

Circular No.: NSDL/POLICY/2021/0004

January 28, 2021

**Subject: Acceptance of Delivery Instruction through Demat Gateway**

As all Participants are aware about the Demat Gateway facility and the subsequent changes in file formats as informed vide NSDL Circular No. NSDL/POLICY/2021/0001 dated January 7, 2021. In this context, attention of Participants is invited to SEBI letter dated January 20, 2021 addressed to both depositories wherein it has been inter-alia stated as under:

1. SEBI has examined the facility of accepting Delivery Instruction through Online Portal of Depository Participant (DP) / Stock Brokers (herein after referred to as “intermediaries”), which has been enabled by NSDL under the head Demat Gateway and its process of seeking mandate.
  - a. **e-DIS facility:** The facility of e-DIS has to be true to its label and should:
    - (i) Necessarily capture all details that are otherwise being captured in physical DIS, including settlement number and actual quantity to be transferred in case of on–market transfers.
    - (ii) be an instruction toward actual transfer of securities to meet obligation for a single settlement number / date.
  - b. **Mandate/Pre-trade authorisation:** The following shall be required to be ensured:
    - (i) The mandate should be received from client authorising the concerned intermediary to transfer specific securities for meeting on-market settlement obligation only.
    - (ii) Such mandate should necessarily pertain to a single settlement number / settlement date.
    - (iii) Client shall be required to authorise each mandate valid for a single settlement number/settlement date, by way of OTP and PIN /password, both generated at Depositories end.
    - (iv) Prior to executing actual transfer of securities based on details provided by intermediary, Depositories need to match and confirm the same with mandate provided by client as well as client-wise net delivery obligation arising from the trade executed on exchange, as provided by Clearing Corporation to Depositories for each settlement date.
    - (v) Securities transferred on basis of mandate provided by client should be credited only to client’s trading member pool account.
    - (vi) Intermediary providing this facility have enabled its client to revoke / cancel the mandate provided by them.

2. Intermediaries providing this facility shall ensure that mandate provided by client adheres to following requirements:

a. The mandate provided by client **should**:

- (i) be in favour of the concerned SEBI registered intermediary only;
- (ii) not provide the authority to transfer the mandate in favor of any assignees of the concerned Intermediary;
- (iii) require the Intermediary to return the securities to client(s) that may have been received by them erroneously or those securities that it was not entitled to receive from the client(s).

b. The mandate provided by client **shall not** facilitate Intermediaries to do the following:

- (i) Transfer of securities for off-market trades;
- (ii) To execute trades in the name of client without client's consent;
- (iii) To open an email ID on behalf of the client for receiving relevant commutations;
- (iv) Prohibit to issue DIS to beneficial owner;
- (v) Prohibit client from operating the account.

Participants who are availing the demat gateway facility are requested to take note of the above. SEBI has specified a deadline of February 4, 2021 for existing Participants/stock brokers who are availing the demat gateway facility to comply with the same. Operational guidelines will be issued separately for those Participants/stock brokers who are availing demat gateway facility to achieve compliance with the said timelines.

In case of any information / clarifications wrt availing Demat Gateway facility, Participants are requested to contact the following officials:-

Name of the Official	Telephone No. / Mobile No.	Email Address
Ms. Richi Savla	(022) 2499 4544 / +91 8080506500	<a href="mailto:richis@nsdl.co.in">richis@nsdl.co.in</a>
Mr. Narayan Venkat	(022) 2499 4479 / +91 9819219486	<a href="mailto:narayanv@nsdl.co.in">narayanv@nsdl.co.in</a>

For and on behalf of

**National Securities Depository Limited**

**Chirag Shah**  
**Senior Manager**



FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 <sup>th</sup> of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Networth Certificate and Audited Financial Statements for the FY 2019-20	January 31st, 2021	By hard copy to Inspection Department	1. Circular No. NSDL/PI/98/414 dated September 1, 1998 2. Circular No. NSDL/POLICY/2020/0131 dated September 30, 2020 3. Circular No. NSDL/POLICY/2020/0144 dated October 30, 2020
Compliance Certificate (July - December)	January 31st every year	Through e-PASS	Circular No. NSDL/POLICY/2020/0152 dated November 19, 2020.