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(1) Types of DIS:

The various types of DIS forms are given below:

- (a) Annexure L (new and old formats) - Delivery Instruction Slips submitted by Clients (beneficial owners) where the source and target details are in NSDL.
- (b) Annexure LA (new and old formats) - Combined delivery instruction Slips for Account Transfer (within NSDL) & Inter-Depository Transfer Instructions.
- (c) Annexure M - Receipt Instructions by Clients / Clearing Members.
- (d) Annexure N - Inter-Depository Transfer Delivery Instructions.
- (e) Annexure NA - Inter-Depository Transfer Receipt Instructions.
- (f) Annexure S - Delivery Out Instructions submitted by Clearing Members for pay-in.
- (g) Annexure SS - Inter-settlement Instructions.
- (h) Annexure ST - CM Pool to CM Pool Delivery Instructions by Clearing Members.
- (i) Annexure SU - CM Pool to CM Pool Receipt Instructions by Clearing Members.
- (j) Annexure T - Delivery Instructions by Clearing Members on Pay-out.

Participants can use either the old format or the new format of Annexure L / Annexure LA depending upon their convenience of operations.

(2) Issuance and Re-issuance of DIS booklets:

(NSDL/PI/2002/0709 dated May 3, 2002, NSDL/PI/2004/1401 dated August 5, 2004, NSDL/POLICY/2007/0011 dated February 15, 2007, NSDL/POLICY/2007/0030 dated June 18, 2007, NSDL/POLICY/2007/0049 dated August 21, 2007 and NSDL/POLICY/2008/0011 dated February 29, 2008)

- (i) All DIS must bear pre-stamped Client ID and pre-printed unique identification number (serial number). Participants may consider printing the name(s) of account holder(s) as well, on the DIS. Further, if the DIS booklet is issued to an illiterate person, the same should be pre-stamped as "Thumb Impression", in case of blind person, DIS booklet should be pre-stamped as "Visually Challenged" and in case of blind illiterate person, DIS booklet should be pre-stamped as "Visually Challenged and Thumb Impression".
- (ii) DIS issued to joint account holders and accounts operated by Power of Attorney holder (POA) may be distinguished either by different coloured stationery or by any other method as the Participant deems fit.



- (iii) All DIS booklets must contain a Requisition form that should bear pre-stamped Client ID and a provision to attest the signature of the person to whom the account holder wishes to authorise to collect the booklet on his/her behalf. Participants may consider printing the name(s) of account holder(s) as well on the Requisition form.
- (iv) Re-issuance of DIS booklet should strictly be on receipt of Requisition form duly signed by all account holder(s). In case a Client reports that the Requisition form has been lost/misplaced/stolen, the Client should make a written request on a plain paper signed by all the account holders(s) and submit the latest Transaction Statement, for issuance of DIS booklet.
- (v) A "DIS Issuance Register" should be maintained, which should have details such as Client's name, Client ID, unique identification number (serial number) of DIS (start and end), date of issue and mode of issue. In case the DIS booklet is delivered by hand, name of the person to whom it is handed-over (address as well as contact telephone number(s) in case of authorised person) alongwith his/her signature should be obtained on the DIS Issuance Register.
- (vi) The inside back cover of the DIS booklet should be printed with information on Grievances Redressal Mechanism as intimated vide NSDL Circular No. NSDL/PI/2004/1286 dated July 19, 2004.

(3) Mode of providing DIS booklets to Clients:

Participants are advised as follows:

| Sr.No | Particulars | Action |
|-------|---|---|
| a | When a Client's request for DIS booklet is received through post/courier. | Send DIS booklet through registered post/courier, to the address of the Client captured in the DPM System after duly verifying the signature(s) of the Client(s). |
| b | When a Client (sole holder or either of the holders) comes in person and submits the Requisition form for re-issuance of DIS. | Hand-over DIS booklet to the Client, only after satisfying about the identity of the Client. |



| | | |
|---|---|---|
| c | When a Client authorises a representative to collect DIS. | Hand-over the DIS booklet to the authorised person, only after establishing the identity of the authorised person (refer Circular no. NSDL/POLICY/2009/0029 dated April 16, 2009 for list of identity documents, which can be obtained by Participant). However, in case the Participant is not in a position to establish the identity of the authorised person, DIS booklet should be sent through registered post/courier, to the address of the Client. |
| d | In case a Client reports (in writing) that the Requisition form (slip) has been lost / misplaced / stolen. | Send DIS booklet through registered post/courier, to the address of the Client registered with the Participant. However, in case the Client or its authorised person comes in person to collect the DIS, it may be handed-over only after the identity of the person is established as mentioned above. |
| e | In case a request for issuance of DIS booklet is received through post/courier immediately (i.e. within 30 days) after change in the address in the depository account of the Client. | Participant should obtain an independent confirmation (by way of letter/e-mail/telephone) from the Client(s) in this regard, before issuing the DIS. |

(4) Issuance of Loose leaf DIS:

(NSDL/PI/2004/1401 dated August 5, 2004, NSDL/POLICY/2007/0011 dated February 15, 2007 and NSDL/POLICY/2008/0011 dated February 29, 2008)

In case a Client (all the holders in case of joint holding) wishes to submit an instruction but does not have the DIS, the Participants are advised as follows:



- (a) The Client visits the Participant's office in person;
- (b) Participant satisfies itself about the identity of the Client and issues loose leaf DIS; and
- (c) The Client signs the DIS in the presence of authorized official of the Participant.

Participants must ensure that the DIS issued to the Client also bears pre-printed unique identification number (serial number), which should be from a different series, and a record thereof is maintained by the Participant in a "Loose-leaf DIS Register". The Loose-leaf DIS Register should contain Client's name, Client ID, serial number of loose-leaf DIS, date of issue and his/her signature. Further, the Participant shall not issue more than 10 loose DIS to one account holder in a financial year (April to March).

