



Demat by NSDL
Towards a secure future

*NEST UPDATE

December 2004

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Subscription to IDeAS

The following DPs have subscribed to the IDeAS facility of NSDL in the month of November 2004:

- South Gujarat Shares & Sharebrokers Ltd.
- J K Securities Pvt. Ltd.
- Bharat Bhushan Equity Traders Ltd.

This takes the total number of DPs who have subscribed to IDeAS to 71.

SEBI directive on Proof of identity and proof of address

SEBI, vide its Circular No. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004, prescribed various documents that may be accepted as Proof of Identity and Proof of Address at the time of opening Beneficiary Owner (BO) accounts for non-body corporates. It had directed that DPs are required to exercise due diligence while establishing the identity of the person to ensure the safety and integrity of the depository system. This was communicated to DPs vide Circular No. NSDL/PI/2004/1622 dated September 7, 2004.

SEBI has now clarified that while exercising such due diligence, DPs can apply stricter criteria and accordingly, decide to accept select documents out of the list of documents prescribed by SEBI, as proof of identity/address.

This has been intimated to the DPs vide Circular No. NSDL/PI/2004/2117 dated November 25, 2004.

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private circulation only*

* National Electronic Settlement and Transfer

SEBI clarification on Unique Identification Number (UIN) under MAPIN

SEBI has specified from time to time the categories of individuals and entities that are required to obtain a Unique Identification Number (UIN) under the Central Database of Market Participants (MAPIN) Regulations, 2003. It has been further clarified that the UIN has to be obtained only once by an individual / entity irrespective of any change to the official position(s) held by the individual. A UIN once issued to an individual is permanent under any of the following circumstances:

1. On change of employment by the individual, as an employee of the new organization.
2. As an employee of one organization and director of another organization.
3. As an employee / director of one organization and the relative of an employee/ director of another organization.
4. As an individual and as a director of an organization.
5. As a director of two different organizations.
6. As an individual and as a client-undertaking margin trading activities.
7. Loss of original MAPIN card.
8. Non-receipt of MAPIN card after submitting the application form.

An individual needs to obtain only one UIN, which can then be linked to other organizations / intermediaries under the circumstances enumerated above. Similarly, an entity needs to obtain UIN only once even though it may be registered with SEBI in various capacities.

It may be noted that obtaining a second UIN, by an individual or an entity is a violation of the provisions of SEBI, MAPIN regulations 2003 and the concerned person is therefore, liable for appropriate penal action.

This was clarified by SEBI vide its Press Release No. 278/2004 dated October 18, 2004 and intimated to the DPs vide Circular No. NSDL/PI/2004/2063 dated November 16, 2004.

Performance Summary

Investors :

Table 1

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Nov-02	38.05
Nov-03	44.56
Nov-04	58.74

As on November 30, 2004, there are 58,73,509 Investor accounts from within the country and abroad. 2,026 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, 2004, 10,313 cr. securities having a value of Rs. 13,25,204 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-02	6,146	535,187
Nov-03	7,660	873,159
Nov-04	10,313	1,325,204

Settlement :

Table 3

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Nov-02	68	8,772
Nov-03	230	26,448
Nov-04	355	34,226

In November 2004, a total quantity of 355 cr. shares having a value of Rs. 34,226 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, 2004, 5,499 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-02	4,631
Nov-03	5,061
Nov-04	5,499

DEBENTURES / BONDS

Table 4A

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Sep-04	593	6,870	261,239
Oct-04	594	6,901	267,014
Nov-04	594	7,387	271,389

In November 2004, 594 issuers have issued 14,173 debentures/bonds in demat form. 6,786 instruments have been redeemed and 7,387 instruments are available for dematerialisation. Table 4A shows the growth over a period of last three months.

COMMERCIAL PAPER

In November 2004, 365 issuers have issued 5,789 commercial papers in demat form. 5,378 instruments have been redeemed and 411 commercial papers are available for dematerialisation. Table 4B shows the growth over a period of last three months.

Table 4B

Month - Year	No. of Issuers	No. of active Instruments
Sep-04	365	474
Oct-04	365	448
Nov-04	365	411

Depository Participants :

Table 5

Month - Year	No. of DPs
Nov-02	213
Nov-03	213
Nov-04	216

As on November 30, 2004, 216 Depository Participants are offering depository services. DP services are provided from 1720 locations across the length and breadth of the country.

Corporate Action Statistics

Sr. No.	Description	During November 2004		For the F.Y. 2004-2005 (upto November 2004)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1.	Equity Shares	145,544	699,842,886	4,834,327	15,704,548,545
2.	Preference Shares	2,673	11,037,142	24,552	392,207,200
3.	Bonds	701	18,282,769	20,211	88,201,104
4.	Commercial Papers	99	61,412	807	328,756
5.	Certificate Of Deposits	62	286,496	181	604,335
6.	Securitized Instruments	10	2,457	540	165,849
7.	Mutual Fund Units	270	61,275	2,384	3,398,677
8.	Warrants	6,314	1,029,808	16,388	8,923,921
9.	Postal Savings Certificates	191	72,946,800*	2,494	757,984,300*
10.	Commodities	86	1,920	339	9,574
Total		155,950	730,606,165	4,902,223	16,198,387,961

*Value in Rupees

List of Companies that have changed Names

(During November 2004)

