

# **National Securities Depository Ltd.**



## **BUSINESS RULES**

**SEPTEMBER 2020**

**BLANK**

## Contents

<b>1. INTRODUCTION.....</b>	<b>10</b>
<b>2. APPLICABILITY .....</b>	<b>10</b>
<b>3. DEFINITIONS .....</b>	<b>11</b>
<b>4. MANNER OF DEALINGS ON THE DEPOSITORY.....</b>	<b>13</b>
4.1. THE DEPOSITORY SYSTEM .....	13
4.2. WORKING DAYS .....	13
4.3. WORKING HOURS.....	14
4.4. FAILURE OF PARTICIPANTS' TERMINAL.....	14
4.5. MODE OF OPERATING ACCOUNTS AND EFFECTING TRANSACTIONS BY BOOK ENTRY .....	14
<b>5. CONDUCT OF BUSINESS BY USERS .....</b>	<b>16</b>
5.1. MANNER OF DEALINGS BY USERS .....	16
5.2. SUPERVISION BY PARTICIPANTS.....	16
5.3. <sup>13</sup> FEES AND CHARGES .....	17
<b>6. GUIDELINES GOVERNING RELATIONSHIP BETWEEN PARTICIPANT AND CLIENT.....</b>	<b>18</b>
<b>7. CODE OF ETHICS FOR PARTICIPANTS .....</b>	<b>19</b>
7.1. GENERAL PRINCIPLES .....	19
7.2. OPERATIONAL PRINCIPLES .....	19
7.3. GENERAL GUIDELINES .....	19
<b>8. ADMISSION OF PARTICIPANTS.....</b>	<b>20</b>
<b>9. HARDWARE AND SOFTWARE REQUIREMENTS .....</b>	<b>21</b>
9.1. ISSUER OR ITS REGISTRAR & TRANSFER AGENT .....	21
9.2. PARTICIPANTS .....	21
<b>10. FEES AND DEPOSITS* .....</b>	<b>22</b>
10.1. ISSUERS OR ITS REGISTRAR AND TRANSFER AGENTS .....	22
10.2. PARTICIPANTS .....	22
<b>11. WITHDRAWAL AND DEPOSIT OF SECURITIES TO/ FROM A CLIENT ACCOUNT .....</b>	<b>31</b>
11.1. DEMATERIALISATION OF SECURITIES .....	31
11.2. REMATERIALISATION.....	33
11.3. <sup>36</sup> REDEMPTION OR REPURCHASE.....	33
11.4. <sup>40</sup> CONVERSION OF ISIN .....	34
11.5. <sup>41</sup> DEMATERIALISATION OF GOVERNMENT SECURITIES.....	35
11.6. <sup>45</sup> WITHDRAWAL OF GOVERNMENT SECURITIES FROM THE DEPOSITORY .....	37
11.7. <sup>49</sup> CONVERSION OF MUTUAL FUND UNITS REPRESENTED BY STATEMENT OF ACCOUNT INTO DEMATERIALISED FORM THROUGH A PARTICIPANT .....	38
11.8. <sup>53</sup> RECONVERSION OF MUTUAL FUND UNITS INTO STATEMENT OF ACCOUNT FORM (SOA FORM). <sup>39</sup>	
<b>12. TRANSACTIONS IN ACCOUNTS .....</b>	<b>40</b>
12.1. <sup>55</sup> ACCOUNT OPENING .....	40

12.2. MARKET TRADES .....	41
12.3. OFF - MARKET TRADES .....	41
12.4. <sup>61</sup> CORPORATE BENEFITS.....	41
12.5. <sup>71</sup> PUBLIC ISSUES .....	46
12.6. <sup>74</sup> ACCOUNT TRANSFER IN CASE OF TRANSMISSION .....	47
12.7. <sup>100</sup> FREEZING/ UNFREEZING OF AN ACCOUNT AND/OR ISIN AND/ OR SPECIFIC NUMBER OF SECURITIES UNDER AN ISIN .....	56
12.8. CLOSURE OF AN ACCOUNT .....	58
12.9. <sup>103</sup> PLEDGE .....	59
12.10. <sup>111</sup> HYPOTHECATION .....	60
12.11. <sup>120</sup> TRANSACTION IN GOVERNMENT SECURITIES .....	61
12.12. <sup>124</sup> CORPORATE BENEFITS WITH RESPECT TO GOVERNMENT SECURITIES .....	61
12.13. <sup>125</sup> INTER DEPOSITORY TRANSFER OF SECURITIES .....	65
12.14. <sup>126</sup> RECTIFICATION OF ERRONEOUS TRANSFERS .....	66
12.15. <sup>127</sup> HOLD ON SECURITIES FOR NON-DISPOSAL UNDERTAKING OR NON-DISPOSAL AGREEMENT .....	66
12.16. <sup>128</sup> MARGIN PLEDGE .....	68
<b>13. <sup>129</sup> CONDUCT OF BUSINESS WITH THE CLEARING CORPORATION AND CLEARING MEMBERS</b>	<b>69</b>
13.1. <sup>129</sup> ADMISSION OF A CLEARING CORPORATION, A STOCK EXCHANGE OR A CLEARING HOUSE OF A STOCK EXCHANGE .....	69
13.2. CLEARING CORPORATION ACCOUNT.....	70
13.3. CLEARING MEMBER ACCOUNT.....	71
13.4. CLEARING MEMBER DETAILS .....	72
13.5. INFORMATION REGARDING SECURITIES AVAILABLE FOR DEMATERIALISATION AND SETTLEMENT .....	72
13.6. SETTLEMENT SCHEDULE.....	72
13.7. PAY-IN OF SECURITIES .....	73
13.8. PAY-OUT OF SECURITIES .....	75
13.9. <sup>146</sup> INTER-SETTLEMENT INSTRUCTIONS .....	75
13.10. <sup>147</sup> CM POOL TO CM POOL INSTRUCTIONS .....	75
<b>14. MANNER OF ADVICE, STATEMENTS AND REPORTS FROM THE DEPOSITORY .....</b>	<b>76</b>
14.1. PARTICIPANTS .....	76
14.2. ISSUER OR ITS REGISTRAR AND TRANSFER AGENTS .....	76
14.3. <sup>151</sup> CLIENTS .....	77
<b>15. RECONCILIATION OF RECORDS .....</b>	<b>79</b>
15.1. RECONCILIATION BETWEEN THE PARTICIPANT AND THE DEPOSITORY .....	79
15.2. RECONCILIATION BETWEEN THE DEPOSITORY AND THE ISSUERS OR ITS REGISTRAR AND TRANSFER AGENTS .....	79

<b>16. RECORDS.....</b>	<b>81</b>
16.1. RECORDS TO BE MAINTAINED BY THE PARTICIPANTS .....	81
16.2. RECORDS TO BE MAINTAINED BY THE ISSUER OR ITS REGISTRAR AND TRANSFER AGENTS .....	82
16.3. <sup>170</sup> RECORDS TO BE MAINTAINED BY DEPOSITORY WITH RESPECT TO GOVERNMENT SECURITIES .....	83
16.4. MANNER OF KEEPING RECORDS.....	83
<b>17.<sup>173</sup> INVESTOR PROTECTION RESERVE .....</b>	<b>84</b>
Deleted w.e.f. January 17, 2019 .....	84
<b>18. PENALTIES.....</b>	<b>88</b>
<b>19.<sup>187</sup> RULES OF ARBITRATION .....</b>	<b>111</b>
19.1. NSDL COMMITTEE OF ARBITRATION .....	111
19.2. WRITTEN NOTIFICATIONS OR COMMUNICATIONS; TIME LIMITS .....	111
19.3. REQUEST FOR ARBITRATION.....	112
19.4. ANSWER TO THE REQUEST; COUNTERCLAIMS .....	112
19.5. EFFECT OF THE ARBITRATION AGREEMENT .....	113
19.6. GENERAL PROVISIONS .....	113
19.7. NUMBER OF ARBITRATORS.....	114
19.8. APPOINTMENT AND CONFIRMATION OF THE ARBITRATORS .....	114
19.9. MULTIPLE PARTIES .....	114
19.10. CHALLENGE OF ARBITRATORS .....	115
19.11. REPLACEMENT OF ARBITRATORS.....	115
19.12. TRANSMISSION OF THE FILE TO THE ARBITRAL TRIBUNAL .....	115
19.13. PLACE OF THE ARBITRATION .....	116
19.14. RULES GOVERNING THE PROCEEDINGS .....	116
19.15. LANGUAGE OF THE ARBITRATION .....	116
19.16. APPLICABLE RULES OF LAW .....	116
19.17. TERMS OF REFERENCE; PROCEDURAL TIMETABLE .....	116
19.18. NEW CLAIMS .....	117
19.19. ESTABLISHING THE FACTS OF THE CASE.....	117
19.20. HEARINGS .....	117
19.21. CLOSING OF THE PROCEEDINGS .....	118
19.22. CONSERVATORY AND INTERIM MEASURES.....	118
19.23. TIME LIMIT FOR THE AWARD .....	118
19.24. MAKING OF THE AWARD .....	118
19.25. AWARD BY CONSENT .....	118
19.26. NOTIFICATION, DEPOSIT AND ENFORCEABILITY OF THE AWARD.....	118
19.27. CORRECTION AND INTERPRETATION OF THE AWARD.....	119
19.28. ADVANCE TO COVER THE COSTS OF THE ARBITRATION .....	119
19.29. DECISION AS TO THE COSTS OF THE ARBITRATION.....	120
19.30. MODIFIED TIME LIMITS.....	120

19.31. WAIVER .....	120
19.32. EXCLUSION OF LIABILITY .....	120
19.33. GENERAL RULE .....	120
<b>20.<sup>197</sup> FEES AND DEPOSITS .....</b>	<b>125</b>
20.1. ISSUERS OR ITS REGISTRAR AND TRANSFER AGENTS FEE FOR DISTRIBUTION OF NON-CASH CORPORATE BENEFITS .....	125
20.2. PARTICIPANTS .....	125
<b>21.<sup>200</sup> FEES AND DEPOSITS .....</b>	<b>128</b>
21.1. FEE PAYABLE BY ISSUERS .....	128
21.2. FEE PAYABLE BY PARTICIPANTS .....	136
<b>22.<sup>222</sup> TERMINATION/ SURRENDER OF PARTICIPANTSHIP .....</b>	<b>143</b>
<b>23.<sup>226</sup> TRANSFER OF DEPOSITORY BUSINESS .....</b>	<b>146</b>

(Inserted w.e.f. 09 April, 2019)



## LIST OF ANNEXURES

<i><b>Annexure</b></i>	<i><b>Description</b></i>
A	Proforma Of Share Certificate
B	Pattern Of Holding At The Time Of Dematerialisation
C	Pattern Of Holding At The Time Of Rematerialisation
D	Instructions/Check List For Filling KYC Form
E	Agreement Between The Clearing Corporation And National Securities Depository Limited
F	Tripartite Agreement Between The Clearing House, The Exchange And National Securities Depository Limited
G	Tripartite Agreement Between The Clearing House, The Exchange And National Securities Depository Limited
H	Agreement Between The Exchange And National Securities Depository Limited
I	Proforma Of Government Securities Certificate
J	Transaction Statement
K	Rights And Obligations Of The Beneficial Owner And Depository Participant
<i><b>Annexure L</b></i>	
Form 1	Computation Of Networth
Form 2	Conversion Request Form
Form 3	Reconversion Request Form
Form 4	Dematerialisation Request Form
Form 5	Share Application Form
Form 6	Rematerialisation Request Form
Form 7	Repurchase / Redemption Form
Form 8	ISIN Conversion Form
Form 9	Application For Opening An Account (For Individuals Only)
Form 10	Form For Nomination / Cancellation of Nomination
Form 11	Application For Opening An Account (For Corporates/ Clearing Members Only)
Form 12	Delivery Instructions By Clients (Old Format)
Form 13	Delivery Instructions By Power Of Attorney Holder On Behalf Of Clients
Form 14	Receipt Instructions
Form 15	Inter Depository Delivery Instruction
Form 16	Inter Depository Delivery Instructions By POA Holder
Form 17	Inter Depository Receipt Instruction
Form 18	Delivery-Out Instructions By Clearing Members For Pay-In By Clearing Member
Form 19	Inter-Settlement Instructions By Clearing Members
Form 20	Pool To Pool Instructions By Clearing Members
Form 21	CM Pool To CM Pool Receipt Instructions By Clearing Members
Form 22	Delivery Instructions Upon Pay-Out By Clearing Member
Form 23	Dematerialisation Request Form (For Government Securities)
Form 24	Form Of Transfer
Form 25	Rematerialisation Request Form (For Government Securities)
Form 26	Inter SGL Trades (Sale Instruction)
Form 27	Inter SGL Trades (Purchase Instruction)
Form 28	Pledge/Hypothecation Form
Form 29	Erroneous Transfer Form Format For Erroneous Transfer Indemnity
Form 30	Format For Erroneous Transfer Indemnity Transmission Form
	Form For Letter of Indemnity
	Form For Affidavit

	Form For No Objection Certificate
	Form For Deed Of Indemnity (For HUF)
	Form For Affidavit (For HUF)
Form 31	Transposition Form (For Transposition And Demat Cases)
Form 32	Form For Transmission Along with Dematerialisation
Form 33	Application For Freezing/Unfreezing Of An Account And/ Or Is in And/ Or Specific Number Of Securities
Form 34	Application For Closing An Account (For Beneficiary Account only)
Form 35	Application For Closing An Account (For Clearing Member Account only)
Form 36	*Combined Delivery Instructions By Client
Form 37	*Combined Delivery Instructions By POA Holder On Behalf Of Client
Form 38	#Additional Form For Opening Saral Account
Form 39	Hold on securities for Non-Disposal undertaking/Agreement
Form 40	Request for change of name of karta
Form 42	Signature Variation
Form 43	Margin Pledge Form

**Note:**

# Inserted w.e.f. October 27, 2015

\* Inserted w.e.f. September 30, 2014.

**Amendments to Business Rules (w.e.f. April 25, 2015)**

- Annexures LA-I, LA-11, L (*new format*) of Business Rules are deleted.
- Annexures to Business Rules which are given at Table 1 (*given below*) are renumbered and substituted with the corresponding new number (as *per Table*) in Business rules. Annexures of Business Rules which are given at Table 2 (*given below*) are shifted to a new Annexure L i.e. Schedule of Forms and nomenclature of all these Annexures is changed as per Table 2. Accordingly, all the Annexure referred in Table 2 are substituted with Annexure L in Business Rules.
- FORM 13 - Delivery instructions by Power of Attorney (PoA) holder on behalf of clients and FORM 16 - Inter- Depository Delivery Instructions by POA holder are inserted [as *enclosed*].
- The Annexure L (old format) [*i.e. FORM 12*], Annexure N [*i.e. FORM 15*], Annexure S [*i.e. FORM 18*], Annexure SS [*i.e. FORM 19*], Annexure ST [*i.e. FORM 20*] and Annexure T [*i.e. FORM 22*] are amended [as *enclosed*].

Table 1			
Sr. No.	Existing Annexures of Business Rules	Proposed re-numbering of Annexures of Business Rules	Particulars
1	Annexure E	Annexure A	PROFORMA OF SHARE CERTIFICATE
2	Annexure F	Annexure B	PATTERN OF HOLDING AT THE TIME OF DEMATERIALISATION
3	Annexure I	Annexure C	PATTERN OF HOLDING AT THE TIME OF DEMATERIALISATION
4	Annexure JB	Annexure D	INSTRUCTIONS /CHECK LIST FOR FILLING KYC FORM
5	Annexure R	Annexure E	AGREEMENT BETWEEN THE CLEARING CORPORATION AND NATIONAL SECURITIES DEPOSITORY LIMITED
6	Annexure RR	Annexure F	TRIPARTITE AGREEMENT BETWEEN THE CLEARING HOUSE, THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED
7	Annexure RRA	Annexure G	TRIPARTITE AGREEMENT BETWEEN THE CLEARING HOUSE, THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED
8	Annexure RRR	Annexure H	AGREEMENT BETWEEN THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED
9	Annexure UB	Annexure I	PROFORMA OF GOVERNMENT SECURITIES CERTIFICATE
10	Annexure V	Annexure J	TRANSACTION STATEMENT
11	Annexure U	Annexure K	RIGHTS AND OBLIGATIONS OF THE BENEFICIAL OWNER AND DEPOSITORY PARTICIPANT
12	All annexure referred in table 2	Annexure L	SCHEDULE OF FORMS
Table 2			
Sr. No.	Existing Nomenclature Of Annexures	Proposed Nomenclature Of Forms	Particulars
1	Annexure A	FORM 1	COMPUTATION OF NETWORTH
2	Annexure B	FORM 2	CONVERSION REQUEST FORM FOR EXISTING MUTUAL FUND UNITS (REPRESENTED BY STATEMENT OF ACCOUNT) INTO



			DEMATERIALIZED FORM - THROUGH DEPOSITORY PARTICIPANT
3	Annexure C	FORM 3	RECONVERSION REQUEST FORM FOR CONVERSION OF MUTUAL FUND UNITS HELD IN DEMATERIALIZED FORM TO STATEMENT OF ACCOUNT FORM
4	Annexure D	FORM 4	DEMATERIALIZATION REQUEST FORM
5	Annexure G	FORM 5	SHARE APPLICATION FORM
6	Annexure H	FORM 6	REMATERIALIZATION REQUEST FORM
7	Annexure HA	FORM 7	REPURCHASE/REDEMPTION FORM
8	Annexure HB	FORM 8	ISIN CONVERSION FORM
9	Annexure J	FORM 9	KNOW YOUR CLIENT (KYC) APPLICATION FORM AND ACCOUNT OPENING FORM (FOR INDIVIDUALS)
10	Annexure JA	FORM 10	FORM FOR NOMINATION/ CANCELLATION OF NOMINATION
11	Annexure K	FORM 11	KNOW YOUR CLIENT (KYC) APPLICATION FORM AND ACCOUNT OPENING FORM (FOR NON-INDIVIDUALS)
12	Annexure L (old format)	FORM 12	DELIVERY INSTRUCTIONS BY CLIENT
13	NEW FORM	FORM 13	DELIVERY INSTRUCTIONS BY POWER OF ATTORNEY HOLDER ON BEHALF OF CLIENTS
14	Annexure M	FORM 14	RECEIPT INSTRUCTIONS
15	Annexure N	FORM 15	INTER-DEPOSITORY DELIVERY INSTRUCTIONS
16	NEW FORM	FORM 16	INTER-DEPOSITORY DELIVERY INSTRUCTIONS BY POA HOLDER
17	Annexure NA	FORM 17	INTER-DEPOSITORY RECEIPT INSTRUCTIONS
18	Annexure S	FORM 18	DELIVERY-OUT INSTRUCTIONS FOR PAY-IN BY CLEARING MEMBER
19	Annexure SS	FORM 19	INTER-SETTLEMENT INSTRUCTIONS BY CLEARING MEMBER
20	Annexure ST	FORM 20	POOL TO POOL INSTRUCTIONS BY CLEARING MEMBER
21	Annexure SU	FORM 21	CM POOL TO CM POOL RECEIPT INSTRUCTIONS BY CLEARING MEMBER
22	Annexure T	FORM 22	DELIVERY INSTRUCTIONS UPON PAY-OUT BY CLEARING MEMBER
23	Annexure U	FORM 23	DEMATERIALIZATION REQUEST FORM FOR GOVERNMENT SECURITIES
24	Annexure UA	FORM 24	FORM OF TRANSFER
25	Annexure UC	FORM 25	REMATERIALIZATION REQUEST FORM FOR GOVERNMENT SECURITIES
26	Annexure UD	FORM 26	INTER SGL TRADES (SALE INSTRUCTION)
27	Annexure UE	FORM 27	INTER SGL TRADES (PURCHASE INSTRUCTION)
28	Annexure W	FORM 28	PLEDGE/HYPOTHECATION FORM
29	Annexure LB	FORM 29	ERRONEOUS TRANSFER FORM
30	Annexure LC		FORMAT FOR ERRONEOUS TRANSFER INDEMNITY
31	Annexure O	FORM 30	TRANSMISSION FORM
32	Annexure OC		LETTER OF INDEMNITY
33	Annexure OD		AFFIDAVIT
34	Annexure OE		NO OBJECTION CERTIFICATE
35	Annexure OF		DEED OF INDEMNITY (FOR HUF)
36	Annexure OG		AFFIDAVIT (FOR HUF)
37	Annexure OA	FORM 31	TRANSPPOSITION FORM (FOR TRANSPPOSITION AND DEMAT CASES)
38	Annexure OB	FORM 32	FORM FOR TRANSMISSION ALONGWITH DEMATERIALIZATION
39	Annexure P	FORM 33	APPLICATION FOR FREEZING/UNFREEZING OF AN ACCOUNT AND/OR ISIN AND/OR SPECIFIC NUMBER OF SECURITIES
40	Annexure Q	FORM 34	APPLICATION FOR CLOSING AN ACCOUNT (FOR BENEFICIARY ACCOUNT ONLY)
41	Annexure QA	FORM 35	APPLICATION FOR CLOSING AN ACCOUNT (FOR CLEARING MEMBER ACCOUNT ONLY)

\*\*\*\* Annexure X & XX pertaining to Securities Lending Form For Lender/Borrower & Securities Lending Form For Intermediary deleted w.e.f. May 10, 2008.

# Annexure L, LA-I & LA-II pertaining to Delivery Instructions By Clients (New Format), Combined - Delivery Instructions By Clients, Combined - Delivery Instructions By Clients deleted w.e.f. August 25, 2014.

## Inserted w.e.f. April 4, 2014.

\* Inserted w.e.f. July 2, 2010. Earlier Annexure B was for Hardware and Software Setup for an Issuer/ Registrar and Transfer Agent which was deleted w.e.f. September 3, 2001, consequent to amendment in Business Rule 9.1.1. Latest configuration can be obtained from NSDL.

\*\* Annexure C & CC pertaining to Hardware And Software Setup For A Participant & Hardware And Software Setup For A Participant Which is a Clearing Corporation deleted w.e.f. September 3, 2001 consequent to amendment in Business Rule 9.2.1. Latest configuration can be obtained from NSDL

\*\*\* Annexure LA pertaining to Deferred Delivery Order (DDO) Form deleted w.e.f. September 3, 2009.

Annexure	Description
N	Terms and Conditions to avail electronic facility provided by Depository for submission of instruction in electronic form to Participant

## **1. INTRODUCTION**

These Business Rules framed hereunder shall be known as National Securities Depository Limited Business Rules, 1996. These Business Rules shall be in addition to the provisions of The Depositories Act, 1996, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and the Bye Laws of the Depository, as may be applicable to the Participants and other Users of the Depository. These Business Rules shall come into effect from October 23, 1996.

## **2. APPLICABILITY**

These Business Rules (read in conjunction with the Bye Laws) shall be applicable to all the Users of the Depository as well as the Clients to the extent specified therein. They shall be subject to the jurisdiction of the courts of Mumbai irrespective of the place of business of the Users of the Depository system in India.

### 3. DEFINITIONS

#### 3.1. Unless the context otherwise requires:-

3.1.1. BOD Processing means the Beginning-of-Day processing which is carried out before the start of business of each working day by the Depository and the Users Such processing shall commence at such time as may be notified by the Depository;

3.1.2. Clearing Members are persons who have been admitted as members by a Clearing Corporation which has been admitted as a User by the Depository;

3.1.3. CM Account means a Clearing Member account with a Participant, opened by a Clearing Member in accordance with Rule 13.3.1 of these Business Rules;

3.1.4. Delivery Account means the account of a Clearing Member maintained with a Participant for receiving securities from the Pool account and transferring the same to the Clearing Corporation;

3.1.5. Depository Module (DM) means the software installed at the Depository;

3.1.6. <sup>1</sup> Depository Participant Module (DPM) means the software(s) provided by the depository relating to the Depository operations deployed and/or accessed using the User hardware system. This shall be either the DPM (DP), DPM (CC) or the DPM (SHR).The DPM (DP) shall include the eDPM (DP) and the Local DPM (DP).

3.1.7. <sup>2</sup> Depository Participant Module (Depository Participant) - [DPM (DP)] means the software relating to the Depository operations installed on the hardware system of the Participant and Depository Participant Module (Clearing Corporation) - [(DPM (CC))] means the software relating to the Depository operations installed on the hardware system of the Participant which is a Clearing Corporation;

3.1.8. Depository Participant Module (Issuers/Registrars) - [DPM (SHR)] means the software installed on the hardware system of the Issuer or its Registrar and Transfer Agent;

3.1.9. Depository system means the hardware, software and telecommunication network established by the Depository to facilitate the operations of the Depository. This shall include the Depository Module, Depository Participant Module, User Hardware System and the hardware installed at the Depository;

3.1.10. EOD Processing means the processing which is carried out at the close of each working day by the Depository and the Participant. Such processing shall commence at such time as may be notified by the Depository;

3.1.11. Market Trades are trades concluded on a stock exchange and cleared and settled through a Clearing Corporation which has been admitted as a User by the Depository. Trades which are negotiated privately and reported for clearing and settlement through a Clearing Corporation, which has been admitted as a User by the Depository, shall also be treated as market trades;

#### **Notes:**

<sup>1</sup> **Amended w.e.f. Dec. 18, 2010. Prior to this amendment, the Rule 3.1.6 was amended on January 20, 1998 read as follows:**  
Depository Participant Module (DPM) means the software relating to the Depository operations installed on the User hardware system. This shall be either the DPM (DP), DPM (CC) or the DPM (SHR);

**Prior to this amendment, the Rule 3.1.6 read as follows:**

3.1.6. Depository Participant Module (DPM) means the software relating to the Depository operations installed on the User hardware system. This shall be either the DPM (DP) or the DPM (SHR);

<sup>2</sup> **Amended w.e.f. January 20, 1998. Prior to this amendment, the Rule 3.1.7 read as follows:**  
Depository Participant Module (Depository Participant)-[DPM(DP)] means the software relating to the Depository operations installed on the hardware system of the Participant.

3.1.12. Off Market Trades means trades that are not cleared and settled through a Clearing Corporation admitted as a User by the Depository;

3.1.13. Pool Account means the account of a Clearing Member maintained with a Participant which is used for the transfer of securities from the accounts of the Clients to the Clearing Corporation in the case of sale of securities and from the Clearing Corporation to the accounts of the Clients in the case of purchase of securities;

3.1.14.<sup>3</sup> User Hardware System (UHS) means the hardware set up of the User based on the hardware specifications supplied by the Depository. This shall be either the UHS (DP), UHS (CC) or the UHS (SHR);

3.1.15.<sup>4</sup> User Hardware System (Depository Participant)-(DP) means the hardware set up of the Participant relating to Depository operations and User Hardware System (Clearing Corporation)-(CC) means the hardware set up of the Participant which is a Clearing Corporation relating to Depository operations. This shall consist of servers, workstations, router and the communication line linking them to the Depository;

3.1.16. User Hardware System (Issuers/Registrars)-[UHS (SHR)] means the hardware set up of the Issuer or its Registrar and Transfer Agent relating to the operations of the Depository. This shall consist of servers, workstations, router and the communication line linking it to the Depository;

3.1.17.<sup>5</sup> Intermediary means a person registered with the Securities and Exchange Board of India as an “approved intermediary” under the guidelines/provisions of the Securities Lending Scheme, 1997.

3.1.18.<sup>6</sup> Inter-Depository Transfer means transfer of securities which are admitted for dematerialisation on both the depositories from an account held in one depository to an account held in the other depository.

3.1.19.<sup>7</sup> Words and expressions used but not defined in the Business Rules but defined under The Depositories Act, 1996, Companies Act, 1956, Securities Contract (Regulation) Act, 1956, Securities and Exchange Board of India Act 1992, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and the Bye Laws of the Depository shall have the same meaning respectively assigned to them under the aforesaid Acts and Regulations.

3.1.20<sup>8</sup> Transaction Statement means a statement giving the details of the security-wise transactions (credits and debits) and balances for a given period and is also referred as statement of account including transaction statement and holdings statement.

#### **Notes:**

**Rule 3.1.14 has been deleted w.e.f. Dec. 18, 2010. Prior to deletion, Rule 3.1.14 read as follows:**

3.1.14. Receipt-in Account means the account of a Clearing Member maintained with a Participant for receiving securities from the accounts of Clearing Corporation and transferring the same to the Pool account;

**Consequently, Rules 3.1.15, 3.1.16, 3.1.17, 3.1.18, 3.1.19 and 3.1.20 have been renumbered as Rules 3.1.14, 3.1.15, 3.1.16, 3.1.17, 3.1.18 and 3.1.19 respectively**

<sup>3</sup> **Amended w.e.f. January 20, 1998. Prior to this amendment, the Rule 3.1.15 read as follows:**

User Hardware System (UHS) means the hardware set up of the User based on the hardware specifications supplied by the Depository. This shall be either the UHS (DP) or the UHS (SHR);

<sup>4</sup> **Amended w.e.f. January 20, 1998. Prior to this amendment, the Rule 3.1.16 read as follows:**

User Hardware System (Depository Participant)-(DP) means the hardware set up of the Participant relating to the operations of the Depository. This shall consist of servers, workstations, router and the communication line linking it to the Depository.

<sup>5</sup> **Inserted w.e.f November 12, 1998. The original rule 3.1.18 was renumbered as Rule 3.1.20**

<sup>6</sup> **Original Rule 3.1.20, which was inserted w.e.f. August 17, 1999 has been renumbered as 3.1.19 w.e.f. May 10, 2008.**

**\* Original rule 3.1.19 has been deleted w.e.f. May 10, 2008. Prior to deletion, original rule**

**3.1.19 which was inserted w.e.f. November 12, 1998 read as follows:**

3.1.19. Intermediary Account means an account opened by an Intermediary with a Participant in accordance with Rule 12.11 of Business Rules

<sup>7</sup> **Original rule 3.1.20, which was renumbered as 3.1.21 w.e.f. August 17, 1999 has now been renumbered as 3.1.20 w.e.f. May 10, 2008.**

<sup>8</sup> **Inserted w.e.f. February 27, 2013.**

## 4. MANNER OF DEALINGS ON THE DEPOSITORY

### 4.1. THE DEPOSITORY SYSTEM

4.1.1. The User shall carry out transactions relating to the Depository only through the approved User Hardware System located at approved locations of the office of the User. No other workstation, computer system or hardware may be connected to the User Hardware System without the prior approval of the Depository.

4.1.2. Each User shall have a unique identification number provided by the Depository called the BP ID which shall be used to identify that User by the Depository and by other Users

4.1.3. A User shall have a non-exclusive permission to use the DPM as provided by the Depository in the ordinary course of its business as such User.

4.1.4. The permission to use the DPM shall be subject to the payment by the User of such charges as may be specified by the Depository.

4.1.5. A User shall not use or permit any other person to:-

- i) use the software provided by the Depository for any purpose other than the purpose as approved and specified by the Depository;
- ii) use the software provided by the Depository on any equipment other than the User Hardware System;
- iii) copy, alter, modify or make available to any other person, the software provided by the Depository;
- iv) use the software in any manner other than the manner as may be specified by the Depository;
- v) attempt directly/indirectly to decompile, disassemble or reverse engineer the same.

4.1.6. A Participant shall not, by itself or through any other person(s) on its behalf, publish, supply, show or make available to any other person or reprocess, retransmit, store or use any information provided by the Depository for any purpose other than in the ordinary course of its business as a User of the Depository, except with the explicit approval of the Depository.

### 4.2. WORKING DAYS

4.2.1.<sup>9</sup> The Depository shall operate on all days except Sundays and such holidays as the Depository may declare from time to time.

4.2.2. The Depository may close office on days other than and in addition to the scheduled holidays originally declared under Rule 4.2.1 to be called unscheduled opening or closing of the Depository and the decision of the Depository in this regard shall be final and binding.

#### **Notes:**

<sup>9</sup> Amended w.e.f. April 16, 1998. Prior to this amendment, Rule 4.2.1 was amended on February 20, 1997, which read as follows:

4.2.1. The Depository shall operate on all days except second and fourth Saturdays, Sundays and such holidays as the Depository may declare from time to time.

**The original Rule 4.2.1 read as follows:**

4.2.1. The Depository shall operate on all days except Saturdays, Sundays and such holidays as the Depository may declare from time to time.

## 4.3. WORKING HOURS

4.3.1. The Depository shall announce the normal working hours for every calendar year in advance.

4.3.2. The Depository may extend, advance or reduce the working hours by notifying the Users as and when it deems fit and necessary in this regard.

## 4.4. FAILURE OF PARTICIPANTS' TERMINAL

In the event of failure of the User's User Hardware System and/or loss of access to the DPM, the Depository may, at its discretion, undertake on behalf of the Participant (although not guaranteed) to carry out the necessary functions which the Participant is eligible on a valid request from such Participant subject to such terms and conditions which the Depository may deem necessary to be imposed. The Depository shall entertain such a request only if such request is made in writing in a clear and precise manner by the Participant, as specified by the Depository. The Participant shall be accountable for the functions executed by the Depository on behalf of the Participants and shall indemnify the Depository against any losses or costs arising out of the same.

## 4.5. MODE OF OPERATING ACCOUNTS AND EFFECTING TRANSACTIONS BY BOOK ENTRY

4.5.1.<sup>10</sup> The forms laid down under these Business Rules shall be adhered to by the Participants at the time of operating the accounts of its Clients and giving effect to the transactions laid down under Chapter 9 of the Bye Laws and Chapter 11, 12 and 13 of this Business Rules.

Provided however that to effect such transaction as may be specified by the Depository based on the electronic instructions received by Participant from the Client through an electronic facility provided by Depository, the Client should opt for the electronic facility and agree with the terms and conditions specified at Annexure N.

Provided further that to effect such transactions as may be specified by the Depository based on electronic instructions received from the Client, the Participant shall obtain the prior approval of the Depository. The Depository may grant such an approval to the Participant if;

- 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 despatch of such electronic instructions received by it;

### **Notes:**

<sup>10</sup>

**Amended w.e.f. January 04, 2019. Prior to this amendment, the Rule 4.5.1 read as follows:**

4.5.1. The forms laid down under these Business Rules shall be adhered to by the Participants at the time of operating the accounts of its Clients and giving effect to the transactions laid down under Chapter 9 of the Bye Laws and Chapter 11, 12 and 13 of this Business Rules.

Provided however that to effect such transactions as may be specified by the Depository based on electronic instructions received from the Client, the Participant shall obtain the prior approval of the Depository. The Depository may grant such an approval to the Participant if;

- 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 despatch of such electronic instructions received by it;
- 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;
- iv) the instructions received remain accessible and usable for subsequent reference; and
- v) the Participant fulfills such other conditions as may be specified by the Depository.

Provided further that the Participant may operate such accounts or effect such transactions by using any other form or manner of authorisation from the Client provided the same has been approved by the Executive Committee.

**Amended w.e.f. May 7, 2001. Prior to this amendment, the Rule 4.5.1 read as follows:**

4.5.1. The forms laid down under these Business Rules shall be adhered to by the Participants at the time of operating the accounts of its Clients and giving effect to the transactions laid down under Chapter 9 of the Bye Laws.

Provided, however, that the Participants may operate such accounts or effect such transactions by using any other form or manner of authorisation from the Client provided the same has been approved by the Executive Committee.

- 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;
- iv) the instructions received remain accessible and usable for subsequent reference; and
- v) the Participant fulfills such other conditions as may be specified by the Depository.

Provided further that the Participant may operate such accounts or effect such transactions by using any other form or manner of authorisation from the Client provided the same has been approved by the Executive Committee.

4.5.2.<sup>11</sup> The Participant shall promptly inform the Clients in respect of those instructions which have not been executed along with reasons thereof.

4.5.3.<sup>12</sup> The Participant shall not accept any instruction for debit or pledge or margin pledge or hold of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients.

#### **Notes:**

<sup>11</sup> **Amended w.e.f. February 8, 2018. Prior to this amendment, the original Rule 4.5.2 read as follows:**  
4.5.2. The Participant shall promptly inform the Clients in respect of those instructions which have not been executed.

<sup>12</sup> **Amended w.e.f. August 01, 2020. Prior to this amendment, Rule 4.5.3 was amended w.e.f. February 08, 2018 and read as follows:**

4.5.3. The Participant shall not accept any instruction for debit or pledge or hold of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients.

**Amended w.e.f. February 08, 2018 Prior to this amendment, Rule 4.5.3 was inserted w.e.f. May 07, 2001 and read as follows:**

4.5.3. The Participant shall not accept any instruction for debit or pledge of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients.

**Amended w.e.f. May 7, 2001. Prior to this amendment, Rule 4.5.3 was inserted w.e.f. February 4, 1999 and read as follows:**

4.5.4. The Participant shall not accept any instruction for debit or pledge of securities in a Client account submitted on an instruction form other than the one issued to a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. The Participant shall for this purpose verify the instruction forms with its records pertaining to the serial numbers of instruction forms issued to the Clients.

## **5. CONDUCT OF BUSINESS BY USERS**

### **5.1. MANNER OF DEALINGS BY USERS**

5.1.1. Only those persons who are approved as Users in accordance with the provisions of the Bye Laws and Business Rules of the Depository may be approved as Users of the DPM system.

5.1.2. The release of transactions for execution on the DPM for any working day must be completed by the User a minimum time period before the EOD process is initiated at the DM. This minimum time period shall be specified by the Depository.

5.1.3. At the end of the EOD processing by the Depository, the DM shall electronically intimate to the User the BOD for the next working day. Any release of transactions for execution made thereafter shall be recorded for the next working day.

5.1.4. Any transactions entered into by the User after such period can be released for execution on the DPM only on the next working day.

5.1.5. The electronic communication link between the DPM and DM must be maintained by the User at all times unless otherwise agreed upon by the Depository.

### **5.2. SUPERVISION BY PARTICIPANTS**

5.2.1. Each Participant shall establish, maintain and enforce procedures to supervise its business and to supervise the activities of its employees, that are reasonably designed to achieve compliance with the Bye Laws, Business Rules, notifications and directions issued there under by the Depository.

5.2.2. The Participant shall maintain an internal record of the names of all persons who are designated as supervisory personnel and dates for which such designation is or was effective. Such record shall be preserved by the Participant for a period not less than three years.

5.2.3. Each Participant shall conduct a review, at least annually, of its business relating to the operations of the Depository, which shall be reasonably designed to assist in detecting and preventing violation of and achieving compliance of the Bye Laws and Business Rules of the Depository.

5.2.4. The Participant shall bring to the notice of its Clients, and other Participants, any indictments, penalties etc. imposed on it by the Depository or any other regulatory authority within seven days from the date of such indictment or order.

5.2.5. The Participant shall bring to the notice of the Depository, any indictments or any other orders that may have been passed against it by any regulatory authority within seven days from the date of such order or indictment.



### 5.3.<sup>13</sup> FEES AND CHARGES

The Participant shall have the discretion to charge any fees to its Clients. Further, the Participant may charge different types of fees to its various Clients. In the event of the Client committing a default in the payment of any of the charges within a period of thirty days from the date of demand, without prejudice to the right of the Participant to close the account of the Client, the Participant may charge interest @ not more than 24% p.a. or such other rate as may be specified by the Executive Committee from time to time for the period of such default.

