



Demat by NSDL

Towards a secure future

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37,89,416
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*For
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May 2003

Operation of depository accounts based on Power of Attorney

NSDL vide its Circular No. NSDL/PI/2000/982 dated June 23, 2000 issued clarification on the validity of Power of Attorney given by beneficial owners for the operation of depository accounts.

NSDL vide its Circular No. NSDL/PI/2003/0572 dated April 7, 2003 has further clarified that the depository accounts can be operated both by the account holder(s) as well as by the Power of Attorney (POA) holder i.e. donee. For this purpose, Depository Participants (DPs) have been advised to ensure that the signatures of the account holder(s) and the POA holder are captured in the DPM system. DPs have been further advised to modify the signature details for all such existing accounts in their DPM systems, latest by June 30, 2003.

Change in periodicity of Transaction Statement provided by DPs

NSDL has amended its Bye Laws 6.4.4 and Clause (6) of Annexure B (agreement between the DP and its Client) and Rule 14.3.1 of the Business Rules of NSDL. These Bye Laws and Business Rules relate to frequency of the providing transaction statement.

According to the amended Clause (6) of the Agreement between the DP and client, the DP undertakes to provide a transaction statement including statement of accounts, if any, to the Client at monthly intervals unless the DP and the Client have agreed for provision of such statements at shorter

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* National Electronic Settlement and Transfer

intervals. However, if there is no transaction in the account, then the DP shall provide such statement to the Client atleast once a quarter.

The aforesaid amendments come into effect immediately and DPs have been advised to incorporate it in the agreements to be executed with new Clients. However, in case of existing Clients, DPs have been advised to intimate them about the aforesaid amendments and implement the same w.e.f. June 1, 2003.

Change in name of S. S. Kantilal Ishwarlal Securities Ltd. to SSKI Investor Services Private Ltd.

The depository operations of S. S. Kantilal Ishwarlal Securities Limited (DP) have been taken over by SSKI Investor Services Private Limited. Hence, the DP Id IN300513 has been allotted to SSKI Investor Services Private Limited.

Closure & Admission of DPs

Pursuant to the closure of DP operations by Gayathri Securities Limited, its Participanship has been terminated and its DP Id IN300417 has been deleted from the Depository System.

Kotak Mahindra Finance Limited has been made operational as a DP on April 8, 2003. It will conduct its depository operations from Mumbai. The DP Id allotted is IN302814.

Performance Summary

Investors :

Table 1

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Apr-01	34.54
Apr-02	37.02
Apr-03	37.89

As on April 30, 2003, there are 37,89,416 Investor accounts from within the country and abroad. 3,567 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 April 30, 2003, 6,924 cr. securities having a value of Rs. 5,51,102 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.)
Apr-01	3,805	377,557
Apr-02	5,454	312,674
Apr-03	6,924	551,102

Settlement :

Table 3

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Apr-01	59	7,142
Apr-02	127	14,111
Apr-03	110	10,840

In April 2003, a total quantity of 110 cr. shares having a value of Rs. 10,840 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 April 30, 2003, 4,806 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
Apr-01	2,848
Apr-02	4,252
Apr-03	4,806

DEBENTURES / BONDS

Table 4A

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Feb-03	484	6,311	189,249
Mar-03	499	6,425	192,670
Apr-03	509	6,434	197,609

As on April 30, 2003, 509 issuers have issued 9,580 debentures/bonds in demat form. 3,146 instruments have been redeemed and 6,434 instruments are available for dematerialisation. Table 4 A shows the growth over A period of last three months.



COMMERCIAL PAPER

As on April 30, 2003, 320 issuers have issued 3,710 commercial papers in demat form. 3,281 instruments have been redeemed and 429 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
Feb-03	316	479
Mar-03	318	386
Apr-03	320	429

Depository Participants :

Table 5

Month - Year	No. of DPs
Apr-01	190
Apr-02	213
Apr-03	213

As on April 30, 2003, 213 Depository Participants are offering depository services. DP services are provided from 1718 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 April 2003		For the F.Y. 2003-2004 (upto April 2003)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1.	Equity Shares	79,421	14,46,24,013	79,421	14,46,24,013
2	Preference Shares	3	30,15,70,245	3	30,15,70,245
3	Bonds & Debentures	781	2,96,53,695	781	2,96,53,695
4	Commercial Papers	156	51,600	156	51,600
5	Certificate of Deposits	85	67,140	85	67,140
6	Pass Through Certificates	29	1,052	29	1,052
7	Mutual Fund Units	1,159	1,32,66,903	1,159	1,32,66,903
8	Government Securities	319	1,25,27,656	319	1,25,27,656
9	Warants	0	0	0	0
	Grand Total	81,953	50,17,62,304	81,953	50,17,62,304