Sr. No.	Old Name	New Name
1.	Shiv Vani Universal Limited Services Limited	Shiv-Vani Oil & Gas Exploration
2.	PCS Industries Limited	PCS Technology Limited
3.	Indo Matsushita Appliances Company Limited	Panasonic Home Appliances India Company Limited
4.	GVK Jaipur Kishangarh Expressway Private Limited	GVK Jaipur-Kishangarh Expressway Limited
5.	Geojit Securities Limited	Geojit Financial Services Limited
6.	Priyadarshini Cement Limited	Rain Commodities Limited
7.	Scandent Network Private Limited	Scandent Solutions Corporation Limited
8.	Jagran Prakashan Limited	Jagran Prakashan Private Limited

Securities admitted for Dematerialisation during November 2004

COMPANY	ISIN
Access Global Limited	INE714G01015
Agricultural Finance Corporation Limited	INE690G01017
Applicomp (India) Limited	INE985C01010
Bajaj Steel Industries Limited	INE704G01016
Central Cables Limited	INE672G01015
Chamundi Textiles (Silk Mills) Limited	INE697G01012
Diksha International Pvt Ltd.	INE716G01010
Disha Technologies (India) Pvt. Ltd.	INE696G01014
E Connect India Limited	INE695G01016
Gujarat Automotive Gears Ltd	INE705G01013
HDFC Securities Limited	INE700G01014
Impex Ferrotech Ltd.	INE691G01015
Jindal Power Limited	INE720G01012
Likhani Commercial Company Ltd.	INE797E01015
Likhani Leasing Limited	INE703G01018
Medicare Incin Private Limited	INE693G01011
Menon Pistons Limited	INE650G01011
Midland Financial Services Limited	INE718G01016
Orissa Power Consortium Limited	INE689G01019
Pranjal International Private Limited	INE717G01018
Scandent Solutions Corporation Limited	INE692G01013
Subh Laxmi Projects Limited	INE719G01014
Sudal Industries Limited	INE618D01015
Tata Autocomp Systems Limited	INE764F07019
Visaka Cement Industry Limited	INE699G01018

Topic of Interest

Transmission in relation to demat accounts

Transmission is the process by which securities of a deceased account holder are transferred to the account of the surviving joint holder(s) or nominee / legal heir of the deceased account holder. Process of transmission in case of dematerialised holdings is convenient, as the transmission formalities for all securities held in a demat account can be completed by submitting documents to the Depository Participant(DP).

Procedure for transmission of securities held jointly: In case the deceased was one of the joint holders, then the surviving holders have to request the DP to transfer the securities lying in the joint account to the account of the surviving holders. The request has to be made in the prescribed “Transmission Form” along with a notarised copy of death certificate of the deceased

accountholder. The names appearing in the account of the survivors to which the securities are to be transferred should have the same sequence of names as that of the joint account to be closed. Let us consider the case of a joint account with Mr. A, Mr. B and Mr. C as joint holders. In the event of death of Mr. B, surviving joint holders Mr. A and Mr. C shall take the following steps to get the securities transferred in their favour:

- Open a joint account with Mr. A and Mr. C as joint holders maintaining the name sequence as Mr. A and Mr. C (if such an account does not exist). This account can be with the same DP or with a different DP.
- Submit “Transmission Form” to the DP along with notarised copy of death certificate of Mr. B. After verifying the documents and satisfying itself, the DP will effect the transmission.

Procedure for transmission of securities held singly to the nominee: Upon the death of the sole accountholder, the nominee shall submit “Transmission Form” along with a notarised copy of death certificate and proof of identity of the nominee. Nominee may use its existing account or open a new account with the same DP or with a different DP for this purpose. After verifying the documents and satisfying itself, the DP will transmit the securities to the account of the nominee.

Procedure for transmission of securities held singly, if no nomination is made for the account: In case of death of the sole accountholder, the legal heir(s) or legal representative(s) of the deceased may request the DP to transmit the balances lying in the account of the deceased to the account of the legal heir(s) or legal representative(s). For this, the legal heir (s) or the legal representative(s) shall submit “Transmission Form” to the DP along with the following documents:

- a. Duly notarised copy of the death certificate
- b. Duly notarised copy of the Succession certificate or an order of a court of competent jurisdiction, where the deceased has not left a Will; or
- c. Duly notarised copy of the Probate or Letter of Administration, if the deceased has left a Will.

If the market value of the securities held in the account of the deceased as on the date of application for transmission does not exceed Rs. one lakh, legal heir(s) or legal representative(s) need not submit the documents mentioned at (b) and (c) above but shall submit the following documents:

- a. Transmission form;
- b. Duly notarised copy of the death certificate;
- c. Letter of Indemnity duly supported by a guarantee of an independent Surety acceptable to the DP, made on non judicial stamp paper of appropriate value;
- d. An Affidavit made on non judicial stamp paper of appropriate value to the effect that the applicant(s) is / are the only legal heirs to the property and that other legal heirs have no objection to the transfer of the property to the applicant(s); and
- e. No Objection Certificate(s) from all the legal heir(s) that they do not object to such transmission.

The DP will ensure that the documents submitted by the legal heir(s) or the legal representative(s) are in order and will then effect a transfer of the balances to the account of the legal heir(s) or the legal representative(s).

NSDL Calendar of Events

Investor Depository Meets

December 03, 2004	Mandya	December 11, 2004	Faizabad
December 03, 2004	Silvassa	December 11, 2004	Nabha
December 04, 2004	Hosur	December 17, 2004	Aurangabad
December 04, 2004	Surat	December 17, 2004	Irinjalakudy
December 09, 2004	Shahjahanpur	December 18, 2004	Dhule
December 10, 2004	Rajpura	December 18, 2004	Thrissur
December 10, 2004	Sitapur		

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NSDL Certification Program

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