Provided further that the Participant shall file the charge structure every year, latest by 30th April, with the Depository and also inform the depository the changes in their charge structure as and when they are effected.

#### Notes:

<sup>13</sup> **Amended w.e.f. April 4, 2014. Prior to this amendment Rule 5.3 was amended on January 1, 2007, which read as follows:**

The Participant shall have the discretion to charge any fees to its Clients. Further, the Participant may charge different types of fees to its various Clients.

Provided further that the Participant shall file the charge structure every year, latest by 30th April, with the Depository and also inform the depository the changes in their charge structure as and when they are effected.

**Prior to this amendment Rule 5.3 read as follows:**

#### **5.3. FEES AND CHARGES**

The Participant shall have the discretion to charge any fees to its Clients. Further, the Participant may charge different types of fees to its various Clients.

Provided further that the participant shall file the charge structure with the Depository as and when called for.

**Prior to this amendment Rule 5.3 read as follows:**

#### **5.3. FEES AND CHARGES**

The Participant shall have the discretion to charge any fees to its Clients. Further, the Participant may charge different types of fees to its various Clients.

## **6. GUIDELINES GOVERNING RELATIONSHIP BETWEEN PARTICIPANT AND CLIENT**

6.1. The Participants shall execute transactions on behalf of its Clients only on authorisations from their Clients.

6.2. A Participant may accept standing instructions from the Client for crediting the account of the Client without the Participant requiring separate authorisation for each credit.

6.3. The Participant shall not be required to receive authorisation for receiving credit in the accounts of the Clearing Member, in case of receipt of securities from the Clearing Corporation.

6.4. The Participant shall make available to the Client for his reference, the list of Clearing Members who have opened an account with the Participant and the securities which have been admitted to the Depository to be in dematerialised form.

6.5. <sup>14</sup> The Participant shall not be required to receive authorisation from the Clearing Member for the delivery-out instruction given by the Clearing Corporation in pursuance of Rule 13.7.5.

6.6 <sup>15</sup> The Participant shall have a right to provide such information related to the Client's account as may be requested by the National Securities Depository Limited from time to time.

---

### **Notes :**

<sup>14</sup> **Inserted w.e.f. July 10, 2000.**

<sup>15</sup> **Inserted w.e.f. April 4, 2014.**

## 7. CODE OF ETHICS FOR PARTICIPANTS

### 7.1. GENERAL PRINCIPLES

7.1.1. **Professionalism:** A Participant in the conduct of its business shall observe high standards of commercial honour and just and equitable principles of business.

7.1.2. **Adherence to Business Rules:** Participant shall adhere to the Bye Laws and Business Rules of the Depository and shall comply with such operational parameters, rulings, notices, guidelines and instructions of the relevant authority as may be applicable from time to time.

7.1.3. **Honesty and fairness:** In conducting its business activities, a Participant shall act honestly and fairly in the best interests of its Clients.

7.1.4. **Capabilities:** A Participant shall have and employ effectively the resources and procedures which are needed for the proper performance of its business activities.

### 7.2. OPERATIONAL PRINCIPLES

7.2.1. Participants shall ensure:-

- i) that any employee who commits the Participant to a transaction has the necessary authority to do so;
- ii) that employees are adequately trained in operating in the relevant areas they are assigned to and are aware of their own, and their organisation's responsibilities as well as the relevant statutory acts governing the Participant, the Bye Laws and the Business Rules including any additions or amendments thereof;

7.2.2. No Participant or person associated with a Participant shall make improper use of Clients' securities or funds.

7.2.3. While performing any transaction in the Client accounts, the Participant must ensure that, great care is taken at all times not to misrepresent in any way, the nature of the transaction.

7.2.4. No Participant shall exercise any discretionary power in a Client's account unless such Client has given prior written authorisation in this regard.

### 7.3. GENERAL GUIDELINES

No Participant shall shield or assist or omit to report about any Participant whom it has known to have committed a breach or evasion of any Rules, Bye Laws, or Regulations of the Depository or of any resolution, order, notice or direction there under of the Executive Committee or the Managing Director or any committee or officer of the Depository authorised in that behalf.

## 8. ADMISSION OF PARTICIPANTS

8.1. The applicant shall submit FORM 'E' specified under The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and the Annexures specified thereunder along with the following documents:

- i) Business history of the applicant for the last three years;
- ii) Net worth as certified by a Chartered Accountant as per the latest audited accounts in the manner specified in Annexure A of these Business Rules;
- iii) Copies of the annual reports of the last three years

8.2. The applicant shall have appropriate safekeeping measures (such as vaults and other security measures) to store securities and physical records at its end.

8.3. Even after the applicant procures the certificate of commencement of business from the Securities and Exchange Board of India, the Participant shall not transact the business on the Depository system unless it has paid the security deposit and other fees as stipulated by the Depository for this purpose.

8.4. <sup>16</sup> A Clearing Corporation or a Clearing House of a stock exchange shall not be permitted to open Client accounts.

Provided however that in case where the Clearing Corporation or the Clearing House of a stock exchange have been permitted by RBI to offer constituent SGL account facility to the investors, it shall be permitted to open Client accounts subject to such terms and conditions as may be stipulated by the Depository.

---

**Note:**

<sup>16</sup> Amended w.e.f September 2, 1998. Prior to this amendment, Rule 8.4, which was inserted on July 25, 1997, read as follows:

8.4. A clearing corporation or a clearing house of a stock exchange shall not be permitted to open Client accounts.

## 9. HARDWARE AND SOFTWARE REQUIREMENTS

### 9.1. ISSUER OR ITS REGISTRAR & TRANSFER AGENT

9.1.1.<sup>17</sup> The Issuer or its Registrar & Transfer Agent shall install the hardware and software which shall be in conformity with the configurations specified by the Depository from time to time.

Provided however that, in case where a State or the Central Government is the Issuer, NSDL shall install the necessary hardware and software.

9.1.2. The Depository shall provide to the Issuer or its Registrar and Transfer Agent an application software called the Depository Participant Module [DPM (SHR)] and any upgradations or modifications to such software on payment of such fees as may be determined by the Depository.

### 9.2. PARTICIPANTS

9.2.1.<sup>18</sup> The Participant and the Participant which is a Clearing Corporation shall install the hardware and software which shall be in conformity with the configurations specified by the Depository from time to time.

9.2.2.<sup>19</sup> The Depository shall provide an application software called the Depository Participant Module [DPM (DP)] to the Participant and an application software called the Depository Participant Clearing Corporation Module [DPM(CC)] to the Participant which is a Clearing Corporation, and any up gradations or modifications to such software on payment of such fees as may be determined by the Depository.

#### **Notes:**

<sup>17</sup> **Amended w.e.f. September 3, 2001. Prior to this amendment, Rule 9.1.1 read as follows:**  
9.1.1. The Issuer or its Registrar & Transfer Agent shall install the hardware and software which shall be in conformity with the configurations laid down in Annexure B. Provided however that, in case where a State or the Central Government is the Issuer, NSDL shall install the necessary hardware and software.

**Prior to this amendment, Rule 9.1.1 was amended on November 12, 1998 which read as follows:**

9.1.1. The Issuer or its Registrar and Transfer Agent shall install the hardware and software which shall be in conformity with the configurations laid out in Annexure B.

<sup>18</sup> **Amended w.e.f. September 3, 2001. Prior to this amendment, Rule 9.2.1 read as follows:**  
9.2.1. The Participant shall follow the hardware and software requirements as specified in these Business Rules in Annexure C and the Participant which is a Clearing Corporation shall follow the hardware and software requirements as specified in these Business Rules in Annexure CC.

**Prior to this amendment, Rule 9.2.1 was amended on January 20, 1998 which read as follows:**

9.2.1. The Participant shall follow the hardware and software requirements as specified in these Business Rules in Annexure C.

<sup>19</sup> **Amended w.e.f. January 20, 1998. Prior to this amendment, Rule 9.2.2 read as follows:**  
The Depository shall provide to the Participants an application software called the Depository Participant Module [DPM (DP)] and any upgradations or modifications to such software on payment of such fees as may be determined by the Depository.

## 10. FEES AND DEPOSITS\*

\*Since deleted w.e.f. September 1, 2000, refer Chapter 21 on Fees and Deposits

Prior to deletion the provisions of Chapter 10 were as under

### 10.1. ISSUERS OR ITS REGISTRAR AND TRANSFER AGENTS

No fee is payable by the Issuers (companies whose shares are declared eligible for dematerialisation) or its Registrar and Transfer Agent to the Depository.

### 10.2. PARTICIPANTS

10.2.1. ENTRY FEES: Each Participant shall pay, to the Depository, a non- refundable entry fee of ₹ 25,000.

10.2.2.<sup>20</sup> ANNUAL FEES: Each Participant shall pay to the Depository, an annual fee as per the schedule given below:

Average market value of dematerialised securities with the Participant	ANNUAL FEES
Upto ₹ 200 crore	₹ 100,000
Between ₹ 200 crore and ₹ 500 crore	₹ 250,000
More than ₹ 500 crore	₹ 500,000

The fee shall be charged on a yearly basis from October 1 to September 30. This fee shall be paid before October 31 of the following year.

Provided that all Participants who join the depository in the second half (on or after April 1) of any year shall be required to pay only half of the annual fee for that year.

### 10.2.3.<sup>21</sup> TRANSACTION RELATED FEES:

The following transaction related fees shall be payable by the Participants to the Depository:

- A settlement fee at the rate of 0.04% (4 basis points) shall be payable on the value of the securities received from the Clearing Corporation into the Receipt- in account of each Clearing Member maintained with the Participant.

#### Notes:

<sup>20</sup> Amended w.e.f. November 20, 1997. Prior to this amendment, Rule 10.2.2 read as follows:

10.2.2. ANNUAL FEES: Each Participant shall pay, to the Depository, an annual fee as per the schedule given below:

Average market value of dematerialised securities with the participant	ANNUAL FEES
Upto ₹ 200 crore	₹ 100,000
Between ₹ 200 crore and ₹ 500 crore	₹ 250,000
More than ₹ 500 crore	₹ 500,000

The fee shall be charged on a yearly basis from October 1 to September 30. This fee shall be paid before October 31 of the following year.

<sup>21</sup> Amended w.e.f. June 9, 2000. Prior to this amendment, Rule 10.2.3 was amended on July 31, 1999 which read as follows:

TRANSACTION RELATED FEES : The following transaction related fees shall be payable by the Participants to the Depository :

**Notes:**

- i) A settlement fee at the rate of 0.04% (4 basis points) shall be payable on the value of the securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant.  
Provided however that, with effect from August 1, 1999, a settlement fee at the rate of 0.02% (2 basis points) each shall be payable by the Participant on the value of the securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant and on the value of the securities delivered from the Delivery account of each Clearing Member to the Clearing Corporation.  
No settlement fee will be payable for securities received from the Clearing Corporation into the additional Receipt-in account maintained for the purpose of Vyaj Badla transactions. However, a settlement fee at the rate of 0.04% will be payable on the value of securities moveable out to the beneficial owners' accounts at the time of book closure/record date from the additional CM accounts maintained for the purpose of Vyaj Badla transactions.  
In respect of debt instruments and government securities, no settlement fee shall be charged till March 31, 2000.
- ii) A settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) in respect of off-market transactions shall be charged from the Participant. Provided however that, with effect from August 1, 1999, a settlement fee at the rate of 0.02% (2 basis points) each on the value of the securities debited and credited to the account(s) of its Client(s) in respect of off-market transactions shall be charged from the Participant. However no settlement fee shall be charged in the following cases :-
- a) in the case of transfers necessitated by transmission;
  - b) in the case of transfer of the account of the Client from one Participant to another as a consequence of the expulsion or suspension of such Participant;
  - c) when the Client closes its account with a Participant and transfers the entire balance in its account to its account maintained with another Participant.
- iii) When a pledge/hypothecation is invoked, a settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) shall be charged from the Participant.
- iv) A fee at the rate of 0.05% of the value of the securities lent by the intermediary to the borrower shall be charged from the Participant of the borrower if the transaction is for a period upto three months. In case, the transaction extends beyond three months, the Participant of the borrower shall pay an additional fee at the rate of 0.05% of the value of securities lent. The transaction fee shall be collected from the Participant either at the beginning of the transaction or any roll over of transactions beyond three months. Provided however that, with effect from August 1, 1999, a fee at the rate of 0.04% of the value of the securities lent by the intermediary to the borrower shall be charged from the Participant of the borrower if the transaction is for a period upto three months. In case, the transaction extends beyond three months, the Participant of the borrower shall pay an additional fee at the rate of 0.04% of the value of securities lent. The transaction fee shall be collected from the Participant either at the beginning of the transaction or any roll over of transactions beyond three months.

**Prior to this amendment, Rule 10.2.3 was amended on February 24, 1999 which read as follows:**

**TRANSACTION RELATED FEES:** The following transaction related fees shall be payable by the Participants to the Depository:

- i) A settlement fee at the rate of 0.05% of the value of securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant. No settlement fee will be payable for the securities delivered from the Delivery account of each Clearing Member to the Clearing Corporation.  
No settlement fee will be payable for securities received from the Clearing Corporation into the additional Receipt-in account maintained for the purpose of Vyaj Badla transactions. However, a settlement fee at the rate of 0.05% will be payable on the value of securities moveable out to the beneficial owners' accounts at the time of book closure/record date from the additional CM accounts

Provided however that, with effect from August 1, 1999, a settlement fee at the rate of 0.02% (2 basis points) each shall be payable by the Participant on the value of the securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant and on the value of the securities delivered from the Delivery account of each Clearing Member to the Clearing Corporation.

**Notes:**

- ii) maintained for the purpose of Vyaj Badla transactions.

In respect of debt instruments and government securities, no settlement fee shall be charged till March 31, 2000.

Provided however that, with effect from April 1, 1999, the settlement fee at the rate of 0.04% (4 basis points) shall be payable on the value of the securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant and on the value of securities moveable out to the beneficial owners' accounts at the time of book closure/ record date from the additional CM accounts maintained for the purpose of Vyaj Badla transactions. ii) A settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) in respect of off-market transactions shall be charged from the Participant. However no settlement fee shall be charged in the following cases :-

- a) in the case of transfers necessitated by transmission;
- b) in the case of transfer of the account of the Client from one Participant to another as a consequence of the expulsion or suspension of such Participant;
- c) when the Client closes its account with a Participant and transfers the entire balance in its account to its account maintained with another Participant.

- iii) When a pledge/hypothecation is invoked, a settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) shall be charged from the Participant.

- iv) A fee at the rate of 0.05% of the value of the securities lent by the intermediary to the borrower shall be charged from the Participant of the borrower if the transaction is for a period up to 3 months. In case, the transaction extends beyond 3 months, the Participant of the borrower shall pay an additional fee at the rate of 0.05% of the value of the securities lent. The transaction fee shall be collected from the Participants either at the beginning of the transaction or on any roll over of transactions beyond three months.

**Prior to this amendment, Rule 10.2.3 was amended on April 8, 1998 which read as follows: 10.2.3. TRANSACTION RELATED FEES:** The following transaction related fees shall be payable by the Participants to the Depository:-

- i) A settlement fee at the rate of 0.05% of the value of the securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant shall be charged. No settlement fee will be payable for securities received from the Clearing Corporation into the additional Receipt-in account maintained for the purpose of Vyaj Badla transactions. However, settlement fee at the rate of 0.05% shall be charged on the value of the securities moveable out to beneficial owners' accounts at the time of book closure/record date from the additional CM accounts maintained for the purpose of Vyaj Badla transactions. No settlement fee will be payable for the securities delivered from the Delivery account of each Clearing Member to the Clearing Corporation. In respect of debt instruments and government securities, no settlement fee shall be charged till March 31, 1999.
- ii) A settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) in respect of off-market transactions shall be charged from the Participant. However no settlement fee shall be charged in the following cases :-
  - a) in the case of transfers necessitated by transmission;
  - b) in the case of transfer of the account of the Client from one Participant to another as a consequence of the expulsion or suspension of such Participant;
  - c) when the Client closes its account with a Participant and transfers the entire balance in its account to its account maintained with another Participant



No settlement fee will be payable for securities received from the Clearing Corporation into the additional Receipt-in account maintained for the purpose of Vyaj Badla transactions. However, a settlement fee at the rate of 0.04% will be payable on the value of securities moveable out to the beneficial owners' accounts at the time of book closure/record date from the additional CM accounts maintained for the purpose of Vyaj Badla transactions.

#### **Notes:**

- iii) When a pledge/hypothecation is invoked, a settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) shall be charged from the Participant.

**Prior to this amendment, Rule 10.2.3 was amended on March 26, 1998 which read as follows:**

10.2.3. TRANSACTION RELATED FEES : The following transaction related fees shall be payable by the Participants to the Depository:-

- i) A settlement fee at the rate of 0.05% of the value of the securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant shall be charged. No settlement fee will be payable for the securities delivered from the Delivery account of each Clearing Member to the Clearing Corporation. In respect of debt instruments and government securities, no settlement fees shall be charged till March 31, 1999.
- ii) A settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) in respect of off-market transactions shall be charged from the Participant. However no settlement fee shall be charged in the following cases :-
  - a) in the case of transfers necessitated by transmission;
  - b) in the case of transfer of the account of the Client from one Participant to another as a consequence of the expulsion or suspension of such Participant;
  - c) when the Client closes its account with a Participant and transfers the entire balance in its account to its account maintained with another Participant.
- iii) When a pledge/hypothecation is invoked, a settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) shall be charged from the Participant.

**Prior to this amendment, Rule 10.2.3 was amended on March 21, 1997 which read as follows:**

10.2.3. TRANSACTION RELATED FEES : The following transaction related fees shall be payable by the Participants to the Depository:-

- i) A settlement fee at the rate of 0.05% of the value of the securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant shall be charged. No settlement fee will be payable for the securities delivered from the Delivery account of each Clearing Member to the Clearing Corporation. In respect of debt instruments and government securities, no settlement fees shall be charged till March 31, 1998.
- ii) A settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) in respect of off-market transactions shall be charged from the Participant. However no settlement fee shall be charged in the following cases :-
  - a) in the case of transfers necessitated by transmission;
  - b) in the case of transfer of the account of the Client from one Participant to another as a consequence of the expulsion or suspension of such Participant;
  - c) when the Client closes its account with a Participant and transfers the entire balance in its account to its account maintained with another Participant.
- iii) When a pledge/hypothecation is invoked, a settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) shall be charged from the Participant.

**The original Rule read as follows :**

10.2.3. TRANSACTION RELATED FEES: The following transaction related fees shall be payable by the Participants to the Depository:-

- i) A settlement fee at the rate of 0.05% of the value of the securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant shall be charged. No transaction fee will be payable for the securities delivered from the Delivery account of each Clearing Member to the Clearing Corporation.

In case of debt instruments, other than Commercial Papers, a settlement fee at the rate of 0.01% (one basis point) on the value of debt securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member or delivered from the Delivery account of each Clearing Member to the Clearing Corporation shall be charged from the Participant. The above settlement fee of one basis point shall be subject to a maximum of ₹100 for each different security.

Provided however that;

- a. in respect of government securities, no settlement fee shall be charged till September 30, 2000.
  - b. in respect of commercial papers, no transaction fees shall be charged on the Participants.
- ii) A settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) in respect of off-market transactions shall be charged from the Participant.

Provided however that, with effect from August 1, 1999, a settlement fee at the rate of 0.02% (2 basis points) each on the value of the securities debited and credited to the account(s) of its Client(s) in respect of off-market transactions shall be charged from the Participant. However no settlement fee shall be charged in the following cases:-

- a. in the case of transfers necessitated by transmission;
- b. in the case of transfer of the account of the Client from one Participant to another as a consequence of the expulsion or suspension of such Participant;
- c. when the Client closes its account with a Participant and transfers the entire balance in its account to its account maintained with another Participant.

In case of debt instruments, other than Commercial Papers, in respect of Off-market transactions, a settlement fee at the rate of 0.01% (one basis point) on the value of debt securities debited and credited to the account(s) of its Clients shall be charged from the Participant. The above settlement fee of one basis point shall be subject to a maximum of ₹ 100 for each different security.

Provided however that;

- a. in respect of Government Securities, no settlement fee shall be charged till September 30, 2000.
  - b. in respect of Commercial Papers, no transaction fees shall be charged on the Participants.
- iii) When a pledge/hypothecation is invoked, a settlement fee at the rate of 0.1% of the value of the securities credited to the account(s) of its Client(s) shall be charged from the Participant.
- iv) A fee at the rate of 0.05% of the value of the securities lent by the intermediary to the borrower shall be charged from the Participant of the borrower if the transaction is for a period upto three months. In case, the transaction extends beyond three months, the Participant of the borrower shall pay an additional fee at the rate of 0.05% of the value of securities lent. The transaction fee shall be collected from the Participant either at the beginning of the transaction or any roll over of transactions beyond three months.

Provided however that, with effect from August 1, 1999, a fee at the rate of 0.04% of the value of the securities lent by the intermediary to the borrower shall be charged from the Participant of the borrower if the transaction is for a period upto three months. In case, the transaction extends beyond three months, the Participant of the borrower shall pay an additional fee at the rate of 0.04% of the value of securities lent. The transaction fee shall be collected from the Participant either at the beginning of the transaction or any roll over of transactions beyond three months.

#### **Notes:**

- ii) A settlement fee at the rate of 0.1% (subject to a minimum of ₹10,000/- per transaction) of the value of the securities credited to the account(s) of its Client(s) in respect of off-market transaction shall be charged from the Participant. However no settlement fee shall be charged in the following cases :-
- a) in the case of transfers necessitated by transmission;
  - b) in the case of transfer of the account of the Client from one Participant to another as a consequence of the expulsion or suspension of such Participant;
  - c) when the Client closes its account with a Participant and transfers the entire balance in its account to its account maintained with another Participant.

#### 10.2.4.<sup>22</sup> CUSTODY FEES

Each Participant shall pay custody fee at the rate of 0.01% (1 basis point) per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter.

Provided however that, with effect from August 1, 1999, the custody fees payable by a Participant will be subject to an annual overall ceiling as given below:

Average market value of dematerialised securities with the Participant during the quarter	Annual Ceiling (to be recovered quarterly)
Upto ₹ 200 crore	₹ 25,000
More than ₹ 200 crore and upto ₹ 500 crore	₹ 50,000
More than ₹ 500 crore and upto ₹ 2000 crore	₹ 1,25,000
More than ₹ 2000 crore	₹ 4,00,000

Provided further that while calculating the custody value as mentioned above, the value of the shares of those companies which have paid a one time custody fee will not be included. In case of debt instruments and Government Securities, each Participant shall pay custody fee at the rate of 0.005% (1/2 a basis point) per annum on the average value of the securities held by the Participant in dematerialised form subject to a ceiling of ₹ 1,00,000/- p.a.

Provided however that, with effect from August 1, 1999, the custody fees payable by a Participant in respect of debt instruments and Government Securities will be subject to the overall ceiling as given above.

#### **Notes:**

<sup>22</sup> **Amended w.e.f. July 31, 1999. Prior to this amendment, Rule 10.2.4 as amended on Feb 24, 1999 read as follows:**

##### **10.2.4. CUSTODY FEES**

Each Participant shall pay custody fee at the rate of 0.02% (2 basis points) per annum on the average value of securities held by the Participant in dematerialised form. Provided however that, each Participant shall, with effect from April 1, 1999, pay custody fees at the rate of 0.01% (1 basis point) per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter.

In case of debt instruments and Government securities, each Participant shall pay custody fee at the rate of 0.005% (1/2 a basis point) per annum on the average value of the securities held by the Participant in dematerialised form. Provided however that in case of Government securities, custody fees payable by a Participant shall be subject to a ceiling of ₹ 1,00,000/- p.a.

**Prior to this amendment, Rule 10.2.4 was amended on September 2, 1998, which read as follows:**

**10.2.4. CUSTODY FEES:** Each Participant shall, with effect from August 1, 1997, pay custody fee at the rate of 0.035% (3.5 basis points) per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter.

Provided however that, each Participant shall, with effect from October 1, 1998, pay custody fees at the rate of 0.02% (2 basis points) per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter.

However, in the case of debt instruments and Government securities, each Participant shall pay custody fee at the rate of 0.005% per annum on the average value of the securities held by the Participant in dematerialised form. Provided that in case of Government securities, custody fees payable by a Participant shall be subject to a ceiling of ₹ 1,00,000/- p.a.

**Prior to this amendment, Rule 10.2.4 was amended on March 26, 1998 which read as follows:**

**10.2.4. CUSTODY FEES:** Each Participant shall, with effect from August 1, 1997, pay custody fee at the rate of 0.035% (3.5 basis points) per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter. However, in the case of debt instruments and Government

Securities, till March 31, 1999, each Participant shall pay custody fee at the rate of 0.005% per annum on the average value of the securities held by the Participant in dematerialised form.

**Prior to this amendment, Rule 10.2.4 was amended on July 25, 1997 which read as follows:**

10.2.4. CUSTODY FEES: Each Participant shall, with effect from August 1, 1997, pay custody fee at the rate of 0.035% (3.5 basis points) per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter. However, in the case of debt instruments and Government Securities, each Participant shall pay custody fee at the rate of 0.005% per annum on the average value of the securities held by the Participant in dematerialised form.

**Prior to this amendment, Rule 10.2.4 was amended on March 21, 1997 which read as follows:**

10.2.4. CUSTODY FEES: Each Participant shall pay custody fee at the rate of 0.07% per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter.

However, in the case of debt instruments and government securities, each Participant shall pay custody fee at the rate of 0.005% per annum on the average value of securities held by the Participant in dematerialised form.

Further, in case the average value of securities (other than debt instruments and Government securities) held in dematerialised form in one account of any Client of the Participant exceeds ₹ 500 crores, the

### 10.2.5.<sup>23</sup> FEE FOR DEMATERIALISATION & REMATERIALISATION

No fee shall be charged by the Depository on Dematerialisation requests. However, in case of Rematerialisation, a fee at the rate of 0.10% of the value of the securities requested for rematerialisation or ₹ 10/- per certificate, whichever is higher will be charged.

### 10.2.6.<sup>24</sup> SECURITY DEPOSITS

Every Participant will be required to pay an amount of ₹ 10 lakh by way of interest free refundable security deposit. However, a Clearing Corporation or a Clearing House of a Stock Exchange will be exempt from payment of the security deposit.

### 10.2.7.<sup>25</sup> ONE TIME CUSTODY FEES

10.2.7.1. An issuer may, with effect from August 1, 1997, pay a one time custody fee to the depository at the rate of 0.05% on the market capitalisation of the company. The market capitalisation of a company will be determined on the basis of the average market price for a period of 26 weeks preceding the date on which the company agrees to make such payment. Consequent upon such payment, the depository shall not levy any custody fee on the Participants.

10.2.7.2. If a company opts to pay the aforesaid one time fee, it will also be required to agree to pay on the newly issued shares, a custody fee at the rate of 0.05% on the value of shares calculated on the basis of issue price of newly issued shares. In case the company does not pay this amount, the depository shall charge custody fee as per provision mentioned at Rule 10.2.4 above. However, the issuer shall not be required to pay any custody fee on any subsequent issue of Bonus shares by the company.

#### **Notes:**

Participant shall be entitled to a refund calculated at the rate of 0.02% of the average value of securities in excess of ₹ 500 crores and at the rate of 0.03% of the value of the securities in excess of ₹ 1000 crores held by such Client(s).

#### **The original Rule read as follows:**

10.2.4. CUSTODY FEES: Each Participant shall pay custody fee at the rate of 0.07 % per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter.

However in case the average value of securities held in dematerialised form in one account of any Client of the Participant exceeds ₹ 500 crores, the Participant shall be entitled to a refund calculated at the rate of 0.02% of the average value of securities in excess of ₹ 500 crores and at the rate of 0.03% of the value of the securities in excess of ₹ 1000 crores held by such Client(s).

#### <sup>23</sup> **Amended w.e.f September 2, 1998. Prior to this amendment, Rule 10.2.5 read as follows:**

10.2.5. No fee shall be charged by the Depository on Dematerialisation requests. However, in case of Rematerialisation, a flat fee of ₹10/- per certificate will be charged.

#### <sup>24</sup> **Amended w.e.f. July 25, 1997. Prior to this amendment, Rule 10.2.6 read as follows:**

10.2.6. SECURITY DEPOSITS: Every Participant will be required to pay an amount of ₹ 10 lakhs by way of interest free refundable security deposit.

#### <sup>25</sup> **Inserted w.e.f. July 25, 1997.**

#### **10.2.9.<sup>26</sup> FEE FOR NON-CASH CORPORATE ACTIONS**

- i. In case of offers for sale or divestment by GOI, a fee at the rate of four basis points (0.04%) of the offer price will be charged to the Issuer/Offerer.
- ii. In case of all other corporate actions, viz., bonus, rights, public issues, share-split, merger, de-merger etc., a fee at the rate of four basis points (0.04%) of the price or Rupees 20 per record whichever is lower, will be charged to the Issuer. For this purpose, “price” means the market price as on the date of allotment or the offer price as the case may be.
- iii. In case of conversion of shares of non pari-passu to pari-passu, partly-paid to fully-paid etc., no fee shall be charged.
- iv. In case of companies which have paid/pay one time custody fee, no corporate action fee as mentioned at (i) and (ii) above shall be charged till March 31, 2002.

Provided however that in case of any corporate action of commercial papers, a flat fee of ₹10,000/- shall be levied on the Issuer.

**10.2.10.<sup>27</sup> The Business Rules 10.1 to 10.2.9 shall apply till August 31, 2000 and the provisions of Chapter 20 will come into effect from September 1, 2000.**

#### **Notes:**

<sup>26</sup> **Amended w.e.f June 9, 2000. Prior to this amendment, Rule 10.2.9 inserted w.e.f. December 1, 1999, read as follows:**  
**10.2.9. FEE FOR NON-CASH CORPORATE ACTIONS**

- i. In case of offers for sale or divestment by GOI, a fee at the rate of four basis points (0.04%) of the offer price will be charged to the Issuer/Offerer.
- ii. In case of all other corporate actions, viz., bonus, rights, public issues, share-split, merger, de-merger etc., a fee at the rate of four basis points (0.04%) of the value or Rupees 20 per record whichever is lower, will be charged to the Issuer. For this purpose, “price” means the market price as on the date of allotment or the offer price as the case may be.
- iii. In case of conversion of shares of non pari-passu to pari-passu, partly-paid to fully-paid etc., no fee shall be charged.
- iv. In case of companies which have paid/ pay one time custody fee, no corporate action fee as mentioned at (i) and (ii) above shall be charged till March 31, 2002.

<sup>27</sup> **Inserted w.e.f. August 1, 2000.**

## 11. WITHDRAWAL AND DEPOSIT OF SECURITIES TO/ FROM A CLIENT ACCOUNT

### 11.1. DEMATERIALISATION OF SECURITIES

11.1.1. Every Client shall submit to the Participant the securities for dematerialisation along with the Dematerialisation Request Form (DRF). The specimen of the DRF is given in Form 4.

11.1.2. No dematerialisation request shall be entertained by the Participant other than from a registered holder of securities.

11.1.3. The Participant shall first ensure that the certificates submitted by its Client for dematerialisation belong to the list of securities admitted by the Depository as eligible for dematerialisation.

11.1.4.<sup>28</sup> The Participant shall ensure that the DRF submitted by its Client is completely filled and duly signed, including verification of the signature of the client with its records.

11.1.5.<sup>29</sup> The Participant shall forward the DRF to the Issuer or its Registrar & Transfer Agent only after ascertaining that the number of certificates annexed with the DRF tallies with the number of certificates mentioned on the DRF.

Provided further that in case of transposition/transmission/signature variation with issuer's records and dematerialisation cases, the Participant shall also forward Form 31/32/42 as the case may be, alongwith the DRF to the Issuer or its Registrar & Transfer Agent.

11.1.6.<sup>30</sup> The Participant shall check the Distinctive Numbers of certificates of securities submitted by its Client for dematerialisation with the records of Distinctive Numbers made available by the depository and ensure that the appropriate International Securities Identification Number [ISIN] is filled in DRF, as applicable.

11.1.7. The Participant shall also verify the details of the certificates submitted for dematerialisation with the details filled up in the corresponding DRF.

11.1.8.<sup>31</sup> The Participant shall ensure that the certificates submitted for dematerialisation are marked by the Client with the words "**Surrendered for Dematerialisation**" which should be at least four inches in length and one inch in width.

11.1.9. The Participant shall ensure the safety and security of the certificates submitted for dematerialisation till the certificates are forwarded to the Issuer or its Registrar and Transfer Agent.

#### **Notes:**

<sup>28</sup> **Amended w.e.f. December 31, 2018. Prior to this amendment, Rule 11.1.4 read as follows:**  
The Participant shall ensure that the DRF submitted by its Client is completely filled and duly signed

<sup>29</sup> **Amended w.e.f. December 31, 2018. Prior to this amendment, Rule 11.1.5 read as follows:**  
11.1.5. The Participant shall forward the DRF to the Issuer or its Registrar & Transfer Agent only after ascertaining that the number of certificates annexed with the DRF tallies with the number of certificates mentioned on the DRF.  
Provided further that in case of transposition/transmission and dematerialisation cases, the Participant shall also forward Form 31/32 as the case may be, alongwith the DRF to the Issuer or its Registrar & Transfer Agent.

**Amended w.e.f. May 7, 2001. Prior to this amendment, Rule 11.1.5 read as follows:**

11.1.5. The Participant shall forward the DRF to the Issuer or its Registrar and Transfer Agent only after ascertaining that the number of certificates annexed with the DRF tallies with the number of certificates mentioned on the DRF.

<sup>30</sup> **Inserted w.e.f. October 31, 2012. The original Rule 11.1.6 to 11.1.17 has been renumbered as Rule 11.1.7 to 11.1.18.**

<sup>31</sup> **Amended w.e.f. January 1, 2000. Prior to this amendment, Rule 11.1.7 read as follows:**

11.1.7. The Participant shall ensure that the certificates submitted for dematerialisation are marked by the Client with the words "Surrendered for Dematerialisation"

11.1.10.<sup>32</sup> The Participant shall cancel the security certificates by drawing two parallel lines across the certificate and punch two holes on the company name in the manner laid down in Annexure A before forwarding the same to the Issuer or its Registrar and Transfer Agent.

11.1.11. The Participant shall ensure that a separate DRF is filled in by the Client for securities having distinct International Securities Identification Numbers [ISINs].

11.1.12. The Participant shall ensure that a separate DRF is filled in by the Client for locked in and free securities having the same ISIN.

11.1.13. The Participant shall ensure that the Client submits a separate DRF for each of its accounts maintained with the Participant.

11.1.14.<sup>33</sup> The securities which have been dematerialised shall be credited to the accounts maintained by a Participant only when the pattern of holdings in the account of the Client matches with the pattern of holdings as per the security certificates.

Provided however that in case where the names appearing on the certificates match with the names in which the account has been opened but are in a different order, the Client can get the security certificates dematerialised by submitting the security certificates alongwith the Transposition Form as per Form 31 and the Dematerialisation Request Form (DRF) to the Participant. The explanation of such pattern of holding is given in Annexure B.

11.1.15. In the case of securities which have been submitted for dematerialisation for which any objection memo has been received from the Issuer or its Registrar and Transfer Agent, the Participant shall facilitate the correction of such objections on a timely basis.

11.1.16. In case of a public or rights issue with respect to a security which has been admitted to the Depository to be held in dematerialised form, the Issuer or its Registrar and Transfer Agent shall provide the Clients with the facility to indicate their option between electronic and physical holdings in the share application form in the form and manner provided in Form 5.

11.1.17. In the case of such issue in electronic form as specified above, the account of the Client maintained with the Participants shall be credited with such securities issued only when the pattern of holdings of such account matches with the pattern of application of the Client in the form specified above. The pattern of such holding has been explained in Annexure B

11.1.18.<sup>34</sup> TRANSMISSION (NAME DELETION) AND DEMATERIALISATION OF SECURITIES:

In case of death of one or more of the joint holders, the surviving joint holder(s) can get the name(s) of the deceased deleted from the security certificate(s) and get them dematerialised by submitting the security certificates along with the Transmission Form as per Form 32 and the Dematerialisation Request Form (DRF) to the Participant.

#### **Notes:**

<sup>32</sup> **Amended w.e.f. January 1, 2000. Prior to this amendment, Rule 11.1.9 read as follows:**

11.1.9. The Participant shall punch two holes on the company name on the security certificates in the manner laid down in Annexure E before forwarding the same to the Issuer or its Registrar and Transfer Agent.

<sup>33</sup> **Amended w.e.f. May 7, 2001. Prior to this amendment, Rule 11.1.13 read as follows:**

11.1.13. The securities which have been dematerialised shall be credited to the accounts maintained with a Participant only when the pattern of holdings in the account of the Client matches with the pattern of holdings as per the security certificates. The explanation of such pattern of holding is given in Annexure F.

<sup>34</sup> **Inserted w.e.f December 31, 2018.**



### 11.1.19<sup>35</sup> SIGNATURE VARIATION FORM ALONGWITH DEMATERIALISATION REQUEST

In case the signature of the client recorded with the Issuer varies with the signature of the client as recorded with the Participant, the client may submit to the Participant a Signature Variation Form as per Form 42 alongwith the Dematerialisation Request Form.

## 11.2. REMATERIALISATION

11.2.1. Every Client shall submit to the Participant the securities for rematerialisation along with the Rematerialisation Request Form (RRF). The specimen of the RRF is given in Form 6.

11.2.2. The Participant shall ensure that the Client submits a separate RRF for each security and for each account maintained by the Client with the Participant.

11.2.3. The Participant shall ensure that the RRF submitted by its Client is completely filled and duly signed.

11.2.4. The Participant shall ensure that the Client has sufficient free holdings in its account maintained in electronic form before sending the RRF to the Issuer or its Registrar and Transfer Agent.

11.2.5. The Participant shall verify the signatures on each rematerialisation request with the signatures on the records held with it and authorise each rematerialisation form before forwarding it to the Issuer or its Registrar and Transfer Agent.

11.2.6. The Participant shall print the Client details from the DPM (DP) and enclose the same along with the RRF to the Issuer or its Registrar and Transfer Agent.

11.2.7. The securities issued at the time of rematerialisation shall be in the name of the person(s) who held the account in respect of which such securities have been rematerialised, as explained in Annexure C.

## 11.3.<sup>36</sup> REDEMPTION OR REPURCHASE

11.3.1. In case the Issuer gives an option to the Client for repurchase or redemption of securities held in dematerialised form, the Client on exercising his option, shall submit to the Participant the Redemption or Repurchase Request Form (RF) in the format given in Form 7.

11.3.2. The Participant shall ensure that the Client submits a separate RF for each security and for each account maintained by the Client with the Participant.

11.3.3.<sup>37</sup> The Participant shall ensure that the RF submitted by his Client is completely filled and duly signed. The Participant shall verify the details mentioned in the RF with the details of Client's account and ensure that the RF is in order.

