario in the capital markets investing in the nifty Shares is hitting the bull's eye.



Subscription to *SPEED-e*

During August 2014, five more Participants have subscribed to the *SPEED-e* facility viz.,

- Lohia Securities Limited (DP ID IN302189)
- Punjab and Maharashtra Co-operative Bank Limited (DP ID IN301975)
- Swastika Investmart Limited (DP ID IN303833)
- SKI Capital Services Limited (DP ID IN301508)
- Bank of India (DP ID IN300749)

Further, HSBC InvestDirect Securities (India) Limited (DP ID IN303825) has discontinued offering *SPEED-e* services consequent to the deletion of its DP ID from the depository system.

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

This takes the total number of Participants who have subscribed to *SPEED-e* to 150.

Investor Education initiatives undertaken by NSDL

➤ **Joint Awareness Programme with ICICI Securities Limited & Peerless Securities 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 12 Joint Awareness Programmes with ICICI Securities Limited at Kurukshetra in Haryana, Aurangabad & Nagpur in Maharashtra, Jajpur road in Odisha, Ludhiana in Punjab, Virudhunagar in Tamil Nadu, Jhansi in Uttar Pradesh, Roorkee in Uttarakhand and Bongaon, Krishnanagar, Mahishadal & Mecheda in West Bengal & also two Joint Awareness Programmes with Peerless Securities Limited at Kharagpur & Medinipur in West Bengal during August 2014 which were attended by more than 800 investors.

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

In August 2014, NSDL participated as one of the sponsors at Banking Frontiers' Financial Fitness event. Financial Fitness event, a series of seminars conducted across India, brings top management from various co-operative banks across India under one roof to discuss strategies and strengthen co-operative banks' financial fitness. This event was conducted at Nasik in Maharashtra and at Hyderabad in Telangana which were attended by around 180 participants.

➤ **Participation in events conducted by Institutions:**

In August 2014, NSDL sponsored an event viz., "Praxis 2014" at Vivekanand Education Society's Institute of Technology, Mumbai. Over 300 participants visited the NSDL stall at this event. Various aspects on Depository related services were explained to these participants attending this event.

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

In August 2014, NSDL had organized a training programme for students of M.D. College of Arts, Science & Commerce, Mumbai to educate & popularize them about the demat products and related concepts. This programme was attended by around 120 students.

1. In case an investor does not have a demat account but has Mutual Fund holdings or wishes to invest in Mutual Funds, what should he/she do?

In case an investor does not have a demat account and wish to hold Mutual Fund Units (represented by Statement of Account) in dematerialised form, he/she will be required to open a demat account with any Depository Participant of NSDL.



2. Is it mandatory for an investor to mention the ISIN* (International Securities Identification Number) of the Mutual Fund schemes while filling up the CRF?

Yes, it is necessary to mention ISIN on the CRF. The ISIN details of the Mutual Fund Schemes held by the investor can be obtained from his DP or he/she can access the website link <https://nsdl.co.in/nsdlnews/hold-mutual-fund-units.php> and click on 'List of Mutual Fund ISINs' to know more about the ISIN details. Example;

a) Name of the Mutual fund: XXXXXX (Name of Mutual Fund Company).

b) Scheme Name: XXXXXX (Name of Mutual Fund Company) - Regular Plan - Dividend Payout.

c) ISIN: XXXXXX (ISIN number).

*ISIN i.e., International Securities Identification Number is a unique 12 digit alpha-numeric identification number allotted to the Mutual Fund Scheme. Each scheme will have a unique ISIN. Example: Scheme Name: LIC MF Balance Fund - Growth, ISIN: INF767K01030.

3. Should an investor submit separate CRF for each folio number?

Yes.

4. What if the units are in locked-in and free under the same ISIN?

Investor will be required to submit a separate CRF for locked-in and free units if such Mutual Fund Units (represented by Statement of Account) are held under the same ISIN.

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 & selected questions along with answers would be published in our forth coming issue.

Advertisement

A photograph of a person's hands holding a tablet. The tablet screen displays the NSDL mobile app interface. At the top, the NSDL logo is visible with the tagline 'Technology, Trust & Reach'. Below the logo, there is a 'Sign in' section with a 'SERVICES' icon. The sign-in form includes fields for 'User ID' and 'Password', a 'Login' button, and a 'Forgot Password' link. At the bottom of the screen, there is a 'New User Registration' link. The background of the photo is a warm, orange-brown color.

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For more details visit us at <https://nir.ndml.in/> or contact
us at 022 49142631 / helpdesk.nir@nsdl.co.in



Visit nearest Approved Person(AP) to open e-Insurance Account

Sr. No.	Approved Person of NSDL Insurance Repository
1	Action Commodities Limited
2	Alankit Assignments Limited
3	Allied Financial Services Private Limited
4	Ashlar Securities Private Limited
5	BgSE Financials Limited
6	Bharat Bhushan Equity Traders Limited
7	Coimbatore Capital Limited
8	Dayco Securities Private Limited
9	Elite Wealth Advisors Limited
10	Eureka Stock and Share Broking Services Ltd
11	Geojit BNP Paribas Financial Services Limited
12	Globe Capital Market Limited
13	Goldmine Stocks Private Limited
14	Integrated Registry Services Limited
15	JK Securities Private Limited
16	JKB Financial Services Limited
17	KIFS Securities Limited
18	Kripa Securities Private Limited
19	Master Capital Services Limited

Sr. No.	Approved Person of NSDL Insurance Repository
20	Navia Markets Limited
21	Networth Wealth Solutions Limited
22	Nikunj Stock Brokers Limited
23	O J Financial Services Limited
24	Ortem Securities Limited
25	PELF Finstock Limited
26	Phillip Capital India Private limited
27	Pravin Ratilal Share and Stock Brokers Limited
28	Ratnakar Securities Private Limited
29	Sanjeevani Insurance Brokers Private Limited
30	Shah Investors Home Limited
31	SKI Capital Services Limited
32	Steel City Securities Limited
33	Stewart and Mackertich Wealth Management Limited
34	The Kapol Cooperative Bank Limited
35	The Surat Peoples Co-operative Bank Limited
36	Tracom Stock Brokers Private Limited
37	Vertex Customer Solutions India Private Limited
38	Vivek Financial Focus Limited

Detailed list of Approved Persons (AP) with contact details is available on <https://nir.ndml.in/>

Read and Win!

How to open an e-Insurance account?

Send your replies providing your contact details (Name, address and contact no.) with the subject 'Knowledge Wins Contest - September 2014' to 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

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	Kolkata 5th Floor, The Millenium, Flat No. 5W, 235/2A, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020. Tel.:(033) 2281 4661 / 2281 4662 Fax:(033) 2289 1945	New Delhi 409/410, Ashoka Estate Building, 4th floor, Barakhamba Road, Connaught Place, New Delhi - 110 001. Tel.:(011) 2335 3815 / 2335 3817 Fax:(011) 2335 3756

Investor Relationship Cell	NSDL Certification Program
Officer-In-Charge National Securities Depository Ltd. Trade World, A Wing, 4th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Tel.:(022) 2499 4200 Fax:(022) 2497 6351 Email: relations@nsdl.co.in	Officer-In-Charge National Securities Depository Ltd. Trade World, 4th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Tel.:(022) 2499 4200 Fax:(022) 2497 6351 Email: trainingdept@nsdl.co.in

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