



**Demat by NSDL**

*Towards a secure future*

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**January 2003**

### Online Inter-Depository Transfers

Online transfer of inter depository instructions has commenced w.e.f December 14, 2002. In the online inter depository transfer (OLIDT) module, Inter Depository Transfer instructions for the day will be exchanged online between the two depositories. Thus, the instructions executed by Depository Participants (DPs) may get settled at shorter intervals. The deadline time for DPs to verify & release Inter Depository Transfer delivery/ receipt instructions is 6 p.m. on weekdays and 2.30 p.m. on Saturdays.

### Amalgamation of Standard Chartered Grindlays Bank

Standard Chartered Grindlays Bank Limited (IN300335) has amalgamated with Standard Chartered Bank. Consequently, the DP Id of IN300335 is now allotted to Standard Chartered Bank.

### Peerless Securities Limited joins SPEED-e

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

### Clarification on closure of demat account

NSDL vide its Circular NSDL/PI/2002/2175 dated December 18, 2002 has clarified to its DPs that an account held by a beneficiary can be closed on the basis of a request submitted by the Client to its DP on a plain paper instead of the application for Closing an Account as given in Annexure Q in the Business Rules of NSDL. Such request submitted on plain paper can be

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\* National Electronic Settlement and Transfer

treated as a valid application provided the following requirements are fulfilled:

1. The request letter must contain all details that are specified in the Application for Closing an Account (Annexure Q).
2. The Client must submit duly signed delivery instruction form(s) (Annexure L) for transferring the securities, if any.
3. All the account holder(s) must sign the request.

### **SEBI Prosecution of Manna Glass Tech Industries Ltd. for demat delay**

Securities and Exchange Board of India (SEBI) vide its circular PR No.:270/2002 dated December 9, 2002 has informed that it had conducted an inspection of M/s. Manna Glass Tech Industries Limited, Ahmedabad during July 2002 to look into the alleged delay in dematerialisation of shares by the company. It was observed by SEBI that the company had kept these requests pending for more than 18 months. SEBI also observed that the company had deliberately delayed the dematerialisation of shares and was unconcerned about the grievances of the investors.

The company could not provide any plausible explanation for the delay in dematerialisation. Taking these aspects into consideration, SEBI has filed a complaint before the Additional Chief Metropolitan Magistrate, 8th Court, Mumbai against the company and its whole-time Directors viz. S / Shri Ashok N. Chokshi, Dattatray Sawant and Jayesh Mehta. The Court has taken cognizance of the offences against the accused and has issued process against them.

### **Change in NSDL Delhi Office Telephone Numbers**

The telephone numbers of Delhi Office of NSDL have changed as follows:

Telephone: 011 - 23353815 / 23353817

Fax: 011 - 23353756

## **Performance Summary**

### **Investors :**

**Table 1**

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Dec-00	31.94
Dec-01	36.58
Dec-02	38.13

As on December 31, 2002, there are 38,13,336 Investor accounts from within the country and abroad. 3550 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 December 31, 2002, 6,294 cr. securities having a value of Rs. 5,56,085 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.)
Dec-00	2,936	3,75,373
Dec-01	4,703	3,78,664
Dec-02	6,294	5,56,085

**Settlement :**

**Table 3**

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Dec-00	88	16,263
Dec-01	116	12,051
Dec-02	116	11,809

In December 2002, a total quantity of 116 cr. shares having a value of Rs.11,809 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 December 31, 2002, 4664 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
Dec-00	2,291
Dec-01	3,760
Dec-02	4,664

**DEBENTURES / BONDS**

**Table 4A**

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Oct-02	438	5,467	1,54,192
Nov-02	456	5,707	1,61,998
Dec-02	469	5,894	1,76,783

As on December 31, 2002, 469 issuers have issued 8,024 debentures/bonds in demat form. 2,130 instruments have been redeemed and 5,894 instruments are available for dematerialisation. Table 4 A shows the growth over A period of last three months.

