



# NEST UPDATE

Demat by NSDL

*Towards a secure future*

**June 2004**

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53,52,917

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### **CNB Finwiz Limited joins NSDL as Depository Participant (DP)**

CNB Finwiz Limited has been made operational as a Depository Participant on May 18, 2004. It will conduct its depository operations from New Delhi. The DP Id allotted is IN302919.

This takes the total number of operational DPs to 216 and the total number of DPM set-ups to 286.

### **Subscription to SPEED-e**

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

- Cholamandalam Securities Ltd.

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 30.

### **Subscription to IDeAS**

The following DP has subscribed to the IDeAS facility of NSDL in the month of May 2004:

- Ratnakar Securities Pvt. Ltd.

This takes the total number of DPs who have subscribed to IDeAS to 26. In addition to these DPs, 30 DPs who have subscribed to SPEED-e can also avail of IDeAS.

### **List of companies with long pending demat request available on NSDL website**

NSDL has made available a list of companies on its website <http://www.nsd.com.in/downloadables/list-comp2.html> whose dematerialisation requests are pending for confirmation for a long time, as these companies are not contactable/ not responding or there are dues pending from these companies and consequently the Registrar and Transfer Agents (RTAs) have discontinued providing depository services to their client companies. This is as per the information received from the RTAs.

*For  
private circulation only*

\* National Electronic Settlement and Transfer

## Performance Summary

### Investors :

Table 1

Month - Year	Client Accounts
	No. of Accounts (lakhs)
May-02	37.41
May-03	37.68
May-04	53.53

As on May 31, 2004, there are 53,52,917 Investor accounts from within the country and abroad. 2,171 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 May 31, 2004, 8,672 cr. securities having a value of Rs. 9,12,812 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.)
May-02	5,677	4,46,776
May-03	6,887	5,81,436
May-04	8,672	9,12,812

### Settlement :

Table 3

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
May-02	141	13,238
May-03	162	13,013
May-04	200	30,458

In May 2004, a total quantity of 200 cr. shares having a value of Rs. 30,458 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 May 31, 2004, 5,311 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
May-02	4,324
May-03	4,854
May-04	5,311

## DEBENTURES / BONDS

Table 4A

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Mar-04	568	7,503	247,268
Apr-04	574	6,978	253,605
May-04	580	7,054	256,418

In May 2004, 580 issuers have issued 13,161 debentures/bonds in demat form. 6,107 instruments have been redeemed and 7,054 instruments are available for dematerialisation. Table 4A shows the growth over a period of last three months.

## COMMERCIAL PAPER

In May 2004, 359 issuers have issued 5,205 commercial papers in demat form. 4,751 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
Mar-04	356	436
Apr-04	359	444
May-04	359	454

## Depository Participants :

Table 5

Month - Year	No. of DPs
May-02	212
May-03	213
May-04	216

As on May 31, 2004, 216 Depository Participants are offering depository services. DP services are provided from 1721 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 May 2004		For the F.Y.2004-2005 (upto May 2004)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1	Equity Shares	269,056	1,524,088,219	911,045	2,254,510,631
2	Preference Shares	30	28,659,416	10,626	35,347,028
3	Bonds	10,332	5,394,703	11,169	13,952,146
4	Commercial Papers	116	46,450	218	84,984
5	Certificate of Deposits	6	12,079	17	40,147
6	Securitized Instruments	83	1,764	141	17,104
7	Mutual Fund Units	238	1,009,039	659	1,043,854
8	Warrants	2	1,400,000	2	1,400,000
9	Postal Savings Certificates	359	37,467,200*	993	63,325,900*
	<b>Total</b>	<b>280,222</b>	<b>1,598,078,870</b>	<b>934,870</b>	<b>2,369,721,794</b>

\*Value in Rupees

## List of Companies that have changed Names

(During May 2004)

Sr. No.	Old Name	New Name
1	Bayer (India) Limited	Bayer Cropscience Limited
2	Jindal Polyester Limited	Jindal Poly Films Limited
3	Akshaya Apollo Hospitals Limited	Apollo Hospitals International Limited
4	Doogar & Associates Limited	Morgan Ventures Limited
5	Space TV Private Limited	Space TV Limited
6	Alps Infosys Limited	Alps BPO Services Limited
7	Su-Raj Diamonds (India) Limited	Su-Raj Diamonds and Jewellery Limited