In addition to the existing process of verification, another staff of Participant should also verify the signature(s) separately.

(5) Checks and Controls required in case Participant is using back office system / Manual controls:

(i) Automated checks in the back office system of the Participant:

- (a) Participants must record the serial numbers and run an automatic check while executing transactions based on DIS.
- (b) Ensure that the system has in-built controls for matching of serial numbers with the respective Client IDs and that the system blocks the DIS permanently that have been used.
- (c) In case any Client reports (in writing) that DIS(s) has/have been lost/misplaced/stolen or the account is closed, unused serial number(s) should be permanently blocked.
- (d) In case any DIS is presented for execution that has already been used or is part of the series of DIS which have been reported as lost/misplaced/stolen then the system should give automatic alert, in which case, Participant should contact the Client(s) immediately.

(ii) Manual controls:

- (a) Participants must ensure that a "DIS Control Register" is maintained for recording details of serial numbers and Client IDs with which the serial numbers are associated.



Participants should verify the same at the time of receipt of DIS and make a remark that it has been used.

- (b) In case a Client reports (in writing) that DIS is lost/misplaced/stolen or the account is closed, the same should be cancelled in the DIS Control Register.
- (c) In case any DIS is presented for execution that has already been used or is part of the series of DIS, which have been reported as lost/misplaced/stolen then there should be a mechanism to raise an alert, in which case, Participant should contact the Client(s) immediately.

(iii) Important note on automation and manual control:

- (a) Employees of Participant processing DIS should put their signature on the DIS indicating that they have verified the signature(s) of the account holder(s) and that the unique identification number (serial number) belongs to that Client. In case of manual controls, employees of Participants, before signing on the DIS, should also ensure that the DIS bearing unique number belongs to that Client.
- (b) There shall also be an indication of the value of the transactions contained in a single DIS on the system of Participant and in case the value of securities on the DIS amounts to Rs. Five lakh or more, it should be subject to two step verification, especially for off market transactions.
- (c) In case a DIS is received from a dormant account (i.e. where no transaction has taken place for a period of six months or any other lesser time period as may be decided by the Participant), in addition to the existing process of verification, another employee of the Participant should also verify the instruction. The Participant should obtain an independent confirmation from the Client(s) in this regard before processing the DIS. However, in case of active accounts, such verification is mandatory only if the account has five or more ISINs and all such ISIN balance are transferred at a time. The authorized official of the Participant verifying such transactions with the Client, shall record the details of the process, date, time, etc. of the verification on the instruction slip under his signature.

Further, in order to facilitate identification of dormant accounts, an alert has been provided in the DPM System when Participant captures / verify releases instruction in the Client accounts where the system has not performed any of the transactions with



relation to Account transfer (Debits), Inter Depository transfer (Debits), Remat and Pledge in any of the ISINs for a defined period of time through manual data entry in the DPM System or uploading the instructions through Back-office. Participant can override this warning message and continue capture/ verify-Release operation. In case aforesaid instructions are being executed using DPM import, an error file (".err") will be generated containing warning message.

For this, Client accounts that have not executed any of the above transactions for last 180 days will be marked as dormant account. Further, Participants may note that after any debit transaction is executed in a dormant account, it will be marked as non-dormant in the EOD process of that day. This implies that alerts will be generated for all instructions executed on that day for the dormant account till EOD of that day.

Participants can also generate Transaction Statement Report for dormant Client accounts, which give the list of transactions that are executed in a dormant account for the day when account is marked as non-dormant at EOD. The report will be generated based on date range such that Date wise and Client account wise Transaction Statement report are generated for all the transactions that are executed in dormant accounts on the day when the account was marked from Dormant to Non-Dormant (Refer Circular No. NSDL/POLICY/2008/0021 dated April 4, 2008).

- (d) Participant shall cross check with the Client(s) under exceptional circumstances before acting upon the DIS.
- (e) In case DIS received is pre-signed with blank columns, Participant should not accept such DIS.

(6) Execution of transactions based on receipt of electronic instruction:

(NSDL/POLICY/2008/0002 dated January 11, 2008)

Participants can execute transactions based on receipt of electronic instructions from Client after ensuring compliance with Rule 4.5.1 of the Business Rules of NSDL and upon receipt of prior approval from NSDL.



As per Rule 4.5.1 of Business Rules of NSDL, Participants are required to ensure compliance with the following conditions for accepting instructions in electronic form:

“(i) The Participant has adequate systems and security features in place to authenticate the Client and the Client to authenticate the Participant;

(ii) The Participant is able to conclusively prove the origin, destination, date and time of receipt or dispatch of such electronic instructions received by it;”

Explanation:

(a) As per the provisions of the Information Technology Act 2000 (IT Act), legal recognition for transactions carried out electronically envisages use of digital signature for authentication of electronic records. Thus, the instructions submitted electronically need to be authorised using Digital Signature Certificate issued by a Certifying Authority (CA) licensed by Controller of CA. This would ensure that the Client itself has submitted the instruction which cannot be repudiated later. Accordingly, as mentioned in point nos. (i) and (ii) hereinabove, Participants will be required to establish systems/process in place to confirm that the instructions received in electronic form are indeed digitally signed by the Client and are not modified subsequent to digitally signing of instructions. Further, the systems/process that Participant establishes must enable the Client to ensure that the digitally signed instructions are indeed received by the authorised person of the Participant.

(b) Participants will be responsible to establish the procedure that will ensure the validity of digital signature certificate of the Users and will also ensure that the person digitally signing the instructions is indeed authorised to do so.

(c) Participant will be required to establish the procedure which will be followed by the Client for authenticating the Participant.

