



Demat by NSDL
Towards a secure future

Inside:

> Performance summary

- Investor Accounts
37,95,604
- Demat Custody -
Rs. 5,51,304 Cr.
- Settlement -
Rs. 8,728 Cr.
- Companies
 - ◆ Equity - 4,761
 - ◆ Debentures/
Bonds - 6,425
 - ◆ Commercial
Paper- 386
- DPs - 213
- DP service
centres - 1718

> Corporate Action Statistics

> Securities admitted for dematerialisation

> Calendar of Events

For
private circulation only

April 2003

SEBI Guidelines On T+2

Securities and Exchange Board of India (SEBI) vide its circular no. D&CC/FITTC/CIR-19/2003 dated March 4, 2003 has intimated its decision to shorten the existing T+3 rolling settlement to T+2 rolling settlement w.e.f. April 1, 2003. The time schedule prescribed by SEBI for implementation of T+2 rolling settlements, beginning from April 1, 2003, is as follows:

Sr. No.	Day	Time	Description of activity
1	T		Trade Day
2	T+1	By 11:00 a.m.	Confirmation of all trades (including custodial trades). Facility of an exceptional window for late confirmations would be made available by the exchanges.
		By 1:30 p.m.	Processing and downloading of obligation files to brokers/custodians
3	T+2	By 11:00 a.m.	Pay-in of securities and funds
		By 1:30 p.m.	Pay-out of securities and funds

Depository Participants (DPs) have been advised to take note of the above and ensure the following:

- (1) DPs shall accept instructions from the Clients, in physical form upto 4 p.m. (in case of electronic instructions upto 6 p.m.) on T+1 for pay-in of securities, viz.; instructions to transfer securities from Client account to Clearing

* National Electronic Settlement and Transfer

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Member (CM) Settlement account, Inter-Settlement Instructions, CM Settlement to CM Settlement account transfers and Delivery-Out Instructions, etc. For example, pay-in for trades executed on 'Monday' will be on Wednesday. Clients will have to submit instructions to their DPs upto 4 p.m. (in case of electronic instructions upto 6 p.m.) on Tuesday.

- (2) Settlement instructions received from any Client beyond the aforementioned deadlines would be received by the DPs at Clients' risk and acknowledgment thereof should be issued by DPs to the Clients, with suitable remarks.
- (3) DPs should complete execution of pay-in instructions and ensure that they are in status "Accepted by NSDL" well before the pay-in deadline time of 10.30 a.m. on T+2.

Further, DPs have been advised to bring to the notice of their clients that all instructions submitted to the DPs must have an execution date. The execution date can be current date or future date. Instructions will be valid till the pay-in deadline or till 'end of day' (EOD) of the execution date, whichever is earlier. In case the account does not have sufficient balance before pay-in deadline or till EOD, such instructions will fail.

SEBI has also intimated the following:

1. Depositories would download the processed pay-in files to the exchange / Clearing House / Clearing Corporation latest by 11:00 a.m. on T+2.
2. Pay-out of securities by the exchange / Clearing House / Clearing Corporation to the Depositories by 1:30 p.m. on T+2.
3. Pay-out of securities to be completed by the Depositories by 2:00 p.m. on T+2.

The above instructions have been communicated to DPs vide NSDL Circular No. NSDL/PI/2003/0406 dated March 7, 2003.

SEBI directive on electronic connectivity of DP Branches

SEBI vide its letter no. CS/4753/2003 dated March 4, 2003 has intimated to NSDL that with the introduction of T+2 settlement from April 1, 2003 it is imperative that the transfer of securities takes place in an efficient and efficacious manner without any settlement failure. This requires that DPs throughout the country should have technological compatibility with the existing infrastructure. Since they have their offices in various cities/towns, it is necessary that all the branches of a DP should be linked electronically to its head office. This would ensure that all the clearing and settlement instructions are communicated without fail. This would also mitigate risk of settlement failure.



NSDL has advised DPs to ensure compliance of the above vide NSDL Circular No. NSDL/PI/2003/0392 dated March 6, 2003.