## Securities admitted for Dematerialisation during May 2004

COMPANY	ISIN
Sterling Infotech Limited	INE462G01011
Gateway Distriparks Ltd	INE852F01015
Ashika Stock Broking Limited	INE459G01017
Ashika Capital Limited	INE460G01015
Ashika Global Securities Limited	INE461G01013
Vadinar Oil Terminal Limited	INE463G01019
Associated Stone Industries {Kotah} Limited	INE443A01014
Space TV Limited (formerly Space TV Private Limited)	INE482G01019
Cinch Connectors India Pvt. Ltd.	INE484G01015
Anuh Pharma Ltd	INE489G01014
Manganese Ore (I) Ltd	INE490G01012
Gyan Developers and Builders Limited	INE487G01018
Shyam Cellular Infrastructure Projects Limited	INE488G01016
The Ananda Bag Tea Company Ltd	INE448E01015
Gujarat Terce Laboratories Ltd	INE499G01013
The Coonor Tea Estates Company Limited	INE500G01018
HT Media Ltd	INE501G01016
Chembiotek Research Intl Pvt Ltd	INE502G01014
Katare Spinning Mills Limited	INE498G01015
DSC-VICON Ventures Private Limited	INE503G01012
Sunshine Fintrade Private Limited	INE504G01010
Nirmal Deep Resources Limited	INE505G01017
G M Holdings Private Limited	INE506G01015
Intelenet Global Services Limited	INE507G01013
Time Packaging Limited	INE508G01011

## Topic of Interest

### Pledge Facility in NSDL

NSDL provides an infrastructure to facilitate dematerialisation, rematerialisation, settlement of trades, account maintenance, transmission and nomination. Besides these pledge, hypothecation, stock lending and borrowing are some of the special services facilitated by NSDL.

Securities held in a depository account can be pledged against a loan, credit, or such other facility availed by the beneficial owner of such securities. For this purpose, both the parties to the agreement, i.e., the pledgor and the pledgee must have a beneficiary account with NSDL. However, both parties need not have their depository account with the same Depository Participant (DP).

#### Procedure for Pledge

The pledgor initiates the creation of pledge through its DP by submitting a "Pledge Form" with a tick on "Create Pledge" and the pledgee instructs its DP to confirm the creation of the pledge by submitting a "Pledge Form" with a tick on "Confirm creation of Pledge". The pledge gets created in favour of the pledgee only when the pledgee's DP confirms the creation of pledge in the system. The pledge so created can either be closed on repayment of loan or invoked if there is default. After the pledgor has repaid the loan to the pledgee, the pledgor initiates the closure of pledge through its DP by submitting the "Pledge Form" with a tick on "Close Pledge". The pledgee instructs its DP to confirm the closure of the pledge by submitting the "Pledge Form" with a tick on "Confirm Closure of Pledge". The pledge is closed in the system only when the pledgee's DP confirms the closure of pledge in the system.

A pledgor cannot close the pledge unilaterally. But the pledgee can unilaterally close the pledge by submitting the "Pledge Form" with a tick on "Unilateral Closure of Pledge". If the pledgor defaults in discharging his obligation under the agreement, the pledgee may invoke the pledge by submitting the "Pledge Form" with a tick on "Invoke Pledge". On execution of this instruction, the securities are transferred into the pledgee's account. This does not require any confirmation from the pledgor.

#### Corporate Benefits for Pledged Securities

Beneficial ownership of the pledged securities remains with the pledgor. Hence, all corporate benefits - cash and non-cash - like dividends, bonus, rights etc., will accrue to the pledgor. Dividends will be given to the

pledgor in the usual manner and bonus shares will be credited to his account as pledged balances in respect of securities which are in pledged status as on the record date of such bonus issue provided the pledge existed on the day the bonus shares are credited and the bonus shares are issued by the company by way of automatic corporate action.

The securities arising out of corporate actions like share splits (sub-division) or consolidation or exchange under a merger/ acquisition scheme are credited to the account of the pledgor with pledge marked in favour of the pledgee.

### Benefits

Dealing in securities in dematerialized form has removed the paper-related risks associated with paper certificates. Moreover, procedure for pledging securities in demat form is more convenient both for the pledgor (borrower) and the pledgee (lender). This means that the lender can take their decision regarding lending against securities as collateral on the basis of price & liquidity risk of the collateral and the credit risk of the borrower and not worry about the risks associated with physical certificates.

This has given more confidence to institutional lenders like banks to lend against securities as collateral. Some banks have given further incentive in terms of higher loan amount/ reduced margins/ lower rates of interest for loans availed against demat shares.

### Investor Depository Meets

June 18, 2004  
June 19, 2004

Hapur  
Ghaziabad

June 25, 2004  
June 26, 2004

Ajmer  
Bhilwara

### NSDL Calendar of Events

#### Business Partner Training

June 8-10, 2004

DP Training

### NSDL Offices

#### Head Office

##### Mumbai

Trade World, A Wing, 4<sup>th</sup> & 5<sup>th</sup> Floors,  
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#### Branch Offices

##### Chennai

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#### Investor Relationship Cell

*Officer-In-Charge,*

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#### NSDL Certification Program

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