“(iii) The Participant retains such electronic instructions in the format in which it was originally received or sent or in a format which can be demonstrated to represent accurately the information which was originally received or sent;”

Explanation:

(a) Electronic instructions received by the Participants must be authenticated using signature verification utility (SVU). This is required to ensure that the instructions are indeed received from the Client. SVU should be issued by a CA licensed by Controller of CA to validate the digitally signed files received from the Client. The SVU will strip the digital signature after



successful authentication. The new file thus generated after authentication must be stored as a different file before uploading/executing in the DPM System so as to keep the original file with the digital signature intact. Participants will be required to ensure that the authenticated file should not be altered and should represent accurately the information which was originally received from or sent by the Client, before uploading/executing the file in the DPM System. In this regard, Participants will be liable for any claims that may be raised by the Client on account of any loss arising from execution of instructions which are altered subsequent to stripping the digital signature.

- (b) Participants are advised to ensure that the instructions submitted electronically using digital signature must be retained alongwith the digital signature for the period as specified in various regulations.
- (c) Participants are advised to retain the details of authorised persons who are digitally signing the instructions for the period as specified in various regulations.

“(iv) The instructions received remain accessible and usable for subsequent reference.”

Explanation:

- (a) Participants will be liable to produce these electronic records in a readable form to NSDL, SEBI or to any other Statutory Authority, whenever required. As Participants are aware, NSDL inspects the records of the Participants at regular intervals. Therefore, the file formats of digitally signed instructions should adhere to either of the file formats prescribed for DPM System or SPEED-e.
- (b) The signed file should be such that instruction details can be clearly identified, thus it can be in a flat file as per backoffice import file formats or SPEED-e import file formats or a format which is readable directly, without a need to interpret the information in the file.
- (c) Participants will be required to provide the SVU that would enable NSDL inspection team to verify the transactions that are received electronically. Also, Participants will have to ensure that any new upgrades done by its CA is incorporated in the SVU and provided to NSDL at the time of inspection.

General compliance

1. Participants must ensure compliance with the prevailing guidelines mentioned above regarding the requirements of time & date stamping and deadline for submission of electronic instructions received from Client.



2. Participants are advised to ensure compliance with respect to the requirements mentioned below regarding details to be obtained from Clients in respect of 'Consideration' and 'Reasons/Purpose' for off-market transactions.
3. Participants should be able to provide the details of the instructions to the NSDL inspection team based on the relevant details provided to the Participants by NSDL.
4. Participants are advised to follow the procedure mentioned in NSDL Circular No. NSDL/POLICY/2007/0054 dated September 22, 2007 regarding capturing of Power of Attorney holder/Authorized Signatory signature and the changes in the back-office module and the file formats in respect of the back-office batch interface with the DPM System. Participants are advised to select Signature Type as "Digital" only for those accounts for which NSDL has permitted Participants to use digital signature for submitting delivery instructions.
5. The internal auditors as appointed by Participants will be required to verify that necessary audit trails and checks have been implemented in conformity with NSDL prescribed guidelines / circulars and the deviations, if any, may be reported in the internal audit report under point no. 6 **Audit of delivery instructions** (Refer NSDL Circular no. NSDL/POLICY/2008/0077 dated November 3, 2008). In case no deviations have been reported, it will be treated that the aforesaid requirements have been duly complied with by the Participant.
6. Participants will be responsible for ensuring compliance with the provisions of Depositories Act, SEBI (Depositories and Participants) Regulations, 1996, The Prevention of Money Laundering Act, 2002, Bye Laws and Business Rules of NSDL, as well as any other circulars / guidelines issued by NSDL from time to time, in this regard.
7. Participants can execute transactions based on the electronic instructions after ensuring compliance with each of the aforesaid conditions in this regard and upon receipt of prior approval from NSDL.

(7) Submission of instructions using *SPEED-e* facility of NSDL:

(NSDL/PI/2001/1307 dated August 27, 2001, NSDL/POLICY/2008/0013 dated March 3, 2008 and NSDL/POLICY/SPEED-e/2009/0005 dated June 20, 2009)

SPEED-e enables demat account holders of the Participants to issue their delivery instructions, in expanded time frames and from anywhere directly through internet on SPEED-e website viz.;



<http://speed-e.nsd.com>, thus eliminating the need to submit delivery instructions in paper form. Participants will have to periodically (at least three times a day) download these instructions from SPEED-e website, import them into the DPM System and upload the status of the instructions back to the site. Participants can access SPEED-e through smart card / e-token based authentication. The files downloaded by the Participant will bear digital signature of the site and files uploaded by the Participant will bear the digital signature of itself. SPEED-e has been designed to meet the requirements of both, the password user as well as smart card / e-token based user. This facility features smart card / e-token based access authentication and digital signature based transaction authorisation for the high-end users such as CMs, sub-brokers and traders, high networth individuals, etc. and password based authentication for the low-end users. For more details, Participants may refer to NSDL Circular No.NSDL/PI/2001/1307 dated August 27, 2001 and NSDL/POLICY/2008/0013 dated March 3, 2008.

Instructions on SPEED-e with current date as the execution date can be executed on SPEED-e by the Client upto 7:00 p.m. IST on weekdays and 3.00 p.m. IST on Saturdays. However, instructions with future date as the execution date can be executed at any time, even after the aforementioned deadline times.

