



**Demat by NSDL**  
*Towards a secure future*

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*For  
private circulation only*

**December 2003**

### 20% Reduction In NSDL Transaction Charges

NSDL, since its inception has reviewed its charge structure from time to time, in order to pass on the benefit of the increasing volumes to the market. The number of transactions have shown a steady increase in the recent times. Keeping in line with NSDL's policy of passing on the benefit of increased volumes to the market, NSDL has revised the fee structure with effect from 1st January 2004.

NSDL's charge to the Depository Participants (DPs) for debit instruction has been reduced from Rs. 10/- to Rs. 8/- i.e. a reduction of 20%. NSDL believes that the reduction will enable the DPs to reduce their charges to the investors. The Corporate Action Fee, payable by issuers, has also been reduced from Rs. 10/- per record to Rs. 8/- per record.

### Shree Bahubali International Limited joins SPEED-e

Shree Bahubali International Limited (Shree Bahubali), DP has subscribed to the SPEED-e facility of NSDL. Clients of Shree Bahubali can now avail the facility of submitting account transfer instructions through SPEED-e website.

### Suvridhi Capital Markets Limited Joins NSDL as DP

Suvridhi Capital Markets Limited has been made operational as a DP on November 18, 2003. It will conduct its depository operations from Kolkata. The DP Id allotted is IN302855.

### Name change of Computech International Limited to

#### MCS Limited

Pursuant to the acquisition of share registry division of Computech International Limited by MCS Limited (Registrar and Transfer Agent), its name has been changed from "Computech International Limited" to "MCS Limited", Kolkata.

This has been communicated to all DPs vide NSDL Circular No. NSDL/PI/2003/1903 dated November 29, 2003.

\* National Electronic Settlement and Transfer

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### **Increase in NCFM -Depository Module Exam Charges**

National Stock Exchange of India Limited has intimated to NSDL about revision in fees in respect of NSDL-Depository Operations Module (NSE's Certification in Financial Markets) from Rs. 500/- to Rs. 1,000/- per test. The revised fees will be applicable with effect from January 1, 2004, for a period of three years.

This has been communicated to all DPs vide NSDL Circular No. NSDL/PI/2003/1831 dated November 18, 2003.

### **Updated version of Bye Laws and Business Rules of NSDL**

NSDL has updated its 'Bye Laws and Business Rules' with amendments upto September 30, 2003. Copies of the revised Bye Laws and Business Rules can be downloaded from NSDL website [www.nsdl.co.in](http://www.nsdl.co.in). Printed copies can be obtained from NSDL offices upon payment of Rs. 100/- per copy.

### **Warehouse Receipts**

NSDL has been approached by multi-commodity exchanges to provide depository facility for warehouse receipts. As legal status of warehouse receipts is different from that of securities, it is necessary for DPs to enter into a separate agreement with persons seeking to open a demat account for the purpose of holding and dealing in electronic warehouse receipts. DPs are free to add any more terms and conditions to the agreement to the extent they are not contradictory to the terms and conditions of the model agreement (Annexure B to the Bye Laws of NSDL).

The following points may be noted in this regard:

- Account opening procedure will remain same. All precautions and procedures for account opening, change in address, etc. as applicable to securities account shall be followed.
- Accounts opened under this agreement shall hold only electronic warehouse receipts and cannot be mixed up with other securities. DPs are requested to ensure this and if securities get credited into this account, they shall take necessary action to return the securities to the originating account.
- DPs may make their own business/contractual agreement with the commodity exchanges/warehouse owners, as they deem fit, including terms and conditions related to collection of rent, etc. If DPs are required to collect any charges/tax/rent on behalf of commodity exchange / warehouse, DPs may have to ensure that such function has adequate legal basis.
- NSDL will issue circular relating to activation of Commodities Identifier [CID] (equivalent to ISIN) as and when such CIDs are activated in the system. The statement of transaction will contain CID-wise balances. Commodity descriptor will contain unit of measurement, for e.g.:- "(CID No.) Castor Seed Grade A , Ahmedabad ( in MTs)." MT = Metric Tonnes.
- Initial credit of electronic warehouse receipts into demat account will be effected by way of corporate action.
- Procedure for transfer, pledge and freeze will be the same as is applicable to securities.
- At the time of delivery, client will initiate rematerialisation request through the DP using the Remat Request Form (RRF). DP shall issue acknowledgment for receipt of the remat request by entering remat request (transaction) number on the acknowledgment portion and attest the signature of the client on the copy of RRF. Client will submit this acknowledgment and attested copy of RRF to the warehouse at the time of taking delivery.

The following charges will be levied by NSDL on the DPs towards demat services for warehouse receipts:

Details	Charges Payable
Custody Charges	Rs. 6/- p.a. per C.I.D.
Transaction Charges	Rs. 10/- [per debit]
Remat request (delivery of commodities)	Rs. 50/- (per request)
Pledge charges - Pledge Creation	Rs. 25/- (per request)
Pledge closure & Invocation	NIL

This has been communicated to all DPs vide NSDL Circular No. NSDL/PI/2003/1882 dated November 27, 2003.

## Performance Summary

### **Investors :**

**Table 1**

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Nov-01	36.42
Nov-02	38.05
Nov-03	44.56

As on November 30, 2003, there are 44,56,382 Investor accounts from within the country and abroad. 2,266 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 November 30, 2003, 7,660 cr. securities having a value of Rs. 8,73,159 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.)
Nov-01	4,563	365,955
Nov-02	6,146	535,187
Nov-03	7,660	873,159

### **Settlement :**

**Table 3**

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Nov-01	81	9,110
Nov-02	68	8,772
Nov-03	230	26,448

In November 2003, a total quantity of 230 cr. shares having a value of Rs. 26,448 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 November 30, 2003, 5,061 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
Nov-01	3,692
Nov-02	4,631
Nov-03	5,061

***DEBENTURES / BONDS*****Table 4A**

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Sep-03	540	7,022	227,559
Oct-03	542	7,157	229,553
Nov-03	551	7,324	232,395

As on November 30, 2003, 551 issuers have issued 11,901 debentures/bonds in demat form. 4,577 instruments have been redeemed and 7,324 instruments are available for dematerialisation. Table 4 A shows the growth over A period of last three months.