Securities admitted for Dematerialisation during April 2003

COMPANY	ISIN
Alankit Life Care Limited	INE986F01011
Alka Leasing & Fiscal Company Private Limited	INE955F01016
Alpha Systems Private Limited	INE956F01014
Associated Breweries & Distilleries Ltd	INE957F01012
Bommidala Filaments Ltd	INE958F01010
BSES Andhra Power Ltd	INE967F01011
BSES Kerala Power Limited	INE968F01019
BSES Telecom Limited	INE969F01017
DCM Estates & Infrastructure Limited	INE966F01013
DCM Technologies Limited	INE925F01019
Dhanlaxmi Cotex Limited	INE977F01010
First India Asset Management {P} Ltd	INE987F01019
Grenada Investment & Trading Co Ltd	INE988F01017
Guardian Leasing Limited	INE989F01015
IFFCO-Tokio General Insurance Company Ltd	INE950F01017
Integrated Holdings Limited	INE990F01013
Jost's Engineering Company Limited	INE636D01017
Kilburn Office Automation Limited	INE793E01014
Laffan Software Limited	INE991F01011
Lahari Productions Private Ltd	INE959F01018
Mangalore Breweries & Distilleries Ltd	INE960F01016
Microse India Ltd	INE809F01015
Nandi Highway Developers Limited	INE992F01019
Neelachal Ispat Nigam Limited	INE514F01011
Padmini Corporation Limited	INE961F01014
Pioneer Buildcon Private Ltd	INE962F01012
Quinn India Private Limited	INE963F01010
Quinn International Private Ltd	INE964F01018
Radico Khaitan Limited	INE381B01014
Rane TRW Steering Systems Limited	INE127E01015
Redington India Limited	INE891D01018
Shukun Construction Limited	INE171E01013
Sunshine Capital Limited	INE974F01017
Suraj Solvent & Vanaspati Industries Limited	INE993F01017
Tamil Nadu Industries Captive Power Company Limited	INE970F01015
Tata Home Finance Limited	INE979F01016
Tetrahedron Limited	INE994F01015
The Bond Company Limited	INE995F01012
Weizmann Fincorp Ltd	INE407F01018



Topic of Interest

Freeze Facility in NSDL

A depository account holder (beneficiary account) may freeze securities lying in the account for as long as the account holder wants it. By freezing the account, account holder can prevent unexpected debits or credits or both, creeping into its account. The following types of freeze facility available in the NSDL system may be availed of by submitting freeze instruction to the Depository Participant (DP) in the prescribed form.

- **Freeze for debits only** - A demat account holder may freeze the account only for debits by submitting a freeze instruction to its DP. On execution of the freeze instruction by the DP, the status of the account will change to '*Suspended for Debit*'. Further, no debits can be made in this account even if the account holder issues debit instruction unless the account holder has issued "unfreeze" instruction. However, during the period of freeze, the account holder will continue to receive credits like Bonus or credits arising out of any other corporate action.
- **Freeze for debits as well as credits** - An account holder may freeze the account for debits as well as credits. If such instruction is issued, the status of the account will change to '*Suspended for All*' after the execution of the instruction. Further, no debits and credits can be made in the account, even if the account holder issues instructions unless the account holder issues unfreeze instruction. This facility is beneficial to clients who do not use their account for long periods. By freezing their account for debits and credits, they can avoid undue credits to their accounts in addition to preventing debits.
- **Freeze a particular ISIN in the account** - ISIN stands for International Security Identification Number. An account holder may freeze a particular ISIN (security of a specific company) from being debited from the account, without freezing the whole account. If this type of freeze facility is used, all other securities in the account can be debited or credited but the securities under the specific ISIN will be frozen for debit. The client will be able to use other securities lying in its demat account and also receive credits in the ISIN which has been frozen for debit. This facility will enable the account holder to segregate its holdings into trading and non-trading assets. Account holder may freeze the ISINs that are not intended for sale and can prevent even accidental debits occurring in specified securities.
- **Freeze a specific number of securities held under an ISIN in an account** – An account holder may freeze a specific quantity of a specific security in an account. Thus, this facility will enable the account holder to earmark some quantity of securities as "not for trade" within a specific security, without disturbing the movement of other securities in the account.