11.3.4. The Participant shall verify the signatures on each RF with the signatures on the records held with it.

### **Notes:**

<sup>35</sup> **Inserted w.e.f May 7, 2001. The original rule 11.1.17 has been deleted & original rule 11.1.18 has been renumbered as 11.1.17 w.e.f February 27, 2004. Prior to this amendment original rule 11.1.17 which was inserted w.e.f. Nov. 12, 1998 read as follows:**

Further to the Rules 11.1.1 to 11.1.16 above, the Participant shall process the request for dematerialisation of shares sent for transfer as per the procedure prescribed in the Guidelines for dematerialisation of shares sent for transfer issued by the Securities and Exchange Board of India. The Depository may notify from time to time the ISINs, which will be eligible for dematerialisation under the said Guidelines.

<sup>36</sup> **Inserted w.e.f April 8, 1998.**

<sup>37</sup> **Amended w.e.f. December 30, 2010. Prior to this amendment Rule 11.3.3 Read as follow -**

11.3.3. The Participant shall ensure that the RF submitted by his client is completely filled and duly signed.

11.3.5.<sup>38</sup> The Participant shall, except in the case of amount based redemption, ensure that the Client has sufficient free holdings in his account before executing the instructions in the DPM (DP).

11.3.6. The Participant shall execute the instructions for Repurchase or Redemption of securities in the DPM (DP).

11.3.7.<sup>39</sup> The Issuer or its Registrar and Transfer Agent shall verify the request in the DPM (SHR), and if in order, confirm the request for Redemption or Repurchase in the DPM (SHR) and pay the proceeds directly to the Client.

## 11.4.<sup>40</sup> CONVERSION OF ISIN

11.4.1. In case the Issuer gives an option to the Client to convert his holding from one ISIN to the other, the Client for the purpose of exercising his option shall, submit to the Participant an ISIN conversion form (ICF) in the format given in Form 8.

11.4.2. The Participant shall ensure that the client submits a separate ICF for each account maintained by the client with the Participant.

11.4.3. The Participant shall ensure that the ICF submitted by his Client is completely filled and duly signed.

11.4.4. The Participant shall verify the signatures on each ICF with the signatures on the records held with it.

11.4.5. The Participant shall ensure that the Client has sufficient free holdings in his account before executing the instructions and sending the ICF to the Issuer or its Registrar and Transfer Agent.

11.4.6. The Participant shall execute the instructions for conversion of securities in the DPM (DP).

11.4.7. The Participant shall authorise the ICF, enclose the client details printed from the DPM (DP) and forward it to the Issuer or its Registrar and Transfer Agent.

11.4.8. The Issuer or its Registrar and Transfer Agent shall verify the form and the request, and if in order, confirm the request for conversion of ISIN in the DPM (SHR) and provide to the Depository the details of the request for conversion of ISIN.

11.4.9. On receipt of the conversion details, the Depository shall cause necessary credit entries to be made in the accounts of the Clients on a date requested by the Issuer or its Registrar and Transfer Agent (hereinafter referred to as Execution Date).

11.4.10. In case the records are rejected by the Depository, the Issuer or its Registrar and Transfer Agent shall send the rectified records to the Depository within seven days from the Execution Date. In case the Issuer or its Registrar and Transfer Agent fails to send the rectified records within seven days from the Execution Date, it shall proceed to issue securities in the physical form in respect of the unrectified records.

### Notes :-

<sup>38</sup> **Amended w.e.f. June 7, 2011. Prior to this amendment Rule 11.3.5 was amended w.e.f. December 30, 2010. Which read as follows -**

11.3.5. The Participant shall ensure that the Client has sufficient free holdings in his account before executing the instructions in the DPM (DP).

**Prior to this amendment Rule 11.3.5 Read as follow -**

11.3.5. The Participant shall ensure that the Client has sufficient free holdings in his account before executing the instructions and sending the RF to the Issuer or its Registrar and Transfer Agent.

<sup>39</sup> **Rule 11.37 of Business Rules has been deleted w.e.f. December 30, 2010. Rule 11.3.8 of Business Rules has been amended and renumbered as 11.3.7. Prior to deletion, Rule 11.3.7 read as follow -**

11.3.7. The Participant shall authorise the RF, enclose the client details printed from the DPM (DP) and forward it to the Issuer or its Registrar and Transfer Agent.

**Rule 11.3.8 read as follow -**

11.3.8. The Issuer or its Registrar and Transfer Agent shall verify the form and the request, and if in order, confirm the request for Redemption or Repurchase in the DPM (SHR) and pay the proceeds directly to the Client.

<sup>40</sup> **Inserted w.e.f. April 8, 1998.**

11.4.11. At the time of crediting the accounts of beneficial owners, if the accounts are either in the status of “to be closed” or “suspended for all”, such allotments will be credited to “DP Suspense Accounts” by the Depository.

11.4.12. The Depository shall carry out a suspense reversal function and credit the relevant Client accounts after resolving the balances in “DP Suspense Accounts”.

## **11.5.<sup>41</sup> DEMATERIALISATION OF GOVERNMENT SECURITIES**

11.5.1. Every Client desirous of getting the physical securities converted into dematerialised form shall submit the securities to the Participant along with the Dematerialisation Request Form (DRF-GS) and the form of transfer prescribed by RBI. The specimen of the DRF-GS and the form of transfer prescribed by RBI are given in Form 23 and Form 24 respectively.

11.5.2. No dematerialisation request as provided in Rule 11.5.1 above, shall be entertained by the Participant other than from a registered holder of securities.

11.5.3.<sup>42</sup> Every Client desirous of transferring his holdings in dematerialised form held in an SGL account with other eligible entity, shall submit to the Participant the Dematerialisation Request Form (DRF-GS).

11.5.4. The Participant shall ensure that the DRF-GS submitted by its Client is duly filled and signed.

11.5.5. The Participant shall forward the DRF-GS to the Depository only after ascertaining that the face value of certificates annexed with the DRF-GS tallies with the face value of certificates mentioned on the DRF-GS.

11.5.6.<sup>43</sup> The Participant shall execute and forward the request electronically for transfer of holdings held in other eligible SGL entity to an account held with the Participant in the DPM System and shall inform the SGL entity name and SGL account number of the other eligible entity to NSDL in such form and manner as may be prescribed.

11.5.7. The Participant shall also verify the details of the certificates submitted for dematerialisation with the details filled up in the corresponding DRF-GS.

11.5.8.<sup>44</sup> The Participant shall ensure that the certificates submitted for dematerialisation are endorsed on the reverse, in the space provided, with the words **“Tendered for Cancellation and Credit to SGL A/c. No.SG020196 of National Securities Depository Limited, Mumbai”** in the manner laid down in Annexure I.

11.5.9. The responsibility to ensure safety and security of the certificates submitted for dematerialisation will be on the Participant till the certificates are forwarded to the Depository.

11.5.10. The Participant shall not deface or mutilate the certificates either by punching holes or by any other means.

11.5.11. The Participant shall ensure that a separate DRF-GS is filled in by the Client for securities having distinct International Securities Identification Numbers [ISINs].

### **Notes:**

<sup>41</sup> **Inserted w.e.f. November 12, 1998.**

<sup>42</sup> **Amended w.e.f. June 26, 2013. Prior to this amendment, Rule 11.5.3 read as follows:**

11.5.3. Every Client desirous of transferring his holdings in dematerialised form held in an SGL account with other eligible entity, shall submit to the Participant SGL transfer documents as prescribed under Rule 7 of P.D.Rules of RBI duly executed by the other eligible entity along with the Dematerialisation Request Form (DRF-GS).

<sup>43</sup> **Inserted w.e.f. June 26, 2013. The Original Rule 11.5.6 to 11.5.14 has been renumbered as 11.5.7 to 11.5.15.**

<sup>44</sup> **Amended w.e.f. April 2, 2009. Prior to this amendment, Rule 11.5.7 as amended on February 25, 1999 read as follows:**

The Participant shall ensure that the certificates submitted for dematerialisation are endorsed on the reverse, in the space provided, with the words “Tendered for Cancellation and Credit to SGL A/C. No. BYSL0838 of National Securities Depository Limited, Mumbai” in the manner laid down in Annexure UB.

**Prior to this amendment, Rule 11.5.7 read as follows:**

11.5.7. The Participant shall ensure that the certificates submitted for dematerialisation are endorsed on the reverse, in the space provided, with the words “Surrendered for Transfer to NSDL SGL-2” in the manner laid down in Annexure UB.

11.5.12. The Participant shall ensure that the Client submits a separate DRF-GS for each of its accounts maintained with the Participant.

11.5.13. The securities requested for dematerialisation shall be credited to the accounts maintained with a Participant only when the pattern of holding in the account of the Client matches with the pattern of holding as per the security certificates. The explanation of such pattern of holding is given in Annexure B.

Provided however that, in case of transfer of holdings from an SGL account with other eligible entity, credit may be allowed when the securities are in the name of the other eligible entity.

11.5.14. In the case of securities which have been submitted for dematerialisation for which any objection memo has been received from the Depository, the Participant shall facilitate the correction of such objections on a timely basis.

11.5.15. In case of issue of securities in electronic form, the account of the Client maintained with the Participants shall be credited with such securities issued only when the pattern of holdings of such account matches with the pattern of holding given in the allotment statement. The pattern of such holding has been explained in Annexure B.

## 11.6.<sup>45</sup> WITHDRAWAL OF GOVERNMENT SECURITIES FROM THE DEPOSITORY

11.6.1.<sup>46</sup> Every Client desirous of withdrawing the securities either by getting physical certificates or by transferring to an SGL account with other eligible entity shall submit to the Participant the Rematerialisation Request Form (RRF-GS). The specimen of RRF-GS is given in Form 25.

11.6.2. The Participant shall ensure that the Client submits a separate RRF-GS for each security and for each account maintained by the Client with the Participant.

11.6.3. The Participant shall ensure that the RRF-GS submitted by its Client is duly filled and signed.

11.6.4. The Participant shall ensure that the Client has sufficient holdings free of encumbrances or lien in its account before sending the RRF-GS to the Depository.

11.6.5. The Participant shall verify the signatures on each rematerialisation request with the signatures on the records held with it and authorise each RRF-GS before forwarding it to the Depository.

11.6.6.<sup>47</sup> The Participant shall enclose the Client details printed from the DPM in case the request was for physical certificates, and forward the same alongwith the RRF-GS to the Depository.

11.6.7.<sup>48</sup> The Participant shall execute and forward the request electronically for transfer of holdings held in dematerialised form to other eligible SGL entity for transfer to an SGL account with other eligible entity, and shall inform the SGL entity name and SGL account number of the other eligible entity to NSDL in such form and manner as may be prescribed.

11.6.8. In case the request was for physical certificates, the Depository shall receive, from RBI, the physical certificates in its name and execute a form of transfer as prescribed by RBI in favour of the Client. The Depository shall confirm the acceptance of RRF-GS electronically and forward the physical certificates along with the form of transfer to the Client directly.

11.6.9. In case the request was for transfer to an SGL account with other eligible entity, the Depository shall confirm the acceptance of RRF-GS electronically to the Participant, after obtaining approval from RBI.

### Notes:

<sup>45</sup> **Inserted w.e.f. November 12, 1998.**

<sup>46</sup> **Amended w.e.f. February 24, 1999. Prior to this amendment, Rule 11.6.1 read as follows:**

11.6.1. Every Client desirous of withdrawing the securities either by getting physical certificates or by transferring to an SGL account with other eligible entity shall submit to the Participant the Rematerialisation Request Form (RRF-GS) together with enclosures prescribed by the Depository. The specimen of RRF-GS and the enclosure are given in Annexure UC and UD.

<sup>47</sup> **Amended w.e.f. June 26, 2013. Prior to this amendment, Rule 11.6.6 read as follows:**

11.6.6. The Participant shall enclose the Client details printed from the DPM and forward the same alongwith the RRF-GS to the Depository.

<sup>48</sup> **Inserted w.e.f. June 26, 2013. The original Rule 11.6.7, 11.6.8 has been renumbered as 11.6.8, 11.6.9.**

## **11.7<sup>49</sup> CONVERSION OF MUTUAL FUND UNITS REPRESENTED BY STATEMENT OF ACCOUNT INTO DEMATERIALISED FORM THROUGH A PARTICIPANT**

11.7.1 Every Client desirous of converting mutual fund units represented by Statement of Account into dematerialised form through a Participant shall submit to the Participant the Conversion Request Form along with the Statement of Account evidencing the holding of mutual fund units. The specimen of Conversion Request Form is given in Form 2.

11.7.2 The Client submitting the Conversion Request Form shall declare to the Participant that the units sought to be held in dematerialised form are in the name of the client itself and are not already dematerialised and no certificates are issued against these units.

11.7.3 The Participant shall first ensure that the mutual fund units submitted by its Client for conversion belong to the list of securities admitted by the Depository as eligible to be held in dematerialised form.

11.7.4 The Participant shall ensure that the Conversion Request Form submitted by its Client is completely filled and duly signed.

11.7.5<sup>50</sup> The Participant shall verify the name and the pattern of holding of the Client's account with the name and the pattern of holdings as mentioned on the Statement of Account and Conversion Request Form.

11.7.6<sup>51</sup> The Participant shall intimate the Conversion Request to the Depository within five days from the date of accepting the same from its Client by initiating the request in the DPM system.

11.7.7<sup>52</sup> Upon receipt of electronic conversion request from the Depository, the Issuer or its Registrar and Transfer Agent shall after due verification including the verification of signature of Clients from the DPM (SHR) system with their records, confirm the conversion request to the Depository for credit of the units into the account of the Client within two days from the date of receipt of request.

11.7.8 In case any objection memo has been received for such units from the Issuer or its Registrar and Transfer Agent, the Participant shall facilitate the correction of such objections on a timely basis.

### **Notes:**

<sup>49</sup> **Inserted w.e.f. July 1, 2010.**

<sup>50</sup> **Amended w.e.f. Feb 24, 2020. Prior to this amendment, Rule 11.7.5 read as follows:**

The Participant shall verify the name and the pattern of holding of the Client's account with the name and the pattern of holdings as mentioned on the Statement of Account and Conversion Request Form. Further, the Participant shall verify all other details and verify the number of pages of Statement of Account mentioned on the Conversion Request Form with the Statement of Account submitted by the Client.

<sup>51</sup> **Amended w.e.f. Feb 24, 2020. Prior to this amendment, Rule 11.7.6 read as follows:**

The Participant shall intimate the Conversion Request to the Depository. After writing the Conversion Request Number on the Conversion Request Form and retaining a copy of the form, forward the Conversion Request Form along with the Statement of Account to the Issuer or its Registrar and Transfer Agent.

<sup>52</sup> **Amended w.e.f. Feb 24, 2020. Prior to this amendment, Rule 11.7.7 read as follows:**

The Issuer or its Registrar and Transfer Agent shall after due verification, promptly confirm the conversion request to the Depository for credit of the units into the account of the Client.

**Rule 11.7.3, 11.7.4 and 11.7.9 has been deleted w.e.f Feb 24, 2020. Prior to deletion, Rule 11.7.3, 11.7.4 and 11.7.9 read as follows:**

11.7.3 The Client shall submit separate Conversion Request Form for its each folio number with the Issuer and/or its Registrar and Transfer Agent and for each of its account with the Participant.

11.7.4 The Client shall submit a separate Conversion Request Form for locked in and free units under the same ISIN.

11.7.9 The Conversion Request Form shall be forwarded by the Participant to the Issuer or its Registrar and Transfer Agent within seven days of accepting the same from its Client.

The original Rules 11.7.5, 11.7.6, 11.7.7, 11.7.8, 11.7.10 and 11.7.11 have been renumbered as 11.7.3, 11.7.4, 11.7.5, 11.7.6, 11.7.7 and 11.7.8 respectively.

## **11.8<sup>53</sup> RECONVERSION OF MUTUAL FUND UNITS INTO STATEMENT OF ACCOUNT FORM (SOA FORM).**

11.8.1. Every Client desirous of reconverting units held in dematerialised form to units in SOA, shall submit to the Participant Reconversion Request Form. The specimen of the same is given in Form 3.

11.8.2. The Client shall submit separate Reconversion Request Form (i.e. Form 3) for each Issuer separately.

11.8.3. The Client shall submit a separate Reconversion Request Form for locked in and free units under the same ISIN.

11.8.4. The Participant shall ensure that the Reconversion Request Form (i.e. Form 3) submitted by its Client is completely filled and duly signed.

11.8.5. The Participant shall ensure that the Client has sufficient free or locked-in units in its account maintained in electronic form and also verify the signatures on each Reconversion Request Form (i.e. Form 3) with the signatures held with it and authorise each Reconversion Request Form (i.e. Form 3) before forwarding it to the Issuer or its Registrar and Transfer Agent.

11.8.6. The Participant shall intimate the Reconversion Request to the Depository. After writing the Reconversion Request Number on the Reconversion Request Form (i.e. Form 3) and retaining a copy of the form, forward the Reconversion Request Form (i.e. Form 3) to the Issuer or its Registrar and Transfer Agent.

11.8.7. The Reconversion Request Form shall be forwarded by the Participant to the Issuer or its Registrar and Transfer Agent within seven days of accepting the same from its Client.

11.8.8. The units issued at the time of reconversion of units into SOA form shall be in the name(s) of the person(s) who held the account in respect of such units. At the time of reconversion of units, the units in SOA form shall be issued to the persons as per the pattern of holdings in the account of the Participant from which such units are reconverted.

11.8.9.<sup>54</sup> The Issuer or its Registrar and Transfer Agent shall after due verification confirm the reconversion request to the Depository for debit of units from the account of the Client within five days from receipt of request.

11.8.10. In case any objection memo has been received for such units from the Issuer or its Registrar and Transfer Agent, the Participant shall facilitate the correction of such objections on a timely basis.

### **Notes:**

<sup>53</sup> **Inserted w.e.f. June 7, 2011.**

<sup>54</sup> **Amended w.e.f. Feb 24, 2020. Prior to this amendment, Rule 11.8.9 read as follows:**

11.8.9. The Issuer or its Registrar and Transfer Agent shall after due verification promptly confirm the reconversion request to the Depository for debit of units from the account of the Client.

## 12. TRANSACTIONS IN ACCOUNTS

### 12.1.<sup>55</sup> ACCOUNT OPENING

12.1.1 Any person desiring to become a Client of the Participant shall make an application as per the forms which have been laid out in FORM 9 and FORM 11 of these Business Rules and instructions/check list for filling KYC Form as laid out in Annexure D.

12.1.2<sup>56</sup> Any resident individual desiring to open a SARAL account shall submit FORM 38 in addition to SARAL form prescribed by SEBI.

12.1.3 The Participant shall ensure that the application form submitted by the Client is completely filled, including the Bank Account particulars of the Client, and properly signed.

12.1.4<sup>57</sup> Participant shall provide a copy of Rights and Obligations Document as specified at Annexure K to the Client and shall obtain an acknowledgement for the same. Participant may provide copy of Rights and Obligations Document to the Client in electronic form, if opted by the Client.

12.1.5<sup>58</sup> The Participant shall open/activate Client account of a beneficial owner in the Depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time and when the application referred to above has been found to be valid and accepted by the Participant, the Participant shall enter the data (on the application form) into the DPM (DP) and activate the Client account.

12.1.6 The Client account number generated through DPM (DP) shall be referenced by the Client for all its transactions in the Depository system.

12.1.7 The applicant may open an account either singly or with one or more joint holders.

#### Notes:

<sup>55</sup> Amended w.e.f. November 2, 2012. Prior to this amendment, Rule 12.1 read as follows:

#### **12.1. Account Opening**

12.1.1 Any person desiring to become a Client of the Participant shall make an application as per the forms which have been laid out in Annexures J and K of these Business Rules.

12.1.2. # The Participant shall ensure that the application form submitted by the Client is completely filled, including the Bank Account particulars of the Client, and properly signed.

12.1.3. When the application referred to above has been found to be valid and accepted by the Participant and after the agreement specified under Annexure B of the Bye Laws has been signed, the Participant shall enter the data (on the application form) into the DPM (DP) which will generate a Client account number which shall be referenced by the Client for all its transactions in the Depository system.

12.1.4. The applicant may open an account either singly or with one or more joint holders.

#- Amended w.e.f. July 22, 1997. Prior to this amendment, Rule 12.1.2 read as follows:

12.1.2. The Participant shall ensure that the application form submitted by the Client is completely filled and properly signed.

<sup>56</sup> Inserted w.e.f. October 27, 2015, The Original Rules 12.1.2, 12.1.3, 12.1.4, 12.1.5 and 12.1.6 renumbered as Rules 12.1.3, 12.1.4, 12.1.5, 12.1.6 and 12.1.7 respectively.

<sup>57</sup> Inserted w.e.f. April 4, 2014, The Original Rules 12.1.3, 12.1.4 and 12.1.5 renumbered as Rules 12.1.4, 12.1.5 and 12.1.6 respectively.

<sup>58</sup> Amended w.e.f. April 4, 2014. Prior to this amendment, Rule 12.1.4 read as follows:

12.1.4 When the application referred to above has been found to be valid and accepted by the Participant and after the agreement specified under Annexure B of the Bye Laws has been signed, the Participant shall enter the data (on the application form) into the DPM (DP) and activate the Client account.



## 12.2. MARKET TRADES

12.2.1.<sup>59</sup> The Participant shall effect a debit or credit to the accounts of its Clients only on receipt of proper authorization from the Clients in the forms laid out in Form 12 and Form 14. Alternatively, a Client may give standing instructions to its Participant to credit its account. In case the Client does not have sufficient balance in its account, the debit to the account shall be effected to the extent of balance available.

12.2.2. The aforementioned forms submitted by the Clients and Clearing Members shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Client and the Clearing Member before the requests on these forms are executed.

## 12.3. OFF - MARKET TRADES

12.3.1.<sup>60</sup> Transfer of securities in respect of off market trades shall be effected on receipt of a duly filled in securities transfer instruction form from the Clients for delivery as well as a securities transfer instruction form from the Clients for receipt. The specimen of these forms have been laid out in Form 12 and Form 14 respectively as specified in Rule

12.2.1. above. Alternatively, a Client may give standing instructions to its Participant to credit its account.

12.3.2. The Participant should check for the completeness of the form and validity of the signature of the Client before effecting such transfers.

## 12.4.<sup>61</sup> CORPORATE BENEFITS

12.4.1. The Issuer or its Registrar & Transfer Agent shall intimate the Depository on the next day of communication to the relevant stock exchange where the eligible security is listed, of the corporate actions which would herein mean and include any action taken by the Issuer relating to prescribing dates for book closures, record dates, dates for redemption or maturity of security, dates of conversion of debentures, warrants, call money dates and such other action from time to time.

12.4.2. On receiving the intimation as stated above, the Depository shall inform all the Participants about the corporate action.

### Notes:

<sup>59</sup> **Amended w.e.f. March 20, 2009. Prior to this amendment, Rule 12.2.1 as amended on May 6, 1997 read as follows:**  
The Participant shall effect a debit or credit to the accounts of its Clients only on receipt of proper authorisation from the Clients in the forms laid out in Annexures L and M. Alternatively, a Client may give standing instructions to its Participant to credit its account.

**Prior to this amendment, Rule 12.2.1 read as follows:**

12.2.1. The Participant shall effect a debit or credit to the accounts of its Clients only on receipt of proper authorisation from the Clients in the forms laid out in Annexures L and M.

<sup>60</sup> **Amended w.e.f February 4, 1999. Prior to this amendment, Rule 12.3.1 read as follows:**  
12.3.1. Transfer of securities in respect of off market trades shall be effected on receipt of a duly filled in securities transfer instruction form from the Clients for delivery as well as a securities transfer instruction form from the Clients for receipt. The specimen of these forms have been laid out in Annexure M and N respectively as specified in Rule 12.2.1 above.

<sup>61</sup> **Amended w.e.f. May 6, 1997. Prior to this amendment, Rule 12.4 read as follows:**  
12.4. CORPORATE BENEFITS: The Issuer or its Registrar and Transfer Agent shall obtain the details of the tax status of Clients from the list of Clients provided by the Depository in accordance with the provisions of the Bye Laws for the purpose of distribution of Corporate Benefits.

12.4.3.<sup>62</sup> All Participants must thereafter ensure that:

- i) changes such as tax status, bank details, change of address, etc. in the Client/ Clearing Members/ Clearing Corporations accounts are updated well in advance of the record date/book closure.
- ii) there are no balances lying in the CM Accounts on the EOD of the record date or the EOD of one business day prior to the commencement of book closure.
- iii) they remain connected till the EOD of the record date or the EOD of one business day prior to the commencement of book closure.

12.4.4.<sup>63</sup> The Depository shall provide the details of the holdings in the accounts of the Clients/Clearing Members/Clearing Corporations electronically to the Issuer or its Registrar and Transfer Agent as of the relevant record date/book closure for the purpose of corporate actions and distribution of corporate benefits.

**Notes:**

<sup>62</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 12.4.3 was amended on May 7, 2001, which read as follows**

12.4.3. All Participants must thereafter ensure that:

- i) changes such as tax status, bank details, change of address, etc. in the Client/Clearing Members/ Clearing Corporations/Intermediaries accounts are updated well in advance of the record date/book closure.
- ii) there are no balances lying in the CM Accounts or the Intermediary Accounts on the EOD of the record date or the EOD of one business day prior to the commencement of book closure.
- iii) they remain connected till the EOD of the record date or the EOD of one business day prior to the commencement of book closure.

**Prior to this amendment, Rule 12.4.3 was amended on November 12, 1998, which read as follows:**

12.4.3. All Participants must thereafter ensure that:

- i) changes such as tax status, bank details, change of address, etc. in the beneficial owner accounts are updated well in advance of the record date/book closure.
- ii) there are no balances lying in the CM Accounts or the Intermediary Accounts on the EOD of the record date or the EOD of one business day prior to the commencement of book closure.
- iii) they remain connected till the EOD of the record date or the EOD of one business day prior to the commencement of book closure.

**Prior to this amendment, Rule 12.4.3 read as follows:**

12.4.3. All Participants must thereafter ensure that:

- i) changes such as tax status, bank details, change of address, etc. in the beneficial owner accounts are updated well in advance of the record date/book closure.
- ii) there are no balances lying in the CM Accounts on the EOD of the record date or the EOD of one business day prior to the commencement of book closure.
- iii) they remain connected till the EOD of the record date or the EOD of one business day prior to the commencement of book closure.

<sup>63</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 12.4.4 was amended on May 7, 2001, which read as follows:**

12.4.4. The Depository shall provide the details of the holdings in the accounts of the Clients/Clearing Members/Clearing Corporations/Intermediaries electronically to the Issuer or its Registrar and Transfer Agent as of the relevant record date/book closure for the purpose of corporate actions and distribution of corporate benefits.

**Prior to this amendment, Rule 12.4.4 was amended on November 12, 1998, which read as follows:**

12.4.4. The Depository shall provide the details of the holdings of the beneficial owners electronically to the Issuer or its Registrar and Transfer Agent as of the relevant record date/book closure for the purpose of corporate actions and distribution of corporate benefits. If there are balances lying in the CM Accounts or Intermediary Accounts, such balances will be reported to Issuer or its Registrar and Transfer Agent as transit account position.

**Prior to this amendment, Rule 12.4.4 read as follows:**

The Depository shall provide the details of the holdings of the beneficial owners electronically to the Issuer or its Registrar and Transfer Agent as of the relevant record date/book closure for the purpose of corporate actions and distribution of corporate benefits. If there are balances lying in the CM Accounts, such balances will be reported to Issuer or its Registrar and Transfer Agent as transit account position.

12.4.5.<sup>64</sup> The Issuer or its Registrar and Transfer Agent may obtain the details of the tax status of Clients/Clearing Members/Clearing Corporations from the list of Clients/ Clearing Members/ Clearing Corporations provided by the Depository.

12.4.6.<sup>65</sup> The Issuer or its Registrar and Transfer Agent shall, on the basis of the list provided by the Depository distribute dividend, interest and other monetary benefits directly to the Clients/Clearing Members/Clearing Corporations for onward distribution to the Clients. Corporate benefits availed by Clearing Member and Clearing Corporations shall be held in trust on behalf of beneficiary owners.

12.4.7.<sup>66</sup> If the benefits are in form of eligible securities and the holders are holding the securities in electronic form, the Issuer or its Registrar & Transfer Agent shall credit the securities in electronic form to respective account unless otherwise opted by the holders. For those holders who hold the securities in certificate form, the Issuer or its Registrar & Transfer Agent may provide an option to such holders and if such holders desire to hold the eligible securities in electronic form, they shall do so by providing the details of their DP ID and the Client ID. Based on the option exercised by these holders, the Issuer or its Registrar and Transfer Agent shall credit the securities to the respective accounts.

#### **Notes:**

<sup>64</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 12.4.5 was amended on May 7, 2001, which read as follows:**

12.4.5. The Issuer or its Registrar and Transfer Agent may obtain the details of the tax status of Clients/ Clearing Members/Clearing Corporations/Intermediaries from the list of Clients/ Clearing Members/ Clearing Corporations/ Intermediaries provided by the Depository.

**Prior to this amendment, Rule 12.4.5 read as follows:**

12.4.5. The Issuer or its Registrar and Transfer Agent may obtain the details of the tax status of beneficial owners from the list of beneficial owners provided by the Depository.

<sup>65</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 12.4.6 was amended on May 7, 2001, which read as follows:**

12.4.6. The Issuer or its Registrar and Transfer Agent shall, on the basis of the list provided by the Depository distribute dividend, interest and other monetary benefits directly to the Clients/Clearing Members/Clearing Corporations/ Intermediaries for onward distribution to the Clients. Corporate benefits availed by Clearing Member, Clearing Corporations and Intermediaries shall be held in trust on behalf of beneficiary owners.

**Prior to this amendment, Rule 12.4.6 read as follows:**

The Issuer or its Registrar and Transfer Agent shall distribute dividend, interest and other monetary benefits directly to the beneficial owners on the basis of the list provided by the Depository.

<sup>66</sup> **Inserted w.e.f September 04, 2018**

<sup>67</sup> Provided that if the security holder is holding physical securities, Issuer or its Registrar & Transfer Agent shall ensure that the Bonus securities against the physical folios shall mandatorily be issued in physical mode only.

12.4.8. <sup>68</sup> In such a case, the Issuer or its Registrar and Transfer Agent shall provide to the Depository allotment details of the Clients/ Clearing Members/Clearing Corporations in an electronic form.

#### **Notes:**

<sup>67</sup> **Amended w.e.f. June 30, 2009. Prior to this amendment, Rule 12.4.7 was amended on May 10, 2008, which read as follows:**

12.4.7. If the benefits are in form of eligible securities, the Issuer or its Registrar & Transfer Agent shall provide an option to all shareholders, Clients, Clearing Members/Clearing Corporations to receive the certificate(s) of securities or receive credit in their accounts. Those, who wish to receive their securities in electronic form, shall do so by providing the details of their DP id and the Client id. Based on the option exercised by the entity, the Issuer or its Registrar and Transfer Agent shall issue the certificate(s) of securities or credit the securities to the respective accounts. In case no response is received, the Issuer or its Registrar & Transfer Agent shall issue the securities in the form in which they were held as on the record date.

**Prior to this amendment, Rule 12.4.7 was amended on May 7, 2001, which read as follows:**

12.4.7. If the benefits are in form of eligible securities, the Issuer or its Registrar & Transfer Agent shall provide an option to all shareholders, Clients, Clearing Members/Clearing Corporations/Intermediaries to receive the certificate(s) of securities or receive credit in their accounts. Those, who wish to receive their securities in electronic form, shall do so by providing the details of their DP id and the Client id. Based on the option exercised by the entity, the Issuer or its Registrar and Transfer Agent shall issue the certificate(s) of securities or credit the securities to the respective accounts. In case no response is received, the Issuer or its Registrar & Transfer Agent shall issue the securities in the form in which they were held as on the record date.

**Prior to this amendment, Rule 12.4.7. was amended on October 8, 1999, which read as follows:**

12.4.7. If the benefits are in the form of eligible securities, the Issuer or its Registrar & Transfer Agent shall provide an option to all shareholders to receive the certificate(s) of securities or receive credit in their client accounts. Those shareholders who wish to receive their securities in electronic form, shall do so by providing the details of their DP id and the Client id. Based on the option exercised by the shareholders, the Issuer or its Registrar and Transfer Agent shall issue the certificate(s) of securities or credit the securities to the account of the client. In case the shareholder does not respond, the Issuer or its Registrar & Transfer Agent shall issue the securities in the form in which the shareholder held the securities as on the record date.

**Prior to this amendment, Rule 12.4.7 read as follows:**

If the benefits are in form of eligible securities, the Issuer or its Registrar & Transfer Agent shall provide an option to all shareholders to be allotted securities either in physical or electronic form. In respect of those beneficial owners who opt for electronic securities the Issuer or its Registrar & Transfer Agent shall obtain the DP Id and beneficial owners account number to which the securities are to be credited. In case the beneficial owner does not indicate any choice, the Issuer or its Registrar & Transfer Agent shall issue the securities in a physical form.

<sup>68</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 12.4.8 was amended on May 7, 2001, which read as follows:**

12.4.8. In such a case, the Issuer or its Registrar and Transfer Agent shall provide to the Depository allotment details of the Clients/ Clearing Members/Clearing Corporations/Intermediaries in an electronic form.

**Prior to this amendment, Rule 12.4.8 was amended on July 22, 1997, which read as follows:**

12.4.8. In such a case, the Issuer or its Registrar and Transfer Agent shall provide to the Depository allotment details of all beneficial owners in an electronic form.

**Prior to this amendment, Rule 12.4.8 as amended on May 6, 1997 read as follows:**

12.4.8. In such case, the Issuer or its Registrar and Transfer Agent shall provide to the Depository allotment details of all beneficial owners in an electronic form as well as a certified hard copy.

12.4.9.<sup>69</sup> On receipt of allotment details, the Depository shall cause necessary credit entries to be made in the accounts of Clients/ Clearing Members/Clearing Corporations on a date requested by Issuer or its Registrar and Transfer Agent (hereinafter referred to as execution date).

12.4.10.<sup>70</sup> In case of records rejected by the Depository, the Issuer or its Registrar and Transfer Agent shall send the rectified records to the Depository within **thirty days** from the execution date. In case the Issuer or its Registrar and Transfer Agent fails to send the rectified records within thirty days from the execution date, it shall proceed to issue securities in the physical form in respect of the unrectified records.

#### **Notes:**

<sup>69</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 12.4.9 was amended on May 7, 2001, which read as follows:**

12.4.9. On receipt of allotment details, the Depository shall cause necessary credit entries to be made in the accounts of Clients/ Clearing Members/Clearing Corporations/Intermediaries on a date requested by Issuer or its Registrar and Transfer Agent (hereinafter referred to as execution date).

**Prior to this amendment, Rule 12.4.9 read as follows:**

12.4.9. On receipt of allotment details, the Depository shall cause necessary credit entries to be made in the accounts of the beneficial owners on a date requested by Issuer or its Registrar and Transfer Agent. (hereinafter referred to as Execution date).

<sup>70</sup> **Amended w.e.f. September 2, 2002. Prior to this amendment, Rule 12.4.10 was amended on May 7, 2001, which read as follows:**

12.4.10. In case of records rejected by the Depository, the Issuer or Registrar and its Transfer Agent shall send the rectified records to the Depository within seven days from the execution date. In case the Issuer or its Registrar and Transfer Agent fails to send the rectified records within seven days from the execution date, it shall proceed to issue securities in the physical form in respect of the unrectified records.

**Prior to this amendment Rule 12.4.10 read as follows:**

12.4.10. In case of records rejected by the Depository, the Issuer or Registrar and its Transfer Agent shall send the rectified records to the Depository within seven days from the execution date. In case the Issuer or its Registrar and Transfer Agent fails to send the rectified records within seven days from the execution date, it shall proceed to issue securities in the physical form in respect of the unrectified records.

**\* Rule 12.4.11 has been deleted w.e.f June 24, 2005. Prior to deletion, Rule 12.4.11 that was amended w.e.f December 3, 1998 read as follows:**

12.4.10. In respect of transit account position referred to in Rule 12.4.4 above, the Issuer or its Registrar and Transfer Agent shall keep the corporate benefits in abeyance till the beneficiary ownership is determined and provided by the Depository. After determination of the beneficial owners, the issuer shall distribute the corporate benefits. If the benefits are in the form of securities, the Issuer or its Registrar and Transfer Agent shall distribute the benefits as per Rule 12.4.7.

**Prior to this amendment, Rule 12.4.11 read as follows:**

12.4.11. In respect of transit account position referred to in Rule 12.4.4 above, the Issuer or its Registrar and Transfer Agent shall keep the corporate benefits in abeyance till the beneficiary ownership is determined and provided by the Depository. After determination of the beneficial owners, the issuer shall distribute the corporate benefits. If the benefits are in the form of securities, the Issuer or its Registrar and Transfer Agent shall proceed to issue securities in physical form.

**\* Rule 12.4.12 has been deleted w.e.f June 24, 2005. Prior to deletion, Rule 12.4.12 read as follows:**

12.4.11. At the time of crediting the accounts of beneficial owners, if the accounts are either in the status of “to be closed” or “suspended for all”, then such allotments will be credited to “DP Suspense Accounts” by the Depository. The Depository shall carry out a suspense reversal function and credit the relevant beneficial owner after resolving the balances in ‘DP Suspense Accounts’.

## 12.5.<sup>71</sup> PUBLIC ISSUES

12.5.1. If the newly created security is an eligible security, the Issuer or its Registrar and Transfer Agent shall provide an option to the beneficial owners to be allotted securities either in physical or electronic form. In respect of those beneficial owners who opt for electronic securities the Issuer or its Registrar & Transfer Agent shall obtain the DP Id and beneficial owner's account number to which the securities are to be credited. In case the beneficial owner does not indicate any choice, the Issuer or its Registrar & Transfer Agent shall issue the securities in a physical form.

12.5.2.<sup>72</sup> The Issuer or its Registrar & Transfer Agent shall provide to the Depository, allotment details of all beneficial owners in an electronic form.

12.5.3. On receipt of allotment details, the Depository shall cause necessary credit entries to be made in the accounts of the beneficial owners on a date requested by Issuer or its Registrar & Transfer Agent (hereinafter referred to as Execution date).

12.5.4.<sup>73</sup> In case of records rejected by the Depository, the Issuer or its Registrar and Transfer Agent shall send the rectified records to the Depository within **thirty days** from the execution date. In case the Issuer or its Registrar and Transfer Agent fails to send the rectified records within **thirty days** from the execution date, it shall proceed to issue securities in the physical form in respect of the unrectified records.

### Notes:

<sup>71</sup> **Inserted w.e.f. May 6, 1997. The Original Rules 12.5, 12.6 & 12.7 renumbered as Rules 12.6, 12.7 and 12.8 respectively.**

<sup>72</sup> **Amended w.e.f. July 22, 1997. Prior to this amendment, Rule 12.5.2 as inserted on May 6, 1997 read as follows:**  
The Issuer or its Registrar and Transfer Agent shall provide to the Depository, allotment details of all beneficial owners in an electronic form as well as certified hard copy.

