



Demat by NSDL  
Towards a secure future

# \*NEST UPDATE

July 2004

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### Monthly transaction statement on IDeAS w.e.f. July 1, 2004

NSDL launched IDeAS (Internet-based Demat Account Statement) w.e.f. January 1, 2004. IDeAS is a facility available on SPEED-e website for viewing balances and transactions in demat accounts. At present, subscribers to IDeAS (Beneficial owners) can view the latest balances and transactions that have taken place in the last five days in their depository accounts.

Based on the feedback received from the users, DPs requested NSDL to provide transaction statements on a monthly basis. Accordingly, w.e.f. July 1, 2004, NSDL has started providing the facility to download the transaction statement on a monthly basis, to the subscribers of IDeAS, on a pilot basis. The transaction statements of a particular month will be available latest by 7<sup>th</sup> of the following month and will be available for download till the details of the following month are uploaded to IDeAS. If the subscription to IDeAS is during the month, transaction statement for that month will be for the period starting from the date of subscription till the end of that month.

This was intimated to DPs vide Circular No. NSDL/PI/2004/1157 dated June 29, 2004.

### J M Morgan Stanley Retail Services Private Limited joins NSDL as Depository Participant (DP)

J M Morgan Stanley Retail Services Private Limited has been made operational as a Depository Participant on June 25, 2004. It will conduct its depository operations from Mumbai. The DP Id allotted is IN302927.

This takes the total number of operational DPs to 217 and the total number of operational DPM set-ups to 287.

### Subscription to SPEED-e

The following DP has subscribed to the SPEED-e facility of NSDL:

- InvestMentor Securities Limited

Clients of the above mentioned DP can now avail of the facility of submitting various instructions through SPEED-e website.

This takes the total number of DPs who have subscribed to SPEED-e to 31.

### Subscription to IDeAS

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

- Suvridhi Capital Markets Ltd.

\* National Electronic Settlement and Transfer

- G Raj & Co. (Consultants) Ltd.
- Nutan Nagrik Sahakari Bank Ltd.

This takes the total number of DPs who have subscribed to IDeAS to 27. In addition to these DPs, 31 DPs who have subscribed to SPEED-e can also avail of IDeAS.

### Public notice regarding closure of operations of Mukesh Babu Securities Limited

NSDL, on behalf of Mukesh Babu Securities Limited (MBSL), issued a public notice in newspapers on May 26, 2004 informing public about closure of depository operations of MBSL as a DP of NSDL and advising clients of MBSL to initiate steps to transfer their securities to their account opened with any other DP.

## Performance Summary

### Investors :

Table 1

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Jun-02	37.59
Jun-03	38.35
Jun-04	53.80

As on June 30, 2004, there are 53,79,552 Investor accounts from within the country and abroad. 2089 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 June 30, 2004, 8,859 cr. securities having a value of Rs. 9,35,603 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.)
Jun-02	5,828	477,590
Jun-03	6,869	634,972
Jun-04	8,859	935,603

### Settlement :

Table 3

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Jun-02	188	11,659
Jun-03	204	16,353
Jun-04	126	17,736

In June 2004, a total quantity of 126 cr. shares having a value of Rs. 17,736 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 June 30, 2004, 5,344 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
Jun-02	4,369
Jun-03	4,888
Jun-04	5,344

## DEBENTURES / BONDS

Table 4A

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Apr-04	574	6,978	253,605
May-04	580	7,054	256,418
Jun-04	581	7,155	257,203

In June 2004, 581 issuers have issued 13,299 debentures/bonds in demat form. 6,144 instruments have been redeemed and 7,155 instruments are available for dematerialisation. Table 4A shows the growth over a period of last three months.

## COMMERCIAL PAPER

In June 2004, 360 issuers have issued 5,284 commercial papers in demat form. 4,830 instruments have been redeemed and 454 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
Apr-04	359	444
May-04	359	454
Jun-04	360	454

## Depository Participants :

Table 5

Month - Year	No. of DPs
Jun-02	212
Jun-03	211
Jun-04	217

As on June 30, 2004, 217 Depository Participants are offering depository services. DP services are provided from 1722 locations across the length and breadth of the country.

## Corporate Action Statistics

Sr. No.	Description	During June 2004		For the F.Y. 2004-2005 (upto June 2004)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1	Equity Shares	648393	1238108902	1559438	3492619533
2	Preference Shares	2196	72700376	12822	108047404
3	Bonds	5670	20835153	16839	34787299
4	Commercial Papers	88	36080	306	121064
5	Certificate of Deposits	25	68696	42	108843
6	Securitized Instruments	97	122888	238	139992
7	Mutual Fund Units	244	417785	903	1461639
8	Warrants	1	5966400	3	7366400
9	Postal Savings Certificates	255	125833200*	1248	189159100*
10	Commodities	1	21	1	21
<b>Total</b>		<b>656970</b>	<b>1464089501</b>	<b>1591840</b>	<b>3833811295</b>

\*Value in Rupees

## List of Companies that have changed Names

(During June 2004)