Change in BSE Pay-in time

BOI Shareholding Limited (Clearing House of BSE) has intimated NSDL that the NSDL deadline time for pay-in of securities for various settlements of BSE has been changed to **10.30 a.m.** as against the current deadline of 11.00 a.m.. DPs have been advised to capture and verify/release instructions till the aforementioned deadline time.

This has been communicated to DPs vide NSDL Circular No. NSDL/PI/2003/0511 dated March 26, 2003.

Performance Summary

Investors :

Table 1

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Mar-01	34.21
Mar-02	37.18
Mar-03	37.95

As on March 31, 2003, there are 37,95,604 Investor accounts from within the country and abroad. 3,555 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 March 31, 2003, 6876 cr. securities having a value of Rs. 551,304 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.)
Mar-01	3,721	326,184
Mar-02	5,167	442,580
Mar-03	6,876	551,304



Settlement :

Table 3

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Mar-01	125	18,202
Mar-02	112	12,860
Mar-03	85	8,728

In March 2003, a total quantity of 85 cr. shares having a value of Rs. 8,728 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 March 31, 2003, 4761 companies are available for demat. Table 4 indicates the increase in the number of companies joined NSDL over a period of three years.

Table 4

Month - Year	No. of Companies Operational
Mar-01	2,786
Mar-02	4,172
Mar-03	4,761

DEBENTURES / BONDS

Table 4A

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Jan-03	478	6,175	187,522
Feb-03	484	6,311	189,249
Mar-03	499	6,425	192,670

As on March 31, 2003, 499 issuers have issued 9327 debentures/bonds in demat form. 2902 instruments have been redeemed and 6425 instruments are available for dematerialisation. Table 4 A shows the growth over A period of last three months.

COMMERCIAL PAPER

As on March 31, 2003, 318 issuers have issued 3575 commercial papers in demat form. 3189 instruments have been redeemed and 386 commercial papers are available for dematerialisation. Table 4 B shows the growth over a period of last three months.

Table 4B

Month - Year	No. of Issuers	No. of active Instruments
Jan-03	314	569
Feb-03	316	479
Mar-03	318	386

Depository Participants :

Table 5

Month - Year	No. of DPs
Mar-01	186
Mar-02	212
Mar-03	213

As on March 31, 2003, 213 Depository Participants are offering depository services. DP services are provided from 1718 locations across the length and breadth of the country. Table 5 shows the steady increase in the number of DPs.

Corporate Action Statistics

Sr. No.	Security Type	During March 2003		For the FY 2002-2003 (upto March 2003)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1.	Equity Shares	2,23,440	11,86,55,452	22,24,086	9,02,98,62,067
2.	Preference Shares	3	1,09,35,200	21,310	27,94,39,058
3.	Bonds & Debentures	14,743	5,30,74,312	1,26,658	60,67,99,006
4.	Commercial Papers	47	15,660	1,318	4,27,302
5.	Certificates of Deposit	73	60,738	462	1,39,397
6.	Pass Through Certificates	34	1,041	396	3,28,24,087
7.	Mutual Fund Units	478	21,63,13,346	37,200	1,31,18,38,000
8.	Government Securities	2	78,000	1,967	4,03,04,742
9.	Warrants			765	2,94,259
	Grand Total	2,38,820	39,91,33,749	24,14,162	11,30,19,27,918






