



Demat by NSDL
Towards a secure future

* NEST UPDATE

October 2004

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Subscription to SPEED-e

The following Depository Participants (DPs) have subscribed to the SPEED-e facility of NSDL:

- Anagram Stockbroking Limited
- IKM Investor Services Limited

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

This takes the total number of DPs who have subscribed to SPEED-e to 33.

Subscription to IDeAS

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

- Guinness Securities Ltd.
- ING Vysya Bank Ltd.

This takes the total number of DPs who have subscribed to IDeAS to 64, inclusive of 33 DPs who have subscribed to SPEED-e.

SEBI Directive on Proof of Identity and Proof of Address for Account Opening & amendment to Business Rules

Securities and Exchange Board of India (SEBI) has vide its Circular No. MRD/DoP/Dep/Cir-29/2004 dated August 24, 2004 prescribed various documents that may be accepted as Proof of Identity and Proof of Address at the time of opening Beneficiary Owner (BO) accounts for non-body corporates. In view of SEBI circular, NSDL has consolidated all the circulars/guidelines on this subject and have prescribed certain procedures to be followed by DPs while opening BO accounts and processing change of address requests from Clients. These procedures are as follows:

(A) Account Opening

- 1) DPs should establish the identity of the person (applicant). [for example, by verifying the photograph or identity document with the person].
- 2) The applicant should submit an Account Opening Form as per the format given in Annexure J of the Business Rules of NSDL. Annexure J has been amended and should be mandatorily used w.e.f. January 1, 2005. However, Annexure J in the existing format can be used so long as the DP hands out a print out of the revised "notes" mentioned therein.

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* National Electronic Settlement and Transfer

- 3) The applicant should submit any one of the following alongwith a photocopy:
- (a) Proof of Identity (POI)**
- I. Passport
 - II. Voter ID Card
 - III. Driving license
 - IV. PAN card with photograph
 - V. MAPIN card
 - VI. Identity card/document with applicant's Photo, issued by
 - a) Central/State Government and its Departments,
 - b) Statutory/Regulatory Authorities,
 - c) Public Sector Undertakings,
 - d) Scheduled Commercial Banks,
 - e) Public Financial Institutions,
 - f) Colleges affiliated to Universities (this can be treated as valid only till the time the applicant is a student),
 - g) Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and
 - h) Credit cards/Debit cards issued by Banks.
- (b) Proof of Address (POA):**
- I. Ration card
 - II. Passport
 - III. Voter ID Card
 - IV. Driving license
 - V. Bank passbook
 - VI. Verified copies of
 - a) Electricity bills (not more than two months old),
 - b) Residence Telephone bills (not more than two months old) and
 - c) Leave and License agreement / Agreement for sale.
 - VII. Self-declaration by High Court & Supreme Court judges, giving the new address in respect of their own accounts.
 - VIII. Identity card/document with address, issued by
 - a) Central/State Government and its Departments;
 - b) Statutory/Regulatory Authorities;
 - c) Public Sector Undertakings;
 - d) Scheduled Commercial Banks;
 - e) Public Financial Institutions;
 - f) Colleges affiliated to Universities (this can be treated as valid only till the time the applicant is a student); and
 - g) Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their Members.
- 4) In case of joint holdings, POI and POA documents must be collected in respect of all account holders.
- 5) An authorised official of the DP should verify the photocopies of documents submitted with their corresponding originals and put his/her signature on them with remarks "verified with original" before proceeding to open the account.

The aforesaid documents are the minimum requirement for opening a BO Account. Participants have been advised to exercise due diligence while establishing the identity of the person to ensure the safety and integrity of the depository system.

(B) Change of Address

- 1) While processing requests for change of address received from Clients, DPs should obtain the following documents:
 - a) a written application for change of address from the Client. (In case of joint holdings, all holders must sign the application);
 - b) Proof of identity (copy of any one of the documents mentioned in 3 (a) above);
 - c) latest transaction statement of the account received from the DP; and
 - d) Proof of new address (copy of any one of the documents mentioned in 3 (b) above) alongwith the original documents of the new address.
- 2) The Client should personally visit the office of the DP where the Client maintains and operates his/her account and submit the application for change of address. However, in case the Client expresses inability to personally visit the office

of the DP, the application alongwith other documents can be submitted through an authorised representative, whose identity the Participant must verify.