Sr. No.	Old Name	New Name
1	DCM Precision Engineering Limited	DCM Engineering Limited
2	SKF Bearings India Limited	SKF India Limited
3	Kinetic Finance Limited	Athena Financial Services Limited
4	Suzlon Fibres Limited	SNS Textiles Limited
5	Indotech Capital Market Limited	NetVision Web Technologies Limited
6	The Lake City Corporation Limited	Lavasa Corporation Limited
7	GMR Technologies & Industries Limited	GMR Industries Limited
8	Siel Sugar Limited	Mawana Sugars Limited

## Securities admitted for Dematerialisation during June 2004

COMPANY	ISIN
Aasia Properties Development Limited	INE518G01010
Akash Agro Industries Ltd	INE513G01011
Ambika Cotton Mills Limited	INE540G01014
Amines & Plasticizers Limited	INE275D01014
BRP Stock Broking Services Ltd	INE543G01018
Crew B.O.S. Products Ltd	INE514G01019
Daksh e services Pvt Ltd	INE529G01017
Firststring India Pvt Ltd	INE537G01010
Gothi Plascon (India) Ltd	INE538G01018
Hinduja Group India Limited	INE519G01018
Indoco Remedies Limited	INE873D14126
Jolly Boards Limited	INE532G01011
Lumax Automotive Systems Ltd.	INE547G01019
Oriental Veneer Products Limited	INE457G01011
Osian L.P.G Bottling Ltd.	INE517G01012
RKG Holding Pvt. Ltd.	INE542G01010
Saya Housing Finance Co. Ltd	INE520G01016
The GL Hotels Ltd	INE214F01018
Ultratech Cemco Limited	INE481G07018
Vivek Vyapar Ltd	INE339E01016
Vivimed Labs Ltd	INE526G01013
Yes Bank Limited	INE528G01019

## Topic of Interest

### Growth of Debt Instruments in NSDL

Debt instruments are securities issued for the purpose of borrowing funds, where borrower (issuer) issues security instruments to the lender (investor). Debt instruments include bonds, debentures, commercial paper, government securities etc.

The features such as coupon/interest rate, redemption/maturity date, secured or unsecured, put/call option etc. differentiate one debt instrument from the other. An issuer may issue multiple debt instruments by varying the features of the instrument.

A variety of debt instruments like bonds, debentures, commercial paper, certificate of deposit, Securitised Paper etc., irrespective of whether they are listed/ unlisted/ privately placed or even issued to a single holder, can be dematerialised.

#### Advantages of Debt in Demat Form

Admission of debt instruments in depository system provides the following benefits:

- Immediate transfers across the country;
- Cost savings in terms of stamp duty payable on transfers;
- Faster issuance of securities;
- 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.

On redemption of debt instruments, the securities are automatically debited from the holder's account. The system provides for an audit trail of various transactions.

#### Policy Initiatives

Keeping in view the benefits of dematerialisation, the following policy initiatives undertaken by RBI and other regulatory bodies has encouraged dematerialisation of debt instruments:

- Stamp duty payable on transfer of debt instruments was waived, by the Finance Act, 2000, if dealt in the demat form.

- Reserve Bank Of India in its Monetary and Credit Policy 2001 has mandated that with effect from October 31, 2001 Banks, Financial Institutions (FIs), Primary Dealers (PDs) and Satellite Dealers (SDs) will be permitted to make fresh investments and hold bonds and debentures, privately placed or otherwise, only in dematerialised form.
- As per the Monetary and Credit Policy for the year 2001-2002, with effect from June 30, 2001, Banks, FIs and PDs are required to make fresh investments in Commercial Paper (CPs) only in dematerialised form.
- As per the RBI Monetary and Credit Policy 2002-03, with effect from June 30, 2002, banks and FIs should issue Certificate of Deposits (CDs) only in dematerialised form.

As a result of these policy initiatives and the benefits offered by dematerialisation, there has been a substantial increase in the growth of debt instruments in NSDL system over the last three years, which is shown in table below:

PARAMETERS	Debt (Debentures & Bonds)			Securitized Instrument			CP			CD		
	Jun-02	Jun-03	Jun-04	Jun-02	Jun-03	Jun-04	Jun-02	Jun-03	Jun-04	Jun-02	Jun-03	Jun-04
No. of issuers	338	522	581	11	81	216	270	323	360	NA	8	13
No. of Instruments (Active)	4188	6757	7155	143	240	369	586	465	454	NA	87	96
Total No. of Instruments	4997	10310	13299	159	362	643	2235	3914	5284	NA	309	504
No. of clients	84717	150525	322291	82	166	223	174	179	153	NA	104	79
Custody Value (Rs. Crore)	109780	209865	257203	5063	16835	34716	10476	8225	11746	NA	2093	5920

## NSDL Calendar of Events

### Investor Depository Meets

July 16, 2004

Tuticorin

July 17, 2004

Nagarcoil

## NSDL Offices

### Head Office

#### Mumbai

Trade World, A Wing, 4<sup>th</sup> & 5<sup>th</sup> Floors,  
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### NSDL Certification Program

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