<sup>73</sup> **Amended w.e.f. September 2, 2002. Prior to this amendment, Rule 12.5.4. read as follows:**  
12.5.4. In case of records rejected by the Depository, the Issuer or its Registrar & Transfer Agent shall send the rectified records to the Depository within seven days from the execution date. In case the Issuer or its Registrar & Transfer Agent fails to send the rectified records within seven days from the execution date, it shall proceed to issue securities in the physical form in respect of the unrectified records.

**\* Rule 12.5.5 has been deleted w.e.f June 24, 2005. Prior to deletion, Rule 12.5.5 read as follows:**  
At the time of crediting the accounts of beneficial owners, if the accounts are either in the status of "to be closed" or "suspended for all", then such allotments will be credited to "DP Suspense Accounts" by the Depository. The Depository shall carry out a suspense reversal function and credit the relevant beneficial owners accounts after resolving the balances in "DP Suspense Accounts".

## 12.6.<sup>74</sup> ACCOUNT TRANSFER IN CASE OF TRANSMISSION

### 12.6.1. Transmission of Securities held jointly in the Depository

12.6.1.1.<sup>75</sup> In case of death of one of the Clients in a joint account, the surviving Client(s) shall request the Participant to transmit the balances lying in the Client account to the account of the surviving Client(s). The surviving Client(s) shall make an application to the Participant in the form specified in Form 30 alongwith a copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer.

12.6.1.2. The Participant shall verify the death certificate and the signature of the surviving Client(s) before effecting the transmission.

12.6.1.3<sup>76</sup> In case of death of one or more of the Clients in a joint account if the surviving client(s) wish to open a new account with the same Participant, then the participant will open the new account in the name(s) of the surviving member(s), in the same order as in the original account, on the basis of the existing documents already in the possession of the Participant, provided that the said documents meet the prevailing requirements for opening an account.

12.6.1.4.<sup>77</sup> The Participant after being fully satisfied on all aspects, shall then effect transfer of the balances to the account of the surviving Client(s). For this purpose, the Participant may conduct such further enquiries as may be deemed necessary.

12.6.1.5.<sup>78</sup> After effecting the transmission, the Participant shall close the account of the deceased.

#### **Notes:**

<sup>74</sup> **Amended w.e.f November 12, 1998. Prior to this amendment, Rule 12.6. read as follows:**

12.6. ACCOUNT TRANSFER IN CASE OF TRANSMISSION

12.6.1. In the case of transmission, the Participant shall transfer the securities to the account of the claimant on receipt of the form, duly filled up by such claimant. The specimen of this form is laid out in Annexure O.

12.6.2. The Participant shall ensure that the form is complete and the signature of the claimant is valid.

12.6.3. The Participant shall ensure that the transmission request is supported by valid documents and shall be liable for any errors of judgment in this behalf.

<sup>75</sup> **Amended w.e.f January 3, 2009. Prior to this amendment, Rule 12.6.1.1 read as follows:**

12.6.1.1. In case of death of one of the Clients in a joint account, the surviving Client(s) shall request the Participant to transmit the balances lying in the Client account to the account of the surviving Client(s). The surviving Client(s) shall make an application to the Participant in the form specified in Annexure O alongwith a copy of the death certificate duly notarised.

<sup>76</sup> **Inserted w.e.f. January 11, 2010.**

<sup>77</sup> **Rule 12.6.1.3 has been renumbered as 12.6.1.4 w.e.f. January 11, 2010.**

<sup>78</sup> **Rule 12.6.1.4 has been renumbered as 12.6.1.5 w.e.f. January 11, 2010.**

### 12.6.2. Transmission of Securities held singly in the Depository

12.6.2.1. In case of death of the sole Client, the legal heir(s) or legal representative(s) of the deceased shall request the Participant to transmit the balances lying in the Client account of the deceased to the account of the legal heir(s) or legal representative(s).

12.6.2.2.<sup>79</sup> The legal heir(s) or the legal representative(s) of such securities shall make an application to the Participant in the form specified in Form 30 along with the following documents:-

- i). A copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer.
- ii). A copy of the Succession certificate duly attested by a Notary Public or by a Gazetted Officer or an order of a court of competent jurisdiction where the deceased has not left a Will; or
- iii). A copy of the Probate or Letter of Administration duly attested by a Notary Public or by a Gazetted Officer.
- iv). In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the claimant.

12.6.2.3.<sup>80</sup> However, if the legal heir(s) or the legal representative(s) express inability to produce either of the documents mentioned under (ii) and (iii) of 12.6.2.2, and the market value of the securities held in each of the account of the deceased as on the date of application for transmission does not exceed ₹ 5,00,000 then the Participant shall process the transmission request on the basis of the following documents:

- i) Request for transmission in FORM 30;
- ii) Copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer;
- iii) Letter of Indemnity made on appropriate non judicial stamp paper;
- iv) An Affidavit made on appropriate non judicial stamp paper; and
- v) No Objection Certificate(s) from all the legal heir(s) who do not object to such transmission.
- vi) As an alternate to No Objection Certificate from all legal heir(s) who do not object to such transmission specified at 12.6.2.3 (v), a copy of Family Settlement Deed duly attested by a Notary Public or by a Gazetted Officer provided that the Family Settlement Deed clearly vest the securities in favour of the person seeking transmission in his/her name and vesting of securities in his/her name is not contingent upon any other onerous conditions in such Family Settlement Deed.  
Provided further that if the division of securities as per the Family Settlement Deed is amongst more than one person, then Family Settlement Deed can be considered as an agreement amongst the legal heirs for transmission of securities to each legal heir applying for transmission.
- vii) In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the claimant;

#### Notes:

<sup>79</sup> **Amended w.e.f May 13, 2014. Prior to this amendment, Rule 12.6.2.2 read as follows:**

12.6.2.2. The legal heir(s) or the legal representative(s) of such securities shall make an application to the Participant in the form specified in Annexure O alongwith the following documents:-

- i) A copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer.
- ii) A copy of the Succession certificate duly attested by a Notary Public or by a Gazetted Officer or an order of a court of competent jurisdiction where the deceased has not left a Will; or
- iii) A copy of the Probate or Letter of Administration duly attested by a Notary Public or by a Gazetted Officer.

**Prior to this amendment, Rule 12.6.2.2 read as follows:**

12.6.2.2. The legal heir(s) or the legal representative(s) of such securities shall make an application to the Participant in the form specified in Annexure O alongwith the following documents:-

- i) A copy of the death certificate duly notarised.
- ii) A copy of the Succession certificate duly notarised or an order of a court of competent jurisdiction where the deceased has not left a Will; or .
- iii) A copy of the Probate or Letter of Administration duly notarised.

<sup>80</sup> **Amended w.e.f. May 13, 2014. Prior to this amendment, Rule 12.6.2.3 was amended on November 18, 2013, which was read as follows:**

However, if the legal heir(s) or the legal representative(s) express inability to produce either of the documents mentioned under (ii) and (iii) of 12.6.2.2, and the market value of the securities held in each of the account of the deceased as on the date of application for transmission does not exceed ₹ 5,00,000 then the Participant shall process the transmission request on the basis of the following documents:



- i) Request for transmission in Annexure O;
- ii) Copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer;
- iii) Letter of Indemnity made on appropriate non judicial stamp paper;
- iv) An Affidavit made on appropriate non judicial stamp paper; and
- v) No Objection Certificate(s) from all the legal heir(s) who do not object to such transmission.
- vi) As an alternate to No Objection Certificate from all legal heir(s) who do not object to such transmission specified at 12.6.2.3 (v), a copy of Family Settlement Deed duly attested by a Notary Public or by a Gazetted Officer provided that the Family Settlement Deed clearly vest the securities in favour of the person seeking transmission in his/her name and vesting of securities in his/her name is not contingent upon any other onerous conditions in such Family Settlement Deed. Provided further that if the division of securities as per the Family Settlement Deed is amongst more than one person, then Family Settlement Deed can be considered as an agreement amongst the legal heirs for transmission of securities to each legal heir applying for transmission.

**Prior to this amendment, Rule 12.6.2.3 read as follows:**

12.6.2.3. However, if the legal heir(s) or the legal representative(s) express inability to produce either of the documents mentioned under (ii) and (iii) of 12.6.2.2, and the market value of the securities held in each of the account of the deceased as on the date of application for transmission does not exceed ₹ 1,00,000 then the Participant shall process the transmission request on the basis of the following documents:

- i) Request for transmission in Annexure O;
- ii) Copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer;
- iii) Letter of Indemnity made on appropriate non judicial stamp paper;
- iv) An Affidavit made on appropriate non judicial stamp paper; and
- v) No Objection Certificate(s) from all the legal heir(s) who do not object to such transmission.
- vi) As an alternate to No Objection Certificate from all legal heir(s) who do not object to such transmission specified at 12.6.2.3 (v), a copy of Family Settlement Deed duly attested by a Notary Public or by a Gazetted Officer provided that the Family Settlement Deed clearly vest the securities in favour of the person seeking transmission in his/her name and vesting of securities in his/her name is not contingent upon any other onerous conditions in such Family Settlement Deed.

Provided further that if the division of securities as per the Family Settlement Deed is amongst more than one person, then Family Settlement Deed Can be considered as an agreement amongst the legal heirs for transmission of securities to each legal heir applying for transmission.

**Prior to this amendment, Rule 12.6.2.3 read as follows:**

However, if the legal heir(s) or the legal representative(s) express inability to produce either of the documents mentioned under (ii) and (iii) above, and the market value of the securities held in each of the account of the deceased as on the date of application for transmission does not exceed ₹ 1,00,000/- then the Participant shall process the transmission request on the basis of the following documents:

- i) Request for transmission in Annexure O;
- ii) Copy of the death certificate duly attested by a Notary Public or by a Gazetted Officer;
- iii) Letter of Indemnity duly supported by a guarantee of an independent Surety acceptable to the Participant, made on appropriate non judicial stamp paper;
- iv) An Affidavit made on appropriate non judicial stamp paper; and
- v) No Objection Certificate(s) from all the legal heir(s) who do not object to such transmission.

**Prior to this amendment, Rule 12.6.2.3 read as follows:**

12.6.2.3. However, if the legal heir(s) or the legal representative(s) express inability to produce either of the documents mentioned under (ii) and (iii) above, and the market value of the securities held in each of the account of the deceased as on the date of application for transmission does not exceed ₹ 1,00,000/-then the Participant shall process the transmission request on the basis of the following documents:

- i) Request for transmission in Annexure O;
- ii) Copy of the death certificate duly notarised;
- iii) Letter of Indemnity duly supported by a guarantee of an independent Surety acceptable to the Participant, made on appropriate non judicial stamp paper;
- iv) An Affidavit made on appropriate non judicial stamp paper; and
- v) No Objection Certificate(s) from all the legal heir(s) who do not object to such transmission.

12.6.2.4.<sup>81</sup> The Participant shall ensure that the documents submitted by the legal heir(s) or the legal representative(s) are in order, satisfy itself about Identity of the claimant mentioned in the documents and shall then effect a transfer of the balances to the Client account of the legal heir(s) or the legal representative(s).

12.6.2.5. After effecting the transmission, the Participant shall close the account of the deceased.

### **12.6.3.<sup>82</sup> TRANSMISSION OF SECURITIES IN CASE OF NOMINATION**

12.6.3.1.<sup>83</sup> The Client(s) may make a nomination of his/their account in favour of any person(s), up to three persons by filing with the relevant Participant the form laid out in FORM 10 of these Business Rules. In the case of joint accounts, all the Clients shall be required to affix their signatures to the said form. Such nomination shall be conclusive evidence of the Client(s) disposition in respect of all the securities in the account for which nomination has been made.

12.6.3.2.<sup>84</sup> In case, the Client(s) appoints more than one person, maximum up to three persons, as nominees, the Client must specify the percentage of share for each nominee which must total up to hundred percent. In case the percentage of share is not provided, allocation of securities amongst the nominees shall be considered as equal.

12.6.3.3.<sup>85</sup> A nomination once made shall not be considered to have been varied, substituted or canceled, unless the Client(s) files another form as laid out in Form 10 with the Participant, expressly signifying the interest to vary, substitute or cancel all nominations made earlier. Unless a fresh variation, substitution or cancellation is registered with the Participant, the Depository shall consider the nomination last validly recorded in its books as being conclusive evidence of the Client(s)' disposition in respect of the securities.

#### **Notes:**

<sup>81</sup> **Amended w.e.f. May 13, 2014. Prior to this amendment, Rule 12.6.2.4 read as follows:**

12.6.2.4. The Participant shall ensure that the documents submitted by the legal heir(s) or the legal representative(s) are in order and shall then effect a transfer of the balances to the Client account of the legal heir(s) or the legal representative(s).

<sup>82</sup> **Inserted w.e.f. October 25, 2000.**

<sup>83</sup> **Amended w.e.f. December 3, 2016. Prior to this amendment, Rule 12.6.3.1 was amended on May 13, 2014 which read as follows:**

12.6.3.1. The Client(s) may make a nomination of his/their account in favour of any person by filing with the relevant Participant the form laid out in Form 9 or Form 10 of these Business Rules. In the case of joint accounts, all the Clients shall be required to affix their signatures to the said form. Such nomination shall be conclusive evidence of the Client(s) disposition in respect of all the securities in the account for which nomination has been made.

**Prior to this amendment, Rule 12.6.3.1 read as follows:**

The Client(s) may make a nomination of his/their account in favour of any person by filing with the relevant Participant the form laid out in Annexure JA of these Business Rules. In the case of joint accounts, all the Clients shall be required to affix their signatures to the said form. Such nomination shall be conclusive evidence of the Client(s) disposition in respect of all the securities in the account for which nomination has been made.

<sup>84</sup> **Inserted w.e.f. December 3, 2016.**

<sup>85</sup> **The Original Rule 12.6.3.2 has been renumbered as Rule 12.6.3.3 w.e.f. December 3, 2016.**

12.6.3.4.<sup>86</sup> A nomination, substitution shall be valid only if :-

- a) it is submitted to the Participant by the rightful Client(s) or under his/their due authority.
- b) it is in prescribed form (Form 10)
- c) it is duly signed by Client(s)
- d) it is properly signed
- e) signature of the Client(s) tally with the specimen signature records

12.6.3.5.<sup>87</sup> If the form is valid in all respects and accepted by the Participant, the Participant shall record the nomination by entering the same in the DPM (DP) and confirm the same to the Client(s).

12.6.3.6.<sup>88</sup> In the event of a substitution/ cancellation of a nomination, a fresh registration shall be updated in the DPM (DP) by the Participant and the Participant shall confirm the same to the Client(s).

#### **Notes:**

<sup>86</sup> **The Original Rule 12.6.3.3 has been renumbered and amended as Rule 12.6.3.4 w.e.f. December 3, 2016. Prior to this amendment, Rule 12.6.3.3 was amended on May 13, 2014 which read as follows:**

12.6.3.3. A nomination, substitution shall be valid only if :-

- a) it is submitted to the Participant by the rightful Client(s) or under his/their due authority.
- b) it is in prescribed form (Form 9/10)
- c) it is duly signed by Client(s)
- d) it is properly signed
- e) signature of the Client(s) tally with the specimen signature records

**Prior to this amendment, Rule 12.6.3.3 read as follows:**

12.6.3.3. A nomination, substitution shall be valid only if :-

- a) it is submitted to the Participant by the rightful Client(s) or under is/their due authority.
- b) it is in prescribed form (Annexure J/JA)
- c) it is duly signed by Client(s)
- d) it is properly signed and witnessed
- e) signature of the Client(s) tally with the specimen signature records
- f) the details of the securities entered in the nomination forms match those in the records of the Participant
- g) the photograph of the Nominee is annexed to the nomination form
- h) the Nominee has signed the nomination form and guardian in case of the nominee being a minor

<sup>87</sup> **The Original Rule 12.6.3.4 has been renumbered as Rule 12.6.3.5 w.e.f. December 3, 2016.**

**Prior to this amendment original Rule 12.6.3.4 was amended on May 13, 2014, which read as follows:**

12.6.3.4. If the form is valid in all respects and accepted by the Participant, the Participant shall record the nomination by entering the same in the DPM (DP) and confirm the same to the Client(s).

**Prior to this amendment, Rule 12.6.3.4 read as follows:**

12.6.3.4. If the form is valid in all respects and accepted by the Participant, the Participant shall register the nomination by generating a "Nomination Registration Number" ("NRN"), enter the same in the DPM (DP) and confirm the same to the Client(s) in writing.

<sup>88</sup> **The Original Rule 12.6.3.5 has been renumbered as Rule 12.6.3.6 w.e.f. December 3, 2016.**

**Prior to this amendment original Rule 12.6.3.5 was amended on May 13, 2014, which read as follows:**

12.6.3.5. In the event of a substitution/ cancellation of a nomination, a fresh registration shall be updated in the DPM (DP) by the Participant and the Participant shall confirm the same to the Client(s).

**Prior to this amendment, Rule 12.6.3.5 read as follows:**

In the event of a substitution/ cancellation of a nomination a fresh NRN or a written certification of cancellation, as the case may be, shall be generated by the Participant and given to the Client(s) and the DPM (DP) shall be updated.

12.6.3.7<sup>89</sup> Upon the death of the sole Client or the death of all the Clients, as the case may be, the nominee(s) shall request the Participant in writing along with a certified true copy of the death certificate (or a duplicate copy of the death certificate if original lost or misplaced) issued by the competent authority and copy of Client Master Report of the account of the nominee(s) in case the account of the nominee(s) is not with the Participant to transmit the securities covered by the nomination to the account of the Nominee(s), held with any Depository. If the Nominee(s) does not have an account with the Depository, the Nominee(s) shall be required to open an account with any Depository.

12.6.3.8<sup>90</sup> In case of multiple nominees in the account, the Participant shall divide the securities at an ISIN level in the proportion of share indicated at the time of nomination. In case the number of securities are not exactly divisible in the specified proportion in respect of particular ISIN, the Participant shall divide the securities at the ISIN level to the extent, the securities are divisible and remaining indivisible securities, if any, shall be transmitted to the nominee whose name is recorded first in the form laid out in FORM 10 of these Business Rules to receive such indivisible securities.

12.6.3.9.<sup>91</sup> The provisions relating to Form 30 shall apply *mutatis mutandis* to the process of transmission of securities to the Nominee(s).

12.6.3.10<sup>92</sup> Before executing any request made under any of the forms in respect of nomination, the Participant shall ensure the completeness of the form and validity of the signature of the Client(s) and satisfy itself about identity of the nominee(s) mentioned in the documents.

12.6.3.11.<sup>93</sup> The details of various nominations made by the Client(s) shall form an integral part of the records of the Participant, Depository and the Issuer or its Registrar and Transfer Agent under Chapter 16 of these Business Rules and shall be reconciled in accordance with Chapter 15 of these Business Rules.

#### **Notes:**

**\*Rule 12.6.3.6 and 12.6.3.7 has been deleted w.e.f. May 13, 2014 and remaining Rules 12.6.3.8, 13.6.3.9, 13.6.3.10 and 13.6.3.11 have been renumbered as 12.6.3.6, 12.6.3.7, 12.6.3.8 and 12.6.3.9. Prior to this deletion Rule 12.6.3.6 and 12.6.3.7 read as follows:**

12.6.3.6. The Participant shall at all times, irrespective of subsequent variations and cancellations, maintain an updated "Register of Nominations" which shall contain the following information :-

- a) Serial number
- b) Date of Registration
- c) Nomination Registration Number
- d) Certificate of Cancellation of nomination
- e) Account number of the Client(s)
- f) Name(s) of the Client(s)
- g) Address of the Client(s)
- h) Name of nominee
- i) Address of nominee
- j) Schedule date of attaining majority (if the Nominee is a minor)
- k) All details of variation/ cancellation of nomination with respective dates
- l) Remarks and observations of the Participant, if any
- m) In case the nominee is a minor, the DP shall ensure that a fresh photograph and the signatures of the nominee are obtained once in every five years.

12.6.3.7. The Participant shall ensure that such register is maintained properly and is verified periodically. All the nominations received should be bound and preserved for record purposes. These records shall form part of the records of the Participant.

<sup>89</sup> **The Original Rule 12.6.3.6 has been renumbered and amended as Rule 12.6.3.7 w.e.f. December 3, 2016. Prior to this amendment, Rule 12.6.3.6 was amended on May 13, 2014 which read as follows:**

12.6.3.6. Upon the death of the sole Client or the death of all the Clients, as the case may be, the nominee shall request the Participant in writing along with a certified true copy of the death certificate (or a duplicate copy of the death certificate if original lost or misplaced) issued by the competent authority and copy of Client Master Report of the account of the nominee in case the account of the nominee is not with the Participant to transmit the securities covered by the nomination to the

account of the Nominee, held with any Depository. If the Nominee does not have an account with the Depository, the Nominee shall be required to open an account with any Depository.

**Prior to this amendment, Rule 12.6.3.6 read as follows:**

12.6.3.6. Upon the death of the sole Client or the death of all the Clients, as the case may be, the nominee shall request the Participant in writing along with a certified true copy of the death certificate (or a duplicate copy of the death certificate if original lost or misplaced) issued by the competent authority to transmit the securities covered by the nomination to the account of the Nominee, held with any Depository. If the Nominee does not have an account with the Depository, the Nominee shall be required to open an account with any Depository.

<sup>90</sup> **Inserted w.e.f. December 3, 2016.**

<sup>91</sup> **The Original rule 12.6.3.7 has been renumbered and amended as Rule 12.6.3.9 w.e.f. December 3, 2016. Prior to this amendment, Rule 12.6.3.7 read as follows:**

12.6.3.7. The provisions relating to Form 30 shall apply *mutatis mutandis* to the process of transmission of securities to the Nominee.

<sup>92</sup> **The Original Rule 12.6.3.8 has been renumbered and amended as Rule 12.6.3.10 w.e.f. December 3, 2016. Prior to this amendment, Rule 12.6.3.8 was amended on May 13, 2014 which read as follows:**

12.6.3.8. Before executing any request made under any of the forms in respect of nomination, the Participant shall ensure the completeness of the form and validity of the signature of the Client(s) and satisfy itself about identity of the nominee mentioned in the documents.

**Prior to this amendment, Rule 12.6.3.8 read as follows:**

12.6.3.8. Before executing any request made under any of the forms in respect of nomination, the Participant shall ensure the completeness of the form and validity of the signature of the Client(s).

<sup>93</sup> **Rule 12.6.3.12 has been renumbered as Rule 12.6.3.11 w.e.f. December 22, 2016. Prior to this amendment, Rule 12.6.3.12 read as follows:**

12.6.3.12. The details of various nominations made by the Client(s) shall form an integral part of the records of the Participant, Depository and the Issuer or its Registrar and Transfer Agent under Chapter 16 of these Business Rules and shall be reconciled in accordance with Chapter 15 of these Business Rules.

**Prior to this amendment, Rule 12.6.3.11 has been deleted w.e.f. December 22, 2016. Prior to this deletion, Rule 12.6.3.11 read as follows:**

12.6.3.11. The provisions relating to Form 30 shall apply *mutatis mutandis* to the process of transmission of securities to the Nominee(s).

**Prior to this amendment, Rule 12.6.3.9 has been renumbered and amended as Rule 12.6.3.11 w.e.f. December 3, 2016 which read as follows:**

12.6.3.9. The provisions relating to Form 30 shall apply *mutatis mutandis* to the process of transmission of securities to the Nominee(s).

## **12.6.4<sup>94</sup> Securities held by Hindu Undivided Family (HUF) in the Depository**

12.6.4.1 Upon death of the Karta of a Hindu Undivided Family (HUF), the surviving member(s) of the HUF may appoint the eldest surviving member of the HUF as the new Karta of the HUF.

12.6.4.2 For change of name of Karta in the account of HUF to the new Karta in place of the deceased Karta, the surviving members through the new Karta shall make a joint application to the Participant in the format specified in FORM 40 along with the following documents:

- i. Original copy of the death certificate or true Copy of the death certificate of the deceased Karta, duly attested by a Notary Public or by a Gazetted Officer.;
- ii. Copy of PAN, Proof of Identity, Proof of Address and a photograph of new Karta of HUF along with his original ink signed specimen signature
- iii. A declaration of the list of surviving members of HUF in the prescribed form (FORM 40), not objecting the appointment of the new Karta along with name, date of birth, gender and relationship with Karta of all members of HUF;

### **Notes:**

**Amended w.e.f March 28, 2018. Prior to this amendment, Rule 12.6.4 was amended on January 03, 2009, which read as follows:**

#### **<sup>94</sup> 12.6.4 Transmission of Securities held by Karta of Hindu Undivided Family (HUF) in the Depository**

12.6.4.1<sup>94</sup> Upon death of the Karta of a Hindu Undivided Family (HUF), the surviving member(s) of the HUF may appoint the eldest surviving member of the HUF as the new Karta of the HUF.

(A) For transmission of securities to the account of the new Karta from the account of the deceased Karta, the surviving members through the new Karta shall make a joint application to the Participant in the Form specified in Form 30 along with the following documents:

- i. True Copy of the death certificate of the Karta, duly attested by a Notary Public or by a Gazetted Officer.;
- ii. An appropriate order by a competent court,

Provided however that, if the surviving members or the New Karta express their inability to produce the order of a competent Court, and that the market value of securities lying to the credit of such account as on the date of application for transmission of securities does not exceed Rupees Ten Lakh then the Participant shall process the transmission request on the basis of the following documents:

- a) Request for transmission in Form 30, duly signed by the New Karta;
- b) A declaration of the list of surviving members of HUF in an affidavit in the prescribed form (Form 30), duly attested by a Notary Public or by a Gazetted Officer;
- c) Letter of Indemnity in the prescribed form (Form 30) from the surviving members.

(B) Where there is an objection from any member of the HUF, transmission of securities held in the beneficial owner account should be effected only on the basis of a Decree by a competent Court or the Deed of Partition.

**Inserted w.e.f. March 9, 2005.**

**Amended w.e.f January 3, 2009. Prior to this amendment, Rule 12.6.4.1 was amended on October 17, 2008, which read as follows:**

12.6.4.1. Upon death of the Karta of a Hindu Undivided Family (HUF), the surviving member(s) of the HUF may appoint the eldest surviving member of the HUF as the new Karta of the HUF.

(A) For transmission of securities to the account of the new Karta from the account of the deceased Karta, the surviving members through the new Karta shall make a joint application to the Participant in the Form specified in Annexure "O" along with the following documents:

- i. True Copy of the death certificate of the Karta, duly certified by a notary public;
- ii. An appropriate order by a competent court,

Provided however that, if the surviving members or the New Karta express their inability to produce the order of a competent Court, and that the market value of securities lying to the credit of such account as on the date of application for transmission of securities does not exceed Rupees Ten Lakh then the Participant shall process the transmission request on the basis of the following documents:

- a) Request for transmission in Annexure "O", duly signed by the New Karta;
- b) A declaration of the list of surviving members of HUF in an affidavit in the prescribed form (Annexure "O"), duly notarised;
- c) Letter of Indemnity in the prescribed form (Annexure "O") from the surviving members.

(B) Where there is an objection from any member of the HUF, transmission of securities held in the beneficial owner account should be effected only on the basis of a Decree by a competent Court or the Deed of Partition.

12.6.4.3<sup>95</sup> In case partial partition of the HUF, if desired by one or more members, the Karta shall transfer the securities to the said members who seek partition and HUF account shall continue. The accounts of such members shall be treated as their individual accounts.

12.6.4.4<sup>96</sup> In case HUF goes into partition, the securities shall be divided amongst all the members in the manner specified by the applicant. The surviving members shall furnish to the Participant the details of the beneficial owner accounts of the individual members in order to have the securities distributed to their respective accounts.

12.6.4.5<sup>97</sup> The surviving members shall furnish to the Participant the intimation of partial or total partition accompanied by a signed letter mentioning the names of the members and their confirmation of partial or total partition having taken place.

12.6.4.6<sup>98</sup> The Participant shall ensure that the documents submitted by the surviving members of the HUF or the new Karta are in order and shall then effect change in name of Karta or transfer of securities to the account of surviving members in the event the HUF goes into partial or total partition.

12.6.4.7<sup>99</sup> If a transfer of securities is effected to the surviving members due to total partition, the Participant shall close the account held in the name of the HUF.

**Notes:**

<sup>95</sup> **Inserted w.e.f. March 28, 2018.**

<sup>96, 98, 99</sup> **Amended w.e.f. March 28, 2018, Prior to this amendment, Rule 12.6.4.4, 12.6.4.6 and 12.6.4.7 read as follows:**

12.6.4.2. The surviving members shall furnish to the Participant the certified copy of the Settlement Deed / Deed of Partition / Decree of the relevant Court, duly stamped in case the HUF goes into separation / partition for dealing with the securities lying in the beneficial owner account held by the deceased Karta, and furnish to the Participant the details of the beneficial owner accounts of the individual members in order to have the securities distributed to their respective accounts.

12.6.4.3. The Participant shall ensure that the documents submitted by the surviving members or the new Karta are in order and shall then effect a transfer of the balances to the client account of the new Karta.

12.6.4.4. After effecting the transmission, the Participant shall close the account held in the name of the deceased Karta.

<sup>97</sup> **Rule 12.6.5. has been deleted w.e.f. March 28, 2018. Prior to deletion, Rule 12.6.5 which was read as follows:**

12.6.5. The Participant shall effect the request for transmission of securities within seven days of receipt of complete set of requisite documents.

**Prior to this amendment, Rule 12.6.4.1. read as follows:**

12.6.4.1. Upon death of the Karta of a Hindu Undivided Family (HUF), the surviving member(s) of the HUF may appoint the eldest surviving male member of the HUF as the new Karta of the HUF.

(A) For transmission of securities to the account of the new Karta from the account of the deceased Karta, the surviving members through the new Karta shall make a joint application to the Participant in the Form specified in Annexure "O" along with the following documents:

- i. True Copy of the death certificate of the Karta, duly certified by a notary public;
- ii. An appropriate order by a competent court,

Provided however that, if the surviving members or the New Karta express their inability to produce the order of a competent Court, and that the market value of securities lying to the credit of such account as on the date of application for transmission of securities does not exceed Rupees Ten Lakh then the Participant shall process the transmission request on the basis of the following documents:

- a) Request for transmission in Annexure "O", duly signed by the New Karta;
- b) A declaration of the list of surviving members of HUF in an affidavit in the prescribed form (Annexure "O"), duly notarised;
- c) Letter of Indemnity in the prescribed form (Annexure "O") from the surviving member

(B) Where there is an objection from any member of the HUF, transmission of securities held in the beneficial owner account should be effected only on the basis of a Decree by a competent Court or the Deed of Partition.

**Inserted w.e.f. June 30, 2009.**

## **12.7.<sup>100</sup> FREEZING/ UNFREEZING OF AN ACCOUNT AND/OR ISIN AND/ OR SPECIFIC NUMBER OF SECURITIES UNDER AN ISIN**

### **12.7.1. FREEZING OF AN ACCOUNT AND/OR ISIN AND/OR SPECIFIC NUMBER OF SECURITIES UNDER AN ISIN**

12.7.1.1. A Client may freeze its account and/or the ISIN and/or specific number of securities by making a request:

- (a) in the form specified in Form 33, to its Participant; or
- (b) electronically, to its Participant or to the Depository in the form and manner as may be prescribed by the Depository.

Provided however that, the Client shall submit such a request to its Participant or to the Depository, 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).

12.7.1.2. The Participant, before executing the instruction received from its Client as per Rule 12.7.1.1.(a) into the DPM (DP), shall ensure that the form is duly filled in and the signature(s) of the Client(s) is/are valid.

12.7.1.3. The Participant shall freeze the account of its Client and/or the ISIN and/or specific number of securities through the DPM (DP), on receipt of;

- (a) instructions received from its Client as per rule 12.7.1.1; or
- (b) written instructions from the Depository; or
- (c) orders received from the Central or State Government, the Securities and Exchange Board of India; or
- (d) any order passed by a court, tribunal, or any other statutory authority.

#### **Notes:**

<sup>100</sup> **Amended w.e.f. February 18, 2003. Prior to this amendment, Rule 12.7 read as follows:**

#### **12.7. FREEZING OF AN ACCOUNT**

12.7.1. # A Client may freeze its account in the manner provided under the Bye Laws by making an application to the Participant in the form specified in Annexure P. The Client may unfreeze its account frozen in the manner specified in the Bye Laws by making an application in the form specified in Annexure P.

**Amended w.e.f. December 27, 2001. Prior to this amendment, Rule 12.7.1 read as follows:**

12.7.1. A Client may freeze its account in the manner provided under the Bye Laws by making an application to the Participant in the form specified in Annexure P. The Client may defreeze its account frozen in the manner specified in the Bye Laws by making an application in the form specified in Annexure P.

12.7.1. The Participant shall ensure that the form is complete and the signature of the Client is valid.

12.7.1. ## A Client may give an electronic instruction to freeze its account in the form and manner as may be prescribed by the Depository at least one clear working day prior to the date on which such freeze should be effected. On receipt of such instruction, within the stipulated time, the Depository shall freeze the account. The Client may unfreeze such an account only by giving an electronic instruction to the Depository in the form and manner prescribed by the Depository at least one clear working day prior to the date on which such unfreeze should be effected. Based on the request, the Depository shall unfreeze the account. (For e.g.; if the Client wishes to freeze/unfreeze its account with effect from Friday, such electronic instruction must be given latest by Wednesday).

**##- Inserted w.e.f. December 27, 2001.**



12.7.1.4. The Depository shall freeze the account of a Client and/or the ISIN and/or specific number of securities through the Depository Module;

- (a) on receipt of instruction from a Client as per Rule 12.7.1.1; or
- (b) on receipt of orders received from the Central or State Government, the Securities and Exchange Board of India or any orders passed by a court, tribunal, or any other statutory authority; or
- (c) at the request of a Participant.

12.7.1.5. The Depository shall, on its own through the Depository Module, freeze the Participant's own account and/or the ISIN and/or specific number of securities, to the extent of the securities held in the Participant's name or advise the Participant to do so through its DPM (DP) under the following circumstances:

- a) on the basis of the orders received from the Central or State Government or the Securities and Exchange Board of India or any court or tribunal or any other statutory authority in this regard; or
- b) on the basis of the orders passed by the Disciplinary Action Committee as set out in Chapter 11 of the Bye Laws; or
- c) the Participant has become insolvent, bankrupt or in case the Participant is a body corporate, it being wound up.

#### **12.7.2. UNFREEZING OF AN ACCOUNT AND/OR ISIN AND/OR SPECIFIC NUMBER OF SECURITIES UNDER AN ISIN**

12.7.2.1. The Client may unfreeze its account and/or the ISIN and/or specific number of securities frozen:

- (a) as per Rule 12.7.1.1 (a), only by making such request in the form specified in Form 33 to its Participant;
- (b) as per Rule 12.7.1.1 (b), only by making a request electronically to its Participant or to the Depository, as the case may be, in the form and manner as may be prescribed by the Depository.

Provided however that, the Client shall submit such a request to its Participant or to the Depository, at least one clear working day prior to the date of unfreeze. (e.g.; if the Client wishes to unfreeze its account with effect from Friday, such instruction must be given latest by Wednesday).

12.7.2.2. The Participant, before executing the instruction received from its Client as per Rule 12.7.2.1 (a), shall ensure that the form is duly filled in and the signature(s) of the Client(s) is/are valid.

12.7.2.3. The Participant may unfreeze an account and/or the ISIN and/or specific number of securities, frozen under the Rules 12.7.1.3 and 12.7.1.5 through the DPM(DP) on the basis of instructions received from the Client as per the Rule 12.7.2.1 or on receipt of written instructions, from the Depository or on receipt of order to that effect received from the relevant statutory authority.

12.7.2.4. The Depository may also unfreeze an account and/or the ISIN and/or specific number of securities, frozen under the Rules 12.7.1.3, 12.7.1.4 and 12.7.1.5 through the Depository Module, on the basis of instructions from the Client as per Rule 12.7.2.1 or on receipt of orders received from the relevant statutory authority.

### **12.7.3.<sup>101</sup> FREEZING OF SECURITIES IN FAVOUR OF A CLEARING MEMBER**

12.7.3.1. The Client may give an instruction electronically to the Participant to freeze specific number of securities in its account till a pre-determined time in a manner as may be prescribed by the Depository such that it can be unfrozen or can be debited to credit the account of a Clearing Member pre-registered by the Client.

12.7.3.2 Upon receipt of instructions from the Client as specified at 12.7.3.1, the Depository shall execute the request for freezing of specific number of securities in its account till the pre-determined time prescribed by the Depository.

12.7.3.3 The Clearing Member pre-registered by the Client at 12.7.3.1 may at any time prior to the pre-determined time submit an instruction electronically in a manner prescribed by the Depository to debit and receive specific number securities or less to the extent frozen by the Client in its account as per Rule 12.7.3.1.

12.7.3.4 Upon receipt of instructions from the pre-registered Clearing Member prior to the pre-determined time, the Depository shall execute the request for debiting the specific number of securities or less to the extent frozen by the Client in its account as per Rule 12.7.3.1 and crediting the securities to the account of the pre-registered Clearing Member.

12.7.3.5 In case no instruction is received from the pre-registered Clearing Member prior to the pre-determined time, the Depository shall unfreeze the specific number of securities frozen in the account of the Client as per Rule 12.7.3.1.

## **12.8. CLOSURE OF AN ACCOUNT**

12.8.1. A Client desiring to close an account shall make an application in the form specified in Form 34.

12.8.2. The Participant shall ensure that the form is complete and the signature of the Client is valid.

12.8.3<sup>102</sup> The Participant shall execute the request for closure into the DPM (DP) within 30 days from the date of receipt of request for closure.

Provided that in case there are pending dematerialization requests or securities that cannot be transferred or rematerialized due to any restrictions such as lock-in securities or ISIN is frozen, the Participant shall execute the request for closure for the remaining securities, if any.

#### **Notes:**

<sup>101</sup> **Inserted w.e.f. November 1, 2013.**

<sup>102</sup> **Amended w.e.f. April 4, 2014. Prior to this amendment, Rule 12.8.3 was inserted w.e.f. April 15, 2013 and read as follows:**

12.8.3 The Participant shall execute the request for closure into the DPM (DP) within 7 days from the date of receipt of request for closure.

Provided that in case there are pending dematerialization requests or securities that cannot be transferred or rematerialized due to any restrictions such as lock-in securities or ISIN is frozen, the Participant shall execute the request for closure for the remaining securities, if any.

## 12.9.<sup>103</sup> PLEDGE

12.9.1. The Participant of the pledgor shall request creation of pledge on receipt of the pledge creation form as laid out in Form 28 from the pledgor.

12.9.2. The Participant of the pledgee shall request confirmation of creation of pledge on receipt of the pledge creation confirmation form as laid out in Form 28 from the pledgee.

12.9.3. On receipt of the request and confirmation for creation of pledge from the pledgor and pledgee respectively through their Participants, the Depository may create the pledge.

