



From The Editor's Desk

Dear Reader,

Indian stock market is one of the oldest in Asia and dates back nearly 200 years. From trading under a banyan tree outside Mumbai's town hall to enabling people to buy or sell securities from homes or offices, it has come a long way indeed. Be it the settlement cycle or market infrastructure, India has today established itself as a world leader and NSDL's technological solutions have been at the forefront of this transformation. SEBI has played a key role to ensure that the investors' interests are protected which in turn has won their confidence over the years. SEBI's efforts have been crucial in the development of the stock market. The market today is mature and agile and truly reflects the confidence of retail investors in the infrastructure and support available.

This issue of financial kaleidoscope highlights how the securities market changed over the years and how NSDL played a key role in its development.

We also invite you to participate in the 'Knowledge Wins Contest' and share your feedback and suggestions at the link given later in this newsletter. Recordings of NSDL webinars are available on the [NSDL Investor Education channel](#) on YouTube. So, if you have missed out on attending any webinar of your choice, you may visit our channel and subscribe to the same to see all videos at your convenience.

Regards,
NSDL – Your Depository

Establishment of Depositories System

It was the era of paper-based settlement of trades that caused substantial problems such as bad delivery and delayed transfer of title. Keeping a track of the securities involved extensive manual paperwork, and converting the transactions into respective agreements became complicated with the increasing number of transactions. There was an inherent delay in the receipt of securities and the restricted infrastructure in the banking and postal segments made it difficult to manage and control the storage of such share certificates. The promulgation of the Depositories ordinance in 1995 paved the way for the establishment of National Securities Depository Limited (NSDL), the first depository in India.

The Depositories Act was enacted by the Indian Parliament in 1996 to provide a legal framework for the establishment of depositories. It provided a dematerialisation route to book entry-based transfer of securities and settlement of securities trade.

A depository facilitates holding investors' securities in electronic form and enables transactions to be processed by depository participants. A depository participant can be a financial institution, bank, broker, or any other entity eligible as per SEBI guidelines. Securities held in depository accounts are similar to holding funds in bank accounts. Transfer of ownership of securities is done through simple account transfers. This method does away with all the risks and hassles normally associated with paperwork. Consequently, the cost of transacting in a depository environment is considerably lower as compared to transacting in physical certificates.

NSDL coined the term 'Demat' and established a state-of-the-art infrastructure that handles most of the securities held and settled in de-materialised form in the Indian securities markets. Transactions today take place at lightning speed with high transparency and accountability.

Benefits of having an NSDL demat account

- Immediate transfer of securities.
- Reduction in transaction cost.
- Convenient method of consolidation of folios/accounts. Holding various types of securities like Equity, Debentures, Bonds, Government securities, Sovereign Gold Bonds, Mutual Fund Units etc. in a single account.
- Automatic Credit of Shares, Mutual Fund Units, etc., arising out of split/consolidation/merger, etc. into the demat account.

How NSDL changed the Indian Stock Market - Ushering Indian stock market through the digital era for 25 years

NSDL is India's first and one of the leading Depositories in the world. It has played a key role in transforming the Indian securities market by facilitating the holding and transfer of securities in dematerialised form. The market share of NSDL in value of demat assets is more than 89%. NSDL demat accounts are located in more than 99.22% of pin codes in the country and 189 countries across the globe, reflecting our wide reach. While digitalisation and apps are the buzzwords today, it was the NSDL's dematerialisation of physical securities which kick-started the whole process.

We recently celebrated 25 glorious years of service to the Indian capital markets. This momentous occasion was graced by the Honourable Union Finance Minister-Smt.Nirmala Sitharaman, Chairperson of the Securities and Exchange Board of India (SEBI) - Smt. Madhabi Puri Buch and Chief Postmaster General - Smt. Veena Ramakrishna Srinivas besides other dignitaries.

[Scan the QR code below](#) to watch the corporate video showcasing our journey.





Release of My Stamp and special cover:

The Finance Minister of India Smt. Nirmala Sitharaman released My Stamp and special cover, honouring NSDL's contribution to the development of Indian capital markets. The Chief Postmaster General, Smt. Veena Ramakrishna Srinivas anchored the release and stated that the stamp was issued in commemoration of NSDL's Silver Jubilee Celebration

Blockchain platform for Debenture Covenant Monitoring:

SEBI Chairperson Mrs. Madhabi Puri Buch launched Distributed Ledger Technology (DLT) platform, the **industry first platform** for security and covenant monitoring. She said, "Going forward, today will also be remembered as an important day as we are taking the first step in terms of use of distributed ledger technology in the market".

About the Debenture Covenant Monitoring:

With an intent of strengthening the regulatory framework for Corporate Bonds in the Indian Market Infrastructure

domain, NSDL upon guidance from SEBI, has developed a state-of-art DLT Blockchain based platform for the Debenture Security and Covenant Monitoring System.