(8) Deadline for submission of market instructions on SPEED-e:

(NSDL/POLICY/SPEED-e/2008/0004 dated April 23, 2008, NSDL/POLICY/2009/0050 dated June 26, 2009 and NSDL/POLICY/SPEED-e/2009/0006 dated July 6, 2009)

Participants must take note of the following deadline time for submission of pay-in instructions on SPEED-e, on the pay-in day based on the market type for below given stock exchanges:

| Name of the Stock Exchange | Market Types | Revised deadline time for submission of instructions (pertaining to pay-in) by Clients on SPEED-e on pay-in day | NSDL deadline time for execution of instructions in the DPM System on pay-in day |
|----------------------------|--|---|--|
| NSE | SLB First Leg, SLB Return Leg and SLB Auction Buy-in | 8.00 am | 9.00 am |



| | | | |
|-----|--|----------|------------|
| | Normal, Auction Normal, Trade for Trade, Company Objection, Retail Debt Market, Bad Delivery, Institutional and MFSS T+3 | 10.00 am | 10.40 am |
| BSE | SLB, SLB-R and Buy in Auction. | 8.00 am | 9.00 am |
| | Rolling Market Lot | 10.00 am | 10.40 am |
| | Auction Rolling | 11.00 am | 12.00 noon |
| | Company Objection | | 1.00 pm |
| | | | 4.00 pm |
| CSE | Rolling Market Lot and Auction Rolling | 9.30 am | 10.30 am |

Participants must take note of the following:

1. In case there are multiple pay-ins of same market type for a stock exchange happening on the same day, in such a case, the deadline time of submission of instructions on SPEED-e on the pay-in day would be as follows:

| Name of the Stock Exchange | Market Types | Deadline time for submission of instructions on SPEED-e (earlier 10.00 a.m.) | NSDL deadline time for execution of instructions in the DPM System (earlier 10.40 a.m.) |
|----------------------------|--|--|---|
| NSE | Normal, Trade for Trade, Retail Debt Market, Bad Delivery and MFSS T+3 | 9.00 a.m. | 9.40 a.m. |
| | SLB First Leg, SLB Return Leg and SLB Auction Buy-In | 7.00 a.m. | 8.00 a.m. |
| BSE | Rolling Market Lot | 9.00 a.m. | 9.40 a.m. |
| | SLB First Leg, SLB Return Leg and SLB Auction Buy-In | 7.00 a.m. | 8.00 a.m. |



2. The deadline time for submission of instructions on SPEED-e for other stock exchanges remains unchanged i.e. submission deadline time on SPEED-e on the pay-in day would be 8.00 am.

Participants must ensure that all the instructions submitted by the Clients within the aforesaid deadline time are duly executed in the DPM System and in case Participants encounter any difficulty in downloading the instructions from SPEED-e, the same should be reported to Help Desk immediately.

(9) Instructions received from Clients who have attained majority:

(NSDL/POLICY/2009/0029 dated April 16, 2009)

In case of Minor attaining majority, Participants should ensure that any request or instruction received from the guardian, which is to be processed or is having a execution date falling on or after the date, the Minor has turned Major, shall be processed/executed only after receipt of confirmation from the Client (Minor turned Major). Participants should note that the aforesaid guidelines are in addition to the existing guidelines with regard to executing instructions.

(10) Instructions received from illiterate person:

(NSDL/PI/2002/0709 dated May 3, 2002)

Participants must follow the below given procedure for execution of DIS received from illiterate persons:

- a) The Client(s) must come in person to submit DIS and affix his/her thumb impression in the presence of the official of the Participant. The Participant should identify the Client(s) by verifying the photograph submitted by the Client(s) and read out/explain the contents of the delivery instruction form to the Client(s). The official of the Participant should then put his signature and remarks "Details explained to the Client(s)", on the DIS.
- b) In case such Client(s) is/are temporarily or permanently disabled due to which he/she cannot come in person to submit the instruction form as mentioned in point (a) above, the thumb impression of the Client(s) on the DIS must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate or a similar authority holding a Public Office and authorised to use the Seal of his office or a manager of the account holder's bank. The Client should also produce a medical certificate about his/her disability.



Participants should note that the aforesaid guidelines are in addition to the existing guidelines with regard to executing instructions.

(11) Instructions received from Blind person:

(NSDL/POLICY/2007/0049 dated August 21, 2007)

In case of DIS received from Blind persons, Participants should follow the existing guidelines with regard to executing instructions. In case such Client is illiterate, he/she should personally visit the office of the Participant for submitting the DIS.

(12) Instructions received through fax:

(NSDL/PI/2002/0740 dated May 9, 2002 & NSDL/POLICY/2008/0045 dated June 16, 2008)

Participants are advised to take note of the following precautions while executing such instructions:

1. Participant should obtain a fax indemnity duly signed by all the Client(s)/authorised signatories of the account.
2. Participant must advise its Clients to mark "*This is a fax instruction*" on the face of the DIS with a view to identify the same from the original DIS received subsequently. Only such fax instructions should be executed by the Participant.
3. The Client, while issuing a fax instruction, must use the DIS issued to it by the Participant. The Participant should verify the signature(s) of Client(s) / authorised signatory(ies), pre-printed serial number and pre-stamped Client ID, as per the existing procedure for processing DIS.
4. The staff of the Participant who processes the fax instruction shall put his/her signature on the fax instruction indicating that the signature has been verified and that the DIS belongs to that Client.
5. Participant should affix the time stamp on the fax instruction form as well as on the original DIS, when received and keep both of them together for records.
6. Participant should ensure that it receives the original DIS subsequently, latest within three days (excluding Sundays and Bank holidays) from the date of receipt of the fax instruction. In case the Participant does not receive the original DIS within the stipulated time, it should



inform such Clients that the facility of executing instructions received on fax is withdrawn, till the original DIS is received.

7. Participant must establish suitable procedure to prevent multiple execution of the same instruction.
8. Participant should also take such steps to preserve the fax instruction form in legible form.
9. Participant, before providing this facility to the Clients, must obtain a suitable insurance cover in this regard.
10. Participants should note that the aforesaid guidelines are in addition to the existing guidelines regarding execution of delivery instructions.