12.9.4.<sup>104</sup> The Participant of the pledgor or the pledgee shall request closure of pledge on receipt of the pledge closure form as laid out in Form 28 from the pledgor or the pledgee, as the case may be.

12.9.5.<sup>105</sup> For the pledge closure request received from the pledgor, the Participant of the pledgee shall request confirmation of closure of pledge on receipt of the pledge closure confirmation form as laid out in Form 28, from the pledgee.

Provided however that for the pledge closure request received from the pledgee, no separate confirmation for closure of pledge is required.

12.9.6.<sup>106</sup> In case when the pledge closure request is received from the pledgor, on receipt of confirmation of closure of pledge from the pledgee through the Participant, the Depository may close the pledge.

12.9.7.<sup>107</sup> In case when the pledge closure request is received from the Participant of the pledgee, the Depository may close the pledge.

12.9.8.<sup>108</sup> The Participant of the pledgee shall request invocation of pledge on receipt of the pledge invocation form as laid out in Form 28 from the pledgee.

12.9.9.<sup>109</sup> On receipt of the request for invocation of pledge from the pledgee through its Participant, the Depository may amend its records.

12.9.10.<sup>110</sup> The aforementioned forms submitted by the pledgor and pledgee shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the pledgor or pledgee before the requests on these forms are executed.

### Notes:

<sup>103</sup> Inserted w.e.f. July 22, 1997.

<sup>104</sup> Amended w.e.f. April 3, 2003. Prior to this amendment, Rule 12.9.4 read as follows:

12.9.4. The Participant of the pledgor shall request closure of pledge on receipt of the pledge closure form as laid out in Annexure W from the pledgor.

<sup>105</sup> Amended w.e.f. April 3, 2003. Prior to this amendment, Rule 12.9.5 read as follows:

12.9.5. The Participant of the pledgee shall request confirmation of closure of pledge on receipt of the pledge closure confirmation form as laid out in Annexure W from the pledgee.

<sup>106</sup> Amended w.e.f. April 3, 2003. Prior to this amendment, Rule 12.9.6 read as follows:

12.9.6. On receipt of the request and confirmation for closure of pledge from the pledgor and pledgee respectively through their Participants, the Depository may close the pledge.

<sup>107</sup> Inserted w.e.f. April 3, 2003.

<sup>108</sup> Rule 12.9.7 has been renumbered as 12.9.8 w.e.f. April 3, 2003.

<sup>109</sup> Rule 12.9.8 has been renumbered as 12.9.9 w.e.f. April 3, 2003.

<sup>110</sup> Rule 12.9.9 has been renumbered as 12.9.10 w.e.f. April 3, 2003.

## 12.10.<sup>111</sup> HYPOTHECATION

12.10.1. The Participant of the hypothecator shall request creation of hypothecation on receipt of the hypothecation creation form as laid out in Form 28 from the hypothecator.

12.10.2. The Participant of the hypothecatee shall request confirmation of creation of hypothecation on receipt of the hypothecation creation confirmation form as laid out in Form 28 from the hypothecatee.

12.10.3. On receipt of the request and confirmation for creation of hypothecation from the hypothecator and hypothecatee respectively through their Participants, the Depository may create the hypothecation.

12.10.4.<sup>112</sup> The Participant of the hypothecator or the hypothecatee shall request closure of hypothecation on receipt of the hypothecation closure form as laid out in Form 28 from the hypothecator or the hypothecatee, as the case may be.

12.10.5.<sup>113</sup> For the hypothecation closure request received from the hypothecator, the Participant of the hypothecatee shall request confirmation of closure of hypothecation on receipt of the hypothecation closure confirmation form as laid out in Form 28, from the hypothecatee.

Provided however that for the hypothecation closure request received from the hypothecatee, no separate confirmation for closure of hypothecation is required.

12.10.6.<sup>114</sup> In case when the hypothecation closure request is received from the hypothecator, on receipt of confirmation of closure of hypothecation from the hypothecatee through the Participant, the Depository may close the hypothecation.

12.10.7.<sup>115</sup> In case when the hypothecation closure request is received from the Participant of the hypothecatee, the Depository may close the hypothecation.

12.10.8.<sup>116</sup> The Participant of the hypothecatee shall request invocation of hypothecation on receipt of the hypothecation invocation form as laid out in Form 28 from the hypothecatee.

12.10.9.<sup>117</sup> The Participant of the hypothecator shall request confirmation of invocation of hypothecation on receipt of the hypothecation invocation confirmation form as laid out in Form 28 from the hypothecator.

12.10.10.<sup>118</sup> On receipt of the request and confirmation for invocation of hypothecation from the hypothecatee and hypothecator respectively through their Participants, the Depository may amend its records.

12.10.11.<sup>119</sup> The aforementioned forms submitted by the hypothecator and hypothecatee shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the hypothecator or hypothecatee before the requests on these forms are executed.

### Notes:

<sup>111</sup> Inserted w.e.f. July 22, 1997.

<sup>112</sup> Amended w.e.f. April 3, 2003. Prior to this amendment, Rule 12.10.4 read as follows:

12.10.4. The Participant of the hypothecator shall request closure of hypothecation on receipt of the hypothecation closure form as laid out in Annexure W from the hypothecator.

<sup>113</sup> Amended w.e.f. April 3, 2003. Prior to this amendment, Rule 12.10.5 read as follows:

12.10.5. The Participant of the hypothecatee shall request confirmation of closure of hypothecation on receipt of the hypothecation closure confirmation form as laid out in Annexure W from the hypothecatee.

<sup>114</sup> Amended w.e.f. April 3, 2003. Prior to this amendment, Rule 12.10.6 read as follows:

12.10.6. On receipt of the request and confirmation for closure of hypothecation from the hypothecator and hypothecatee respectively through their Participants, the Depository may close the hypothecation.

<sup>115</sup> Inserted w.e.f. April 3, 2003.

<sup>116</sup> Rule 12.10.7 has been renumbered as 12.10.8 w.e.f. April 3, 2003.

<sup>117</sup> Rule 12.10.8 has been renumbered as 12.10.9 w.e.f. April 3, 2003.

<sup>118</sup> Rule 12.10.9 has been renumbered as 12.10.10 w.e.f. April 3, 2003.

<sup>119</sup> Rule 12.10.10 has been renumbered as 12.10.11 w.e.f. April 3, 2003.

## 12.11.<sup>120</sup> TRANSACTION IN GOVERNMENT SECURITIES

12.11.1.<sup>121</sup> The Participant shall effect a debit or credit to the accounts of its Clients only on receipt of proper authorisation from the Clients in the forms laid out in Form 12 and Form 14. Alternatively, a Client may give standing instructions to its Participant to credit its account.

12.11.2.<sup>122</sup> In case of purchase of Government Securities by a Client from seller holding securities in an SGL account with other eligible entity, the Client shall submit, to the Participant, purchase instruction in the format given in Form 27. The Client shall also make necessary funds available to the Depository for the purchase of these securities.

12.11.3.<sup>123</sup> In case of sale of Government Securities by a Client to a buyer who maintains an SGL account with other eligible entity, the Client shall submit to the Participant, Sale Instruction in the format given in Form 26. The Depository shall make necessary funds available to the Client against sale of these securities.

## 12.12.<sup>124</sup> CORPORATE BENEFITS WITH RESPECT TO GOVERNMENT SECURITIES

12.12.1. The Depository shall inform all the Participants about the shut period (book closure) for Government Securities as and when scheduled by RBI.

### Notes:

<sup>118</sup> Rule 12.10.9 has been renumbered as 12.10.10 w.e.f. April 3, 2003.

<sup>119</sup> Rule 12.10.10 has been renumbered as 12.10.11 w.e.f. April 3, 2003.

<sup>120</sup> Original Rule 12.18 which was inserted w.e.f. November 12, 1998 has been renumbered as 12.11 w.e.f. May 10, 2008.

<sup>121</sup> Amended w.e.f. February 4, 1999. Prior to this amendment, Rule 12.11.1 read as follows:

12.11.1. The Participant shall effect a debit or credit to the accounts of its Clients only on receipt of authorisation from the Clients in the forms laid down in Annexures L, M and N as the case may be.

<sup>122</sup> Amended w.e.f. February 24, 1999. Prior to this amendment, Rule 12.11.2 read as follows:

12.11.2. In case of purchase of Government Securities by a Client from another holder of Government Securities in an SGL account with other eligible entity, the Client shall submit, to the Participant, DRF-GS alongwith the enclosures prescribed by the Depository in Annexures U and UE. The Client shall also make necessary funds available to the Depository for the purchase of these securities.

<sup>123</sup> Amended w.e.f. February 24, 1999. Prior to this amendment, Rule 12.11.3 read as follows:

12.11.3. In case of sale of Government Securities by a Client to another, who maintains an SGL account with other eligible entity, the Client shall submit to the Participant, RRF-GS alongwith enclosures as prescribed in Annexure UD. The Depository shall make necessary funds available to the Client against sale of these securities.

<sup>124</sup> Original Rule 12.19 which was inserted w.e.f. November 12, 1998 has been renumbered as 12.12 w.e.f. May 10, 2008.

\*Original Rule 12.11 has been deleted w.e.f. May 10, 2008. Prior to deletion, Original Rule 12.11 which was inserted w.e.f. November 12, 1998 read as follows:

12.11. INTERMEDIARY ACCOUNT

12.11.1. An Intermediary may deal in the Depository system as an Intermediary only through a special account it has opened with a Participant.

12.11.2. An Intermediary Account may be opened with the Participant only after the Intermediary has obtained registration from the Securities & Exchange Board of India and with the prior approval of the Depository.

12.11.3. No Intermediary shall move securities from its Intermediary Account to any other account except as per the procedure described hereinafter.

12.11.4. In case the Intermediary is itself a Participant, then the Intermediary may not submit the form specified under Rule 12.12 to Rule 12.17. However, it may keep such records relating to securities lending as it may deem appropriate.

\*Original Rule 12.12 has been deleted w.e.f. May 10, 2008. Prior to deletion, Original Rule 12.12 which was inserted w.e.f. November 12, 1998 read as follows:

<sup>103</sup> 12.12. DEPOSIT OF SECURITIES BY THE LENDER WITH THE INTERMEDIARY

12.12.1. The Participant of the lender shall execute the instructions for deposit of securities by the lender with the Intermediary on receipt of securities lending form for lender/ borrower, as laid out in Annexure X from the lender.

12.12.2. On receipt of intimation for deposit of securities from the Participant of the lender, the Depository may block the securities in the lender's account in favour of the Intermediary and inform the Participant of the Intermediary.

12.12.3. After receiving intimation from the Depository for the blocking of securities, the Participant of the Intermediary shall inform the Intermediary accordingly.

12.12.4. The Participant of the Intermediary shall execute the instructions for acceptance/ rejection of deposit of securities on receipt of securities lending form for Intermediary as laid out in Annexure XX from the Intermediary.

12.12.5. On receipt of intimation for acceptance of deposit of securities from the Participant of the Intermediary, the Depository may move the securities from the lender's account to the Intermediary's account and inform the Participant of the lender.

12.12.6. On receipt of intimation for rejection of deposit of securities from the Participant of the Intermediary, the Depository may remove the blocking of securities created in the lender's account and inform the Participant of the lender.

12.12.7. After receiving the intimation for acceptance/rejection of deposit of securities from the Depository, the Participant of the lender shall inform the lender accordingly.

12.12.8. The aforementioned forms submitted by the lender and the Intermediary shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the lender and the Intermediary before the requests on these forms are executed.

**\*Original Rule 12.13 has been deleted w.e.f. May 10, 2008. Prior to deletion, Original Rule 12.13 which was inserted w.e.f. November 12, 1998 read as follows:**

#### 12.13. LENDING OF SECURITIES BY THE INTERMEDIARY TO THE BORROWER

12.13.1. The Participant of the borrower shall execute the instructions for lending of securities by the Intermediary to the borrower on receipt of securities lending form for lender/borrower as laid down in Annexure X from the borrower.

12.13.2. After receiving intimation from the Depository for lending of securities, the Participant of the Intermediary shall inform the Intermediary accordingly.

12.13.3. # The Participant of the Intermediary shall execute the instruction for acceptance/ rejection of lending of securities on receipt of Securities Lending Form for Intermediary as laid down in Annexure XX, from the Intermediary. Provided however that in case Clearing Corporation as an Intermediary borrows securities in its CC Account for the purpose of meeting shortages arising out of pay-in obligations of the Clearing Members, then the Depository will automatically create an instruction for acceptance of lending of securities.

**# Amended w.e.f. April 3, 2003. Prior to this amendment, Rule 12.13.3 read as follows:**

12.13.3. The Participant of the Intermediary shall execute the instructions for acceptance/ rejection of lending of securities on receipt of securities lending form for Intermediary as laid down in Annexure XX from the Intermediary.

12.13.4. ## On receipt of intimation for acceptance of lending of securities from the Participant of the Intermediary, the Depository may move the securities from the Intermediary's account to the borrower's account and shall inform the Participant of the borrower. Provided however that if the Intermediary account of the Clearing Corporation has sufficient balance, the Depository will move the securities to the CC Account.

12.13.5. After receiving the intimation for acceptance/rejection of lending of securities from the Depository, the Participant of the borrower shall inform the borrower accordingly.

12.13.6. The aforementioned forms submitted by the Intermediary and the borrower shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Intermediary and the borrower before the requests on these forms are executed.

**## Amended w.e.f. April 3, 2003. Prior to this amendment, Rule 12.13.4 read as follows:**

12.13.4. On receipt of intimation for acceptance of lending of securities from the Participant of the Intermediary, the Depository may move the securities from the Intermediary's account to the borrower's account and shall inform the Participant of the borrower.

**\* Original Rule 12.14 has been deleted w.e.f. May 10, 2008. Prior to deletion, Original Rule 12.14 which was amended w.e.f. April 3, 2003 read as follows:**

#### 12.14. REPAYMENT OF SECURITIES BY THE BORROWER TO THE INTERMEDIARY

12.14.1. In case the borrower repays the securities to the Intermediary using securities lending module of the DPM system, then;

12.14.1.1. The Participant of the borrower shall execute the instructions for repayment of securities by the borrower to the Intermediary on receipt of Securities Lending Form for Lender/Borrower as laid down in Annexure X, from the borrower.

12.14.1.2. If the borrower's account has sufficient balance, the Depository may automatically create an instruction for acceptance of repayment of securities and move securities from the borrower's account to the Intermediary's account and inform the Participant of the Intermediary.

12.14.1.3. After receiving the intimation for repayment of securities from the Depository, the Participant of the Intermediary shall inform the Intermediary accordingly.

12.14.2. In case the borrower repays the securities to the Intermediary outside the securities lending module of the DPM system, then;

12.14.2.1. The Participant of the borrower shall execute the instructions for repayment of securities on receipt of Securities Lending Form for Lender/Borrower as laid down in Annexure X from the borrower. 12.14.2.2. On receipt of the intimation for repayment of securities from the Participant of the borrower, the Depository may inform the Participant of the Intermediary who in turn shall inform the Intermediary accordingly.

12.14.2.3. The Participant of the Intermediary shall execute the instruction for acceptance/ rejection of repayment of securities on receipt of Securities Lending Form for Intermediary as laid down in Annexure XX from the Intermediary.

12.14.2.4. On receipt of intimation for acceptance/rejection of repayment of securities from the Participant of the Intermediary, the Depository may amend its records accordingly and inform the Participant of the Intermediary who in turn shall inform the Intermediary.

12.14.3. The aforementioned forms submitted by the Intermediary and the borrower as the case may be, shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Intermediary and the borrower before the requests on these forms are executed.

**Prior to this amendment, Rule 12.14 as inserted w.e.f. November 12, 1998 read as follows:**

#### 12.14. REPAYMENT OF SECURITIES BY THE BORROWER TO THE INTERMEDIARY

12.14.1. The Participant of the borrower shall execute the instructions for repayment of securities by the borrower to the Intermediary on receipt of securities lending form for lender/borrower as laid down in Annexure X from the borrower.

12.14.2. On receipt of intimation for repayment of securities from the Participant of the borrower, the Depository may block the securities in the account of the borrower in favour of the Intermediary and inform the Participant of the Intermediary.

12.14.3. After receiving intimation from the Depository for blocking the securities, the Participant of the Intermediary shall inform the Intermediary accordingly.

12.14.4. The Participant of the Intermediary shall execute the instructions for acceptance/ rejection of repayment of securities on receipt of securities lending form for Intermediary as laid down in Annexure XX from the Intermediary.

12.14.5. On receipt of intimation for acceptance of repayment of securities from the Participant of the Intermediary, the Depository may move the securities from the borrower's account to the Intermediary's account and inform the Participant of the Intermediary.

12.14.6. On receipt of intimation for rejection of repayment of securities from the Participant of the Intermediary, the Depository may remove the blocking of securities created in the borrower's account and inform the Participant of the borrower.

12.14.7. After receiving the intimation for acceptance/rejection of repayment of securities from the Depository, the Participant of the Intermediary shall inform the Intermediary accordingly.

12.14.8. If the borrower repays the securities to the Intermediary outside the securities lending module of the DPM system, then on receipt of information thereof from the Participants of the borrower and the Intermediary, the Depository may amend its records accordingly.

12.14.9. The aforementioned forms submitted by the Intermediary and the borrower shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Intermediary and the borrower before the requests on these forms are executed.

**\*Original Rule 12.15 has been deleted w.e.f. May 10, 2008. Prior to deletion, Original Rule 12.15 which was inserted w.e.f. November 12, 1998 read as follows:**

**12.15. RECALL OF SECURITIES BY THE INTERMEDIARY FROM THE BORROWER**

12.15.1. The Participant of the Intermediary shall execute the instructions for recall of securities by the Intermediary from the borrower on receipt of securities lending form for Intermediary as laid down in Annexure XX from the Intermediary.

12.15.2. After receiving intimation from the Depository for the recall of securities, the Participant of the borrower shall inform the borrower accordingly.

12.15.3. The Participant of the borrower shall execute the instructions for acceptance/ rejection of recall of securities on receipt of securities lending form for lender/borrower as laid down in Annexure X from the borrower.

12.15.4. On receipt of intimation for acceptance of recall of securities from the Participant of the borrower, the Depository may move the securities from the borrower's account to the Intermediary's account and inform the Participant of the Intermediary.

12.15.5. After receiving the intimation for acceptance/rejection of recall of securities from the Depository, the Participant of the Intermediary shall inform the Intermediary accordingly.

12.15.6. If the Intermediary recalls the securities from the borrower outside the securities lending module of the DPM system, then on receipt of information thereof from the Participants of the borrower and the Intermediary, the Depository may amend its records accordingly.

12.15.7. The aforementioned forms submitted by the Intermediary and the borrower shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Intermediary and the borrower before the requests on these forms are executed..

**\*Original Rule 12.16 has been deleted w.e.f. May 10, 2008. Prior to deletion, Original Rule 12.16 which was amended w.e.f. April 3, 2003 read as follows:**

**12.16. REPAYMENT OF SECURITIES BY THE INTERMEDIARY TO THE LENDER**

12.16.1. In case the Intermediary repays the securities to the lender using securities lending module of the DPM system, then;

12.16.1.1. The Participant of the Intermediary shall execute the instructions for repayment of securities by the Intermediary to the lender on receipt of Securities Lending Form for Intermediary as laid down in Annexure XX, from the Intermediary.

12.16.1.2. If the Intermediary's account has sufficient balance, the Depository may automatically create an instruction for acceptance of repayment of securities and move the securities from the Intermediary's account to the lender's account and inform the Participant of the lender.

12.16.1.3. After receiving the intimation for repayment of securities from the Depository, the Participant of the lender shall inform the lender accordingly.

12.16.2. In case the Intermediary repays the securities to the lender outside the securities lending module of the DPM system, then;

12.16.2.1. The Participant of the Intermediary shall execute the instruction for repayment of securities on receipt of Securities Lending Form for Intermediary as laid down in Annexure XX from the Intermediary.

12.16.2.2. On receipt of intimation for repayment of securities from the Participant of the Intermediary, the Depository may inform the Participant of the lender who in turn shall inform the lender accordingly.

12.16.2.3. The Participant of the lender shall execute the instruction for acceptance/ rejection of repayment of securities on receipt of Securities Lending Form for Lender/ Borrower as laid down in Annexure X from the lender.

12.16.2.4. On receipt of intimation for acceptance/rejection of repayment of securities from the Participant of the lender, the Depository may amend its records accordingly and inform the Participant of the Intermediary who in turn shall inform the Intermediary accordingly.

12.16.3. The aforementioned forms submitted by the lender and the Intermediary as the case may be, shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the lender and the Intermediary before the requests on these forms are executed.

**Prior to this amendment, Rule 12.16 as inserted w.e.f. November 12, 1998 read as follows:**

**12.16. REPAYMENT OF SECURITIES BY THE INTERMEDIARY TO THE LENDER**

- 12.16.1. The Participant of the Intermediary shall execute the instructions for repayment of securities by the Intermediary to the lender on receipt of securities lending form for Intermediary as laid down in Annexure XX from the Intermediary.
- 12.16.2. On receipt of intimation for repayment of securities from the Participant of the Intermediary, the Depository may block the securities in the Intermediary's account in favour of the lender and inform the Participant of the lender.
- 12.16.3. After receiving intimation from the Depository for the blocking of securities, the Participant of the lender shall inform the lender accordingly.
- 12.16.4. The Participant of the lender shall execute the instructions for acceptance/ rejection of repayment of securities on receipt of securities lending form for lender/ borrower as laid down in Annexure X from the lender.
- 12.16.5. On receipt of intimation for acceptance of repayment of securities from the Participant of the lender, the Depository may move the securities from the Intermediary's account to the lender's account and inform the Participant of the lender.
- 12.16.6. On receipt of intimation for rejection of repayment of securities from the Participant of the lender, the Depository may remove the blocking of securities created in the Intermediary's account and inform the Participant of the Intermediary.
- 12.16.7. After receiving the intimation for acceptance/rejection of repayment of securities from the Depository, the Participant of the Intermediary shall inform the Intermediary accordingly.
- 12.16.8. If the Intermediary repays the securities to the lender outside the securities lending module of the DPM system, then on receipt of information thereof from the Participants of the lender and the Intermediary, the Depository may amend its records accordingly.
- 12.16.9. The aforementioned forms submitted by the lender and the Intermediary shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the lender and the Intermediary before the requests on these forms are executed.

**\*Original Rule 12.17 has been deleted w.e.f. May 10, 2008. Prior to deletion, Original Rule 12.17 which was inserted w.e.f. November 12, 1998 read as follows:**

**12.17. RECALL OF SECURITIES BY THE LENDER FROM THE INTERMEDIARY**

- 12.17.1. The Participant of the lender shall execute the instructions for recall of securities by the lender from the Intermediary on receipt of securities lending form for lender/ borrower as laid down in Annexure X from the lender.
- 12.17.2. After receiving intimation from the Depository for recall of securities, the Participant of the Intermediary shall inform the Intermediary accordingly.
- 12.17.3. The Participant of the Intermediary shall execute the instructions for acceptance/ rejection of recall of securities on receipt of securities lending form for Intermediary as laid down in Annexure XX from the Intermediary.
- 12.17.4. On receipt of intimation for acceptance of recall of securities from the Participant of the Intermediary, the Depository may move the securities from the Intermediary's account to the lender's account and inform the Participant of the lender.
- 12.17.5. After receiving the intimation for acceptance/rejection of recall of securities from the Depository, the Participant of the lender shall inform the lender accordingly.
- 12.17.6. If the lender recalls the securities from the Intermediary outside the securities lending module of the DPM system, then on receipt of information thereof from the Participants of the lender and the Intermediary, the Depository may amend its records accordingly.
- 12.17.7. The aforementioned forms submitted by the lender and the Intermediary shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the lender and the Intermediary before the requests on these forms are executed.



12.12.2. All Participants must ensure that:

- i) changes such as bank details, change of address, etc. in the beneficial owner accounts are updated well in advance of the interest payment and/or redemption payment due date;
- ii) They remain connected till the EOD of the interest payment due date and/or redemption payment due date.

12.12.3. The Depository shall distribute the interest to the Clients who have balances in Government Securities, for which interest payment is due, at the EOD of the interest payment due date, after the same has been made available to the Depository by RBI.

12.12.4. The Depository shall pay the redemption amount to the Clients who have balances in Government Securities, due for redemption, at the EOD of the redemption due date, after the redemption amount have been made available to the Depository by RBI.

12.12.5. The amount mentioned at 12.12.3 and 12.12.4 shall be paid by the Depository to the Clients directly or to the bank account of the Client as per the details given in the Account opening form.

## **12.13.<sup>125</sup> INTER DEPOSITORY TRANSFER OF SECURITIES**

12.13.1. Instruction in respect of inter-depository transfers shall be executed by the Participants on receipt of a duly filled in inter-depository transfer instruction forms from Clients and Clearing Members for delivery and receipt of securities. The specimen of these forms have been laid out in Form 15 and Form 17 respectively. However, for receiving credits to its account, a Client and Clearing Member may give standing instructions to its Participant.

12.13.2. The Participant should check for the completeness of the forms and validity of the signature of the Client and Clearing Member before the instructions are executed.

### **Notes:**

<sup>125</sup> **Original Rule 12.20 which was inserted w.e.f. August 17, 1999 has been renumbered as 12.13 w.e.f. May 10, 2008.**

**\*Original Rule 12.21 which was inserted w.e.f. April 27, 2002 has been renumbered as 12.14 w.e.f. May 10, 2008 & deleted w.e.f. September 1, 2009. Prior to deletion Rule 12.14 read as follows:**

#### **12.14. DEFERRED DELIVERY ORDER**

12.14.1. The Participant, on receipt of the Deferred Delivery Order (hereinafter referred to as DDO) initiation form as laid down in Annexure LA, from the Client who intends to transfer securities, may initiate the DDO instruction.

12.14.2. On receipt of the intimation for initiation of the DDO instruction from the Participant, the Depository may block the securities lying in the delivering Client's account in favour of the receiving Client and inform the Participant of the receiving Client accordingly.

12.14.3. The Participant of the delivering Client, on receipt of the DDO confirmation form as laid down in Annexure LA, from the delivering Client, may confirm the DDO instruction.

12.14.4. On receipt of a duly filled in securities transfer instruction form for receipt, as laid down in Annexure M, from the receiving Client, the Participant of the receiving Client may execute the instruction for receipt of securities. Alternatively, a Client may give standing instructions to its Participant to credit its account.

12.14.5. On receipt of confirmation of the DDO instruction from the delivering Client and securities transfer instruction for receipt from the receiving Client through their respective Participants, the Depository may effect transfer of securities.

12.14.6. The Participants should check for the completeness of the forms and the validity of the signature of the Clients before executing the instructions.

## **12.14.<sup>126</sup> RECTIFICATION OF ERRONEOUS TRANSFERS**

12.14.1. The Participant / Clearing Corporation / Clearing House from where the erroneous transfer emanated, may request the Depository in the form specified in FORM 29, to initiate such preventive measures including restraining the receiving Client from transferring and/or creating any interest / rights / encumbrance in favour of any third person(s) with respect to the securities transferred erroneously.

12.14.2. The Participant / Clearing Corporation / Clearing House making such a request shall furnish an indemnity to the Depository in the form specified in FORM 29.

12.14.3. The Depository reserves the right to advise the Participant of the receiving Client to initiate preventive measures for a period of seven business days or such number of days as may be decided by the Depository on a case by case basis, by restraining the receiving Client from transferring and/or creating any interest / rights / encumbrance in favour of any third person(s) with respect to the securities transferred erroneously.

12.14.4. The Participant/ Clearing Corporation / Clearing House shall comply with such procedures as may be prescribed by the Depository from time to time, for rectification of such erroneous transfers.

12.14.5. Upon the Participant/Clearing Corporation/ Clearing House complying with the procedure as per Rule 12.14.4, the Depository may advise the Participant of the receiving Client to initiate reversal of securities transferred erroneously.

Provided however that if the Participant / Clearing Corporation / Clearing House fails to comply with Rule 12.14.4 within the period as specified under Rule 12.14.3, the Depository may advise the Participant of the receiving Client to revoke the restraining instructions as given under 12.14.3.

12.14.6. The Depository may impose a penalty on the Participant / Clearing Corporation Clearing House for furnishing any incorrect information under Rules 12.14.1 and 12.14.4.

## **12.15<sup>127</sup> HOLD ON SECURITIES FOR NON-DISPOSAL UNDERTAKING OR NON-DISPOSAL AGREEMENT**

12.15.1. When a client intends to create a hold on his securities for non-disposal undertaking or non-disposal agreement in favour of another party, the client and the other party must have an account with the depository to create hold on securities. However, the client and the other party may have accounts with two different Participants.

12.15.2. The Participant of the Client shall request creation of hold on the securities of Client in favor of other party on receipt of hold creation form as laid out in FORM 39 jointly from the Client and the other party specifying the cooling period for release of hold.

Explanation:

- (1) The cooling period for release of hold must be specified by the client and the other party, which must be in number of clear business days, which may either be two, three or four clear business days.
- (2) Clear business days shall mean all days other than Saturdays, Sundays and trading holidays for cash equities.

12.15.3. The Participant of other party shall request confirmation of creation of hold on receipt of form as laid out in FORM 39.

12.15.4. On receipt of the request and confirmation for creation of hold from the Client and other party respectively through their Participants, the Depository may create the hold on the securities.

12.15.5. The Participant of the Client shall request release of hold on receipt of the hold release form as laid out in FORM 39 jointly from the Client and other party for specified securities.

12.15.6. For hold release request received from the Client and other party, the Participant of the other party shall request confirmation of hold release on receipt of the hold release confirmation form as laid out in FORM 39, from the other party.

12.15.7. On receipt the request and confirmation of hold release from the Client and other party respectively through their Participants, the Depository may release the hold for specified securities on the next business day of the expiry of cooling period specified.

12.15.8. The aforementioned forms submitted by the Client and other party shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Client as well as other party before the requests on these forms are executed.

---

**Notes:**

<sup>126</sup> Inserted w.e.f February 8, 2018.

<sup>127</sup> Original Rule 12.22 which was inserted w.e.f. September 2, 2002 has been renumbered as 12.15 w.e.f. May 10, 2008 & Rule 12.15 has been renumbered as Rule 12.14 w.e.f. Sept. 1, 2009.

## 12.16<sup>128</sup> MARGIN PLEDGE

12.16.1 For the purpose of this Rule for margin pledge, the Client, Trading Member or the Clearing Member shall be the pledger acting in such capacity and the Trading Member, Clearing Member or the Clearing Corporation shall be the pledgee acting in such capacity.

12.16.2 The Participant of the pledger shall request initiation of margin pledge or re-pledge on receipt of the margin pledge form as laid out in Form 43 from the pledgor.

Provided that in case margin pledge is initiated by the Client for a specified segment, the re-pledge by the Trading Member or the Clearing Member for such securities shall be done for the same segment.

Provided further that in case the margin pledge is initiated by the Client for all segments, the re-pledge by the Trading Member or the Clearing Member for such securities shall be done for any segment.

12.16.3 The Participant of the pledgee shall request confirmation of initiation of margin pledge or re-pledge on receipt of the margin pledge form as laid out in Form 43 from the pledgee. Alternatively, pledgee may give standing instructions to its Participant to confirm the margin pledge.

12.16.4 On receipt of the request and confirmation for initiation of margin pledge or re-pledge from the pledgor and pledgee respectively through their Participants and acceptance of margin pledge by the client by way of One Time Password confirmation on registered mobile number or registered email ID of the client or other verifiable mechanism, the Depository may create the margin pledge.

Provided that in case the client has a joint account, any one holder may accept the margin pledge on behalf of the client

2.16.5 The Participant of the client shall request release of margin pledge on receipt of margin pledge form as laid out in Form 43 from the client. On receipt of request from the Participant for release of margin pledge, the Depository may intimate the Participant of the pledgee about the request for release.

12.16.6 The Participant of the pledgee shall release the margin pledge on receipt of margin pledge form as laid out in Form 43 from the pledgee. On receipt of request from the Participant of pledgee for release of margin pledge, the Depository may release the pledge vis-à-vis the concerned pledgee.

12.16.7 The Participant of the pledgee shall request invocation of margin pledge or re-pledge on receipt of the margin pledge form for invocation as laid out in Form 43 from the pledgee.

12.16.8 The Depository, on receipt of a request under Rule 12.16.10, shall invoke the pledge or re-pledge and amend its record accordingly to register the pledgee as a beneficial owner of the securities and shall thereafter, send intimation of the same to the Participants of the pledgor and the pledgee.

12.16.9 The aforementioned forms submitted by the pledgor and pledgee shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the pledgor or pledgee before the requests on these forms are executed.

12.16.10 The Trading Member or the Clearing Member may re-pledge the securities either for the full quantity for which the margin pledge was initiated or for partial quantity and the margin pledge may be released or invoked either for full quantity or for partial quantity.

### **Notes:**

<sup>128</sup> Inserted w.e.f August 01, 2020.  
12.16.10 w.e.f August 17, 2020.

## 13. <sup>129</sup> CONDUCT OF BUSINESS WITH THE CLEARING CORPORATION AND CLEARING MEMBERS

### 13.1. <sup>130</sup> ADMISSION OF A CLEARING CORPORATION, A STOCK EXCHANGE OR A CLEARING HOUSE OF A STOCK EXCHANGE

13.1.1. <sup>131</sup> A Clearing Corporation or a Clearing House of a Stock Exchange may be admitted as a User on the Depository on entering into an agreement as laid down in Annexure E. However, in case of a Clearing House of a Stock Exchange, if such Clearing House is not a legal counter-party to the trades on the Exchange and the trade/settlement guarantee fund is held and managed by the Exchange, then the Clearing House may be admitted as a User on the Depository on entering into an agreement as laid down in Annexure F and if the Members/Dealers of the Exchange are not the Clearing Members of the Clearing House, the agreement as laid down in Annexure G will have to be entered.

#### Notes:

<sup>129</sup>

**Amended w.e.f. December 5, 1997. Prior to this amendment the entire chapter 13 read as under:**

**13. CONDUCT OF BUSINESS WITH THE CLEARING CORPORATION AND CLEARING MEMBERS**

13.1. A Clearing Corporation may be admitted as a User on the Depository on entering into an agreement, as per Annexure R. The provisions of this agreement shall govern the rights and obligations of the Depository and the Clearing Corporation, in respect of transactions entered into in pursuance of such agreement.

13.2. Transactions in securities in dematerialised form which are cleared and settled through a Clearing Corporation, admitted as a User, will be given effect to in terms of the agreement with such a Clearing Corporation.

13.3. A Clearing Member may deal in the Depository system as a Clearing Member only through a special account it has opened with a Participant. A Clearing Member account shall consist of :-

- i) a Pool account;
- ii) a Delivery account; and
- iii) a Receipt-in account.

13.4. A CM account may be opened with the Participant only after the Clearing Member has registered with the Depository and has been allocated a BP Id by the Depository.

13.5. A Clearing Member may open only one-CM account.

13.6. In order to meet its obligations, to the Clearing Corporation for settlement of transactions in securities admitted to the Depository, the Clearing Member may authorise its Participant to move the balances from its Pool account to its Delivery account on or before the pay-in date declared by the Clearing Corporation. The authorisation to move securities to the Delivery account will constitute an authorisation to deliver the securities to the Clearing Corporation. A specimen of this authorisation form is given in Annexure S. The opening of the CM account shall constitute a standing instruction to receive credits from the Clearing Corporation.

13.7. The Participant shall ensure that the form is complete and the signature of the claimant is valid.

13.8. The Participant shall transfer securities from the Pool account of a Clearing Member to the account of its Clients based on due authorisation from the Clearing Member. A specimen of this authorisation form is given in Annexure T.

13.9. The Participant shall ensure that the form is complete and the signature of the claimant is valid.

13.10. No Clearing Member may transfer the balances from its Pool account to the Pool account of another Clearing Member.

<sup>130</sup>

**Amended w.e.f. April 8, 1998. Prior to this amendment, the Rule 13.1 read as follows:**

**13.1. ADMISSION OF A CLEARING CORPORATION OR A CLEARING HOUSE OF A STOCK EXCHANGE**

13.1.1. A Clearing Corporation or a Clearing House of a stock exchange may be admitted as a User on the Depository on entering into an agreement as laid down in Annexure R. However, in case of a Clearing House of a stock exchange, if such Clearing House is not a legal counter-party to the trades on the Exchange and the trade/settlement guarantee fund is held and managed by the Exchange, then the Clearing House may be admitted as a User on the Depository on entering into an agreement as laid down in Annexure RR. The provisions of these agreements shall govern the rights and obligations of the Depository, the Clearing Corporation or the Clearing House of a stock exchange and the Exchange, in respect of transactions entered into in pursuance of such agreements. A Clearing Corporation or a Clearing House of a stock exchange is hereinafter referred to as Clearing Corporation.

<sup>131</sup>

**Amended on November 20, 1998. Prior to this amendment, Rule 13.1.1 read as follows:**

13.1.1. A Clearing Corporation or a Clearing House of a stock exchange may be admitted as a User on the Depository on entering into an agreement as laid down in Annexure R. However, in case of a Clearing House of a stock exchange, if such Clearing House is not a legal counter-party to the trades on the Exchange and the trade/settlement guarantee fund is held and managed by the Exchange, then the Clearing House may be admitted as a User on the Depository on entering into an agreement as laid down in Annexure RR.

13.1.2. A Stock Exchange may be admitted as a User on the Depository, if it conducts the activity of clearing and settlement of trades and if it is not a legal counter-party to the trades thereon and holds and manages the trade/settlement guarantee fund, on entering into an agreement as laid down in Annexure H.

13.1.3. The provisions of these agreements shall govern the rights and obligations of the Depository, the Clearing Corporation or the Clearing House of a stock exchange and the Exchange, in respect of transactions entered into in pursuance of such agreements. A Clearing Corporation or a Clearing House (either as a separate entity or in-house) of a stock exchange is hereinafter referred to as Clearing Corporation.

## 13.2. CLEARING CORPORATION ACCOUNT

13.2.1. The Depository shall allot a unique identification number to the Clearing Corporation admitted as a User on the Depository.

13.2.2.<sup>132</sup> The Depository shall then open the CC Settlement Account for the use of the Clearing Corporation.

13.2.3.<sup>133</sup> The Clearing Corporation may open one special account known as CC Account with itself. The CC Account shall consist of:-

- i) a Pool account
- ii) a Delivery account

13.2.4. The CC account will have all the characteristics of CM account. However, the movement of securities from the Pool account of the Clearing Corporation to the Pool accounts of the Clearing Members shall be permitted.

### **Notes:**

<sup>132</sup> **Amended w.e.f. December 18, 2010. Prior to this amendment, Rule 13.2.2 read as follows:**

13.2.2. The Depository shall then open the following accounts for the use of the Clearing Corporation:

- i) CC Transit Account
- ii) CC Settlement Account

<sup>133</sup> **Amended w.e.f. December 18, 2010. Prior to this amendment, Rule 13.2.3 read as follows:**

13.2.3. The Clearing Corporation may open one special account known as CC Account with itself. The CC Account shall consist of :-

- i) a Pool account
- ii) a Delivery account
- iii) a Receipt-in account

### 13.3. CLEARING MEMBER ACCOUNT

13.3.1.<sup>134</sup> A Clearing Member may deal in the Depository system as a Clearing Member only through a special account it has opened with a Participant. A Clearing Member account shall consist of:

- i) a Pool account
- ii) a Delivery account

13.3.2. A CM account may be opened with the Participant only after the Clearing Member has registered with the Depository and has been allocated an identification number by the Depository (hereinafter referred to as the CM-BP Id).