- 3) The Client or its authorised representative should sign the application once again in the presence of the officials of the DP.
- 4) The DP should verify the signature of the Client on the application and the identity documents with the documents maintained with the DP. Further, the document pertaining to new address should be verified with the original. After due verification, an authorised official of the DP should put his/her signature on the application with remarks "verified with original" and thereafter record the change of address in the DPM system.
- 5) However, in case DP could not verify the documents because the records of the documents submitted by the Client are kept at a different place, then the DP must verify the same within a period of seven working days and only then effect the change.
- 6) After effecting the change of address in the DPM system, the DP should send a communication to the Client, confirming the change of address, to the old and the new addresses.

Performance Summary

Investors :

Table 1

Month - Year	Client Accounts
	No. of Accounts (lakhs)
Sep-02	38.10
Sep-03	42.15
Sep-04	56.66

As on September 30, 2004, there are 56,65,725 Investor accounts from within the country and abroad. 2,034 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 September 30, 2004, 9,251 cr. securities having a value of Rs. 11,27,668 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.)
Sep-02	6,355	493,475
Sep-03	7,348	778,366
Sep-04	9,251	1,127,668

Settlement :

Table 3

Month - Year	Settlement Quantity (Cr.)	Settlement Value (Rs. Cr.)
Sep-02	71	7,404
Sep-03	265	27,451
Sep-04	269	27,548

In September 2004, a total quantity of 269 cr. shares having a value of Rs. 27,548 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 September 30, 2004, 5,440 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
Sep-02	4,547
Sep-03	4,993
Sep-04	5,440

DEBENTURES / BONDS

Table 4A

Month - Year	No. of Issuers	No. of active Instruments	Demat Value (Rs. Cr.)
Jul-04	588	7,165	260,534
Aug-04	588	7,218	261,585
Sep-04	593	6,870	261,239

In September 2004, 593 issuers have issued 13,802 debentures/bonds in demat form. 6,932 instruments have been redeemed and 6,870 instruments are available for dematerialisation. Table 4A shows the growth over a period of last three months.

COMMERCIAL PAPER

In September 2004, 365 issuers have issued 5,603 commercial papers in demat form. 5,129 instruments have been redeemed and 474 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
Jul-04	360	479
Aug-04	365	477
Sep-04	365	474

Depository Participants :

Table 5

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

As on September 30, 2004, 216 Depository Participants are offering depository services. DP services are provided from 1720 locations across the length and breadth of the country.

Corporate Action Statistics

Sr. No.	Description	During September 2004		For the F.Y. 2004-2005 (upto September 2004)	
		No. of Allottees	No. of Securities	No. of Allottees	No. of Securities
1.	Equity Shares	136,641	548,251,573	2,967,862	5,454,620,790
2.	Preference Shares	4	166,088,406	19,680	294,977,665
3.	Bonds	396	7,261,927	13,164	40,254,957
4.	Commercial Papers	77	31,460	541	205,740
5.	Certificate Of Deposits	38	83,608	86	222,093
6.	Securitized Instruments	93	12,570	358	37,233
7.	Mutual Fund Units	247	1,543,121	1,611	2,848,753
8.	Warrants	0	0	2	1,400,000
9.	Postal Savings Certificates	298	168,829,700*	1,804	488,347,100*
10.	Commodities	8	607	20	829
Total		137,802	892,102,972	3,005,128	6,282,915,160

*Value in Rupees

List of Companies that have changed Names

(During September 2004)

Sr. No.	Old Name	New Name
1.	Accel ICIM Systems & Services Limited	Accel ICIM Frontline Limited
2.	Visu Cybertech Limited	Visu International Limited
3.	Shubhyog Finlease Limited	Explicit Finance Limited
4.	Srei International Finance Limited	Srei Infrastructure Finance Limited
5.	The Morarjee Goculdas Spinning & Weaving Company Limited	Morarjee Realities Limited
6.	BSES Infrastructure Limited	Reliance Energy Infrastructure Limited
7.	Parrys Confectionery Limited	Lotte India Corporation Limited
8.	Tata Telecom Limited	Avaya GlobalConnect Limited
9.	The Modern Mills Limited	Modern India Limited
10.	J M Share And Stock Brokers Limited	JM Financial Limited
11.	Videocon Leasing & Industrial Finance Limited	Videocon Industries Limited
12.	B S Holdings & Credits Limited	Alliance Integrated Metaliks Limited
13.	SMR Universal Softech Limited	Asia HR Technologies Limited