An account holder can freeze the account for any of the above-mentioned types by giving an appropriate instruction to its DP. Forms for freeze/unfreeze are available with the DPs. Such instructions have to be given to the DP at least one clear working day prior to the date of freeze. (e.g; if the Client wishes to freeze its account with effect from Friday, such instruction must be given latest by Wednesday).

The freeze is reflected in the Transaction Statement and is shown under the heading "Status" in the statement. The following table summarizes the description of status for different types of freeze.

Freeze Type	Account Status	Additional Details
Freeze for debits only	Suspended for Debit	–
Freeze for debits as well as credits	Suspended for All	–
Freeze a particular ISIN in the account	Active	ISIN status: Freeze
Freeze specific number of securities under an ISIN	Active	Specific no. of securities are blocked in the account

If a particular ISIN or certain specific number of securities are frozen in an account, the status of the account will remain 'Active', but the securities or the ISIN frozen will be shown as a separate entry in the Transaction Statement indicating that these securities or ISINs have been frozen and cannot be debited.

On unfreeze of the account, the status of the account will be shown as 'Active' and on removing the freeze on the securities or the specific ISIN, the statement will show them as free balance in the account. Sample format of Transaction Statement showing different types of freezes is shown below:

TRANSACTION STATEMENT					
National Securities Depository Limited					
DP Name (DP Id:)					
DP Address					
<u>Transaction Statement:</u>		From Date:	To Date:		
Client Id		Category	Status	Suspended for Debit & Credit	
Name					
Address					
Pin Code					
Bkg. Date	Trans. No.	Description	Credit	Debit	Balance
ISIN	ISIN Description				
Beneficiary			Opening Balance	100.00	
	10-Feb-2003	To Freeze	100.00	0.00	
			Closing Balance	0.00	
Beneficiary - Blocked (Account Freezing)***			Closing Balance	100.00	
No transaction recorded for the following ISINs during the given period and the Closing Balances as of 31/3/2003 are as under:					
ISIN2	ISIN 2 (Frozen)**				
Beneficiary			Closing Balance :	100.00	
Pledge			Closing Balance :	100.00	
Pending Demat			Closing Balance :	100.00	
* Account level Freeze is shown in account status					
** ISIN level Freeze is shown after ISIN Description					
*** Quantity level freeze is shown separately					
Depository Participant's Seal & Initials					
*** End of Report ***					

Freeze facility on SPEED-e

All the above mentioned types of Freeze/Unfreeze facilities are also available to the account holders who have subscribed to SPEED-e facility offered by their DPs, with smart card authentication. These clients can freeze/un-freeze their accounts through SPEED-e website. If this is done, only such accountholder can unfreeze the account through SPEED-e. Thus, once the client has frozen its account through SPEED-e, no debit transaction can be carried out in the account until the accountholder unfreezes the account using SPEED-e. The freeze/unfreeze instructions given through SPEED-e will be directly applied on the depository system and the DP cannot override such freeze/unfreeze instructions.



NSDL Calendar of Events

Investor Depository Meets

May 16, 2003	Saharanpur	May, 24 2003	Surat
May 16, 2003	Chinsura	June 5, 2003	Hisar
May 17, 2003	Muzzafarnagar	June 6, 2003	Sirsa
May 17, 2003	Burdwan	June 7, 2003	Sangrur
May 23, 2003	Navsari		

Refresher Quality Improvement Programs

May 10, 2003	Ahmedabad
May 15, 2003	Ludhiana
May 15, 2003	Kolkata
May 24, 2003	Surat
May 24, 2003	Mumbai

Business Partner Training

May 6 - 8, 2003	Depository Participant Training
May 20 - 21, 2003	Share Registrar Training

NSDL offices

Head Office

Mumbai

Trade World, A wing,
4th & 5th 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

5th 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,
4th 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

Officer-In-Charge,

National Securities Depository Ltd.

Trade World, A Wing, 5th floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai -400013

Phone: 022-24972964-70

Fax: 022-24976351

Email: relations@nsdl.co.in

NSDL Certification Program

Officer-In-Charge,

National Securities Depository Ltd.

Trade World, A Wing, 5th floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai -400013

Phone: 022-24980829/ 30

Fax: 022-24976351

Email: ncfm@nsdl.co.in

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