13.3.3.<sup>135</sup> A Clearing Member may open only one CM Account. However, a Clearing Member may open additional CM Account(s) with the Participant for the purpose of Futures & Options (F&O) and / or Securities Lending and Borrowing Mechanism (SLBM) transactions and the Clearing Corporation shall allot additional CC-CM-IDs to the Clearing Member for this purpose.

13.3.4.<sup>136</sup> The opening of the CM account shall constitute a standing instruction to receive credits from the Clearing Corporation upon pay-out.

#### **Notes:**

<sup>134</sup> **Amended w.e.f. December 18, 2010. Prior to this amendment, Rule 13.3.1 read as follows:**

13.3.1. A Clearing Member may deal in the Depository system as a Clearing Member only through a special account it has opened with a Participant. A Clearing Member account shall consist of :

- i) a Pool account
- ii) a Delivery account
- iii) a Receipt-in account

<sup>135</sup> **Amended w.e.f. July 4, 2007. Prior to this amendment, Rule 13.3.3 was amended on February 21, 2002, which read as follows:**

13.3.3. A Clearing Member may open only one-CM account. However, a Clearing Member may open one additional CM account with the Clearing Corporation of which it is a Clearing Member for the purpose of VyajBadla and/or Automatic Lending and Borrowing Mechanism (ALBM) and/or Futures & Options (F&O) transactions and the Clearing Corporation shall allot additional CC-CM-Ids to the Clearing Member for this purpose

**Prior to this amendment, Rule 13.3.3 as amended w.e.f October 14, 2000 read as follows:**

13.3.3. A Clearing Member may open only one-CM account. However, a Clearing Member may open one additional CM account with the Clearing Corporation of which it is a Clearing Member for the purpose of VyajBadla and/or Automatic Lending and Borrowing Mechanism (ALBM) transactions and the Clearing Corporation shall allot an additional CC-CM-Id to the Clearing Members for this purpose.

**Prior to this amendment, Rule 13.3.3 read as follows:**

13.3.3. A clearing member may open only one CM account. However a clearing member may open one additional CM account with the clearing corporation of which it is a clearing member for the purpose of VyajBadla transactions and the clearing corporation shall allot an additional CC-CM-id to the clearing member for this purpose.

**Prior to this amendment, Rule 13.3.3., amended w.e.f. April 8, 1998 read as follows:**

13.3.3. A clearing member may open only one CM account.

<sup>136</sup> **Rule 13.3.4 of the Business Rules has been deleted w.e.f. Dec. 2, 2000. Rule 13.3.5 of Business Rules has been renumbered as 13.3.4. Prior to deletion, Rule 13.3.4 read as follows:**

No Clearing Member shall move securities from its Pool account to the Pool account of another Clearing Member.

## 13.4. CLEARING MEMBER DETAILS

13.4.1. The Clearing Corporation shall provide to the Depository a list of Clearing Members who are eligible to settle the trades through the Depository giving details such as the unique identification number allotted by it to the Clearing Member for the purpose of settling trades on the Depository (hereinafter referred to as CC-CM-Id) and the name of the Clearing Member.

13.4.2. The Depository shall provide to the Clearing Corporation a list of Clearing Members who are registered with the Depository giving details like name, CC-CM- Id and CM-BP-Id.

13.4.3. The Clearing Corporation shall immediately inform the Depository of any addition, deletion or modification to the list of Clearing Members so provided by the Clearing Corporation.

## 13.5. INFORMATION REGARDING SECURITIES AVAILABLE FOR DEMATERIALISATION AND SETTLEMENT

13.5.1. The Depository shall inform the Clearing Corporation after a security is admitted for dematerialisation on the Depository. The Depository shall provide to the Clearing Corporation details of the security viz; ISIN, security description and name of issuing company admitted for dematerialisation on the Depository.

13.5.2. The Depository shall immediately inform the Clearing Corporation of any addition, deletion or modification to the securities admitted for dematerialisation on the Depository.

13.5.3. The Clearing Corporation shall inform the Depository about the securities admitted for book-entry settlement before commencement of trading. The Clearing Corporation shall provide to the Depository details of the security viz; ISIN, date of admission for trading, name of issuing company and description of security admitted for book-entry settlement.

13.5.4. The Clearing Corporation shall inform the Depository regarding the book closure period/record date, ex-dates, the purpose of corporate action, the no-delivery period and the first settlement after no-delivery period as declared by it for each market type in respect of each security available for trading in book-entry segment and settled by the Clearing Corporation, at least five working days prior to the commencement of the no-delivery period.

## 13.6. SETTLEMENT SCHEDULE

13.6.1.<sup>137</sup> The Clearing Corporation shall provide to the Depository the settlement schedule giving the following details in respect of each settlement, at least two working days prior to the commencement of trading in the relevant settlement:-

- i) Market Type
- ii) Settlement Number
- iii) Date of commencement of trading
- iv) Last date of trading
- v) Date and time of pay-in of securities to the Clearing Corporation
- vi) Date and time of pay-out of securities by the Clearing Corporation

### **Notes:**

<sup>137</sup> **Amended w.e.f. December 18, 2010. Prior to this amendment, Rule 13.6.1 read as follows :**

13.6.1. The Clearing Corporation shall provide to the Depository on a quarterly basis the settlement schedule relating to the book-entry segment giving the following details in respect of each settlement, at least five working days prior to the commencement of trading in the relevant quarter :-

- i) Market Type
- ii) Settlement Number
- iii) Date of commencement of trading
- iv) Last date of trading
- v) Date and time of pay-in of securities to the Clearing Corporation
- vi) Date and time of pay-out of securities by the Clearing Corporation



13.6.2. The Clearing Corporation shall inform the Depository well in advance of any proposed addition, deletion, modification to the settlement schedule and shall add, delete or modify the information only with prior intimation to the Depository.

13.6.3.<sup>138</sup> The settlement schedule provided by the Clearing Corporation with such additions, deletions and modifications as may have been made from time to time, will constitute an authorisation to the Depository to credit the securities to the CC settlement account for the relevant settlement by debiting the Delivery accounts of the Clearing Member

13.6.4. The Depository shall inform the Participants and the Clearing Corporation the date and time (hereinafter referred to as NSDL Deadline) before which the Participant can execute the instructions to move securities from the Client's account to the Pool account of the Clearing Member and can execute delivery-out instructions to move securities from the Pool account of the Clearing Member to the Delivery account of the Clearing Member.

### **13.7. PAY-IN OF SECURITIES**

13.7.1. The Clearing Member may give receipt instructions to its Participant for crediting its Pool account in the form laid down in Form 14. Alternatively, a Clearing Member may give standing instructions to its Participant to credit its Pool account.

13.7.2. The Participant shall ensure that the instruction form is complete and the signature of the Clearing Member is valid.

13.7.3. The Participant shall then execute the instructions of the Clearing Member to credit the Pool account of the Clearing Member.

13.7.4. The Clearing Member may give delivery-out instructions to its Participant to move securities from its Pool account to its Delivery account in the form laid down in Form 18.

13.7.5.<sup>139</sup> The Clearing Corporation may give delivery-out instruction to the Depository on behalf of the Clearing Member(s) after obtaining authority from the Clearing Member(s).

13.7.6.<sup>140</sup> Notwithstanding the provisions of Rule 13.7.4, the Clearing Member may instruct the Participant to cancel the delivery-out instruction given by the Clearing Corporation on its behalf and may also submit a delivery-out instruction in the form specified under Rule 13.7.4 to the Participant for its execution.

13.7.7. The Clearing Member may give a delivery-out instruction to the Participant to move securities from its Pool account to its Delivery account on irreversible basis in the format prescribed at Form 18. Such instructions once effected shall not be modified or cancelled by the Clearing Member.

13.7.8. The Participant shall ensure that the instruction form is complete and the signature of the clearing member is valid.

13.7.9. The Participant shall execute the delivery-out instruction to move securities from the Pool account of the Clearing Member to the Delivery account of the Clearing Member.

#### **Notes:**

<sup>138</sup> **Amended w.e.f. December 18, 2010. Prior to this amendment, Rule 13.6.3 read as follows :**

The settlement schedule provided by the Clearing Corporation with such additions, deletions and modifications as may have been made from time to time, will constitute an authorisation to the Depository to credit the securities to the CC transit and CC settlement accounts for the relevant settlement by debiting the Delivery accounts of the Clearing Members after the relevant pay-in time.

<sup>139</sup> **Inserted w.e.f July 10, 2000. The original Rules 13.7.5 to 13.7.13 have been renumbered as 13.7.7 to 13.7.15.**

<sup>140</sup> **Inserted w.e.f July 10, 2000. The original Rules 13.7.5 to 13.7.13 have been renumbered as 13.7.7 to 13.7.15.**

13.7.10.<sup>141</sup> The instructions to move securities from the Clients' account to the Pool account of the Clearing Member, from the Pool account of the Clearing Member to the Pool account of another Clearing Member, inter-settlement instructions and delivery-out instructions to move securities from the Pool account of the Clearing Member to the Delivery account of the Clearing Member shall have effect only before the NSDL Deadline for the relevant settlement.

13.7.11.<sup>142</sup> The delivery-out instructions given by the Clearing Member shall constitute an authorisation to the Depository to debit the Delivery account of the Clearing Member by crediting the CC settlement account for the relevant settlement.

13.7.12.<sup>143</sup> The Depository shall on the pay-in day move the securities from the Delivery accounts of the Clearing Members to the CC settlement account for the relevant settlement.

13.7.13.<sup>144</sup> The Depository shall provide the information to the Clearing Corporation about the credits to the CC settlement account giving CC-CM-Id, ISIN and quantity for the relevant settlement.

#### **Notes:**

<sup>141</sup> **Amended w.e.f December 2, 2000. Prior to this amendment, Rule 13.7.10 as amended w.e.f September 2, 1998 read as follows:**

13.7.10. The instructions to move securities from the Clients' account to the Pool account of the Clearing Member and the delivery-out instructions to move securities from the Pool account of the Clearing Member to the Delivery account of the Clearing Member shall have effect only before the NSDL Deadline for the relevant settlement.

**Prior to this amendment, Rule 13.7.8 read as follows:**

The instructions to move securities from the Clients' account to the Pool account of the Clearing Member and the delivery-out instructions to move securities from the Pool account of the Clearing Member to the Delivery account of the Clearing Member shall have effect only on or after the first day of trading and before the NSDL Deadline for the relevant settlement.

<sup>142</sup> **Amended w.e.f December 18, 2010. Prior to this amendment, Rule 13.7.11 read as follows:**

13.7.11. The delivery-out instructions given by the Clearing Member shall constitute an authorisation to the Depository to debit the Delivery account of the Clearing Member by crediting the CC transit account for the relevant settlement.

<sup>143</sup> **Amended w.e.f December 18, 2010. Prior to this amendment, Rule 13.7.12 read as follows:**

13.7.12. The Depository shall, after the pay-in time, move the securities from the Delivery accounts of the Clearing Members to the CC transit account for the relevant settlement.

<sup>144</sup> **Amended w.e.f December 18, 2010. Prior to this amendment, Rule 13.7.13 read as follows:**

13.7.13. The Depository shall provide the information to the Clearing Corporation about the credits to the CC transit account giving CC-CM-Id, ISIN and quantity for the relevant settlement.

**\*Rule 13.7.14 has been deleted w.e.f December 18, 2010. Prior to deletion, Rule 13.7.14 read as follows :**

13.7.14. The Clearing Corporation shall compare the CC-CM Id and the ISIN with its records and will give instructions to the Depository to move the securities from the CC transit account to the CC settlement account.

**\*Rule 13.7.15 has been deleted w.e.f December 18, 2010. Prior to deletion, Rule 13.7.15 read as follows :**

13.7.15. The Depository shall on receipt of such instructions, move the securities from the CC transit account to the CC settlement account for the relevant settlement.

## 13.8. PAY-OUT OF SECURITIES

13.8.1. After verification of payment received for the relevant settlement, the Clearing Corporation shall give instructions to the Depository on the pay-out time to debit its CC settlement account and credit the CM accounts giving the CC-CM-Id, ISIN and the quantity for the relevant settlement.

13.8.2. The Clearing Corporation shall not give instructions for crediting the CC account and CM accounts with securities either less than or in excess of the securities lying in the CC settlement account for the relevant settlement.

13.8.3.<sup>145</sup> The Depository shall, on receipt of the instructions from the Clearing Corporation, debit the CC settlement account and credit the Pool accounts of the Clearing Members.

13.8.4. The Clearing Member may give instructions to its Participant to debit its Pool account and credit the Clients' accounts in the form laid down in Form 22.

13.8.5. The Participant shall ensure that the instruction form is complete and the signature of the Clearing Member is valid.

13.8.6. The Participant shall execute the instructions of the Clearing Member to debit its Pool account and credit the Clients' accounts.

## 13.9.<sup>146</sup> INTER-SETTLEMENT INSTRUCTIONS

13.9.1. The Clearing Member may for the purpose of moving securities within its Pool Account submit an inter-settlement instruction form to the Participant as laid down in Form 19.

13.9.2. The Participant shall ensure that the instruction form is complete and the signature of the Clearing Member is valid.

13.9.3. The Participant shall execute the instructions of the Clearing Member to move securities within its Pool account.

## 13.10.<sup>147</sup> CM POOL TO CM POOL INSTRUCTIONS

13.10.1. The Clearing Member may give instructions to its Participant to debit its Pool account and credit the Pool account of another Clearing Member in the form laid down in Form 20.

13.10.2. The Clearing Member may give receipt instructions to its Participant for crediting its Pool account from Pool account of another Clearing Member in the form laid down in Form 21. Alternatively, a Clearing Member may give standing instructions to its Participant to credit its Pool account.

13.10.3. The Participant shall ensure that the instruction form is complete and the signature of the Clearing Member is valid.

13.10.4. The Participant shall execute the instructions of the Clearing Member to debit / credit the Pool account of the Clearing Member.

### Notes:

<sup>145</sup> **Amended w.e.f. December 18, 2010. Prior to this amendment, Rule 13.8.3 read as follows :**

13.8.3. The Depository shall, on receipt of the instructions from the Clearing Corporation, debit the CC settlement account and credit the Receipt-in accounts of the Clearing Members and immediately thereafter move securities from the Receipt-in accounts to the Pool accounts of the Clearing Members.

<sup>146</sup> **Inserted w.e.f. February 4, 1999.**

<sup>147</sup> **Inserted w.e.f. December 2, 2000.**

## 14. MANNER OF ADVICE, STATEMENTS AND REPORTS FROM THE DEPOSITORY

### 14.1. PARTICIPANTS

14.1.1. The Depository may send advises, circulars or statements directly to the Participants relating to operational issues, on an adhoc basis.

### 14.2. ISSUER OR ITS REGISTRAR AND TRANSFER AGENTS

14.2.1. The Depository shall electronically send all dematerialisation requests, rematerialisation requests and balance held with the Depository to the Issuer or its Registrar and Transfer Agent, on a daily basis.

14.2.2. The Issuer or its Registrar and Transfer Agent shall confirm the pending dematerialisation and rematerialisation requests to the Depository, on a daily basis.

14.2.3.<sup>148</sup> The Depository shall electronically provide the Clients/Clearing Members/ Clearing Corporations details to Issuer or its Registrar and Transfer Agent on a fortnightly basis.

14.2.4.<sup>149</sup> The Depository shall electronically provide the Clients/Clearing Members/ Clearing Corporations details as on the record date fixed for this purpose to the Issuer or its Registrar and Transfer Agent for corporate action purpose within 15 days from the date of making such request.

14.2.5.<sup>150</sup> The Rules 14.2.1 to 14.2.4 shall not be applicable if the Issuer is a State Government or the Central Government.

#### Notes:

<sup>148</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 14.2.3 was amended on May 7, 2001, which read as follows:**

14.2.3. The Depository shall electronically provide the Clients/Clearing Members/ Clearing Corporations/ Intermediaries details to Issuer or its Registrar and Transfer Agent on a fortnightly basis.

**Prior to this amendment, Rule 14.2.3 read as follows:**

14.2.3. The Depository shall electronically provide the Client details to Issuer or its Registrar and Transfer Agent on a fortnightly basis.

<sup>149</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 14.2.4 was amended on May 7, 2001, which read as follows:**

14.2.4. The Depository shall electronically provide the Clients/Clearing Members/ Clearing Corporations/ Intermediaries details as on the record date fixed for this purpose to the Issuer or its Registrar and Transfer Agent for corporate action purpose within 15 days from the date of making such request.

**Prior to this amendment, Rule 14.2.4 read as follows:**

14.2.4. The Depository shall electronically provide the Client details as on the record date fixed for this purpose to the Issuer or its Registrar and Transfer Agent for corporate action purpose within 15 days from the date of making such request.

<sup>150</sup> **Inserted w.e.f. November 12, 1998.**

### 14.3.<sup>151</sup> CLIENTS

14.3.1<sup>152</sup> The Participant shall furnish a statement of accounts including transaction statement and holdings statement to every Client, who has opened an account with it, giving the details of the security-wise transactions and balances, in the accounts of the Clients. Such a statement shall be furnished to the Clients at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals unless the Client and the Participant have agreed for provision of such statements at shorter intervals. A specimen of such statement is given in Annexure J.

Provided however, if there is no transaction in the account, or if the balance has become Nil during the year, the Participant shall send one physical statement of holding annually to such Clients and shall resume sending the transaction statement as and when there is a transaction in the account.

14.3.2<sup>153</sup> The Participant may provide statement of accounts including transaction statement and holdings statement to the Clients in electronic form, if opted by the Client. However, if Client is desirous of receiving such statements in physical form, Participant shall be duty bound to provide the same.

Provided that if a Participant does not have the facility of providing the such statements in the electronic mode, then the Participant shall be obliged to forward such statement in physical form.

#### **Notes:**

<sup>151</sup> **Amended w.e.f November 12, 1998. Prior to this amendment, Rule 14.3 read as follows:**

#### **14.3. CLIENTS**

14.3.1. The Participant shall furnish a statement of account once in every fifteen days to every Client, who has opened an account with it, giving the details of the security-wise balances in the accounts of the Client unless the Client and Participant have agreed to the provision of such statements at shorter intervals. A specimen of this statement of account is given in Annexures U and V.

14.3.2. The Depository may directly send to Clients chosen at random, the details of security-wise holdings in the account of those Client, to facilitate cross checking with the statement of accounts furnished by the Participants.

<sup>152</sup> **Amended w.e.f. April 4, 2014. Prior to this amendment, Rule 14.3.1 read as follows:**

14.3.1. The Participant shall furnish a statement of accounts including transaction statement and holdings statement to every Client, who has opened an account with it, giving the details of the security-wise transactions and balances, in the accounts of the Clients. Such a statement shall be furnished to the Clients at monthly intervals and to the Clients opting for Basic Services Demat Account at quarterly intervals unless the Client and the Participant have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Participant shall provide such statement to the Client on an annual basis. A specimen of such statement is given in Annexure V.

Provided however, if there is that in respect of accounts with no transaction in the account, or if the balance has become and Nil balance, during the year, the Participant shall send one such statement shall be sent to the Client in physical form statement of holding on an annually basis to such Clients and shall resume sending the transaction statement as and when there is a transaction in the account.

#### **Prior to this amendment, Rule 14.3.1 read as follows:**

14.3.1. The Participant shall furnish a transaction statement including statement of accounts, if any, to every Client, who has opened an account with it, giving the details of the security-wise balances in the accounts of the Clients. Such a statement shall be furnished to the Clients at fortnightly intervals unless the Client and the Participant have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Participant shall provide such statement to the Client at least once a quarter. A specimen of the transaction statement is given in Annexure V.

#### **Prior to this amendment, Rule 14.3.1 read as follows:**

14.3.1. The Participant shall furnish a transaction statement including statement of accounts, if any, to every Client, who has opened an account with it, giving the details of the security-wise balances in the accounts of the Clients. Such a statement shall be furnished to the Clients at monthly intervals unless the Client and the Participant have agreed for provision of such statements at shorter intervals. However, if there is no transaction in the account, then the Participant shall provide such statement to the Client at least once a quarter. A specimen of the transaction statement is given in Annexure V.

<sup>153</sup> **Inserted w.e.f. April 4, 2014. The Original Rule 14.3.2 is renumbered as 14.3.5.**

14.3.3<sup>154</sup> For providing statement of accounts including transaction statement and holdings statement in electronic form, the Participant must ensure that:

- i. Such statement must be digitally signed in accordance with Information Technology Act, 2000.
- ii. Such statement is provided to the Client in physical form if the Participant is not able to provide such statement to its Clients by email or on website due to any reason (including bounced emails).
- iii. Such statement should be password protected if the Participant is providing the same through email.
- iv. If the Participant is providing such statement through website:
  - a) Implement Secure Socket Layer (SSL) security for Internet facility featuring site authentication, encrypted communication and appropriate Client authentication so as to restrict the access of such statement only to the Client.
  - b) Such statement should be made available on the website for a period of at least 12 months.

14.3.4<sup>155</sup> Participant or Client can terminate such arrangement by giving 10 days prior notice.

14.3.5. The Depository may directly send to Clients chosen at random, the details of security-wise holdings in the accounts of those Clients, to facilitate cross checking with the transaction statement including statement of accounts, if any, furnished by the Participant.

14.3.6<sup>156</sup> The Depository may directly send statement of account including transaction statement and holdings statement to Clients and in such cases Participants are not required to send such statement of account as per Rule 14.3.1, 14.3.2, 14.3.3 and Rights and Obligations Document as specified at Annexure K.

Provided that whenever the Client requests for such a statement, the Participant shall be duty bound to provide the same.

**Notes:**

<sup>154</sup> Inserted w.e.f. April 4, 2014.

<sup>155</sup> Inserted w.e.f. April 4, 2014.

<sup>156</sup> Inserted w.e.f. Nov 12, 2014.

## 15. RECONCILIATION OF RECORDS

### 15.1. RECONCILIATION BETWEEN THE PARTICIPANT AND THE DEPOSITORY

15.1.1.<sup>157</sup> The Participant shall effect internal reconciliation of its accounts on a daily basis through the DPM (DP) or the DPM (CC) as the case may be.

15.1.2.<sup>158</sup> The Participant shall reconcile the total of balances held in different accounts in the DPM (DP) or the DPM (CC), as the case may be, with its balance held in the DM on a daily basis.

15.1.3. The Participant shall, at the end of each day, electronically provide to the Depository the details of the changes made in the accounts of the Client from the last EOD processing.

15.1.4.<sup>159</sup> The Participant shall electronically provide to the Depository, the entire Clients/ Clearing Members/Clearing Corporations details on receiving such a request from the Depository for corporate actions or for any other purpose, as may be specified by the Depository.

### 15.2. RECONCILIATION BETWEEN THE DEPOSITORY AND THE ISSUERS OR ITS REGISTRAR AND TRANSFER AGENTS

15.2.1. The Depository shall electronically provide the total security balances held in its system as free balance, pending dematerialisation balance and pending rematerialisation balance to the Issuer or its Registrar and Transfer Agent, on a daily basis, for reconciliation purposes.

15.2.2.<sup>160</sup> The Issuer or its Registrar and Transfer Agent shall reconcile the balances electronically provided by the Depository, as mentioned above, with its records. Provided however that, in case of Government Securities, the Depository shall reconcile its records with the statement provided by RBI.

#### Notes:

<sup>157</sup> **Amended w.e.f January 20, 1998. Prior to this amendment, Rule 15.1.1 read as follows:**

15.1.1. The Participant shall effect internal reconciliation of its accounts on a daily basis through the DPM (DP).

<sup>158</sup> **Amended w.e.f January 20, 1998. Prior to this amendment, Rule 15.1.2 read as follows:**

15.1.2. The Participant shall reconcile the total of balances held in different accounts in the DPM (DP) with its balance held in the DM on a daily basis.

<sup>159</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 15.1.4 was amended on May 7, 2001, which read as follows:**

15.1.4. The Participant shall electronically provide to the Depository, the entire Clients/ Clearing Members/ Clearing Corporations/ Intermediaries details on receiving such a request from the Depository for corporate actions or for any other purpose, as may be specified by the Depository.

**Prior to this amendment, Rule 15.1.4 read as follows:**

15.1.4. The Participant shall electronically provide to the Depository, the entire Client details on receiving such a request from the Depository for corporate actions or for any other purpose, as may be specified by the Depository.

<sup>160</sup> **Amended w.e.f November 12, 1998. Prior to this amendment, Rule 15.2.2 read as follows:**

The Issuer or its Registrar and Transfer Agent shall reconcile the balances electronically provided by the Depository, as mentioned above, with its records.

15.2.3.<sup>161</sup> The Depository shall electronically provide the entire Clients/Clearing Members/ Clearing Corporations details to the Issuer or its Registrar and Transfer Agent, on receiving such a request from the Issuer or its Registrar and Transfer Agent for corporate actions or for facilitating internal reconciliation of records. Where the Clients/ Clearing Members/Clearing Corporations account details are required on a particular date, the same shall be provided within fifteen days of such date or fifteen days from the date of making such request whichever is later.

**Notes :**

<sup>161</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment, Rule 15.2.3 was amended on May 7, 2001, which read as follows:**

15.2.3. The Depository shall electronically provide the entire Clients/Clearing Members/ Clearing Corporations/ Intermediaries details to the Issuer or its Registrar and Transfer Agent, on receiving such a request from the Issuer or its Registrar and Transfer Agent for corporate actions or for facilitating internal reconciliation of records. Where the Clients/Clearing Members/ Clearing Corporations/Intermediaries account details are required on a particular date, the same shall be provided within fifteen days of such date or fifteen days from the date of making such request whichever is later.

**Prior to this amendment, Rule 15.2.3 read as follows:**

The Depository shall electronically provide the entire Client details to the Issuer or its Registrar and Transfer Agent, on receiving such a request from the Issuer or its Registrar and Transfer Agent for corporate actions or for facilitating internal reconciliation of records. Where the Client account details are required on a particular date, the same shall be provided within fifteen days of such date or fifteen days from the date of making such request whichever is later.



## 16. RECORDS

### 16.1. RECORDS TO BE MAINTAINED BY THE PARTICIPANTS

16.1.1. Every Participant of the Depository shall maintain the following records relating to its business for a period of five years:-

- i) Delivery/Receipt Instructions given by its Clients.
- ii) Forms submitted by the Clients to the Participant for: -
  - a) Opening of accounts with the Participant;
  - b) Closing of accounts with the Participant;
  - c) Freezing of accounts with the Participant;
  - d) <sup>162</sup> Unfreezing of accounts with the Participant.
- iii) Copies of correspondence from the Clients on the basis of which Clients details were updated in the DPM;
- iv) Record of all actions taken on the exception reports, generated by the system;
- v) A register showing details of grievances received from the Clients and their present status. The following details may be specified in this regard :-
  - a) name of the Client;
  - b) reference number of the Client;
  - c) date;
  - d) particulars of complaints;
  - e) actions taken by the Participant;
- vi) if the matter is referred to arbitration, then the particulars including the present status thereof.
- vii) instructions received from the Clearing Member to transfer balances from the Pool account to the Delivery account of the Clearing Member in order to enable it to meet its obligations to the Clearing Corporation;
- viii) instructions from the clearing member authorising the transfer of securities from the pool account of the clearing member to the accounts of its clients
- ix) The forms received in respect of pledge of securities;
- x) The forms received in respect of transmission of securities
- xi) <sup>163</sup> The forms received in respect of securities lending.
- xii) <sup>164</sup> Record of serial numbers of the instruction forms for debit or pledge or margin pledge or hold of securities in a Client account, issued to its Clients.
- xiii) <sup>165</sup> The Participant shall ensure that records of nomination are maintained properly and preserved for record purposes. These records shall form part of the records of the Participant.
- xiv) <sup>166</sup> The forms received in respect of hold of securities;
- xv) <sup>167</sup> The forms received in respect of margin pledge of securities.

#### **Notes:**

<sup>162</sup> Amended w.e.f. December 27, 2001. Prior to this amendment, Rule 16.1.1 (ii) (d) read as follows:  
16.1.1. (ii) (d) Defreezing of accounts with the Participant.

<sup>163</sup> Inserted w.e.f November 12, 1998.

<sup>164</sup> Amended w.e.f. August 01, 2020. Prior to this amendment, Rule 16.1.1 (xii) inserted w.e.f February 4, 1999 read as follows:  
Record of serial numbers of the instruction forms for debit or pledge of securities in a Client account, issued to its Clients.

<sup>165</sup> Inserted w.e.f. May 13, 2014.

<sup>166</sup> Inserted w.e.f. February 8, 2018.

<sup>167</sup> Inserted w.e.f. August 01, 2020.

16.1.2.<sup>168</sup> The following records pertaining to dematerialisation and rematerialisation of securities shall be kept by the Participants until the process of dematerialisation or rematerialisation is completed:-

- i) Dematerialisation request form (DRF and DRF-GS) filled by the Client;
- ii) Certificate details of securities sent for dematerialisation;
- iii) Proof of deliveries of DRF and securities to the Issuer or its Registrar and Transfer Agent and proof of delivery of DRF-GS and Government Securities to the Depository;
- iv) Objection memo and certificate details of the rejected securities against the DRN;
- v) Rematerialisation Request Form (RRF and RRF-GS) submitted by the Client
- vi)<sup>169</sup> Proof of delivery of RRF to the Issuer or its Registrar & Transfer Agent and proof of delivery of RRF-GS to the Depository.

16.1.3. The Participant shall intimate to the Depository, the place where the above records are kept and available for audit/inspection.

16.1.4. The above requirements relating to maintenance of records shall apply not only to the records of the Participant's principal office but also any branch office and to any nominee company owned or controlled by the Participant for the purpose of conducting the business of the Participant relating to the operations of the Depository.

## **16.2. RECORDS TO BE MAINTAINED BY THE ISSUER OR ITS REGISTRAR AND TRANSFER AGENTS**

16.2.1. Every Issuer or its Registrar and Transfer Agent who is a User of the Depository shall maintain the following records relating to its business for a period of five years:-

- i) DRF filled by the Client;
- ii) Certificate details of securities received for dematerialisation;
- iii) Objection memo and certificate details of the rejected securities against the DRN;
- iv) RRF submitted by the Client;
- v) Proof of delivery of share certificates which have been sent to the Client after rematerialisation;
- vi) A register showing details of grievances received from Clients and their present status. The following details may be specified in this regard :-
  - a) name of the Client;
  - b) reference number of the Client;
  - c) date;
  - d) particulars of complaints;
  - e) actions taken by the Participant;
  - f) if the matter is referred to arbitration, the particulars and present status thereof;
- vii) Record of all actions taken on the exception reports, generated by the system.

### **Notes:**

<sup>168</sup> **Amended w.e.f November 12, 1998. Prior to this amendment, Rule 16.1.2 read as follows:**

16.1.2. The following records pertaining to dematerialisation and rematerialisation of securities shall be kept by the Participants until the process of dematerialisation or rematerialisation is completed:

- i) Dematerialisation request form (DRF) filled by the Client;
- ii) Certificate details of securities sent for dematerialisation;
- iii) Proof of deliveries of DRF and securities to the Issuer or its Registrar and Transfer Agent;
- iv) Objection memo and certificate details of the rejected securities against the DRN;
- v) Rematerialisation request form submitted by the Client;
- vi) Proof of delivery of RRF sent to the Issuer or its Registrar and Transfer Agent.

<sup>169</sup> **Amended w.e.f. February 24, 1999. Prior to this amendment, Rule 16.1.2 (vi) read as follows:** 16.1.2. vi) Proof of delivery of RRF and securities to the Issuer or its Registrar & Transfer Agent and proof of delivery of RRF-GS and Government Securities to the Depository.

## **16.3.<sup>170</sup> RECORDS TO BE MAINTAINED BY DEPOSITORY WITH RESPECT TO GOVERNMENT SECURITIES**

16.3.1. The Depository shall maintain the following records with respect to the Government Securities for a period of five years:-

- i) DRF-GS filled by the Client;
- ii) Certificate details of securities received for dematerialisation;
- iii) Objection memo and certificate details of the rejected securities against the DRN;
- iv) RRF-GS submitted by the Client;
- v)<sup>171</sup> Proof of delivery of Government Securities which have been sent to the Client after rematerialisation;
- vi) A register showing details of grievances received from Clients and their present status.

## **16.4. MANNER OF KEEPING RECORDS**

16.4.1.<sup>172</sup> The records specified in Rules 16.1 and 16.2 above may be maintained either in physical or in electronic form. Where the records are kept by the Participant or the Issuer or its Registrar & Transfer Agent in electronic form, it shall do so with the prior approval of the Depository and shall ensure that the integrity of the data processing systems is maintained at all times and take all precautions necessary to ensure that the records are not lost, destroyed or tampered with and ensure that sufficient backup of records is available at all times at a different place. However, the prior approval of the Depository is not required if the Participant has been permitted to receive instructions from the Client in an electronic form in the manner specified in the first proviso to Rule 4.5.1.

### **Notes:**

<sup>170</sup> **Inserted w.e.f November 12, 1998. The original Rule 16.3 renumbered as Rule 16.4.**

<sup>171</sup> **Amended w.e.f. February 24, 1999. Prior to this amendment, Rule 16.3.1 (v) read as follows:**  
16.3.1. v) Proof of delivery of share certificates which have been sent to the Client after rematerialisation;

<sup>172</sup> **Amended w.e.f. May 7, 2001. Prior to this amendment, Rule 16.4.1 read as follows:**  
16.4.1. The records specified in Rules 16.1 and 16.2 above may be maintained either in physical or electronic form. Where the records are kept by the Participant or the Issuer or its Registrar and Transfer Agent in electronic form, it shall do so with the prior approval of the Depository and shall ensure that the integrity of the automatic data processing systems is maintained at all times and take all precautions necessary to ensure that the records are not lost, destroyed and tampered with and ensure that sufficient backup of records is available at all times at a different place.

## **17.<sup>173</sup> INVESTOR PROTECTION RESERVE**

Deleted w.e.f. January 17, 2019

Prior to deletion the provisions of Chapter 17 were as under

The Executive Committee may establish an “Investor Protection Reserve” (IPR). Contribution to the IPR will be the amounts that may be decided by the Board of NSDL from time to time. The amounts in the IPR shall be utilised to make good the claims, which may be submitted by the Clients who have suffered pecuniary losses arising from the negligence of the Depository or by the Participants while carrying out the instructions of the Client. The IPR may be operated and administered by a Committee (IPR Committee), which will have a maximum of five members to be appointed by the Board of NSDL from time to time.

### **17.1. SOURCES OF IPR**

17.1.1. Contribution to the IPR will be the amounts that may be decided by the Board of NSDL from time to time.

### **17.2. NATURE OF CLAIMS**

17.2.1. The IPR shall be utilised to compensate the following:

- i) for any loss suffered by a Client arising from the negligence of the Participants and or the Depository while carrying out the instructions of the Client.
- ii) for any losses the investor might incur, as a result of non performance by the Participant.

### **17.3. CLAIMS NOT TO BE ADMITTED**

17.3.1. Claims of investors who have not availed the services of the Depository by opening an account with any of its Participants, shall not be admitted.

17.3.2. Claims which are above ₹ 1.50 lakh in value.

### **17.4. PROCEDURE FOR MAKING CLAIMS**

17.4.1. Any Client who has suffered any loss arising from negligence and/or as a result of non performance by the Participant(s) while carrying out the instructions of the Client shall first approach the concerned Participant to make good the loss.

17.4.2. The claim(s) of the Clients shall be admitted under IPR only as a last recourse, when a Participant is no longer able to fulfill his financial obligation.

17.4.3. A claim for compensation shall be in writing, giving full details of all relevant facts of the case duly supported by copies of documents relevant thereto.

17.4.4. Any person wishing to make a claim shall also give an undertaking in writing in the prescribed format, to be bound by the decision of the IPR Committee, whose decision shall be final and binding.

17.4.5. In the event of multiple claims received from a Client(s) under Rule 17.4.2 above, the sequence of admission of claims shall be in chronological order in which they were received and subject to the extent specified under Rule 17.5.1.

17.4.6. Any Client whose claim has been admitted under Rule 17.4.2 above, the IPR Committee may require the person to produce and deliver any documents and statements of evidence as may be necessary to establish or support his claim. In the event of default on the part of such Client in this regard, the IPR Committee may at its discretion disallow or reject the claim either wholly or in part as they may deem fit.

17.4.7. The IPR Committee while disallowing (whether wholly or partly) a claim for compensation shall serve notice of such disallowance on the claimant.

17.4.8. The IPR Committee, if satisfied that the claim was based on the default actually committed, may allow the claim and act accordingly.

17.4.9. The IPR Committee shall have an absolute discretion as regards the mode and method of assessing the nature of the claim including its genuineness and shall likewise at its discretion accept, reject or partially grant or allow claims and make payment thereof subject to the limits herein mentioned, as it may deem fit and proper.

17.4.10. While the IPR Committee may settle the claims of the Clients out of the IPR, the Executive Committee may initiate necessary legal proceedings to recover the amount from the Participant and replenish the IPR.

## **17.5. QUANTUM OF COMPENSATION**

17.5.1. The IPR may be utilised by the IPR Committee to compensate any loss suffered by any Client arising from negligence of the Participants and/or the Depository up to a limit of ₹ 1,50,000/- (Rupees One lakh fifty thousand only) and/or such other limit as may be determined by the IPR Committee from time to time.

17.5.2. The IPR Committee may from time to time either generally or in respect of a particular claim determine the limit. However, where the limit is raised in respect of a particular claim, the IPR Committee shall record in writing, its reasons thereof.

17.5.3. The amount of compensation payable in respect of any claim shall be reduced by the amount or value of any compensation or benefits received by the Client from any other source in respect of such claim.

17.5.4. In case the Client receives compensation from any other source and the IPR Committee also pays the compensation without the knowledge of the payment by any other source in respect of the same claim, the IPR Committee shall recover from such Client an amount equivalent to the compensation received by him from such other source provided that the amount so recovered shall not exceed the amount of compensation received by such Client from the IPR.

17.5.5. In the event that any Client has received compensation from the IPR in respect of a claim based on the negligence on the part of a Participant, the IPR Committee shall take all steps necessary to recover from such Participant the amount of compensation so paid together with interest thereon from the date of payment of compensation to the Client at such rate as the IPR Committee may decide from time to time.

17.5.6. Every decision by the IPR Committee in regard to any claim made by a Client shall be conclusive and binding.

## **17.6. CLAIM NOT TO AFFECT LEGAL PROCEEDINGS**

17.6.1. The rejection or partial acceptance of any claim by the IPR Committee or grant of any compensation to a claimant shall not preclude or debar such claimant to pursue his claim for dues against the Participant in any court of law or otherwise howsoever or other legal action on other grounds or causes of action of whatsoever nature.