It enables Issuers and Debenture Trustees to manage the entire life cycle of corporate bonds and facilitate the monitoring of the security given and the covenants to bring about greater discipline and transparency to this market segment. The workflow-based platform covers the process of creation of security (viz. due diligence, charge creation etc.), continuous monitoring of covenants by Debenture Trustees (as applicable), and credit rating of the non-convertible securities by the Credit Rating Agencies (CRAs), etc. It is the first of its kind implementation of blockchain technology in the Corporate Bond Market in India as well as the world.

[Scan the QR code below](#) to see our corporate video:



Investor Centric Initiatives of NSDL

NSDL has always pioneered innovations and has empowered Indian investors with several new features and services. In less than 8 years of existence we enabled India's securities market to implement T+2 settlement cycle. In February 2022 we enabled T+1 settlement cycle which will be introduced in phases for more stocks in the securities market. Following is a timeline of a few of our important services for investors:



our programs designed in the areas of education, health, skill development, environmental sustainability, disaster relief, etc. The CSR programs undertaken by NSDL facilitate a holistic development of the communities. The sustainable development of needy people in the society is an essential part of our corporate social responsibility. Some of our recent initiatives include:

- Project Artha SAMARTH (a skill development initiative in BFSI sector)
- Project Yogdaan (health support to Thalassemia patients)
- Project SAHYOG (support program to combat pandemic COVID 19)
- Project Shiksha Sahyog (an educational scholarship program)
- Chalo School Chale (Distribution of study kit to underprivileged students)



NSDL Corporate Social Responsibility Programs:

NSDL and its subsidiaries believe in inclusive growth by empowering and enhancing lives and thereby enabling socio-economic development in the communities where we operate. With the philosophy of ‘Giving Back’, NSDL undertakes various initiatives with the aim of social empowerment under the aegis of corporate social responsibility (CSR). Being a responsible corporate citizen, the Company has been implementing need-based initiatives that have a meaningful and sustainable impact on society. Through its impact-driven CSR programs/projects, NSDL has been reaching out to the underprivileged section and enabling them to uplift themselves by making them part of

NSDL Initiatives for Investor Education

✓ Investor Awareness Programs:

NSDL connects with investors through a series of Awareness Programmes conducted across the country in association with SEBI, Exchanges, SEBI registered market intermediaries and other institutions etc. This year, due to pandemic, NSDL continued with most programs in form of webinars. Such programs are conducted in Hindi, English and other regional Indian languages on different topics related to the capital market and investment. Apart from providing a general introduction to the capital market, thematic programs are also conducted on topics relevant to investors' interests and market changes. NSDL engages industry experts and experienced subject matter experts drawn from SEBI, Exchanges, Depository Participants and in-house staff as speakers for these programs. The detailed Schedule of these programs is published on [NSDL website](#) well in advance. In addition, investors are informed about these programs through emails and SMS. These mediums enable investors to register for the programs as per their interest, need, and convenience. We also encourage participants to provide their feedback about the programs through a link on [our website](#). Till now NSDL conducted 5200 programs in association with SEBI, exchanges, and depository participants and reached out directly to more than 5.13 lakh investors.

Student Outreach: NSDL conducted a certification program titled 'NSDL Certification in Capital Market'. This certification program is aimed at equipping students with adequate exposure to capital markets and to enable them to become Prudent Investor, once they start earning. The focus of the program is to provide students a practical insight into the nitty-gritty of the capital market. The faculties for this program include industry experts and market practitioners.

Due to the pandemic situation, this program was conducted completely online.

✓ Market Ka Eklavya

Out of 130 Crore people in India, only 7% invest in the securities market. India has one of the youngest populations globally with an average age of 29 years. As this vast resource of young citizens enters the workforce, it can create demographic dividend. 'Market ka Eklavya' is a program presently targeted towards college students and aims at empowering them with financial knowledge.

[Market ka Eklavya](#) (a 5 hours online program) is a simple, immersive, and practical program designed to equip the youth with financial awareness and discipline by reasoning through first principles. The course clarifies simple concepts of investing like thumb rules for investing and expense management, when, where, and how to Invest, do's and don'ts of investing etc.

It covers 5 modules:

Module 1 - 3 Is - Income, inflation and investment.

Module 2 - 3 Ss of Investment - Start early, spread wide, stay long

Module 3 - Primary and secondary markets

Module 4- Demystifying Jargon

Module 5 – Do's & Don'ts of Investment

[Scan the QR code below](#) to watch the corporate video showcasing our journey.



Through ‘Market ka Eklavya’, you will be able to reach out to many who are in need of financial literacy. It is the right time when people have an inclination to know about the market and also the right approach, medium taken by NSDL. Youth across the world will be benefited from these kinds of initiatives if made available in several languages”

- Finance Minister, Smt. Nirmala Sitharaman, while inaugurating the program during the NSDL’s Silver Jubilee celebration.