(13) Facility for submitting consolidated delivery instruction slips accompanied by computer print-outs by POA holder (other than Participant) on behalf of its Clients:

(NSDL/POLICY/2008/0004 dated January 24, 2008)

Participants may accept delivery instructions (Annexure L, Annexure LA and Annexure N) accompanied by computer print-outs from the POA holder, subject to the following conditions:

1. A suitable mechanism should be implemented in the back-office system of the Participant to identify such Clients. In the absence of back-office system, Participant should maintain a separate DIS register (in physical or electronic mode as the Participant may deem fit) containing the details of such Clients and POA holder.
2. The DIS must bear separate series of pre-printed serial numbers and should be distinguished by different colour or by any other method. Participants may consider printing / stamping the name of the POA holder on the DIS and requisition form.
3. The computer print-outs must contain all the details as specified in Annexure L, LA and N of Business Rules and accompanied by a single DIS (Annexure L, LA and N) as applicable. Further, the source Client ID should be mentioned against each instruction in the computer print-out.
4. Words "Details as per (total) number of pages attached" should be written on DIS.
5. The pre-printed serial number of the DIS should be mentioned on every page of the computer printout.
6. Every page of the computer printout including DIS should be signed by the POA holder.



(14) Facility for acceptance of Consolidated Client Delivery Instructions – computer printouts allowed where POA is given by Clients in favour of Participant:

(NSDL/PI/2000/1953 dated October 19, 2000)

In cases when several Clients have signed POA in favour of the Participant for issue of delivery instructions, a consolidated delivery instruction will be valid and separate Client-wise instructions would not be necessary. Participants must ensure the following:

1. A duly signed computer printout containing all the details as specified in the delivery instruction form ("Delivery Instructions by Clients" viz., Annexure-L of Business Rules) should be on record alongwith the Annexure-L. The source Client ID should be mentioned against each instruction in the computer printout.
2. Words "Details as per _____ (total) number of pages attached" should be written on the delivery instruction form viz., Annexure-L.
3. The pre-printed serial number of the delivery instruction form should be mentioned on every page of the computer printout.
4. Every page of the computer printout and the delivery instruction form should be signed by the POA holder.
5. The delivery instruction forms used for the aforesaid purpose should bear separate series of pre-printed serial numbers.

(15) Acceptance of Client's Delivery Instructions accompanied with computer printouts:

(NSDL/PI/2000/500 dated April 18, 2000)

Participants can accept the "Delivery Instructions by Clients" (Annexure-L, LA and N) accompanied by computer printouts of the instruction details, subject to the following conditions:

1. The computer printout (enclosure) should contain all the details as specified in the delivery instruction form.
2. Words "Details as per _____ (total) number of pages attached" should be written on the delivery instruction form.
3. The pre-printed serial number of the delivery instruction form should be mentioned on every page of the enclosure.
4. Every page of the enclosure and the delivery instruction form should be signed by all the account holder(s)/authorised signatory(ies).



(16) Acceptance of instructions accompanied by computer printouts from Clearing Members:

(NSDL/PI/99/572 dated July 21, 1999)

Participants can accept the following delivery instruction forms viz; "Delivery Instructions by Clearing Members for Pay-In" (Annexure-S), "Delivery Instructions by Clearing Members on Pay-Out" (Annexure-T) and "Inter-Settlement Instructions" (Anexure-SS) accompanied by computer printouts of the instruction details, subject to the following conditions:

1. The computer printout (enclosure) should contain all the details as specified in the delivery instruction form.
2. Words "Details as per _____ (total) number of pages attached" should be written on the delivery instruction form.
3. The pre-printed serial number of the delivery instruction form should be mentioned on every page of the enclosure.
4. Every page of the enclosure and the delivery instruction form should be signed and stamped by the authorised signatory(ies).

(17) Computer printouts allowed for other types of instructions:

(NSDL/PI/2003/0852 dated May 26, 2003)

Participants are hereby informed that the procedure mentioned in point no. 15 and 16 above must be followed while accepting the following types of instructions from their Clients:

- (i) Pledge/Hypothecation
- (ii) Inter-Depository Transfers
- (iii) CM Pool to CM Pool transfers by Clearing Members

It may be mentioned that annexure attached to the instruction form may contain multiple target Client IDs with corresponding details.

(18) Instructions received for Buy Back / Open Offer:

(NSDL/PI/2002/1108 dated July 9, 2002)

Participants are requested to advise their Clients to submit such instructions at least one working day before the date of closure of such offers or prior to such deadline time as may be



decided by the Participant for submission of delivery instructions by Clients. Further, Participant should advise their Clients to mark "Buy back/Open offer" on the face of the instruction slips so as to identify such instructions and execute them on a priority basis.

(19) Incorporation of details in DIS as advised by Financial Intelligence Unit (FIU):

(NSDL/POLICY/2007/0069 dated November 12, 2007, NSDL/POLICY/2007/0071 dated November 12, 2007, NSDL/POLICY/2007/0072 dated November 23, 2007, NSDL/POLICY/2008/0062 dated September 12, 2008 and NSDL/POLICY/SPEED-e/2008/0006 dated November 10, 2008)

- (i) Participants may note that Annexure 'L', Annexure 'N', Annexure 'NA' and Annexure 'LA' to Business Rules of NSDL have been amended to incorporate the details. viz. 'Consideration' and 'Reasons/Purpose' as advised by Financial Intelligence Unit – India
- (ii) Participants will be required to ensure that additional details as per the guidelines issued by Financial Intelligence Unit-India (FIU-IND) under The Prevention of Money Laundering Act, 2002 (PMLA), has been incorporated in the DIS. Participants should ensure that at the time of accepting existing DIS (in old format), for executing the off market transactions, they obtain the additional details as prescribed above on a plain paper duly signed by the applicant(s). Further, Participants may use the existing DIS till such time the stock of the existing DIS is exhausted.

NSDL has also incorporated the fields viz., 'Consideration' and 'Reasons/Purpose' for smart card / e-token Users as SPEED-e enables only the smart card / e-token Users to submit off-market instructions.

