Enhancements in respect of Dematerialisation of Physical Securities in DPM system

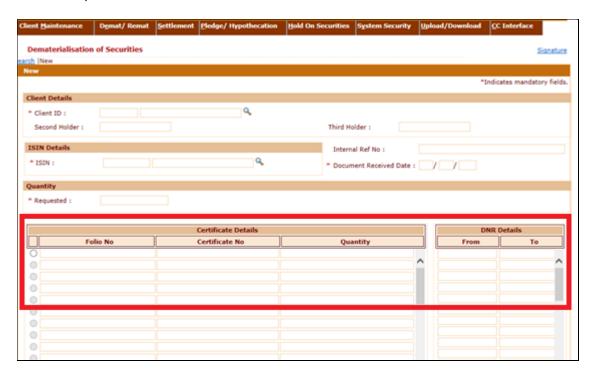
SEBI has vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2019/122 dated November 5, 2019 issued directions regarding Enhanced Due Diligence for Dematerialization of Physical Securities advising listed companies or their RTA to provide data of their members holding shares in physical mode (Static database) to the Depositories. Further, Depositories are advised to capture the relevant details from the static database and put in place systems to validate dematerialization request and generate an alert in case of mismatch of name on the share certificate(s) as provided by the Issuer/RTA vis-à-vis name of the demat account holder.

Participants attention is also invited to NSDL circular no. NSDL/POLICY/2015/0056 dated June 12, 2015 regarding SEBI circular no. CIR/MRD/DP/10/2015 dated June 5, 2015 regarding database of distinctive numbers of shares.

In order to implement aforesaid SEBI directions, eDPM system has been enhanced in respect of 'Dematerialisation of Securities' screen under 'Demat / Remat' module.

1. Dematerialisation of Securities' Screen of Demat /Remat module:

- a) The following fields are made mandatory for capturing the demat request as exhibited below:
 - i) Folio No
 - ii) Certificate No
 - iii) Quantity
 - iv) DNR Details From and To



b) Participant shall have the facility to capture multiple certificate numbers/ Distinctive Number (DN) ranges/ folio number details under one demat request.

- c) Participant may capture maximum 20 DN Ranges for single Certificate Detail i.e., Folio number and certificate number.
- d) Participant shall capture proper and unique DN ranges while generating the demat request. The system will not allow duplicate and overlapping DN ranges e.g. one row with DN range 'From 1 To 50' and other row with DN range 'From 30 to 50' will not be allowed as these DN details are considered as duplicate / overlapping.
- e) The sum of total DN ranges under 'DNR Details' should match with Quantity mentioned under the field "Quantity" available under "Certificate Details". In case of mismatch in quantity, an error viz., "DNR quantity does not match with Certificate Quantity for Certificate No. <<Certificate No>>" as exhibited below will be displayed.



f) The certificate wise total **Quantity** under "Certificate Details" should match with the quantity captured in field viz., "Requested" Quantity of the demat request. In case of mismatch, an error viz., "Certificate Quantity Total not equal to Requested Quantity" as exhibited below will be displayed.

* Requested :		90			
		Certificate Quantity Tota	I not equal to Requested Quantity.		
		Certificate Details		DNR Details	
	Folio No	Certificate No	Quantity	From	То
dfgd35345		gdgd34534	10	81	90

g) After clicking "Save" button, for generating the Demat request, distinctive numbers (DN) captured will be validated

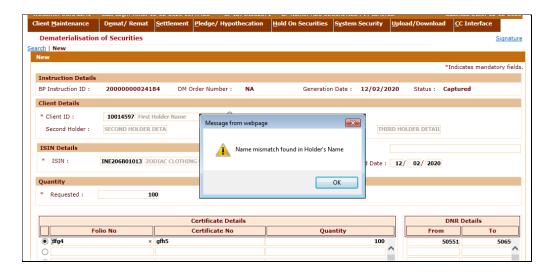
h)

- i) If the DN range is not present in the DN database, the demat request will be rejected citing the error viz., "Range does not exist for this ISIN".
- ii) DN range is present in DN database but is not present in the Static Database, an alert message viz., "Physical data not found for this ISIN" will be displayed

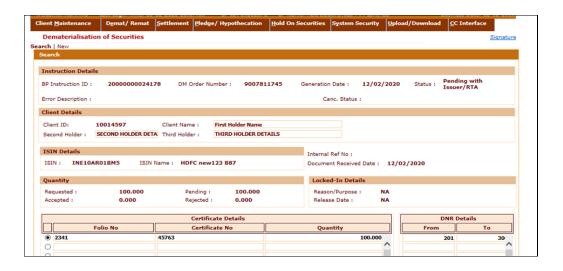
- i) If Participant is not able to process the demat request for the reasons mentioned above, Participant shall inform the accountholder suitably to enable the accountholder to approach Issuer/RTA for further action.
- j) If DN range as captured in the demat request is present in DN database as well as in the Static Database, then the depository system, based on these DN details, shall retrieve the name of the shareholder(s) as available in the Static Database (as provided by Issuer/RTA), and shall validate with the name of the demat account holder(s).
- k) If the name of the demat account holder(s) exactly matches with the name of shareholder(s) from Static Database (as provided by Issuer / RTA), the demat request will be submitted successfully and the status of demat request will be updated as 'Captured' (as exhibited below).



I) If the demat account holder name(s) is not matching with the shareholder(s) name in Static database (as provided by Issuer/RTA), an alert message viz., "Name mismatch found in Holder's Name" will be displayed and the status of demat request will be updated as 'Captured'.



m) Once the checker user Verify Release the demat request the order status will be updated as 'Pending with Issuer/RTA' (as exhibited below). The Checker user will not be allowed to do any modification in respect of details captured by maker user. The checker user will be allowed to Cancel or Verify Release the request.



n) The aforesaid screen based checks and validations will also be applicable for file upload mechanism. The upload of transaction file in respect of Demat instruction (i.e. Transaction Type: 901) will be **discontinued** from 'E-DPM Upload' link under 'Uploads & Downloads' menu and transaction file pertaining to Demat instruction shall be mandatorily uploaded from separate link i.e. 'Demat Instruction Upload' which is made available under 'Uploads & Downloads' menu of eDPM system.

2. Shareholder Name Mismatch Report on eDPM system:

A separate report is being made available providing the list of demat requests where name of demat account holder and name of the shareholder from Static Database (as provided by Issuer/RTA) were not exactly matched. The aforesaid report is made available (in .csv format) on eDPM system under the link Uploads / Downloads \rightarrow Status Response \rightarrow Download with Transaction type as "Shareholder Name Mismatch". In case

of such demat requests, Participant are advised to obtain any of the following additional documents explaining the difference in name and forward the same alongwith the demat request to Issuer/RTA for further processing.

Sr. No.	Type of document		
1	Copy of Gazette Notification regarding change in name		
2	Copy of legally recognized marriage certificate		
3	Copy of Aadhaar Card		
4	Copy of Passport		

Back-office impact: Yes. Same Informed to Participants vide NSDL circular no. NSDL/POLICY/2020/0007 dated January 20, 2020.