



Demat by NSDL
Towards a secure future

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NSDL reduces Custody Fee by 33%

Since inception, NSDL has been following the policy of reducing its fees with the growth in volumes. At present, NSDL levies a custody fee of Re.0.50 per ISIN position per month i.e. Rs.6 per annum. The number of ISIN positions in NSDL have been steadily on the rise which clearly signals the investors' enthusiasm towards the demat process. Investors have dematerialized their securities at a very fast pace in the last six months. Keeping in line with NSDL's policy of passing on the benefit of increased volumes to the market, NSDL has decided to reduce the custody fee to Rs.4 per ISIN position per annum (Re.1 per ISIN position per quarter) as against Rs.6 per ISIN position per annum. This reduction will take effect from April 1, 2004. Further, the custody fee will henceforth be collected from the Depository Participants (DPs) on a quarterly basis. There is no other change in the fee structure.

SEBI withdraws transfer-cum-demat scheme

Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/MRD/Cir-10/2004 dated February 10, 2004 has withdrawn transfer-cum-demat scheme.

In view of the above, NSDL vide its Circular No. NSDL/JS/003/2004 dated February 11, 2004 has advised all Issuers and their Registrar & Transfer Agents (RTA) that henceforth, they should not issue option letters to shareholders, as prescribed under the SEBI guidelines for dematerialisation of shares sent for transfer.

However, option letters already issued by the Issuers or RTAs prior to aforesaid SEBI circular can be submitted for dematerialisation and such dematerialisation requests will be processed as per the existing guidelines.

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* National Electronic Settlement and Transfer

NSC/KVP pilot scheme extended to 35 post offices in Mumbai

The Department of Posts (DoP) in association with National Securities Depository Limited (NSDL) had introduced in October 2003, the facility of holding fresh issues of National Savings Certificates (NSC) and Kisan Vikas Patra (KVP) in dematerialised form on a pilot basis. This facility was available from ten select post offices in Mumbai. The response to this facility has been satisfactory and till now, NSC and KVP of more than Rs.4 crore have been issued in demat form. The Department of Posts has now extended this facility to 35 post offices in Mumbai (list at www.nsdl.co.in).

Performance Summary

Investors :

Table 1

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Feb-02	37.03
Feb-03	38.20
Feb-04	49.89

As on February 29, 2004, there are 49,89,734 investor accounts from within the country and abroad. 2,263 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 February 29, 2004, 7,948 cr. securities having a value of Rs.9,53,914 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.)
Feb-02	4,969	422,908
Feb-03	6,761	565,986
Feb-04	7,948	953,914

Settlement :

Table 3

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Feb-02	112	12,768
Feb-03	87	8,915
Feb-04	159	26,474

In February 2004, a total quantity of 159 cr. shares having a value of Rs.26,474 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 February 29, 2004, 5,177 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
Feb-02	4,088
Feb-03	4,705
Feb-04	5,177

DEBENTURES / BONDS

Table 4A

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Dec-03	554	7,271	232,780
Jan-04	558	7,334	238,174
Feb-04	568	7,396	242,249

As on February 29, 2004, 568 issuers have issued 12,566 debentures/bonds in demat form. 5,170 instruments have been redeemed and 7,396 instruments are available for dematerialisation. Table 4A shows the growth over a period of last three months

COMMERCIAL PAPER

As on February 29, 2004, 354 issuers have issued 4,931 commercial papers in demat form. 4,452 instruments have been redeemed and 479 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
Dec-03	343	505
Jan-04	351	501
Feb-04	354	479

Depository Participants :

Table 5

Month - Year	No. of DPs
Feb-02	212
Feb-03	213
Feb-04	214

As on February 29, 2004, 214 Depository Participants (DP) are offering depository services. DP services are provided from 1719 locations across the length and breadth of the country.

Corporate Action Statistics

Sr. No.	Description	During February 2004		For the F.Y. 2003-2004 (upto February 29, 2004)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1.	Equity Shares	231,559	694,354,641	2,271,715	4,646,896,350
2.	Preference Shares	22,108	4,208,905	68,074	1,123,438,523
3.	Bonds	885	63,215,077	287,455	1,404,397,163
4.	Commercial Papers	101	33,820	1,304	453,484
5.	Certificate of Deposits	9	14,122	522	574,946
6.	Securitized Instruments	76	1,337	575	32,374,535
7.	Mutual Fund Units	401	2,264,953	3,896	56,105,620
8.	Government Securities	-	-	356	12,931,826
10.	Postal Savings Certificates	252	8,795,400	733	38,011,400
11.	Commodities	1	1	1	1
	Total	255,392	772,888,256	2,634,631	7,315,183,848

List of Companies that have changed Names

(During February 2004)

Sr. No.	Old Name	New Name
1.	Balwas e-Com India Limited	Starmax Infomedia Limited
2.	BSES Limited	Reliance Energy Limited
3.	Continental Coffee Limited	CCL Products (India) Limited
4.	Hindusthan Seals Limited	Manaksia Limited
5.	SJK Steel Corporation Limited	SJK Steel Plant Limited
6.	Soffia Software Limited	Quintegra Solutions Limited
7.	Tata Infomedia Limited	Infomedia India Limited
8.	The Investment Trust of India Limited	HFCL Infotel Limited
9.	Wockhardt Life Sciences Limited	Carol Info Services Limited