(20) Processing of DIS :

(i) Acknowledgement of instruction at the time of accepting physical / electronic DIS.

(a) Physical DIS:

(NSDL/PI/98/519 dated October 13, 1998)

In view of the time-criticality of execution of Clients' instructions, especially those relating to market trades, all Participants are advised that the delivery / receipt instruction forms submitted by the Clients should be time-stamped. The time and date of receipt of the form should be put



on both the portions of the form i.e., Participant's copy & Client's copy which should be duly signed & stamped by the Participant.

(b) Electronic submission of instruction:

The Participants should be able to conclusively prove the origin, destination, date and time of receipt of dispatch electronic instructions received by it.

(ii) Deadline time for submission of physical / electronic instructions related to pay-in:

(NSDL/PI/2003/0406 dated March 7, 2003 and NSDL/POLICY/2009/0019 dated March 14, 2009)

Participants are advised to take note of the procedure given here below:

- (a) Participants shall accept instructions from the Clients, in physical form upto 4 p.m. (in case of electronic instructions upto 6.00 p.m.) on T+1 for pay-in of securities, viz.; instructions to transfer securities from Client account to CM Pool account, Inter-Settlement Instructions, CM Pool to CM Pool account transfers and Delivery-Out Instructions, etc. For example, pay-in for trades executed on 'Monday' will be on Wednesday. Clients will have to submit instructions to their Participants upto 4 p.m. (in case of electronic instructions upto 6.00 p.m.) on Tuesday.
- (b) Settlement instructions received from any Client beyond the aforementioned deadlines would be received by the Participants at Clients' risk and acknowledgment thereof should be issued by Participants to the Clients, with suitable remarks.
- (c) Participants should complete execution of pay-in instructions (i.e., *Delivery-Out instructions*) and ensure that they are in status "Instruction ready for Settlement" well before the pay-in deadline time on T+2.
- (d) In case the Client account does not have sufficient balance, the Client to CM Pool account transfer instructions will reflect the status "Overdue" (*provided in the target CM Pool Account, the standing instruction indicator is enabled or receipt instructions initiated is matched*), irrespective of the execution date and will remain valid till the pay-in for the requisite settlement number and market type, during the pay-in process;
 - i. if partial balance is available in the Client account, then the same will be debited and transferred to the CM Pool Account. The status of the instruction will get updated as "Partially Settled".



ii. if no balance is available in the Client account, then the instruction will get rejected.

The status of the instruction will get updated as "Rejected".

(e) Delivery instruction initiated from the Client account (*without sufficient balances*) will remain in status "Counterparty instruction awaited" till it matches with the Receipt Instruction initiated from the CM Pool Account (*where the standing instruction is not enabled*). Upon matching of delivery and receipt instruction :

i. in case insufficient balance is available in the Client account, the status of the instruction will change from "Counterparty instruction awaited" to "Overdue" and will remain valid till the pay-in for the requisite settlement number and market type as explained in point no. 20 (ii) (d) above.

ii. in case sufficient balance is available at the time of matching the instruction in the Client account, the status of the instruction will change from "Counterparty instruction awaited" to "Settled".

(f) In respect of CM Pool Accounts where standing instruction indicator are not enabled in the DPM System, Participants are requested to note that delivery instruction from the Client account (*with or without security balances*) and/or Receipt Instructions from its CM Pool Account that are unmatched will remain valid till the end of the day (*EOD*) of the execution date.

(iii) Deadline time for accepting non pay-in related instructions:

(NSDL/PI/2004/1911 dated October 21, 2004)

SEBI has clarified that Participants can decide their own time frame for submission of such instructions by their Clients (i.e. one or two days before the execution date). However, Participants should execute the instruction not later than one day from the date of submission of instruction by the Client. Further, if the date of submission and the execution date are same, Participants may execute such instructions on the same day on a "*best effort basis*". For example:



| Date of submission | Execution Date | Date on which the Participant should execute the instruction |
|--------------------|------------------|--|
| October 19, 2004 | October 20, 2004 | On or before October 20, 2004 |
| October 19, 2004 | October 22, 2004 | On or before October 20, 2004 |
| October 19, 2004 | October 19, 2004 | On October 19, 2004 on a "best effort basis" |

Participants should communicate this information to their Clients through regular communications / newsletters as well as put up this information on the notice board for information of all their Clients.

(iv) Processing of IDT Instructions:

(NSDL/PI/2002/2138 dated December 12, 2002 and NSDL/PI/2002/2180 dated December 19, 2002)

Participants are advised to note the following deadline timings for execution of IDT instructions:

| Sr. No. | Particulars | On Week days | On Saturdays |
|---------|--|--------------|--------------|
| 1 | Deadline time for Participants to verify & release IDT delivery/receipt instructions | 6.00 p.m. | 2.30 p.m. |
| 2 | NSDL deadline time for receiving IDT delivery/receipt instructions from Participants | 6.30 p.m. | 3.00p.m. |

(v) Deadline for Bulk Verify & Release of IDT Instructions:

(NSDL/POLICY/2007/0042 dated July 23, 2007)

Participants are advised to note that the deadline timings for executing bulk verify/release of IDT instructions are 5.00 p.m. on weekdays and 1.30 p.m. on Saturdays. An additional window of one hour for executing such IDT instructions through bulk verify/release option is provided i.e.



upto 6.00 p.m. on weekdays and 2.30 p.m. on Saturdays, subject to payment of an additional charge of Re. 1 per IDT instruction.

Participants may therefore note that an additional charge of Re.1 per IDT instruction released through bulk verify/release after 5.00 p.m. (i.e. between 5.00 p.m. & 6.00 p.m.) on weekdays and after 1.30 p.m. (i.e. between 1.30 p.m. & 2.30 p.m.) on Saturdays will be levied to the Participants.