✓ **Market ka Eklavya - Express in 75 cities to mark 75 years of Independence**

To mark the significance of Azadi Ka Amrit Mahotsav, an initiative of the Government of India to celebrate 75 years of independence and the glorious history of our people, culture, and achievements, NSDL launched a new initiative towards investor awareness called ‘Market Ka Eklavya - Express’ across 75 cities, especially aimed at the college students who would very soon be entering the phase where they would start earning and naturally, look for avenues of investment.

This was an online investment awareness program for students that was conducted in 8 languages including Hindi. The program served as a beginner’s guide for investing for the youth. Students across India benefited from this program as it did not restrict to a specific area of the population. The program was conducted for 1 hour and mainly educated the students on demystifying the jargons, 3I’s – types of Income; Inflation and its impact, types of Investment; 3S – Start early- Power of Compounding, Spread wide, Stay long etc. NSDL’s Market Ka Eklavya - Express Program reached around 5,000 students across 75+ cities covering all States of India under ‘Azadi Ka Amrit Mahotsav’.

An audio-visual film on NSDL’s initiative on Market Ka Eklavya-Express was screened at ‘India’s Economic Journey @75’, a program by DEA and SEBI held on June 8, 2022 at New Delhi. Smt. Nirmala Sitharaman, the Hon’ble Union Minister of Finance, who presided over the meet lauded the initiative and underscored the importance of scaling up such efforts.

NSDL Publications:

- **Booklet on ‘NSDL Primer on Personal Finance’** NSDL has published a book on investor education and financial literacy named ‘NSDL Primer on Personal Finance’ which aims to serve as a step-by-step guide to create wealth for investors. This book provides a comprehensive view of creating wealth just by saving regularly, various instruments available for investment through different channels, how you can plan your tax in a better way and plan for your retirement, etc.

- **NSDL’s e-Guide for Demat Account Holders** gives investors a holistic view of the capital market, Intermediaries involved in the Capital Market, various useful products and services that NSDL offers, etc. This e-guide is published in nine languages namely English, Hindi, Marathi, Gujarati, Bengali, Kannada, Malayalam, Tamil and Telugu.

- **NSDL’s Information Brochure for Investors** provides investors with some of the ways to become prudent investor. It provides information on claiming refund of unclaimed shares/dividends from Investor Education and Protection Fund (IEPF) Authority apart from the overview of the capital market. This brochure is published in nine languages namely English, Hindi, Marathi, Gujarati, Bengali, Kannada, Malayalam, Tamil and Telugu.

- **Booklet on Securities Market** is a joint publication by SEBI, Exchanges and Depositories with a common objective to guide investors with the ways of investing and take necessary precautions before investing in capital markets. This has been published in Hindi, English and

other major Indian languages. The aforementioned publications are available under ‘Education’ section on NSDL website.

- **FAQ on Demat Account** To keep the investors updated about the various amendments/additions in the features and facilities offered related to demat account, NSDL has published a detailed ‘Frequently Asked Questions’ (FAQs). It is structured in a way to provide answers to questions which are mostly asked by many investors. For the benefit of all concerned, electronic versions of all the above publications have been made available on NSDL’s website under the ‘Education’ tab.

Forthcoming Investor Awareness Programs

NSDL conducts Investor Awareness Programs (IAPs) to help investors to be aware of different aspects of investing. These programs are conducted on different topics of interest to investors and in different languages. During June 2022, NSDL organized/participated in 80 programs. More than 4,700 investors attended these programs. The schedule of the forthcoming programs/webinars is published online at <https://nsdl.co.in/Investor-Awareness-Programmes.php>. We invite you to participate in these programs. We shall be happy to conduct an awareness program for your employees, staff, students, or members. Please write to us at info@nsdl.co.in if you want any such program to be conducted.

More the education, more the prudence.

Knowledge Wins Contest

NSDL Demat accounts are located in how many countries?

To send your replies: visit/click www.nsdl.co.in/knowledge-win-contest.php

or
Scan this QR code



25 **Lucky Winners**
get
FREE GIFTS



Previous Month's Winners

Anilkumar Madhavan - Ernakulam
Apoorva Jaithliya - Bundi
Bharat Patel - Vadodara
Chandrashekhar Rathour - Anuppur
Dhruvesh Parmar - Vadodara
Jagdish Gupta - Vadodara
Kabir Ahmed - Badarpur
Kunal Tajane - Chandrapur
Kush Khatwani - Amravati

Mukesh Jain - Jodhpur
Munish Kumar - Bareilly
Prasanta Pradhan - Puri
Praveen S Kumar - Bokaro
Prem Prakash Agarwal - Ajmer
Rashmi Sharma - Bhubaneswar
Rohidas Tandale - Ahmednagar
Romin Khilji - Bundi
Sagar Mehar - Bhopal

Saraswathy Sharma - Ernakulam
Sathiyarayanan Seshaiyah - Kancheepuram
Sushil Khatwani - Amravati
Umesh Bhatia - Faridabad
Vaidyanathan Msv - Kancheepuram
Venu Kodam - Warangal
Vraj Patel - Vadodara

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