Provided however that, the net claim of any such claimant against the Participant shall stand reduced to the extent of the compensation received by him from the IPR. The IPR Committee shall have the right to be subrogated to the extent of compensation so paid by the Participant. In the event of the claimant receiving his full dues from any source other than the IPR, the claimant shall refund the amount of claim received by him from the IPR and in the event of the claimant not so refunding the money, the IPR Committee shall have the right to recover the same from the claimant.

## 17.7. ALTERATION OF PROCEDURE

17.7.1. The IPR Committee may, in their discretion alter, modify or repeal the procedure as they may consider necessary.

### Notes:

<sup>173</sup> **Amended w.e.f. March 3, 2003. Prior to this amendment, Rule 17 inserted w.e.f. July 22, 1997 read as follows:**

#### 17. INVESTOR PROTECTION FUND

The Executive Committee shall set up a Fund to be known as “The National Securities Depository Limited Investor Protection Fund”. Contributions to the Fund shall be the amount or amounts that may be specified by the Executive Committee from time to time. The Trust funds shall be utilised to make good the claims which may be submitted by the Clients who have suffered pecuniary losses arising from the negligence of the Depository or by the Participants while carrying out the instructions of the Client.

#### 17.1. SOURCES OF FUND

17.1.1. Contribution to the “National Securities Depository Limited Investors Protection Fund” shall be out of the following:

- i) 1% of the fees (Custody fees, transaction related fees, and rematerialisation fees) collected from the Participants.
- ii) Fines, penalties and any extra fees charged from Issuers and Participants for any extra service provided.
- iii) 10% of the interest earned on the Security Deposit of ₹10 lac, collected from the Participants.
- iv) 5% of the Annual Fees received from the Participants.
- v) Any other sums as may be prescribed by the Trustees from time to time.
- vi) Any other contribution that may be received by the Trustees from any other person and any income accruing on the Trust Property.

#### 17.2. NATURE OF CLAIMS

17.2.1. The Trust Funds shall be utilised by the Trustees to compensate the following:

- i) for any loss suffered by any Client arising from the negligence of the Participants and/or the Depository while carrying out the instructions of the Client.
- ii) for any losses the investor might incur, as a result of non performance by the Participant.

#### 17.3. CLAIMS NOT TO BE ADMITTED

17.3.1. Claims of investors who have not availed the services of the Depository by opening an account with any of its Participants, shall not be admitted by the Trustees.

17.3.2. Claims which are above ₹1.50 lac in value.

#### 17.4. PROCEDURE FOR MAKING CLAIMS

17.4.1. Any Client who has suffered any loss arising from negligence and/or as a result of non performance by the Participant(s) while carrying out the instructions of the Client shall first approach the concerned Participant to make good the loss.

17.4.2. The Depository shall admit the claim(s) only as a last recourse, when a Participant is no longer able to fulfill his financial obligation.

17.4.3. A claim for compensation shall be made in writing to the Trust giving full details of all relevant facts of the case, duly supported by copies of documents relevant thereto.

17.4.4. Any person wishing to make a claim shall also give an undertaking in writing in the prescribed format, to be bound by the decision of the Trustees which decision shall be final and binding.

17.4.5. In the event of multiple claims received from a Client(s) under Rule 17.4.2 above, the sequence of admission of claims shall be in chronological order in which they have been received and subject to the extent specified under Rule 17.5.1.

17.4.6. Any Client whose claim has been admitted under Rule 17.4.2 above, the Trustees may require the person to produce and deliver any documents and statements of evidence as may be necessary to establish or support his claim. In the event of default on the part of such Client in this regard, the Trustees may at their discretion disallow or reject the claim either wholly or in part as they may deem fit.

17.4.7. The Trustees while disallowing (whether wholly or partly) a claim for compensation shall serve notice of such disallowance on the claimant.

17.4.8. The Trustees, if satisfied that the default on which the claim is founded was actually committed, may allow the claim and act accordingly.

17.4.9. The Trustees shall have an absolute discretion as regards the mode and method of assessing the nature of the claim including its genuineness and shall likewise at their discretion accept, reject or partially grant or allow claims and make payment thereof subject to the limits herein mentioned, as they may deem fit and proper.

17.4.10. While the Trust will settle the claims of the Clients out of the Trust Funds, the Trustees may initiate necessary legal proceedings to recover the amount from the Participant and replenish the Fund.

**Notes :**

**17.5. QUANTUM OF COMPENSATION**

17.5.1. The Trust Funds shall be utilised by the Trustees to compensate for any loss suffered by any Client arising from negligence of the Participants and/or the Depository up to a limit of ₹ 1,50,000/- (Rupees One lac fifty thousand only) and/or such other limit as may be determined by the Board of Trustees from time to time.

17.5.2. The Trustees may from time to time either generally or in respect of a particular claim determine the limit. However, where the limit is raised in respect of a particular claim, the Board of Trustees shall record in writing, its reasons there for.

17.5.3. The amount of compensation payable in respect of any claim shall be reduced by the amount or value of any compensation or benefits received by the Client from any other source in respect of such claim.

17.5.4. In case the Client receives compensation from any other source and the Trust also pays the compensation without the knowledge of the payment by the other source in respect of the same claim, the Trustees shall recover from such Client an amount equivalent to the compensation received by him from such other source provided that the amount so recovered shall not exceed the amount of compensation received by such Client from the Trust.

17.5.5. In the event that any Client has received compensation from the Trust in respect of a claim founded on the negligence on the part of a Participant, the Trustees shall take all steps necessary to recover from such Participant the amount of compensation so paid together with interest thereon from the date of payment of compensation to the Client at such rate as the Trustees may decide from time to time.

17.5.6. Every decision by the Trustees in regard to any claim made by a Client shall be conclusive and binding.

**17.6. CLAIM NOT TO AFFECT LEGAL PROCEEDINGS**

17.6.1. The rejection or partial acceptance of any claim by the Trustees or grant of any compensation to a claimant shall not preclude or debar such claimant to pursue his claim for dues against the Participant in any court of law or otherwise howsoever or other legal action on other grounds or causes of action of whatsoever nature.

Provided, however, that the net claim of any such claimant against the Participant shall stand reduced to the extent of the compensation received by him from the Fund. The Trust shall have the right to be subrogated to the extent of compensation so paid by the Participant. In the event of the claimant receiving his full dues from any source other than the Trust, the claimant shall refund the amount of claim received by him from the Trust and in the event of the claimant not so refunding the money, the Trust shall have the right to recover the same from the claimant.

**17.7. ALTERATION OF PROCEDURE**

17.7.1. The Trustees may, in their discretion alter, modify or repeal the procedure as they may consider necessary.

17.7.2. If there is any repugnance between this procedure and NSDL Business Rules, Bye laws and SEBI Regulations, then NSDL Business Rules, Bye laws and SEBI Regulations will prevail.

## 18. PENALTIES

**18.1.1<sup>175</sup> The Depository may impose a penalty on the Participant to the extent indicated for non-compliance as described below:**

Sr. No.	Nature of Non-compliance	Penal Action in ₹/ Action
<b>I</b>	<b>Operational deviations</b>	
1.	Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/SEBI/PMLA/Account opened without Obtaining adequate proof of address as prescribed under guidelines of NSDL/SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/SEBI/PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	₹2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections,- matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹50000.
2.	Supplementary Agreement Executed or undertaking / letter obtained or any modification made in any document which has clauses contradictory to SEBI/ Depository prescribed guidelines Power of attorney executed in favour Participant in contradiction to SEBI/ Depository prescribed guidelines.	₹1000 per occasion.
3.	<sup>175</sup> Accounts opened in the name of Partnership firms / proprietary concern / such other entities not entitled to hold securities in its name as prescribed under guide lines of NSDL/SEBI/PMLA.	₹1000 per account.
4.	Nomination not done as per prescribed procedure.	₹ 250 per account.
5.	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/unfreeze, pledge, remat etc as prescribed under guidelines of NSDL/SEBI/PMLA.	₹500 per account.
6.	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	₹50 per account.
7.	Correct PAN details are not obtained from the clients and the account is not frozen for debit as prescribed under guidelines of NSDL/SEBI/PMLA	₹500 per account.
8.	Incorrect entry of PAN details in DPM system as prescribed under guidelines of NSDL/SEBI/PMLA.	₹50 per account.
9.	Invalid/ Factually incorrect / meaningless data entered in demographic details.	₹500 per account.
10.	Delay in dispatch of demat requests beyond seven working days after receipt of Demat Request Form and certificates from the client.	₹250 per account.
11.	Sending securities for dematerialisation to Register & Transfer Agents / Issuers without defacing and mutilating certificates.	₹100 per occasion.
<b>Notes :</b>		
<sup>175</sup> Amended w.e.f. March 28, 2018. Prior to this amendment the Sr. No. 18.1.1 (I) 3 was which read as follows :		
3.	Accounts opened in the name of Partnership firms / HUF/ proprietary concern / such other entities not entitled to hold securities in its name as prescribed under guidelines of NSDL/SEBI/PMLA.	₹ 1000 per account.



Sr. No.	Nature of Non-compliance	Penal Action in ₹/ Action
12.	No/inadequate control over issuance and/or acceptance of instruction slips.	₹2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.
13.	Client account debited without receiving proper authorization as prescribed under guidelines of NSDL/SEBI.	₹2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, Matter be referred to Disciplinary Action Committee. Depository to refer matter to Disciplinary Action Committee, If total penalty imposed in one inspection under this head exceeds ₹50000. The penalty above will be in addition to restoration of securities in case of client's dispute.
14.	<sup>176</sup> Delivery Instruction Slip (DIS) not scanned and uploaded in system provided by NSDL.	a) If the deviation is observed in the first month - penalty of ₹100 per DIS to be imposed with a maximum cap of ₹10,000. b) If the deviation is observed in the second consecutive month, a penalty of ₹150 per DIS to be imposed with a maximum cap of ₹15,000. If total monetary penalty imposed under this head is more or equal to ₹ 50,000 during one financial year, matter would be referred to Disciplinary Action Committee (DAC).
15.	Instruction of the client not executed or erroneously entered by Participants.	₹250 per account.
16.	Fax indemnity not executed with the client for the instructions accepted on fax and/ or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	₹500 per account.
17.	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	₹2000 per occasion.
18.	Change in office address and / or investor relations officers/compliance intimated to Depository.	₹250 per occasion.
19.	Forms used are not in conformity with the prescribed format.	₹100 per occasion.
20.	Termination / Closure of franchisee / branch services contrary to Depository instructions.	₹500 per occasion.
21.	Speed-e facility made available/operated contradictory to Depository guidelines.	₹500 per account.
22.	<sup>177</sup> Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹.1000 per occasion plus additional ₹500 for any delay per fortnight. ₹.2000 per occasion plus additional ₹1000 for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.

Sr. No.	Nature of Non-compliance	Penal Action in ₹/ Action
23.	Internal audit report/ Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.
24.	<sup>178</sup> Non- Submission of data for risk based supervision in Risk Assessment Template (RAT) within the prescribed time period.	₹.1000 per occasion ₹.2000 per occasion if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
25.	<sup>179</sup> Non-submission of net worth certificate based on the audited annual accounts by the Participants ( as specified in the Bye- Laws) in the prescribed format for 31st March within prescribed time limit.	₹2500 per occasion plus additional ₹ 1000 for any delay per fortnight. ₹.5000 per occasion plus additional ₹2000 for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
26.	<sup>180</sup> Non-submission of annual financial statement within the prescribed time limit.	₹1000 per occasion plus additional ₹ 500 for any delay per fortnight. ₹.2000 per occasion plus additional ₹1000 for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
27.	Non filing of information sought by Depository either periodically or specifically through circulars / letters etc.	₹ 250 per occasion.
28.	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
29.	Client Grievances (except disputes/court cases) not redressed within 30 days.	₹ 250 per grievance plus additional ₹ 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
30.	<sup>181</sup> Non-submission of monthly report of Client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	₹.500 per month. ₹. 1000 per month if repeated delay found in consecutive month. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
31.	<sup>182</sup> Data submitted in Internal Audit Report, Concurrent Audit report, Risk Assessment Template (RAT) for Risk based supervision, in Networth certificate, Annual Financial Statements, Compliance Certificate and Investor Grievance Report is found to be false/ incorrect.	₹. 500 per occasion. ₹. 1000 per occasion, if same deviation is observed for consecutive period. If same deviation is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
32.	Depository services are offered through service centres without approval of Depository.	₹2500 per occasion.
33.	(a) In-person verification carried out by any person other than as	Matter to be referred to Disciplinary Action

	permitted by SEBI/ Depository. (b) Carrying out functions of verification of delivery instruction slips through franchisees. (c) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralised processing unit under the supervision of its head office.	Committee.
34.	Anti Money Laundering (AML) policy not framed as required under PMLA and not intimated to FIU-IND.	₹2500 per occasion.
35.	Non appointment of Principal officer/Non intimation of change of Principal Officer details to FIU - IND.	₹2500 per occasion.
36.	Suspicious Transaction Register not being maintained as prescribed by NSDL.	₹2500 per occasion.
37.	System of maintaining documents pertaining to depository operations not satisfactory.	₹1000 per occasion.
II	<b>System related deviations</b>	
38.	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration/ software other than DPM application software/prescribed system software found loaded in the system.	₹5000 per occasion.
39.	Not upgrading the software and/or hardware within the prescribed time limit / not complying with pre-requisite or post-requisite of upgradation.	₹5000 per occasion plus actual cost of travel of Depository officials / and / or other person/s on behalf of Depository, if any, for this purpose.
40.	DPM configuration not as per Depository requirements.	₹5000 per occasion.
41.	DPM is connected to WAN without permission of relevant authorities.	₹5000 per occasion.
42.	Anti Virus Software not loaded/enabled/ upgraded on server and/or client machine(s).	₹500 per occasion.
43.	'Variable access rights' scheme suggested by Depository not implemented / not implemented properly.	₹250 per occasion.
44.	Physical access to client machine and server is easily available to unauthorised persons.	₹100 per occasion
<b>Miscellaneous</b>		
45.	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter to be referred to Disciplinary Action Committee.

18.1.2. For non-compliances, where fines are levied, the fine will be communicated to the Participant and in addition, Participant would be required to report compliance within the stipulated time frame. The Participant shall pay the fine within 15 days of the communication. In case the Participant continues to default after paying the penalty, the matter will be referred to Disciplinary Action Committee.

18.1.3. Compliance reported by the Participant will be verified during the subsequent inspection. In case the compliance reported by the Participant is found to be false, the matter will be referred to Disciplinary Action Committee.

18.1.4. If the total monetary penalty levied on a particular Participant in last three years exceed ₹ 1,00,000 the matter would be referred to Disciplinary Action Committee.

18.1.5. The penalty provisions as mentioned in Rule 18.1.1 to 18.1.4 will apply to CC/CH to the extent that are relevant for the operations of CC/CH.

## 18.2

18.2.1 The Depository may impose a penalty on the Issuer/R & T Agent to the extent indicated for non-compliance as described below:

Sr. No.	Nature of Non-compliance	Penal Action
1.	Date of receipt of Demat Request form (DRF) / Conversion Request form/ reconversion Request form/ remat request form (RRF) not entered / incorrectly entered in depository system.	If percentage of deviations to sample size is Less than/ equal to 5 percent - 2 points More than 5 - less than/ equal to 10 percent -5 points More than 10 - less than/ equal to 20 percent - 7 points More than 20 percent - 10 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
2.	Certificates/Statement of Account (SOA) and Physical documents not sent to the Concerned Depository Participant (DPs) within 5 working days of rejection of demat/ conversion request.	If percentage of deviations to sample size is Less than/ equal to 5 percent - 2 points More than 5 - less than/ equal to 10 percent -5 points More than 10 - less than/ equal to 20 percent - 7 points More than 20 percent - 10 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
3.	Not sending printed certificate /SOA to the Registered owner and Proof of Dispatch of Certificates / SOA not maintained in case of remat /reconversion.	If percentage of deviations to sample size is Less than/ equal to 5 percent - 2 points More than 5 - less than/ equal to 10 percent -5 points More than 10 - less than/ equal to 20 percent - 7 points More than 20 percent - 10 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
4.	System of Maintaining documents pertaining to demat / conversion / reconversion / remats requests not satisfactory.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
5.	Not Adhering to SEBI prescribed procedure For demat confirmation for shares lost in transit from Participant to Issuer / RTA.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
6.	Delay in confirmation of demat / conversion / reconversion /remat/redemption Request within the prescribed time period where the delay Is attributable to the RTA / Issuer connected to depository.	₹250 per request with a maximum cap of ₹25000 per occasion. If deviations are observed under same head in consecutive inspection, ₹ 500 per request with a maximum cap of ₹ 25000 per occasion
7.	Dematerialisation Of Securities for which listing approval has not been received from the relevant stock exchange(s).	₹1000 If deviations are observed under same head in consecutive inspection, the penalty amount indicated above will be doubled.
8.	Reconciliation Between depository control position and Register of Members (ROM) is not done on a daily basis.	₹2500 If deviations are observed under same head in consecutive inspection, the penalty amount indicated above will be doubled.
9.	Reconciliation between issued capital and summation Of shares held in Physical form, NSDL and CDSL system is not done on daily basis.	₹2500 If deviations are observed under same head in consecutive inspection, the penalty amount indicated above will be doubled.
Sr. No.	Nature of Non-compliance	Penal Action
10.	Physical access to Client machine is easily available to	3 points

	unauthorised persons.	If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
11.	Scheme of Variable Access Rights not implemented.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
12.	Not upgrading the Software / hardware / network / IT Infrastructure or not complying with pre-requisite or post-requisite of up gradation.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
13.	Failure to Establish connectivity with Depository Through alternate means Of communication.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
14.	Antivirus software not loaded / upgraded / enabled on client machine.	10 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
15.	Change in office address and / or investor relations officers / compliance officers Not intimated to the Depository.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
16.	Compliance not reported By Issuer/ RTAs within 60 days from the date of communication by depository with respect to deviations observed during the inspections.	Matter will be reported to its client companies (in case of RTA) as well as SEBI, for necessary action
17.	Name & specimen signature of authorised signatories Not Obtained from Companies Having only Electronic connectivity and not compared before confirmation of demat /remat requests.	5 points If deviations are observed under same head in consecutive inspection, the penalty points indicated above will be doubled.
18.	<sup>183</sup> Internal Audit Report not submitted in the prescribed format within the stipulated time period.	₹1000 per occasion plus additional ₹500 for any delay per fortnight. ₹2000 per occasion plus additional ₹1000 for any delay per fortnight if repeated delay found in consecutive period. If delay in submission is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee. Disciplinary Action Committee.
19.	<sup>184</sup> Internal audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹1000 per occasion plus additional ₹500 for any delay per fortnight till the submission of revised report.
20.	<sup>185</sup> Data submitted in Internal Audit Report and investor grievance report is found to be false/ incorrect.	₹500 per occasion. ₹1000 per occasion, if same deviation is observed for consecutive period. If same deviation is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
21.	<sup>186</sup> Quarterly Investor Grievance report not submitted in the prescribed format within the stipulated time period.	₹.500 per month or part of the month. ₹.1000 per month if repeated delay found in consecutive quarter. If delay in submission is observed for three consecutive quarters, matter would be referred to Disciplinary Action Committee.

18.2.2. For non-compliances, where penalty points/ monetary penalty are levied, same will be communicated to the Issuer/ RTAs and in addition, compliance will be sought from the Issuer/RTAs within the stipulated time frame. The Issuer / RTAs shall pay the monetary penalty within 30 days of the communication.

18.2.3. The penalty points imposed for the non-compliances observed during the inspection as per rule will be accumulated for a period of three years. At the beginning of the 4th year, the points accumulated in the first year will be dropped and the points levied in the second and third year will be considered as the opening balance for the fourth year.

18.2.4 If accumulated points exceed 25 points, all penalty points so accumulated will be converted into monetary penalty @ ₹100 per point.

18.2.5 In case Issuer/ RTA fails to make the payment of monetary penalty within one month from the due date, the matter will be reported to client companies (in case of RTA) and SEBI for necessary action as well as restriction to be imposed for undertaking new client companies.

18.2.6 The compliance reported by the Issuer/RTA will be verified during the subsequent inspection. In case the compliance reported by the Issuer/RTA is found to be false, materially incorrect or misleading, the matter will be reported to its client companies (in case of RTA) as well as SEBI, for necessary action.

**Notes:**

<sup>174</sup> Amended w.e.f. July 1, 2017 Sr. NO. 18.1.1 (I) 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42 was renumbered as 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 respectively.

<sup>186</sup> Inserted w.e.f. June 15, 2018 Sr. NO. 18.2.1 (21)

<sup>185</sup> Amended w.e.f. June 15, 2018. Prior to this amendment the Sr.NO. 18.2.1 20 was read as follows:

20	Data submitted in Internal Audit Report is found to be false/ incorrect.	₹500 per occasion. ₹1000 per occasion, if same deviation is observed for consecutive period. If same deviation is observed for three consecutive periods, matter would be referred to Disciplinary Action Committee.
----	--	--

<sup>183</sup> Inserted w.e.f. June 2, 2017 Sr. NO. 18.2.1 (18, 19 and 20)

**Notes :**

<sup>176</sup> Inserted w.e.f. June 1, 2017

<sup>178</sup> Inserted w.e.f. July 1, 2017

<sup>177</sup> Amended w.e.f. July 1, 2017. Prior to this amendment the Sr. NO. 18.1.1 (I) 21, 23, 24 & 28 was read as follows :

Sr. No.	Nature of Non-compliance	Penal Action in ₹/ Action
21.	Internal Audit Report / Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
23.	Non-submission of net worth certificate based on the audited annual accounts by the Participants ( as specified in the Bye- Laws) in the prescribed format for 31st March within prescribed time limit.	₹ 2500 per occasion plus additional ₹ 1000 for any delay per fortnight.
24.	Non-submission of annual financial statement within the prescribed time limit.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight
28.	Non-submission of monthly report of Client Complaints as required under Bye Law Complaints as required under Bye Law(latest by 10th of the following month).	₹500 Per month.

<sup>181</sup> Inserted w.e.f. June 2, 2017

**Notes:**

•Amended w.e.f. April 4, 2014. Prior to this amendment the Sr. NO. 18.1.1 (I) 1 & 2 was amended w.e.f. August 6, 2012, which read as follows :

Sr. No.	Nature of Non-compliance	Penal Action in ₹/ Action
1.	Accounts operated with an unsigned agreement/Account opened without obtaining adequate proof of identity or any other document - as prescribed under guidelines of NSDL/SEBI/PMLA/Account opened without obtaining adequate proof of address as prescribed under guidelines of NSDL/ SEBI/PMLA or adequate proof of address not collected for change of address as prescribed under guidelines of NSDL/SEBI/ PMLA. Record of in-person verification not maintained as prescribed under guidelines of NSDL/SEBI/PMLA.	₹2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹50000.
2.	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses	₹1000 per occasion.

	contradictory to Depository prescribed agreement or Power of attorney executed in favour of Participant in contradiction to Depository prescribed guidelines.	
--	---	--

**The Original Rule 18.1.1 (I) 29 has been deleted w.e.f. October 29, 2014. Prior to deletion original Rule 18.1.1 (I) 29 read as follows:**

**\* Sr. No. 9 under Rule 18.1.1 has been deleted w.e.f. April 4, 2014 and remaining provisions under 18.1.1 have been renumbered. The deleted Rules read as under:**

**\* Sr. No. 43 under Rule 18.1.1 has been deleted w.e.f. April 29, 2014 and remaining provisions under 18.1.1 have been renumbered.**

Sr. No.	Nature of Non-compliance	Penal Action in ₹/ Action
9.	Alterations in the contents of agreements as prescribed by Depository.	₹100 per occasion.
29.	Qualified personnel (NCFM/NSDL/NISM certified for depository operations) not appointed in at least 90% of the total service centers (other than drop boxes) of the Participants.	₹1,000 per month per service centre (other than drop box). Further, ₹ 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.
43.	Not connecting with Depository continuously for two working days without intimating to Depository. sed persons.	₹5000 per Occasion plus ₹500 per day thereafter.

**Notes:2**

**\* Sr. No. 39 and 49 under Rule 18.1.1 which were amended w.e.f. May 1, 2009 have been deleted w.e.f. June 30, 2009 and remaining provisions under 18.1.1. have been renumbered. The deleted Rules read as under :**

18.1.1. The Depository may impose a penalty on the Participant to the extent indicated for non compliance as described below:

Sr. No.	Nature of Non-Compliance	Penal Action
39.	Not taking back up daily and/or deviation in procedure of taking backup.	₹ 5000 per occasion.
49.	Additional copy of back up not sent to remote site and/or not sent as per Depository Requirements.	₹ 1000 per occasion.

**•Amended w.e.f. June 14, 2011. Prior to this amendment the Sr. No. 31, which read as follows:**

Sr. No.	Nature of Non-Compliance	Penal Action
31.	Qualified personnel (NCFM/NSDL certified for depository operations) not appointed in at least 90% of the total service centres (other than drop boxes) of the Participants.	₹1,000 per month per service centre (other than drop box). Further, ₹ 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.

**•word 'NISM' was added after NCFM/NCDO in srl. No. 31 of Rule 18.1.1 w.e.f June 14,2011.**

**•Prior to this amendment the Sr. No. 31, which read as follows:**

Sr. No.	Nature of Non-Compliance	Penal Action
31.	Qualified personnel (NCFM/NSDL certified for depository operations) not appointed in at least 75% of the total service centres (other than drop boxes) of the Participants.	₹ 50 per day per service centre (other than drop box) till the appointment of qualified person(s) to the extent of shortages.

**•Amended w.e.f. October 21, 2009. Prior to this amendment the Sr. No. 31, 32 & 33, which read as follows:**

Sr. No.	Nature of Non-Compliance	Penal Action
32.	Depository services are offered through service centers without the approval of Depository.	Participant will be advised to stop opening fresh demat account and matter will be referred to the Disciplinary Action Committee.
33.	Carrying out certain functions which are prohibited by Depository though franchisees Committee. (like in person verification of clients at the time of opening of accounts, verification of delivery instruction slips, despatch of transaction statements etc.).	Matter to be referred to Disciplinary Action

**Amended w.e.f. August 6, 2012. Prior to this amendment the Rule 18.1.1. was amended w.e.f. May 1, 2009, which read as follows:**

Sr. No.	Nature of Non-Compliance	Penal Action
---------	--------------------------	--------------

<b>I</b>	<b>Operational deviations</b>	
1.	Accounts operated with an unsigned agreement/ Account opened without obtaining adequate proof of identity or any other document prescribed by SEBI/ Account opened without obtaining adequate proof of address or adequate proof of address not collected for change of address, Record of in-person verification not maintained.	₹ 2500 per account. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee if total penalty imposed in one inspection under this head exceeds ₹ 50000.
2.	Supplementary agreement executed or undertaking/letter obtained or any modification made in any document which has clauses contradictory to Depository prescribed agreement or Power of attorney executed in favour of Participant in contradiction to Depository prescribed guidelines.	₹ 1000 per occasion.
3.	Accounts opened in the name of partnership firms/HUF/proprietary concern/such other entities not entitled to hold securities in its name.	₹ 1000 per occasion.
4.	Nomination not done as per prescribed procedure.	₹ 250 per account.
5.	Any type of transaction not executed as per the procedure prescribed by Depository such as change in bank details, change in signature, transmission, account closure, freeze/unfreeze, pledge, remat etc.	₹ 500 per account.
6.	Data entry errors / omission which may cause inconvenience and/or loss to the client/ system / Depository.	₹ 50 per account.
7.	Correct PAN details are not obtained from the clients and the account is not frozen for debit.	₹ 500 per account.
8.	Incorrect entry of PAN details in DPM system.	₹ 50 per account.
9.	Alterations in the contents of agreements as prescribed by Depository.	₹ 100 per occasion.
10.	Minor's account opened with joint holders.	₹ 500 per account.
11.	Invalid/ factually incorrect/ meaningless data entered in demographic details.	₹ 500 per account.
12.	Delay in dispatch of demat request beyond seven working day after receipt of Demat Request Form and certificates from the Client.	₹ 250 per occasion.
13.	Sending securities for dematerialization to Registrar & Transfer Agents/Issuers without defacing and mutilating certificates.	₹ 100 per occasion.
14.	No/inadequate control over issuance and / or acceptance of instruction slips.	₹ 2500 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 5000. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee.
15.	Client account debited without receiving proper authorization.	₹ 2500 per account. If such proper authorization. deviation is observed in two consecutive inspections, penalty would be ₹ 5000 per account. If such deviation is observed in three consecutive inspections, matter would be referred to Disciplinary Action Committee. Depository to refer the matter to Disciplinary Action Committee, if total penalty imposed in one inspection under this head exceeds ₹ 50000. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.
16.	Instruction of the client not executed or erroneously entered by Participants.	₹ 250 per account.
17.	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within stipulated time from the date of receipt of the fax instruction.	₹ 500 per account.
18.	Transaction statement not being sent to clients as per requirements or discrepancy observed in the transaction statement sent to clients.	₹ 2000 per occasion.
19.	Change in office address and / or investor relations officers/compliance officers not intimated to Depository.	₹ 250 per occasion.
<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penal Action</b>
20.	Forms used are not in conformity with the prescribed format.	₹ 100 per occasion.
21.	Termination/Closure of franchisee/branch services	₹ 500 per occasion.



	contrary to Depository instruction.	
22.	Speed-e facility made available/ operated contradictory to Depository prescribed guidelines.	₹ 500 per account.
23.	Internal Audit Report/Concurrent Audit Report not submitted in the prescribed format within the stipulated time period.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
24.	Internal audit report/Concurrent audit report submitted without inclusion of management comments for deviations noted by auditors or not providing compliance duly certified by auditors on the observations made by the Depository.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.
25.	Non-submission of net worth certificate based on the audited annual accounts by the Participants (as specified in the Bye-Laws) in the prescribed format for 31st March within prescribed time limit.	₹ 2500 per occasion plus additional ₹ 1000 for any delay per fortnight.
26.	Non-submission of annual financial statement within the prescribed time limit.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight.
27.	Non filing of information sought by Depository either periodically or specifically through circulars/letters etc.	₹ 250 per occasion.
28.	Half yearly Compliance certificate not submitted within the stipulated time.	30 days have elapsed after stipulated time and the certificate is not submitted, Participant will be advised to stop opening fresh demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
29.	Client Grievances (except disputes/court cases) not redressed within 30 days.	₹ 250 per grievance plus additional ₹ 100 for any further delay per month. Delay beyond six months will be reported to the Disciplinary Action Committee.
30.	Non-submission of monthly report of client Complaints as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	₹ 500 per month.
31.	Qualified personnel (NCFM/NSDL/NISM certified for depository operations) not appointed in at least 90% of the total service centers (other than drop boxes) of the Participants.	₹ 1,000 per month per service centre (other than drop box). Further, ₹. 5,000 per month per service centre upon recurrence of the deviation in the same service centre wherein non-compliance was observed earlier. In case of new service centre or in case of resignation or transfer of qualified personnel from the existing service centre, time period of three months will be allowed within which qualified personnel should be appointed.
•32.	Depository services are offered through service centers without approval of Depository.	₹ 2,500 per occasion
•33.	(a) Carrying out certain functions which are prohibited by Depository through franchisees (like in-person verification of clients at the time of opening of accounts and verification of delivery instruction slips) (b) Dispatch of periodic transaction statements by Participants through its service centre (branch as well as franchisees) other than one which is directly connected to the Depository or through its centralized processing unit under the supervision of its head office.	Matter to be referred to Disciplinary Action Committee.
<b>II</b>	<b>System related deviations</b>	
34.	Using the DPM System for any other purpose or loading any other software or alteration of parameters/configuration/software other than DPM application software/prescribed system software found loaded in the system	₹ 5000 per occasion.
35.	Not upgrading the software and/or hardware within the prescribed time limit/not complying with pre-requisite or post-requisite of up gradation.	₹ 5000 per occasion plus actual cost of travel of Depository official/s and or other person/s on behalf of Depository, if any, for this purpose.
36.	DPM configuration not as per Depository requirements.	₹ 5000 per occasion.
<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penal Action</b>
37.	DPM is connected to WAN without permission of relevant authorities.	₹ 5000 per occasion.
38.	Anti Virus Software not loaded/enabled/upgraded	₹ 500 per occasion.

	on server and/or client machine(s)	
39.	Variable access rights' scheme suggested by Depository not implemented/ not implemented properly.	₹ 250 per occasion.
40.	Back up register not maintained or not updated	₹ 100 per occasion.
41.	There is no physical restriction on access to server and client machine.	₹ 100 per occasion.
42.	DPM configuration not as per Form B; however it is as per Depository specifications.	₹ 100 per occasion.
43.	System personnel not deputed for BP training.	₹ 100 per occasion.
44.	Documentation related to procedure of RAS/PPP/ online/ Dongle etc. not maintained/is not available immediately.	₹ 100 per occasion.
45.	Not connecting with Depository continuously for two working days without intimating to Depository.	₹ 5000 per occasion plus ₹ 500 per day thereafter.
46.	Transaction logs not getting copied to client machine.	₹ 5000 per occasion.
47.	Failure to establish connectivity with Depository through dial-up mode.	₹ 1000 per occasion.
48.	ERD not created/RAID controller configuration back up not taken as per Depository requirements.	₹ 1000 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹ 2000.
	<b>Miscellaneous</b>	
49.	Compliance not reported by Participant within 60 days from the date of communication by depository with respect to deviations observed during the inspections	Matter to be referred to Disciplinary Action Committee.

18.1.2. ₹ For non-compliances, where fines are levied, the fine will be communicated to the Participant and in addition, Participant would be required to report compliance within the stipulated time frame. The Participant shall pay the fine within 15 days of the communication. In case the Participant continues to default after paying the penalty, the matter will be referred to Disciplinary Action Committee.

18.1.3. ₹ Compliance reported by the Participant will be verified during the subsequent inspection. In case the compliance reported by the Participant is found to be false, the matter will be referred to Disciplinary Action Committee.

18.1.4. ₹ If the total monetary penalty levied on a particular Participant in last three years exceed ₹ 1,00,000 the matter would be referred to Disciplinary Action Committee.

18.1.5. ₹ The penalty provisions as mentioned in Rule 18.1.1 to 18.1.4 will apply to CC/CH to the extent that are relevant for the operations of CC/CH.

**Prior to this amendment the Rule 18.1.1. read as follows:**

18.1.1. ¶ The Depository may impose a penalty on the Participant to the extent indicated for non compliance as described below:

Sr. No.	Nature of Non-Compliance	Penalty
1.	Account opened without executing DP Client agreement or obtaining adequate proof of identity and/or proof of address and no adequate proof of	₹ 5000 per occasion. If such deviation is observed in two consecutive inspections, penalty would be ₹10000. If such address collected for change of address. deviation is observed in third consecutive inspection matter would be referred to Disciplinary Action Committee.
2.	Account opened in incorrect name viz. Accounts opened in name of partnership firms/ proprietary concerns/HUF etc.	₹1000 per deviation.
3.	Minor account opened with joint holdings	₹ 500 per deviation
4.	Invalid/ factually incorrect data entered in demographic details.	₹ 500 per deviation
5.	Incorrect PAN details entered in DPM system.	₹500 per account.
6.	Data entry errors/ omission which may cause inconvenience and/or loss to the client / system / DP / NSDL	₹ 50 per occasion
Sr. No.	Nature of Non-Compliance	Penalty
7.	Supplementary agreement executed or undertaking/ letter obtained or any modification made in any document which has clauses contradictory to	₹ 1000 per occasion

	NSDL prescribed agreement or Power of attorney executed in favour of DP in contradiction to NSDL prescribed guidelines.	
8.	Nomination not done as per prescribed procedure.	₹ 500 per deviation
9.	Change in clients signature not done as per prescribed procedure.	₹ 500 per deviation
10.	Account closure/ freezing/ unfreezing not done as per NSDL requirements.	₹ 500 per deviation
11.	Transmission not done as per prescribed procedure.	₹ 1000 per deviation
12.	Speed-e facility made available/ operated contrary to NSDL procedure.	₹ 500 per deviation
13.	No/ inadequate control over issuance and/ or acceptance of instruction slips.	₹ 5000 per occasion. If such deviation is observed in two consecutive inspections, monetary penalty of ₹10000 would be levied. If such deviation is observed in third consecutive inspection, matter would be referred to the Disciplinary Action Committee.
14.	Client account debited without receiving proper authorisation from clients.	Upto 5 such deviations: ₹5000 and thereafter ₹1000 per deviation. If such deviation is observed in two consecutive inspections, the penalty would be ₹10000 and ₹2000 respectively and if same is observed thrice consecutively matter would be referred to Disciplinary Action Committee. The penalty levied above will be in addition to restoration of securities in case of clients' dispute.
15.	Transaction statement not being sent to clients as required by regulations or discrepancy observed in the transaction statement sent to clients.	₹ 2000
16.	Delay in processing of demat requests beyond 7 working days after receipt.	₹ 50 per request per day of delay beyond 7 working days.
17.	Half yearly Compliance certificate not submitted (by stipulated time).	If 30 days have elapsed after stipulated time and the certificate is not submitted, stop opening new demat accounts. If the delay is beyond 60 days from the stipulated time, matter to be referred to Disciplinary Action Committee.
18.	Change in office address and / or investor Relations officers/ compliance officers not intimated to NSDL.	₹100 per day from the date of change in address/ investor relations officers/ compliance officer till intimation given to NSDL.
19.	Quarterly Internal Audit Report/Concurrent Audit Report not submitted (by stipulated time).	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight
20.	Quarterly Internal Audit Report/ Concurrent Audit Report Submitted without inclusion of management comments for deviations noted by the auditors Or for not providing comments by the auditors with respect to the action initiated by DP based on the observations made by NSDL.	₹ 1000 per occasion plus additional ₹ 500 for any delay per fortnight till the submission of revised report.
21.	Monthly report as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month)	₹ 25 per day till the date of submission of the report by the Participant.
22.	Not connecting with NSDL continuously for two working days without intimating to NSDL.	₹ 5000 plus ₹ 500 per day thereafter.
23.	Not taking back up daily and/or deviation in procedure of taking backup.	₹ 5000 for each deviation.
24.	Not upgrading the software or not complying with pre-requisite up gradation.	₹ 5000 plus actual cost of travel of NSDL official/s and/or other person/s on behalf of NSDL, if any, for this purpose.
25.	DPM configuration not as per NSDL requirements.	₹ 5000
26.	Transaction logs not getting copied to client machines.	₹ 5000
27.	Failure to establish connectivity with NSDL through dial-up mode.	₹ 1000 on each occasion.
28.	Additional copy of back up not sent to remote site and/ or not sent as per NSDL requirements.	₹1000 on every occasion.
29.	ERD not created/ RAID controller configuration back up not taken as per NSDL requirements.	₹ 1000 per deviation. If such deviation is observed in two consecutive inspections, penalty of ₹ 2000 would be levied.
30.	DPM is connected to WAN without permission of relevant authorities.	₹ 5000
<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty</b>
31.	Anti Virus Software not loaded/enabled/ upgraded on server and/or client machine(s).	₹ 500 per deviation
32.	Using the DPM system for any other purpose or	₹5000 If such deviation is observed in two consecutive

	loading any other software or alteration of parameters/configuration.	inspections, matter to be referred to Disciplinary Action Committee.
ss33.	Qualified personnel (NCFM / NSDL certified for depository operations) not appointed in at least 75% of the total service centers (other than drop boxes) of the Participants.	₹50 per day per service centre (other than drop box) till the appointment of qualified person(s) to the extent of shortages.
34.	Depository services are offered through franchisee without the approval of NSDL.	DP will be advised to stop opening fresh demat account and matter will be referred to the Disciplinary Action Committee.
35.	Termination of franchisee / branch services contrary to NSDL instructions.	₹ 500 per occasion.
36.	Franchisees carrying out functions which are in contravention to NSDL guidelines (like in- person verification of clients at the time the opening of account, verification of delivery instruction slips, dispatch of transaction statements etc).	Matter to be referred to Disciplinary Action Committee.
37.	Non submission of charge structure by the DP to NSDL by 30th April every year and changes thereof before such change becomes effective.	₹ 5,000 plus ₹ 250 per day thereafter for a period of 30 days. If the delay is beyond 30 days of the stipulated time, the matter to be referred to the Disciplinary Action Committee.
38.	Outstanding penalty points more than 15	₹ 1000 per point in excess of 15 to 30. For 31 to 45, ₹ 2000 per point above 30 points and for points above 45 - To Refer the matter to Disciplinary Action Committee.