Securities admitted for Dematerialisation during September 2004

COMPANY	ISIN
Amzel Automotive Ltd	INE644G01014
Anvil Finvest Private Ltd	INE636G01010
Anvil Share and Stock Broking Pvt Ltd.	INE635G01012
Bakliwal Fincom Private Limited	INE621G01012
Bougainvilliea Multiplex & Entertainment Centre Pvt Ltd.	INE634G01015
Cube Fintex Private Limited	INE619G01016
Deccan Chronicle Holdings Limited	INE137G01019
Divyashakti Granites Limited	INE410G01010
Ganpati Sugar Industries Ltd.	INE642G01018
Gilt Securities Trading Corpn Ltd	INE628G01017
GMR Operations Private Limited	INE627G01019
Indusind Telecom Network	INE612G01011
Lancor Holdings Limited	INE572G01017
Mayank Securities Private Limited	INE622G01010
MSK Projects India Ltd	INE625G01013
Narantak Dealcomm Ltd.	INE632G01019
Nikhil Fincom Private Limited	INE620G01014
Rajsi Infin Consultants Pvt Ltd.	INE633G01017
SBI Funds Management Private Limited	INE640G01012
Shaw Wallace Distilleries Ltd.	INE676D01021
Sports And Leisure Apparel Limited	INE618G01018
The British Metal Corporation (I) Pvt Ltd.	INE617G01010

Topic of Interest

Growth and Spread of Demat Accounts

NSDL has witnessed significant growth in demat accounts since its inception. The bullishness in equity markets has seen the number of client demat accounts touching a new all-time high. As on September 30, 2004, there were 56.66 lac demat accounts in the NSDL system as against 42.16 lac accounts on September 30, 2003, an increase of about 34% during last one year.

Table 1 below shows the growth in the number of demat accounts over a period of last three years:

Table 1

As on	Active Accounts (in Lac)
September 2002	38.10
September 2003	42.16
September 2004	56.66

Distribution of Accounts across the Country

To understand the spread of demat accounts, NSDL periodically conducts a study on their growth and spread by doing pincode wise analysis on the demat accounts across the country. This analysis is carried out twice a year i.e. in February and August. Only accounts with valid pin numbers are considered while carrying out this analysis. The last analysis was conducted as on August 25, 2004.

The total number of pincodes in the country are 25,901 out of which NSDL demat accounts have been opened in locations covering 18,776 pincodes (72% of the total pincodes).

Table 2 below depicts the zone-wise distribution and spread of demat accounts over a period of two years:

Table 2

(No. of Accounts in Lacs)				
Zone	Aug - 04	Feb - 04	Aug - 03	Feb - 03
East	5.30	4.70	3.79	3.57
West	22.26	20.35	16.52	16.36
North	11.48	10.27	7.98	7.34
South	11.46	9.81	7.93	7.40
Total	50.50	45.13	36.22	34.67

(Note: Only demat accounts with valid PIN number have been considered)

Some of the important observations that can be inferred from the table above are as under:

- 1) As on August 2004, the percentage spread of demat accounts is highest in West Zone (44%) followed by North Zone (23%), South Zone (23%) and East Zone (10%).
- 2) Zone-wise Percentage increase in the number of demat accounts during February 2004 to August 2004 is as under:

East Zone	12.78%
West Zone	9.39%
North Zone	11.78%
South Zone	16.82%
- 3) Maharashtra with 13.09 lac demat accounts leads in terms of demat accounts followed by Gujarat with 7.90 lac accounts.

There are nine districts in the country having more than 1 lac demat accounts. These districts account for around 50% of the demat accounts in respect of which the analysis was carried out, as shown in Table 3 below:

Table 3

District	State	Accounts
Greater Bombay	Maharashtra	7,89,761
Delhi	Delhi	4,46,710
Ahmedabad	Gujarat	3,22,311
Bangalore	Karnataka	2,16,677
Madras	Tamil Nadu	2,01,582
Pune	Maharashtra	1,49,700
Kolkata	West Bengal	1,29,061
Hyderabad	Andhra Pradesh	1,16,093
Thane	Maharashtra	1,16,005
TOTAL		24,87,900

The above analysis reflects the growth trend in number of demat accounts and the reach of depository system in the country.

NSDL Calendar of Events

Investor Depository Meets

October 8, 2004
October 09, 2004

Jamnagar
Surendranagar

October 15, 2004
October 16, 2004

Jabalpur
Satna

Business Partner Training

October 5 - 7, 2004

DP Training

NSDL Offices

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NSDL Certification Program

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