Securities admitted for Dematerialisation during March 2003

COMPANY	ISIN
Adarsh Mercantile Limited	INE673E01018
Adonis Finance Limited	INE939F01010
Alankit Finsec Limited	INE929F01011
Bharat Biotech International Limited	INE920F01010
Bilt Paper Holdings Limited	INE921F01018
Champawat Investments & Consultants Pvt Ltd	INE930F01019
Conrad Tele-Films Limited	INE810F01013
Dhrov India Private Limited	INE922F01016
Elcon Exports Private Limited	INE931F01017
Fiscal Ltd	INE932F01015
Gujarat Finvest Services Pvt Limited	INE933F01013
Hotel Scopevista Limited	INE940F01018
IDBI Principal Asset Management Company Limited	INF082D01013
Indo Gulf Fertilisers Limited	INE911F01019
Jagadishwar Pharmaceutical Works Limited	INE832F01017
Learnet India Limited	INE934F01011
Online Information Technologies Limited	INE831F01019
Purva Capital Market Limited	INE935F01018
Royale Infrastructure Projects Pvt Ltd	INE936F01016
Shree Bala Finvest Private Limited	INE937F01014
Signet Fincom Limited	INE529F01019
Talent Infoway Limited	INE923F01014
Terra Agro Technologies Limited	INE938F01012
The Mysore Paper Mills Limited	INE924F01012
World Resorts Limited	INE648F01017

Things you should know about your Demat Account

Precautions you should take

- Deface your share certificates by writing "Surrendered for Dematerialisation" before submitting them to your DP for dematerialisation.
- Keep the Delivery Instructions book (DI book) safely just like a cheque book. 
- Accept the DI book from the DP only if it has a pre-printed serial number and your account number (Client ID) is stamped on each slip like in a cheque book.
- When writing an instruction on the DI slip, strike-out the empty space.
- Do not sign on the DI slip until it is completely filled-up.
- You are entitled to receive a Transaction Statement every 15 days if you have done any transaction(s) and once a quarter, if you have done no transaction.
- Insist on a Transaction Statement and not a holding statement. A Transaction Statement will show an opening balance, debit/credit and closing balance for each different share/ debenture held by you. 
- Verify whether all debits were authorised by you and all credits belong to you. If you find any unauthorised debits or credits in your account, report the matter to your DP. In case you are not satisfied, complain to NSDL.
- If your DP offers the internet facility to check your account, check it frequently. Change your login password at regular intervals. 

Services you should receive



Future Dated Instruction

A facility to submit delivery instructions to your DP today with an instruction to debit your account on a 'future date'. This helps in giving advance instructions and keeping securities with you until the day they are due to be delivered.



Automatic Credit

If your original holding is in demat form, then bonus shares, shares under scheme of split, amalgamation, etc., will be credited to your account automatically.



Transaction Statement

It shows the opening balance, securities pending for demat, transfers made by you, credits received by you, quantity pledged or lent by you and the closing balance for each security with appropriate description.



Pledge Facility

A facility to get a loan against shares in your demat account by pledging the shares (for example, in favour of a bank).



Transposition cum Demat

Shares in the name of husband and wife (for example) can be dematerialised in the account held in the name of wife and husband.



Nomination

An individual account holder can nominate one person per demat account. Register nomination for your account with your DP.



Update of changes

NSDL electronically sends changes in your address or bank account details to all the companies in which you hold shares in demat form once you furnish the details of the changes to your DP. You need not communicate such changes to all companies individually.



Transmission

Your DP will effect transmission of securities upon receiving the application in case of death of the account holder.



SPEED-e

A facility to submit delivery instructions through the internet. Contact your DP or visit the NSDL website: www.nsdl.co.in

For any kind of clarifications, complaints or suggestions, contact



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NSDL Calendar of Events

Investor Depository Meets

April 11, 2003	Porbandar	April 25, 2003	Solapur
April 12, 2003	Jamnagar	April 26, 2003	Mumbai (Ghatkopar)
April 17, 2003	Pondicherry	April 26, 2003	Ahmednagar
April 18, 2003	Kancheepuram	April 26, 2003	Udipi
April 19, 2003	Chennai	May 1, 2003	Belgaum
April 24, 2003	Devangere	May 2, 2003	Karwar
April 25, 2003	Shimoga	May 3, 2003	Goa

Refresher Quality Improvement Programs

April 19, 2003	Chennai
April 23, 2003	Bangalore
May 3, 2003	Goa

Business Partner Training

April 8 - 10, 2003	Depository Participant Training
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NSDL Certification Program

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