### COMMERCIAL PAPER

As on December 31, 2002, 309 issuers have issued 3296 commercial papers in demat form. 2,689 instruments have been redeemed and 607 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
Oct-02	294	623
Nov-02	302	619
Dec-02	309	607

### Depository Participants :

Table 5

Month - Year	No. of DPs
Nov-00	173
Nov-01	207
Nov-02	212

As on December 31, 2002, 212 Depository Participants are offering depository services. DP services are provided from 1717 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 December 2002		For the FY 2002-2003 (upto December 2002)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1.	Equity Shares	2,52,469	1,00,60,47,519	24,69,564	6,40,41,07,686
2.	Preference Shares	16,914	14,15,47,564	21,318	30,77,47,722
3.	Bonds & Debentures	4,096	2,88,39,224	80,780	57,75,06,395
4.	Commercial Papers	125	36,948	1,562	15,32,819
5.	Certificates of Deposit	38	4,160	309	59,348
6.	Pass Through Certificates	23	1,63,92,667	385	4,89,63,736
7.	Mutual Fund Units	0	0	6,700	28,82,32,263
8.	Government Securities	0	0	724	5,99,217
9.	Warrants	0	0	765	2,94,259
	<b>Grand Total</b>	<b>2,73,665</b>	<b>1,19,28,68,082</b>	<b>25,82,107</b>	<b>7,62,90,43,445</b>

## List of Companies That Have Changed Names

*(During December 2002)*

Sr. No.	Old Name	New Name
1.	Birla 3M Limited	3M India Ltd.
2.	Cressanda Commercial and Financing Limited	Cressanda Solutions Ltd.
3.	Global Wireless Technology Limited (formerly known as Global Wireless Technology Private Limited)	India Wireless Technology Ltd.
4.	Internet Holding (Global) Limited (formerly Global Financial Management Limited; Global Software Services Limited and Internet Holdings (Global) Limited)	GTL Technology Investments Ltd.
5.	K. G. Khosla Compressors Limited	Kirloskar Pneumatic Company Ltd.
6.	Trident Alco-Chem Ltd.	Industrial Organics Ltd.

## Securities admitted for Dematerialisation during December 2002

COMPANY	ISIN	COMPANY	ISIN
Alankit Health Care Limited	INE823F01016	Rids Securities Limited	INE843F01014
ASC Enterprises Limited	INE836F01018	Rydak Syndicate Limited	INE826F01019
Borkar Packaging Pvt. Limited	INE813F01017	Saparna Infotech Limited	INE827F01017
Bridgestone ACC India Limited	INE814F01015	Supreme Impex Limited	INE320E01016
Colorplus Fashions Pvt. Limited	INE842F01016	Swan Mills Limited	INE665A01012
Deeplok Financial Services Limited	INE875C01013	The Kil Kotagiri Tea & Coffe Estates Company Limited	INE487F01010
Hindustan Continental Limited	INE837F01016	Tonira Pharma Limited	INE844F01012
Jindal Steel & Alloys Limited	INE828F01015	Yashraj Securities Limited	INE190E01013
LVS Power Limited	INE815F01012	Zillion Pharmachem Limited	INE845F01019
MV Cotspin Limited	INE586D01014		
Plaza Hotels Private Limited	INE825F01011		
Qpro Infotech Limited	INE824F01014		



## Topic of Interest

### Growth in Demat of Debt

NSDL started its operations in November 1996. The challenge during the initial period was to get sufficient number of frequently traded securities into NSDL. Within two years, NSDL had admitted equity shares of more than 250 companies that constituted more than 70 % of the total market capitalisation. However, debt instruments could not be admitted to NSDL as the benefit of exemption of stamp duty on transfer through depository was not extended to debt instruments. The Finance Act 2000, paved the way for transactions in debt instruments in demat form by exempting debt instruments from payment of stamp duty on transfer in a depository.

Debt instruments can be classified into different categories like bonds, debentures, commercial paper, certificates of deposit, Pass Through Certificates (PTCs), government securities, etc. Now, all these instruments are being admitted to NSDL depository system. Admission of debt instruments in depository system will give the following benefits:

- Immediate transfers across the country, faster issuance of securities.
- Cost savings in terms of stamp duty payable on transfers.
- Savings in executive time involved in issuance of securities.
- Flexibility in denomination of the securities.
- Investors can monitor all their investments from a single statement.
- All other benefits of dematerialisation.