***COMMERCIAL PAPER***

As on November 30, 2003, 337 issuers have issued 4,528 commercial papers in demat form. 4,060 instruments have been redeemed and 468 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
Sep-03	329	444
Oct-03	334	445
Nov-03	337	468

**Depository Participants :****Table 5**

Month - Year	No. of DPs
Nov-01	207
Nov-02	213
Nov-03	213

As on November 30, 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.	Description	During November 2003		For the F.Y. 2003-2004 (upto November 30, 2003)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1.	Equity Shares	476,001	620,971,528	1,660,086	2,949,874,348
2.	Preference Shares	15,486	103,111,130	45,187	1,091,931,647
3.	Bonds	3,726	12,191,804	278,063	1,309,870,830
4.	Commercial Papers	133	54,520	931	321,980
5.	Certificate of Deposits	47	47,441	418	364,720
6.	Pass Through Certificates	16	2,180	333	32,342,924
7.	Mutual Fund Units	207	40,621	3,027	53,676,376
8.	Government Securities			356	12,931,826
9.	Postal Savings Certificate	81	8,353,000	117	8,546,000
	<b>Total</b>	<b>495,697</b>	<b>744,772,224</b>	<b>1,988,518</b>	<b>5,459,860,650</b>

**List of Companies That Have Changed Names***(During November 2003)*

Sr. No.	Old Name	New Name
1.	Duphar Interfran Ltd.	DIL Ltd.
2.	International Ferrites Ltd.	EPCOS Ferrites Ltd.
3.	Ishwar Textiles Ltd.	Neemtek Organic Products Ltd.
4.	Matsushita Television and Audio India Ltd	Panasonic AVC Networks India Co. Ltd.
5.	Visesh Infosystems Limited	Visesh Infotecnics Limited

## Securities admitted for Dematerialisation during November 2003

COMPANY	ISIN
Core Projects & Technologies Limited	INE247G01016
JK Agri Genetics Limited	INE211G01012
JK Sugar Limited	INE210G01014
Konaseema EPS Oakwell Power Limited	INE265G01018
Malav Holdings Private Limited	INE268G01012
PMP Components Private Limited	INE270G01018
Ranbaxy Holding Company	INE267G01014
Shasun Finance Limited	INE257G01015
Shivi Holdings Private Limited	INE269G01010
Siel Sugar Limited	INE255G01019
Smartchem Technologies Limited	INE271G01016
Solaris Biochemicals Limited	INE248G01014
Surya Pharmaceuticals Limited	INE249G01012
Unick Fix-A-Form And Printers Limited	INE250G01010
Vijay Textiles Limited	INE256G01017

## Topic of Interest

### Procedure in NSDL for Non Cash Corporate Actions

Corporate Actions are events initiated by corporates, which impact shareholders. They could be cash corporate actions like dividends / interest payments 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. This article details the procedure in NSDL for effecting the non-cash corporate actions.

NSDL facilitates efficient and speedy distribution of securities arising out of non-cash corporate actions.

On announcement of corporate action by an Issuer, the Issuer or its Registrar & Transfer Agent (R&T Agent), informs NSDL about the details of the proposed corporate action. On receiving such information, NSDL informs all its Depository Participants (DPs) about the corporate action and DPs are asked to take the following steps:

- ✓ Update the changes in tax status, bank details, address etc. in the beneficial owners' accounts well in advance of the book closure/record date for the corporate action;
- ✓ all balances in the CM pool accounts to be transferred to the relevant beneficiary accounts well in advance of the book closure/ record date for the corporate action.

On the basis of an electronic request placed in the NSDL system by the Issuer or its R&T agent, NSDL electronically downloads the beneficial position details as of book closure/record date for the corporate action to the Issuer or its R&T agent. The details provided by NSDL include the particulars viz. name, address, bank details etc. of the beneficial owner.

The Issuer allots the securities and informs NSDL about allotment details of all beneficial owners who have opted to receive securities in electronic form. On receipt of these details, credits are effected in the accounts of the beneficial owners on the execution date requested by the Issuer. If the details of accounts to which the Issuer has made allotment do not match with those maintained at NSDL, such records are rejected.

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

In an automated corporate action, Issuer or its R&T agents sets up the ratio of entitlements in the NSDL system, based on which additional entitlements are automatically credited to the shareholder's demat account on the 'execution date'.

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

#### To Issuers

- Complete audit trail for the credit of securities.
- Savings in cost for printing of paper certificates and dispatching by registered post.
- Elimination of post dispatch correspondence and investor grievances.
- Trading of securities can commence faster, since the receipt of shares in the hands of the shareholders is faster.
- Book closure period is reduced.

#### To Investors

- 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 will reflect the details of credits related to corporate actions.
- No-Delivery period is reduced.

## NSDL Calendar of Events

### Investor Depository Meets

December 6, 2003	Guwahati	December 18, 2003	Mysore
December 12, 2003	Karnal	December 19, 2003	Hassan
December 13, 2003	Ambala	December 20, 2003	Ankleshwar
December 13, 2003	Panvel	December 20, 2003	Chikmaglur

## NSDL offices

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### NSDL Certification Program

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