Securities admitted for Dematerialisation during February 2004

COMPANY	ISIN
Ashoka Info Private Limited	INE277G01013
Asian Oilfield Services Limited	INE276G01015
Cyber Media (India) Limited	INE278G01011
Sponge Iron India Limited	INE280G01017
Evans Fraser & Company (India) Ltd.	INE266G01016
Parle Software Ltd	INE272G01014
Abhinav Investments Private Limited	INE340G01019
Ganesh Synthetics Private Limited	INE341G01017
Hexacom India Limited	INE343G01013
Himadri Industries Limited	INE301G01011
Hole-in-the-Wall Education Limited (equity and pref. both)	INE342G01015
Kojam Fininvest Limited	INE336G01017
M.M. Rubber Company Limited	INE159E01018
Muthoot Capital Services Limited	INE296G01013
Rydak Enterprises & Investments Limited	INE428E01017
Samrat Industrial Resources Limited	INE430E01013
Petronet LNG Limited	INE347G01014
RPG Cellular Investments & Holdings Pvt Ltd	INE346G01016
Konark Met Coke Limited	INE348G01012
Dishman Pharmaceuticals and Chemicals Limited	INE353G01012
Johnson Screens {India} Limited	INE351G01016
Net4Nuts Limited	INE352G01014
Intertek Testing Services India Private Limited	INE350G01018

COMPANY	ISIN
BlueMoon Investments Private Limited	INE364G01019
Emerald Investments Private Limited	INE358G01011
I Power Solutions India Limited	INE468F01010
J.K. Investo Trade {India} Limited	INE361G01015
Navketan Merchants Limited	INE365G01016
Powerlinks Transmission Limited	INE297G01011
Prime Focus Limited	INE367G01012
Roshan Investments Private Limited	INE363G01011
Satabdi Investments Private Limited	INE362G01013
Super Crop Safe Limited	INE366G01014
Tripex Overseas Limited	INE360G01017
RRB Securities Limited	INE374G01018
Palani Andavar Mills Limited	INE375G01015
Biocon Limited	INE376G01013
Adlabs Shringar Multiplex Cinemas Private Limited	INE377G01011
Jaypee DSC Ventures Limited	INE378G01019
Nufab India Limited	INE379G01017
Welcast Steels Limited	INE380G01015
Victory Projects Limited	INE381G01013
Adani Properties Private Limited	INE382G01011
Adani Infrastructure Services Limited	INE383G01019
Adani Port Infrastructure Limited	INE384G01017

Topic of Interest

Certification on Depository System

NSDL provides depository services to investors through its network of Depository Participants (DPs) spread all across the country. Today, NSDL DP branches provide services from more than 1,700 locations in 226 cities. The officials at these service centres and at the back offices play very critical role in ensuring quality customer service. Good understanding of the depository system and its operating procedures are essential requirement for high quality service.

NSDL since its inception has been undertaking series of measures to ensure that the skill set available with the DPs is continuously upgraded. These included Branch Empowerment Programmes, Procedural Training Programmes and Quality Improvement Programmes for the officials of DPs.

NSDL further developed a certification program on depository operations to fix benchmark for the skill availability at DP branches. NSDL uses the infrastructure of NCFM (NSE Certification on Financial Markets) established by NSE, to administer this certification program.

NCFM provides for online registration and Internet based examination. Although the examination is online, the examinees have to take the examinations at any of the six NSE offices where these exams are conducted. These are Mumbai, Delhi, Calcutta, Chennai, Hyderabad, and Ahmedabad. Depending on demand, such tests are also offered by NSE from many other locations in India.

The test consists of sixty multiple-choice questions to be answered in seventy-five minutes. The test is conducted on computer and the result is displayed immediately on submission of responses.

No formal educational background is required for registration for the programme. One can enroll for NCFM by filling up a registration form. The programme consists of an online test, which evaluates the knowledge and awareness of the candidates in different aspects of depository system. Study material developed by NSDL is provided to the candidates to help them to prepare for the test. The candidate needs to score minimum 60% marks to qualify for the certification. The certification remains valid for a period of five years from the date of the test.

To begin with, it was optional for the employees of DPs to qualify this. Since October 1, 2001 it is mandatory to have at least one NCFM qualified employee at every branch of the DP. To ensure compliance, NSDL levies penalty on DPs who do not adhere to the guideline of having at least one NCFM qualified person per DP branch.

Progress: Certification programme was introduced in 1999. The programme has attracted good amount of interest from DPs and their staff. Till February 2004, almost 7,100 candidates have obtained the certification.

NSDL Calendar of Events

Business Partner Training	
March 3 - 4, 2004	SHR Training
March 23 - 25, 2004	DP Training

NSDL Offices

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Branch Offices

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NSDL Certification Program

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