Participants are advised to exercise prudence while executing IDT instructions through bulk verify/release facility. This precaution is necessary as these instructions require acceptance by the other depository within the mutually agreed time frame and any bunching of instructions will unduly strain the system. Therefore, Participants are advised to execute IDT instructions through bulk verify/release facility at periodic intervals so that the load on the network is distributed throughout the day.

(vi) Execution date of instructions falling on a Sunday or any other DM holiday:

(NSDL/POLICY/2008/0079 dated November 5, 2008 and NSDL/PI/2001/0812 dated June 11, 2001)

Participants are advised to note that account transfer (debiting beneficiary or Clearing Member Pool accounts), pool to pool, inter-settlement, inter-depository and pledge related instructions that are verified/released in the DPM System with execution date falling on a Sunday or any other DM holiday will be executed on the next business day. In this regard, Participants are advised to note that such instructions should be received by NSDL and status of the instructions in the DPM System should be "Future Dated" before EOD of:

- (i) Saturday if the execution date happens to be a Sunday,
- (ii) previous business day if the execution date happens to be a DM holiday.

Participants are requested to note that delivery-out instructions should be received by NSDL before the pay-in deadline time.

(vii) Restriction on processing of DIS at franchisee:

(NSDL/PI/2005/2088 dated October 28, 2005)



Participants should ensure that the functions of verification of DIS serial numbers, signature(s) of authorised signatories and release of instructions should be carried out by the Participant itself and not left to the franchisee.

(21) Internal and Concurrent Audit - Control and Verification of Delivery Instruction Slips:
(NSDL/POLICY/2008/0077 dated November 3, 2008)

The scope of concurrent audit with respect to control and verification of DIS should cover the areas given below:

(I) Issuance of DIS

The procedure followed by the Participants with respect to:

- (a) Issuance of DIS booklets including loose slips.
- (b) Existence of controls on DIS issued to Clients including pre-stamping of Client ID and unique pre-printed serial numbers.
- (c) Record maintenance for issuance of DIS booklets (including loose slips) in the back office.

(II) Verification of DIS

The procedure followed by the Participants with respect to:

- (a) Date and time stamping (including late stamping) on instruction slips.
- (b) Blocking of used/reported lost/stolen instruction slips in back office system / manual record.
- (c) Blocking of slips in the back office system / manual record which are executed in DPM directly.
- (d) Two step verification for a transaction for more than Rs. 5 lakh, especially in case of off-market transactions.
- (e) Instructions received from dormant accounts.

The Concurrent Auditor should carry out 100% verification with respect to control over issuance and acceptance of DIS booklets including loose slips; however with respect to verification (execution and processing) of DIS, auditor should verify atleast 25% of the DIS processed. The sample percentage checked in this regard should be mentioned in the Concurrent Audit Report.



The Concurrent Auditor should conduct the audit in respect of DIS/IDDIS issued and controls on DIS/IDDIS as mentioned above, during the day, by the next working day. In case the audit could not be completed within the next working day due to large volume, the auditor should ensure that the audit is completed within a week's time.

Any deviation and/or non-compliance observed in the aforesaid areas should be mentioned in the audit report of the Concurrent Auditor. The Management of the Participant should comment on the observations made by the Concurrent Auditor.

Participants may note that if the Auditor for Internal and Concurrent Audit is the same, consolidated report may be submitted.

Participants will be responsible for ensuring compliance with the provisions of Depositories Act, SEBI (Depositories and Participants) Regulations, 1996, The Prevention of Money Laundering Act, 2002, Bye Laws and Business Rules of NSDL, as well as any other circulars / guidelines issued by NSDL from time to time, in this regard.

(22) Precautions to be taken at the time of accepting market related instructions:

1. The instructions relating to settlements should be segregated for each stock exchange, market type and settlement number. These instructions include delivery-out instructions, Client to CM Pool Transfer, inter-settlement transfers, CM Pool to CM Pool transfers and Inter Depository transfers with the target settlement pertaining to which pay-in is due. Priority should be given to the instructions relating to the settlements for which Pay-in date is current date or next date.
2. The execution of the instructions in DPM System for each stock exchange, market type and settlement number should be prioritised in a logical manner. Instructions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer, inter-settlement transfers, CM Pool to CM Pool transfers and Inter Depository transfers should be given priority.



3. Instructions such as CM Pool transfer to client, client to client and pledge closure that have the effect of crediting those Clients account from where the securities have to be moved to CM Pool Accounts for the target settlement should be executed well in advance.
4. Participants should ensure that IDT instructions are verified & released well before the deadline so that the status of the instruction become “Acknowledgement awaited from other Depository”* at NSDL deadline time. However, future dated instructions can be verified & released without any time restriction as per the current practice. In case any IDT instruction is received by NSDL after NSDL deadline time, then the same will fail with the status “Rejected” with the reason 'Deadline time has passed'. If CDSL rejects NSDL's inter depository debit instructions (IDDs) in case it receives IDD after the deadline time of the current business date, the status of IDT instructions will change from “Acknowledgement awaited from other Depository” to “Rejected by other Depository”.
5. In case the Participant has verified/released many future dated instructions or many accounts are opened after EOD or there are multiple pay-ins on the next day the Participants are requested to ensure that the BOD of next business day should be received early (say at 7.30 a.m.) on such days in order to process all pending instructions.
6. Non-settlement related instructions like account opening, dematerialisation, rematerialisation, etc. should not be captured/verified & released or exports should not be taken during settlement timings.
7. **Monitoring of instructions:**
 - (a) Participants should ensure that the instructions that have the effect of crediting the CM Pool Accounts for a settlement, such as Client to CM Pool Transfer, inter-settlement transfers, CM Pool to CM Pool transfers and Inter Depository transfers are in the status "Settled" atleast one hour before the NSDL Deadline time.
 - (b) Participants should ensure that the delivery-out instructions are in the status "Instruction ready for Settlement" at NSDL deadline time. In case the instructions are in any other status including "Released" for a long time, Participants should report to NSDL Help-Desk immediately.
 - (c) Participants may note that instructions such as account transfers, inter-settlement transfers, CM Pool to CM Pool transfers, Delivery Outs and Inter Depository transfers can be captured and verified/released even if BOD has not been received by the DPM System.