NSDL offers additional benefits as given below:

- On redemption of debt instruments, the securities are automatically debited from the holder's account. It provides an audit trail of the entire transaction.
- The security description given to each type of debt instrument in the NSDL system is standardized. This creates a uniform identity for the security in the market.
- The NSDL system provides the facility of Deferred Delivery Order (DDO). This feature allows the Client delivering the securities to block them in favour of the receiving Client. The receiving Client can view the details of instruction for blocking of securities on NSDL system. Only on confirmation of the DDO by the delivering Client, the securities get transferred to the account of the receiving Client provided the receiving Client has given instruction to its Participant for receiving securities into its account.

Alongwith the benefits listed above, the following policy initiatives taken by RBI and other regulatory bodies for development of the debt market also helped in encouraging dematerialisation of debt instruments:

- Compulsory subscription of Commercial Paper in demat mode for banks, FIs and Primary Dealers w.e.f. July 2001.

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- Compulsory subscription of bonds/ debenture in demat mode for banks, FIs and Primary Dealers by October 2001.
- Allowing Repos in PSU Bonds only in demat mode.
- RBI has permitted NSDL to open Constituent SGL account for holding government securities in demat form.
- The Central PF commissioner has permitted Provident Fund Trusts to open demat account with NSDL.
- Government of India has permitted Primary Dealers to offer government securities to individual and household investors (Budget 2001).

The substantial growth in the dematerialisation of debt instruments viz., commercial papers, debentures, bonds etc. in NSDL as can be seen from the following table, is attributed to investor's appreciation of benefits of demat and policy support. As on December 31, 2002 more than 640 corporates have joined NSDL to make available 11,500 debt instruments for dematerialisation. There were 1,22,000 account holders holding Rs. 1983 bn. worth of debt securities in demat form.

The chart showing growth in the dematerialisation of debt instruments in NSDL is given below:

Instrument Type	2000		2001		2002	
	No. of Instruments	Value Rs. mn	No. of Instruments	Value Rs. mn	No. of Instruments	Value Rs. mn
Bonds & Debentures	304	56,810	2,054	4,82,840	7,930	17,58,830
Commercial Papers	N.A.	N.A.	1,151	1,14,520	3,276	1,04,820
Certificates Of Deposit	N.A.	N.A.	N.A.	N.A.	167	4,570
Pass Through Certificates	N.A.	N.A.	46	28,880	273	1,15,600
Government Securities	22	60	49	1,131	181	4,551

N.A. : Not admitted at that time.

## NSDL Calendar of Events

### Investor Depository Meets

January 10, 2003	Madurai	January 25, 2003	Mehasana
January 11, 2003	Trichy	January 31, 2003	Jalandhar
January 18, 2003	Mumbai	February 01, 2003	Patiala
January 23, 2003	Bhuj	February 06, 2003	Bangalore
January 24, 2003	Palanpur	February 07, 2003	Palakkad

### Business Partner Training

January 21, 2003	Share Registrar Training
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## NSDL offices

### Head Office

#### Mumbai

Trade World, A wing,  
4<sup>th</sup> & 5<sup>th</sup> Floors,  
Kamala Mills Compound,  
Lower Parel, Mumbai 400013.  
Phone: 022-24972970 (7 lines)  
Fax: 022-24972993; 24976351  
Email: info@nsdl.co.in

#### Chennai

6A, 6th Floor, Kences Towers  
#1 Ramkrishna Street,  
North Usman Road,  
T. Nagar, Chennai -17  
Tel: (044) 28143917/18  
Email: vijayg@nsdl.co.in

#### Kolkata

5<sup>th</sup> Floor, The Millenium  
Flat No. 5W, 235/2A,  
Acharya Jagdish Chandra Bose  
Road (AJC Bose Road),  
Kolkata - 700 020  
Tel: (033) 22814661 / 22814662  
Fax: (033) 2240 9783  
Email: anshumanc@nsdl.co.in

#### New Delhi

409/410, Ashoka Estate Building,  
4<sup>th</sup> floor, Barakhamba Road,  
Connaught Place,  
New Delhi 110 001.  
Tel: (011) 23353815/23353817  
Fax: (011) 23353756  
Email: harpinders@nsdl.co.in

### Branch Offices

### Investor Relationship Cell

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Trade World, A Wing, 5<sup>th</sup> floor,  
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Senapati Bapat Marg, Lower Parel,  
Mumbai -400013  
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**Fax:** 022-24976351  
**Email:** relations@nsdl.co.in

### NSDL Certification Program

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