Thus, the instructions which are verified/released before the receipt of BOD will be processed by NSDL after the BOD and such instructions will be transmitted provided all the services are running successfully at the Participant's end. However, Participants are advised to remain in contact with NSDL Help Desk and also ensure that all instructions have been transmitted to NSDL. Further, the status of such instructions may appear as "Released" in the DPM System and once the BOD is received, the status will change to "Overdue" / "Accepted" / "Counterparty instruction awaited" / "Future Dated" / "Settled" / "Rejected", as the case may be.

(d) In case of IDT instructions the status will change from "Acknowledgement awaited from other Depository" to "Other Depository response awaited" (*standing instruction is not enabled and receipt instruction is not received in the target account maintained with other Depository*) to "Settled" / "Rejected by other Depository".

(e) Participants are requested to ensure proper monitoring of the Delivery-Out Instructions especially those which are in the status of "Overdue" on account of partial or nil balances existing in the CM Pool accounts. In this context, all Participants are advised to note and ensure the following:

- (i) On Verify/release the Delivery-out Instruction will go into the status "*Released*" irrespective of **sufficient balances** available in the CM Pool Account. In case of **insufficient balances**, the status of the instruction will change to "*Overdue*" and will remain in that status till such time the balance available in the CM Pool Account for the relevant settlement is less than the order quantity of the Delivery-Out Instruction.
- (ii) On receipt of credit for the full order quantity in the CM Pool Account, the Delivery-Out Instruction is triggered and the status changes to "*Instruction ready for Settlement*".
- (iii) At NSDL Deadline time, if the balance in the CM Pool Account does not become equal to the order quantity, then such Delivery-Out Instruction which is in the status "*Overdue*" will be executed partially to the extent of balance available in the CM Pool Account. The status of such Delivery-out Instruction will change to "*Partially Accepted*" and then to "*Partially Settled*". The partially executed quantity is displayed on the Delivery-Out Instruction screen separately against the field "**Delivered Quantity**".



- (iv) Participants must monitor the status of such partially executed Delivery-Out Instructions at the NSDL Deadline time in the Delivery-Out Instruction screen by selecting the flag for the field "**See only Partial Delivery Out Instructions**" and querying on the same.
- (v) Instructions in the status "Overdue" will remain in that status waiting for sufficient balance till the NSDL deadline time. On receipt of credit for the full order quantity in the CM Pool Account in the late pay-in window, the Delivery-Out Instruction is triggered and the status will change to "Instruction ready for Settlement".
- (vi) At the NSDL deadline time, if there is no balance in the CM Pool Account, then the Delivery-Out Instruction which is in the status "Overdue" will fail with the status "Rejected" with the reason "Cancelled, Overdue status during settlement".
- (vii) Participants should ensure that the Delivery-Out Instructions are in the status "Overdue" or "Instruction ready for Settlement" atleast 30 minutes before the NSDL Deadline time.
- (f) In respect of instructions remaining in status "**Released**", Participants are advised that the "**Message Control Panel**" under GISMO allows the Participants to monitor the status of incoming messages as under:

| Sr. No. | Tab | Function |
|---------|----------------------------|---------------------------------|
| 1 | Message Receiver | Receiving messages |
| 2 | Master Message Processor | Processing master messages |
| 3 | ISINWise Message Processor | Processing transaction messages |

If the above mentioned messages are received and processed properly, the same are highlighted through green color otherwise red color will be displayed. This indicates that the services are stopped or any other kind of error has occurred.



(g) Participants are also advised to note the following:

- (i) Participants should ensure that the following services are always running:
 - a. NSDL HTTP Message Receiver Service
 - b. NSDL ISINWise Message Processor Service
 - c. NSDL Master Message Processor Service
 - d. NSDL Export (File Generator) Service
 - e. NSDL Automatic File Upload Service

These services can be monitored through the “Communication” tab available in GISMO. In case above mentioned services are stopped and/or any error is displayed, the same should be reported to NSDL Helpdesk.

- (ii) In case the instructions or batch upload file remains in status "**Released**" or "**Transferred**" respectively for a long time, Participant should inform NSDL Help Desk immediately.
- (iii) Participants must ensure that Ping to NSDL and Ping to router are functioning successfully and in case Ping to NSDL and Ping to router fails, Participant must report the same to NSDL Help Desk immediately.

* Status description changed from ‘Accepted by NSDL’ to ‘Acknowledgement awaited from other Depository’. However, the status code ‘33’ remains unchanged.



Participants may refer the following circulars for monitoring of Messages:

| Sr. no. | Circular No. | Date of Circular | Particulars |
|----------------|-----------------------|-------------------------|--|
| (i) | NSDL/PI/99/199 | March 26, 1999 | Precautions to be taken at the time of accepting market related instructions |
| (ii) | NSDL/PI/2000/292 | March 10, 2000 | Precautions to be taken after acceptance of Delivery Out instructions from Clearing Member |
| (iii) | NSDL/PI/2002/1004 | June 22, 2002 | Monitoring of Messages in DPM and GISMO |
| (iv) | NSDL/PI/2002/2138 | December 12, 2002 | Processing of IDT Instructions |
| (v) | NSDL/PI/2005/1898 | October 5, 2005 | Measures available in DPM system for Business Continuity |
| (vi) | NSDL/POLICY/2008/0021 | April 4, 2008 | Reports for instructions in status "Other than Closed/Settled" |