#### **Penalty Points:**

<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty Points</b>
(i)	Forms used are not in conformity with NSDL prescribed format.	3 points
(ii)	'Variable access rights' scheme suggested by NSDL not implemented / not implemented properly.	5 points. If such deviation is observed in two consecutive inspections, then 10 penalty points would be levied. If such deviation is observed thrice consecutively, monetary penalty of ₹500 would be levied.
(iii)	There is no physical restriction on access to server and client machine.	3 points.
(iv)	DPM configuration not as per Form B; however it is as per NSDL specifications.	3 points.
(v)	Software other than DPM application software/ prescribed system software found loaded in the system.	3 points.
(vi)	System personnel not deputed for BP training.	1 points.
(vii)	Back up register not maintained or not updated.	5 points.
(viii)	Documentation related to procedure of RAS/PPP/ on line/ Dongle etc. not maintained/is not available immediately.	5 points.
(ix)	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within two days from the date of receipt of fax instruction.	3 points. If such deviation is observed in two consecutive inspections, then 10 penalty points would be levied. If such deviation is observed in thrice consecutively, monetary penalty of ₹500 would be levied.
(x)	Certificates are sent to R&T without defacing or mutilating Them.	5 points.

ssAmended w.e.f. February 11, 2009. Prior to this amendment Rule 18.1.1 (33) as amended w.e.f. November 1, 2007 read as follows:

#### **18.1.1**

<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty</b>
33.	NCFM qualified personnel not appointed in at least 75% of the total service centers (other than drop boxes) of the DPs.	₹50 per day per service centre (other than drop box) till the appointment of qualified person(s) to the extent of shortages.

**Prior to this amendment Rule 18.1.1 (33) as amended w.e.f. September 1, 2006 read as follows:**

<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty</b>
33.	NCFM qualified personnel not appointed at each service centre.	₹ 50 per day per service centre till the appointment of qualified person(s).

**Inserted w.e.f. January 1, 2007. The Original Rule 18.1.1 (37) renumbered as Rule 18.1.1 (38)**

**Amended w.e.f. September 1, 2006. Prior to this amendment the Rule 18.1.1. was amended on April 1, 2003, which read as follows:**

18.1.1. The Depository may impose a penalty on the Participant to the extent indicated for non compliance as described below:

<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty</b>
----------------	---------------------------------	----------------

1.	Using the DPM system for any other purpose or loading any other software or alteration of parameters /configuration.	₹ 5,000/-
2.	Not taking back up daily and/or deviation in procedure of taking backup.	₹ 5000/- for each deviation.
3.	Not upgrading the software or not complying with pre-requisite or post-requisite of up gradation.	₹ 5000/- plus actual cost of Travel of NSDL official/s and/ or other person/s on behalf of NSDL, if any, for this purpose.
4.	Not connecting with NSDL continuously for two working days without intimating to NSDL.	₹ 5000/- plus ₹ 500/- per day thereafter.
5.	DPM configuration not as per NSDL requirements.	₹ 5000/-
6.	DPM is connected to WAN without approval of DOT/ NSDL.	₹ 5000/-
7.	Transaction logs not getting copied to client machines.	₹ 5000/-
8.	Failure to establish connectivity with NSDL through dial-up Mode	₹ 1000/- on each occasion.
9.	ERD not created/ RAID controller configuration back up not taken as per NSDL requirements.	₹ 1000/- per deviation.
10.	Anti Virus Software not loaded on server and/or client machine(s).	₹ 500/- per deviation
‡11.	Client account debited without receiving proper authorisation from clients.	Up to five such deviations ₹ 5,000/- and thereafter ₹ 1,000/- per deviation. If such deviation is observed in two consecutive inspections, the penalty would be ₹10,000/- and ₹ 2,000/- respectively and if the same is observed thrice consecutively, the matter would be referred to disciplinary action committee of NSDL for further action.
12.	Statement of transactions not being sent to clients as required by regulations.	₹ 2000/-
‡13.	No/inadequate control over issuance and/ or acceptance of instruction slips.	₹ 2000/- per occasion. If such deviation is observed in two consecutive inspections, monetary penalty of ₹ 4,000/- would be levied.
14.	Additional copy of back up not sent to remote site and/ or not sent as per NSDL requirements.	₹1000/- on every occasion
15.	Quarterly Internal Audit Report Not submitted (by stipulated time).	₹ 1000/- per occasion plus additional ₹ 500/- for any delay per fortnight
16.	Supplementary agreement executed or undertaking/ letter obtained or any modification made in any stationery used which has clauses contradictory to NSDL prescribed agreement.	₹ 1000/- per occasion
17.	Total number of qualified persons not equal to the total number of service centers.	₹ 50 per day per service centre till the appointment of qualified person(s).
‡18.	Account opened without obtaining adequate proof of identity and/or proof of address and no adequate proof of address collected for change of address.	₹ 1,000/- per deviation. If such deviation is observed in two consecutive inspections, the penalty would be ₹ 2,000/- and if the same is observed thrice consecutively, the matter would be referred to disciplinary action committee of NSDL for further action.
19.	Account closure/ freezing/ unfreezing / transmission not done as per NSDL requirements.	₹ 100/- per deviation
20.	Delay in processing of demat requests beyond 7 working days after receipt.	₹ 50/- per request per day of delay beyond 7 working days.
21.	Data entry errors/omission which may cause inconvenience and/or loss to the client / system / DP / NSDL	₹ 50/- per occasion
22.	Monthly report as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month)	₹ 25 per day till the date of submission of the report by the Participant.
23.	+ Quarterly Internal Audit Report submitted without inclusion of management comments for deviations noted by the auditors or for not providing comments by the auditors with respect to the action initiated by DP based on the observations made by NSDL.	₹1000 per occasion plus additional ₹500 for any delay per fortnight till the submission of revised report.

Sr. No.	Nature of Non-Compliance	Penalty
‡ i	'Variable access rights' scheme suggested by NSDL not implemented / not implemented properly.	5 points. If such deviation is observed in two consecutive inspections, then 10 penalty points would be levied. If such deviation is observed thrice consecutively, monetary penalty of ₹500/- would be levied.

‡ ii	Anti-Virus Software not upgraded/enabled on server and/ or client machine.	5 points. server and/or client machine. If such deviation is observed in two consecutive inspections, then 10 penalty points would be levied. If such deviation is observed thrice consecutively, monetary penalty of ₹ 500/- would be levied.
iii	Documentation related to procedure of RAS/PPP/on line/Dongle etc. not maintained/is not available immediately.	5
iv	Back up register not maintained or not updated.	5
v	DPM configuration not as per Form B; however it is as per NSDL specifications.	3
vi	Software other than DPM application software/ prescribed system software found loaded in the system.	3
vii	Systems Personnel not deputed for BP training.	1
viii	Instruction of the client not entered at all or entered late causing inconvenience to the client.	5
‡ ix	Depository services offered through franchisee not closed as per NSDL requirement.	5 points. If such deviation is observed in two consecutive inspections, monetary penalty of ₹ 500/- would be levied.
‡ x	Depository services are offered through franchisee without the approval of NSDL.	5 points. If such deviation is observed in two consecutive inspections, monetary penalty of ₹ 500/- would be levied. If such deviation is observed Thrice not be permitted to fresh franchisee for a period of six months
xi	Change in office address and / or investor relations officers/compliance officers not intimated to NSDL.	5
‡ xii	Depository services offered through franchisee not closed as per NSDL requirement.	5 points. If such deviation is observed in two consecutive inspections, monetary penalty of ₹ 500/- would be levied. If such deviation is observed Thrice consecutively, DP would not be permitted to open any fresh franchisee for a period of six months.
xiii	Accounts opened through Speed-e not operated as per NSDL procedure.	5
xiv	Minor account opened with joint holdings	3
xv	Alterations are made in the forms used for depository Operations	3
‡ xvi	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within two days from the date of receipt of fax instruction.	3 points. If such deviation is observed in two consecutive inspections, then 10 penalty points would be levied. If such deviation is observed thrice consecutively, monetary penalty of ₹ 500/- would be levied.
xvii	Accounts opened in the name of Partnership firms/ proprietorship firm.	1
xviii	Standing Instruction indicator enabled in DPM even though not given by client.	1
xix	§ There is no physical restriction on access to server and client machine.	3
xx	§ Certificates are sent to R&T without defacing or mutilating them.	5
‡	<b>Amended w.e.f. April 1, 2004. Prior to this amendment the Rules as amended w.e.f. April 1, 2003 read as follows:</b>	
	<b>Nature of Non-Compliance</b>	<b>Penalty</b>
11.	Client account debited without receiving proper authorisation from clients.	₹ 5000/- per occasion
13.	No/inadequate control over issuance and/or acceptance of instruction slips.	₹ 2000/- per occasion.
18.	Account opened without obtaining adequate proof of identity and/or proof of address and no adequate proof of address collected for change of address.	₹ 100/- per deviation
<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty points</b>
i	‘Variable access rights’ scheme suggested by NSDL not implemented / not implemented properly.	5
<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty points</b>
ii	Anti Virus Software not upgraded/enabled on server and/or client machine.	5
ix	Accounts operated without entering into an agreement with the client.	5

x	Depository services are offered through franchisee without the approval of NSDL.	5
xii	Depository services offered through franchisee not closed as per NSDL requirement.	5
xvi	Fax indemnity not executed with the clients for the instructions accepted on fax and/or original instruction not collected within two days from the date of receipt of fax instruction.	3
<b>+ Inserted w.e.f. March 23, 2006.</b> <b>§ Inserted w.e.f. May 1, 2003.</b>  <b>Amended w.e.f. April 1, 2003. Prior to this amendment the Rule 18.1.1. as amended w.e.f. April 1, 2001 read as follows:</b> 18.1.1. * The Depository may impose a penalty on the Participant to the extent indicated for non compliance as described below:		
Sr. No.	Nature of Non-Compliance	Penalty
i.	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration.	₹5,000/-
ii.	Not taking back up daily and/or deviation in procedure of taking backup.	₹ 5000/- for each deviation
iii.	Not upgrading the software or not complying with pre-requisite or post-requisite of up gradation.	₹ 5000/- plus actual cost of travel of NSDL official/s and/or other person/s on behalf of NSDL, if any, for this purpose.
iv.	Not connecting with NSDL continuously for two working days.	₹ 5000/- plus ₹ 500/- per day thereafter.
v.	DPM configuration not as per Form B and/or NSDL requirements.	₹ 5000/-
vi.	DPM is connected to WAN without approval of DOT/NSDL.	₹ 5000/-
vii.	Client account debited without receiving proper authorisation from clients.	₹ 5000/- per occasion
viii.	Y2K patching not done.	₹ 2000/- plus ₹ 500/- for every day after the date by which compliance is expected.
ix.	Statement of transactions/holding not being sent to clients as required by regulations.	₹ 2000/-
x**	Participant having qualified persons employed in one or more service centers but not less than 60% of the total service centers.	Effective from July 1, 2001, ₹ 100 per day per Participant till the number of qualified persons appointed by the Participant equals the total number of service centers, subject to a maximum of ₹ 3000 per Participant
	Number of qualified persons appointed is less than 60% of the total number of service centers.	Effective from July 1, 2001, ₹ 100 per day per Participant till the appointment of qualified persons that equals the total number of service centers.
	Total number of qualified persons not equal to the total number of service centers.	Effective from October 1, 2001, ₹ 50 per day per service centre till the appointment of qualified persons.
xi.	Delay in processing of demat requests beyond 7 working days after receipt	₹ 50/- per request per day of delay beyond 7 working days
xii.	Data entry errors which may cause inconvenience and/or loss to the client / system / DP / NSDL	₹ 50/- per client id
xiii.	No/inadequate control over issuance and/or acceptance of instruction slips.	₹ 1000/- per occasion.
xiv.	Additional copy of back up not sent to remote site and/or not sent on same day.	₹1000/- on every occasion
xv.	Quarterly Internal Audit Report not submitted (by stipulated time).	₹ 1000/- per occasion plus Additional ₹ 500/- for any delay per Fortnight
xvi.	Supplementary agreement executed or undertaking obtained which has clauses contradictory to NSDL prescribed agreement.	₹ 1000/- per occasion
xvii.	Transaction logs not getting copied to client machines.	₹ 5000/-
xviii#	Monthly report as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	Effective from June 1, 2002, a penalty of ₹ 25 per day till the date of submission of the report by the Participant.
xix##	Failure to establish connectivity with NSDL through dial-up mode.	Effective from January 1, 2003, a penalty of ₹ 1000/- on each such occasion.
Sr. No.	Nature of Non-Compliance	Penalty Points
i.	'Variable access rights' scheme suggested by NSDL not implemented / not implemented properly.	5

ii.	Anti Virus Software not loaded/upgraded on server and/or client machine.	5
iii.	DPM configuration not as per Form B; however it is as per NSDL specifications.	3
iv.	Software other than DPM application software/prescribed system software found loaded in the system.	3
v.	There is no physical restriction on access to server and client machine.	1
vi.	Systems Personnel not deputed for BP training.	1
vii.	Instruction of the client not entered at all or entered late causing inconvenience to the client.	5
viii.	Accounts operated without entering into an agreement with the client.	5
ix.	Alterations are made in the forms used for depository operations.	3
x.	Depository services are offered through franchisee without the approval of NSDL.	3
xi.	Certificates are sent to R&T without defacing or mutilating them.	3
xii.	Change in office address and / or investor relations officers/ compliance officers not intimated to NSDL.	5
xiii.	Accounts opened in the name of Partnership firms/ proprietorship firm.	1
xiv.	Standing Instruction indicator enabled in DPM even though not given by client.	1
xv.	HUF Account opened with nominee and/or joint holdings.	5
xvi.	Minor account opened with joint holdings.	3
xvii.	Back up register not maintained or not updated.	5
xviii.	Documentation related to procedure of RAS/PPP/on line/Dongle etc. not maintained/is not available immediately.	5

**\*\* - Amended w.e.f. July 1, 2001. Prior to this amendment the Rule 18.1.1. (x) as amended w.e.f. April 1, 2001 read as follows:**  
**18.1.1.**

Sr. No.	Nature of Non-Compliance	Penalty
x.	Qualified person not appointed as per NSDL requirements.	₹ 100/- per day till continuance of non-compliance.

**# - Amended w.e.f. June 1, 2002, Prior to this amendment the Rule 18.1.1 (xviii) inserted w.e.f. December 1, 2001 read as follows:**  
**18.1.1.**

Sr. No.	Nature of Non-Compliance	Penalty
(xviii)	Monthly report as required under Bye Law 6.3.6 (iii) to be submitted every month (latest by 10th of the following month).	Effective from December 1, 2001, a penalty of ₹500/- on the Participants, for each occasion of not submitting the report within the stipulated time.

**## - Inserted w.e.f. January 1, 2003.**

**\* - Amended w.e.f. April 1, 2001. Prior to this amendment the Rule 18.1.1 as amended w.e.f. May 4, 1999 read as follows:**  
**18.1.1. The Depository may impose a penalty on the Participant to the extent indicated for non compliance as described below:**

Sr. No.	Nature of Non-Compliance	Penalty
i.	Using the DPM system for any other purpose or loading any other software or alteration of parameters / configuration.	₹ 5,000/-
Sr. No.	Nature of Non-Compliance	Penalty
ii.	Not taking back up at all or the back up taken is not stored properly.	₹ 5000/- on every occasion.
iii.	Not upgrading the software or not complying with pre-requisite or post-requisite of up gradation.	₹ 5000/- plus actual cost of travel of NSDL official or any other person on behalf of NSDL, if any, for this purpose.



iv.	Not connecting with NSDL continuously for two working days.	₹ 5000/- plus ₹ 500/- per day thereafter.
v.	DPM not as per NSDL specification though declared as compliant in application or Form B.	₹ 5000/-
vi.	Change in DPM which do not conform to NSDL specifications as given in Form B.	₹ 5000/-
vii.	DPM is connected to WAN, which is not approved by DOT.	₹ 5000/-
viii.	Y2K patching not done	₹ 2000/- plus ₹ 500/- for every day after the date by which compliance is expected.
ix.	Client account debited without clients instructions.	₹ 5000/-
x.	Certificates for demat sent after 7 days from the date of Receipt	₹ 500 per day of delay
xi.	Data entered by DP is not tallying with the application form; filling in obviously unrelated or meaningless information in critical fields like address, bank details.	₹ 50/- per account
xii.	Statement of transactions/holding not being sent to clients as required by regulations.	₹ 2000/-
xiii. \$	Qualified person not appointed	₹ 100/- per day till appointment of a qualified person.

Nature of non-compliance	Penalty Point
• 'Variable access rights' scheme suggested by NSDL not implemented.	5
• A copy of the back up is not stored at a remote site.	5
• Anti Virus Software not loaded on server and/or client machine.	5
• System configuration is changed without informing NSDL; but changed configuration is as per NSDL specification.	1
• 'Variable access rights' scheme is implemented but not practiced; passwords are freely shared.	3
• Software other than DPM application software found loaded in the system.	3
• There is no physical restriction on access to server and client machine.	1
• Systems Personnel not deputed for BP training.	1
• Internal Audit not conducted and/or internal audit report not submitted.	5
• Instruction of the client not entered at all or entered late causing inconvenience to the client.	5
• Accounts operated without entering into an agreement with the client.	5
• DPM not connected to DM on a working day for non technical reasons.	5
• Alterations are made in the agreements / forms used for depository operations.	3
• Depository services are offered through franchisee without the approval of NSDL.	3
• Certificates are sent to R&T without defacing or mutilating them.	3
• Change in office address (or investor relations officers/compliance officers) not intimated to NSDL.	5
• Change in Investor relations / compliance officer not informed to NSDL.	1
• Accounts opened in the name of Partnership firms.	1

**\$ - Inserted w.e.f. October 8, 1999.**

**¥ Rules 18.1.2 to 18.1.5 were amended w.e.f. May 1, 2009. Prior to this amendment, Rules 18.1.2 to 18.1.6 read as follows:**

18.1.2. For non-compliances, where fines are levied, the fine will be communicated to the Participant. The Participant shall pay the fine within 15 days of the communication. In case the Participant continues to default after paying the penalty, the matter will be referred to Disciplinary Action Committee.

18.1.3. For non-compliances, where penalty points are levied, the Participant will be issued a letter communicating the penalty points and seeking compliance thereof within 15 days. If the Participant sends the compliance report within the said time, penalty points will be dropped.

18.1.4. The compliance reported by the Participant will be verified during the subsequent inspection. In case the compliance reported by the Participant is found to be false, the matter will be referred to Disciplinary Action Committee.

18.1.5. If the Participant fails to send the compliance report within the stipulated time, the following action will be taken :

<b>Penalty Points</b>	<b>Penalty</b>
Upto 15	Advise penalty points imposed to the Compliance Officer seeking compliance report.
16 to 30	A fine at ₹ 1000/- per point above 15 points will be levied.
31 to 45	A fine at ₹ 2000/- per point above 30 points will be levied.
Above 45	Refer to the Disciplinary Action Committee.

18.1.6 Ø The penalty provisions as mentioned in Rules 18.1.1 to 18.1.5 will apply to CC/ CH to the extent that are relevant for the operations of CC/CH.

Ø **Inserted w.e.f. April 1, 2004.**

**\* Previous Rule 18.1.6 was deleted w.e.f. March 3, 2003. Prior to deletion, Rule 18.1.6. read as follows:**

18.1.6. The penalties, excluding the reimbursement of actual expenses collected from the Participant, shall be credited to the Investor Protection Fund Account.

**Amended w.e.f. April 1, 2016. Prior to this amendment, the Rule 18.2.1 was read as follows:**

18.2.1. \*The Depository may impose a penalty on the Issuer/R&T Agent to the extent indicated for noncompliance as described below:

<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty</b>
1	Not connecting with NSDL continuously for two working Days.	5 points (1 point per day thereafter)
2	Delay in confirmation of demat/remat request within stipulated time frame (in cases where the delay is attributable only to the Issuer/RTA connected to NSDL).	10 points
3	Certificates and physical documents not sent to the concerned Depository Participants within 5 days of rejection of demat request.	3 points
4	System of maintaining documents pertaining to demat/remat requests not satisfactory.	5 points
5	Proof of delivery of certificates not maintained in case of remat.	3 points
6	Reconciliation between NSDL control position and Register of Members (ROM) is not done on a daily basis.	10 points. If such deviation is observed in second consecutive inspection, monetary penalty of ₹ 1000/- will be levied. If the deviation is observed in third consecutive inspection, R&T Agent will be advised not to undertake any new client companies.
7	Separate folios for NSDL and CDSL are not maintained in ROM.	5 points
8	Transaction logs not generated on the client Machines.	5 points
9	Scheme of Variable Access Rights not implemented.	5 points. If such deviation is observed in second consecutive inspection, 10 penalty points will be levied. If the deviation is observed in third consecutive inspection, a monetary penalty of ₹ 500/- will be levied.
10	Using DPM-SHR system for any other purpose or loading any other software or alteration of parameters/configuration.	5 points
11	Antivirus software not loaded/upgraded/ enabled on server and/or client machine.	5 points. If such deviation is observed in second consecutive inspection, 10 penalty points will be levied. If the deviation is observed in third consecutive inspection, a monetary penalty of ₹ 500/- will be levied.
12	DPM-SHR configuration not as per Form B and/or NSDL requirements.	5 points
13	Not upgrading the software or not complying With pre-requisite or post-requisite of up gradation.	5 points
14	Change in office address and or investor relations officers/ compliance officers not intimated to NSDL.	5 points
15	Back-up Register not maintained or not updated.	3 points
16	Documentation related to procedure of RAS/ PPP/ on line/Dongle etc. not maintained/is not available	5 points

	immediately.	
17	Failure to establish connectivity with NSDL through dial-up mode .	5 points (on each such occasion)
18	Latest signature CD not uploaded as per NSDL guidelines .	3 points
19	Date of receipt of DRF/RRF not entered in DPM-SHR.	2 points
20	Name & specimen signature of authorised signatories not obtained from companies having only electronic connectivity and not compared before confirmation of demat/remat requests.	2 points
21	There is no physical restriction on access to server and client machine.	3 points
22	ERD not created / RAID controller configuration backup not taken as per NSDL requirements.	3 points
23	Dematerialization of securities for which listing approval has not been received from the relevant stock exchange(s).	₹ 1000/- per occasion

18.2.2 For non-compliances, the Issuer/R&T Agent will be issued a letter communicating the penalty points and seeking compliance thereof within 15 days. If the Issuer/R&T Agent sends the compliance report within the said time, penalty points will be dropped after verification of the compliance during the next NSDL inspection.

18.2.3 If the Issuer/R&T Agent fails to send the compliance report within the stipulated time, the following action will be taken:

Sr. No.	Penalty Points	Penalty under the current penalty structure
1	Up to 15	Advise penalty points imposed to the Compliance Officer seeking compliance report
2	16 to 30A	fine of ₹ 1,500/- will be levied and additional fine at 200/- per point above 15 points will be levied.
3	31 and above	A fine at ₹ 400/- per point above 30 points will be levied
4	Above 45	In addition to monetary penalty, report to client companies as well as to SEBI for necessary action.

18.2.4. The compliance reported by the Issuer/R & T Agent will be verified during the subsequent inspection. In case the compliance reported by the Issuer/R & T Agent is found to be false, the matter will be reported to its client companies as well as SEBI, for necessary action.

**Inserted w.e.f. October 30, 2002.**

**\* Sr. No. 1 and 22 under Rule 18.2.1 which were amended w.e.f. October 1, 2006 have been deleted w.e.f. June 30, 2009 and remaining provisions under 18.2.1. have been renumbered. The deleted Rules read as under:**

**18.2.1**

Sr. No.	Nature of Non-Compliance	Penalty
1	Not taking back up daily and/or deviation in procedure of taking backup.	5 points (for each occasion). Penalty points which are levied will not be waived. The same will get accumulated and after it exceeds 15 points, monetary penalty will be levied as per business rules 18.2.3.
22	Additional copy of back-up not sent to remote site and/or not sent as per NSDL requirements.	1 point

**Amended w.e.f. October 1, 2006. Prior to this amendment, the Rule 18.2.1. was amended on April 1, 2003, which read as follows:**

18.2.1. \* The Depository may impose a penalty on the Issuer/R & T Agent to the extent indicated for non compliance as described below:

Sr. No.	Nature of Non-Compliance	Penalty
1	Not taking back-up and/or deviation in procedure of taking back-up	5 (of each occasion)
2	Not connecting with NSDL continuously for two working days	5 (1 per day thereafter)
3	Delay in confirmation of demat/remat request within stipulated time frame (in cases where the delay is attributable only to the Issuer/ RTA connected to NSDL)	5
Sr. No.	Nature of Non-Compliance	Penalty
4	Certificates and physical documents not sent to the concerned Depository Participants within 5 days of rejection of demat request	3
5	System of maintaining documents pertaining to	5

	demat/ remat requests not Satisfactory.	
6	Proof of delivery of certificates not maintained in case of remat	3
7	Reconciliation between NSDL control position and Register of Members (ROM) is not done on a daily basis.	5
8	Separate folios for NSDL and CDSL are not maintained in ROM.	5
9	Inter Depository Transfers not effected on a daily basis in ROM	3
10	Transaction logs not generated on the client machines.	5
11	Scheme of Variable Access Rights not implemented.	5
12	Using DPM-SHR system for any other purpose or loading any other software or alteration of parameters/configuration.	5
13	Antivirus Software not loaded/upgraded/enabled or server and/or client machine.	5
14	DPM-SHR configuration not as per Form B and/or NSDL requirements.	5
15	Not upgrading the software or not complying with pre-requisite or post-requisite of up gradation.	5
16	Change in office address and or investor relations officers/ compliance officers not intimated to NSDL.	5
17	Back-up Register not maintained or not updated.	3
18	Documentation related to procedure of RAS/PPP/on line/ Dongle etc. not maintained/is not available immediately.	5
19	Failure to establish connectivity with NSDL through dial-up mode.	5 (on each such occasion)
20	Latest signature CD not uploaded as per NSDL guidelines.	3
21	Date of receipt of DRF/RRF not entered in DPM-SHR.	2
22	Name & specimen signature of authorised signatories not obtained from companies having only electronic connectivity and not compared before confirmation of demat/remat requests.	2
23	Additional copy of back up not sent to remote site and/or not sent as per NSDL requirements.	1
24	<sup>\$</sup> There is no physical restriction on access to server and client machine.	3

**<sup>\$</sup> Amended w.e.f. May 1, 2003**

**<sup>\*</sup> Amended w.e.f. April 1, 2003. Prior to this amendment, the Rule 18.2.1. inserted w.e.f. October 30, 2002 reads as follows:**  
18.2.1. The Depository may impose a penalty on the Issuer/R & T Agent to the extent indicated for non compliance as described below:

<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty Point(s)</b>
1	Not taking back-up and/or deviation in procedure of taking back-up.	5 (for each occasion)
2	Not connecting with NSDL continuously for two working days.	5 (1 per day the reafter)
3	Delay in confirmation of demat/remat request within stipulated time frame (in cases where the delay is attributable only to the Issuer/RTA connected to NSDL).	5
4	Certificates and physical documents not sent to the concerned Depository Participants within 5 days of rejection of demat request.	3
5	System of maintaining documents pertaining to demat/ remat requests not Satisfactory.	5
<b>Sr. No.</b>	<b>Nature of Non-Compliance</b>	<b>Penalty Point(s)</b>
6	Proof of delivery of certificates not maintained in case of remat.	3
7	System of maintaining documents pertaining to demat/ remat requests not Satisfactory.	5

	Reconciliation between NSDL control position and Register of Members (ROM) is not done on a daily basis.	
8	Separate folios for NSDL and CDSL are not maintained in ROM.	5
9	Inter Depository Transfers not effected on a daily basis in ROM.	3
10	Transaction logs not generated on the client machines.	5
11	Scheme of Variable Access Rights not implemented.	5
12	Using DPM-SHR system for any other purpose or loading any other software or alteration of parameters/configuration.	5
13	Antivirus Software not loaded/upgraded or server and/or client machine.	5
14	DPM-SHR configuration not as per Form B and/or NSDL requirements	5
15	Not upgrading the software or not complying with pre-requisite or post-requisite of up gradation.	5
16	Change in office address and or investor relations officers/compliance officers not intimated to NSDL.	5
17	Back-up Register not maintained or not updated.	3
18	Documentation related to procedure of RAS/PPP/on line/Dongle etc. not maintained/is not available immediately.	5
19	Failure to establish connectivity with NSDL through dial-up mode.	5 (on each such occasion)
20	Latest signature CD not uploaded as per NSDL guidelines.	3
21	Date of receipt of DRF/RRF not entered in DPM-SHR.	2
22	Name & specimen signature of authorised signatories not obtained from companies having only electronic connectivity and not compared before confirmation of demat/remat requests.	2
23	Additional copy of back-up not sent to remote site within stipulated time.	1
24	There is no physical restriction on access to server and client machine.	1

**Note:**

**Chapter 18 was amended w.e.f. May 4, 1999. Prior to this amendment the entire Chapter 18, inserted w.e.f. January 20, 1998, read as follows :**

**18. PENALTIES**

18.1.1. The Depository may impose a penalty on the Participant or the Issuer or its Registrar and Transfer Agent for failure of any of the following matter

Nature of non-compliance	Penalty
I) Applicable to both, Participant and Issuers or its Registrar and Transfer Agent i) Using the DPM system for any other purpose or loading any other software or alteration of parameters/ configuration ii) Not taking back up at all or the back up is not taken or stored properly. iii) Not upgrading the software or not complying with pre-requisite or post-requisite of up gradation.	₹ 2,000/- ₹ 1,000/- on every occasion ₹ 1,000/- plus actual cost of travel of NSDL official or any other person on behalf of NSDL, if any, for this purpose.
II) In the case of Participants only Not connecting with NSDL continuously for two working days.	₹ 2,000/- plus ₹500/- per day thereafter.

18.1.2. The penalties excluding the reimbursement of actual expenses collected from the Participant or the Issuer or its Registrar and Transfer Agent shall be credited to the Investor Protection Fund Account.

18.1.3. In case a penalty is imposed on a Participant or the Issuer or its Registrar and Transfer Agent on more than three occasions for the same lapse, the matter shall be taken up for further disciplinary action.

**\* Amended w.e.f. October 1, 2006. Prior to this amendment, the Rule 18.2.2. reads as follows:** 18.2.2. For non-compliances, the Issuer/R & T Agent will be issued a letter communicating the penalty points and seeking compliance thereof within 15 days. If the Issuer/ R & T Agent sends the compliance report within the said time, penalty points will be dropped.

**\* Amended w.e.f. October 1, 2006. Prior to this amendment, the Rule 18.2.3. reads as follows:** 18.2.3. If the Issuer/R & T Agent

fails to send the compliance report within the stipulated time, the following action will be taken:	
<b>Penalty Points</b>	<b>Penalty</b>
Up to 15	Advise penalty points imposed to the Compliance Officer seeking compliance report.
16 to 30	A fine at ₹ 100/- per point above 15 points will be levied.
31 and above	A fine at ₹ 200/- per point above 30 points will be levied.
Above 45	In addition to monetary penalty, report to client companies as well as to SEBI for necessary action.

## **19.<sup>187</sup> RULES OF ARBITRATION**

### **19.1. NSDL COMMITTEE OF ARBITRATION**

19.1.1. The Arbitration Committee (“the Committee”) of National Securities Depository Limited (“NSDL”) shall provide for, manage and supervise all aspects in the matter of settlement by arbitration of disputes arising out of all dealings on the depository as provided for in the NSDL Bye-Laws and Business Rules and may in addition to enforcing these Rules frame its own Rules for Arbitration.

19.1.2. As provided for in its Internal Rules, the Committee may delegate to one or more committees composed of its members the power to take certain decisions, provided that any such decision is reported to the Committee at its next session.

19.1.3. The Secretariat of the Committee (“the Secretariat”) under the direction of the Chairman (“the Chairman”) shall have its seat at the head office of NSDL.

### **19.2. WRITTEN NOTIFICATIONS OR COMMUNICATIONS; TIME LIMITS**

19.2.1. All pleadings and other written communications submitted by any party, as well as all documents annexed thereto, shall be supplied in a number of copies sufficient to provide one copy for each party, plus one for each arbitrator, and one for the Secretariat. A copy of all the communications from the Arbitral Tribunal to the parties shall be sent to the Secretariat.

19.2.2. All notifications or communications from the Secretariat and the Arbitral Tribunal shall be made to the last address of the party or its representative for whom the same are intended, as notified either by the party in question or by the other party. Such notification or communication may be made by delivery against receipt, registered post, courier, facsimile transmission, telex, telegram or any other means of telecommunication that provides a record of the communication thereof.

19.2.3. A notification or communication shall be deemed to have been made on the day it was received by the party itself or by its representative, or would have been received if it is made in accordance with the preceding paragraph.

19.2.4. Periods of time specified in, or fixed under the present Rules, shall start to run on the day following the date a notification or communication is deemed to have been made in accordance with the preceding paragraph. When the day next following such date is a bank holiday, the period of time shall commence on the first following business day. Official holidays and non-business days are included in the calculation of the period of time. If the last day of the relevant period of time granted is an official holiday or a non-business day, the period of time shall expire at the end of the first following business day.

---

#### **Notes :**

<sup>187</sup> Inserted w.e.f. December 12, 2000.

## **COMMENCING THE ARBITRATION**

### **19.3. REQUEST FOR ARBITRATION**

19.3.1. Any party to a dispute may submit its Request for Arbitration (“the Request”) to the Secretariat, which shall notify the Claimant and Respondent of the receipt of the Request and the date of such receipt.

19.3.2. The date on which the Request is received by the Secretariat shall, for all purposes, be deemed to be the date of the commencement of the arbitral proceedings.

19.3.3. The Request shall, inter alia, contain the following information:

- (a) the name in full, description and address of each of the parties;
- (b) a description of the nature and circumstances of the dispute giving rise to the claim(s), together with copies of all documents relied on.
- (c) a statement of the relief sought, including, to the extent possible, an indication of any amount(s) claimed;
- (d) the relevant agreements;
- (e) all relevant particulars concerning the number of arbitrators and their choice in accordance with the provisions of Rules 19.7, 19.8 and 19.9 and any nomination of an arbitrator required thereby.

19.3.4. Together with the Request, the Claimant shall submit the number of copies thereof required by Rule 19.2.1 and shall make the advance payment on administrative expenses required by Appendix III (Arbitration Costs and Fees) in force on the date the Request is submitted. In the event that the Claimant fails to comply with either of these requirements, the Secretariat may fix a time limit within which the Claimant must comply, failing which the File shall be closed without prejudice to the right of the Claimant to submit the same claims at a later date in another Request.

19.3.5. The Secretariat shall send a copy of the Request and the documents annexed thereto to the Respondent for its Answer to the Request once the Secretariat has sufficient copies of the Request and the required advance payment.

19.3.6. When a party submits a Request in connection with a legal relationship in respect of which arbitration proceedings between the same parties are already pending under these Rules, the Committee may, at the request of a party, decide to include the claims contained in the Request in the pending proceedings provided that the Terms of Reference have not been signed or approved by the Committee. Once the Terms of Reference have been signed or approved by the Committee, claims may only be included in the pending proceedings subject to the provisions of Rule 19.18

### **19.4. ANSWER TO THE REQUEST; COUNTERCLAIMS**

19.4.1. Within 30 days from the receipt of the Request from the Secretariat, the Respondent shall file an Answer (the Answer) which shall, inter alia, contain the following information:

- (a) its name in full, description and address;
- (b) its comments as to the nature and circumstances of the dispute giving rise to the claim(s);
- (c) its response to the relief sought; and
- (d) any comments concerning the number of arbitrators and their choice in light of the Claimant’s proposals and in accordance with the provisions of Rules 19.7, 19.8 and 19.9 and any nomination of an arbitrator required thereby.

19.4.2. The Secretariat may grant the Respondent an extension of the time for filing the Answer, provided the application for such an extension contains the Respondent’s comments concerning the number of arbitrators and their choice, and, where required by Rules 19.7, 19.8 and 19.9, the nomination of an arbitrator. If the Respondent fails to do so, the Committee shall proceed in accordance with these Rules.

19.4.3. The Answer shall be supplied to the Secretariat in the number of copies specified by Rule 19.2.1

19.4.4. A copy of the Answer and the documents annexed thereto shall be communicated by the Secretariat to the Claimant.

19.4.5. Any counterclaim(s) made by the Respondent shall be filed with its Answer and shall provide :

- (a) a description of the nature and circumstances of the dispute giving rise to the counterclaim(s); and
- (b) a statement of the relief sought, including, to the extent possible, an indication of any amount(s) counter-claimed.



19.4.6. The Claimant shall file a Reply to any counterclaim within 30 days from the date of receipt of the counterclaim(s) communicated by the Secretariat. The Secretariat may for reasons recorded in writing, grant the Claimant an extension of time for filing the Reply.

## 19.5. EFFECT OF THE ARBITRATION AGREEMENT

19.5.1. If the Respondent does not file an Answer, as provided by Rule 19.4 the Committee may decide, without prejudice to the admissibility or merits of the plea or pleas, that the arbitration shall proceed if it is *prima facie* satisfied that the NSDL Bye-Laws in relation to arbitration are applicable. In such a case, any decision as to the jurisdiction of the Arbitral Tribunal shall be taken by the Arbitral Tribunal itself. If the Committee is not so satisfied, the parties shall be notified that the arbitration cannot proceed. In such a case, any party retains the right to ask any Court having jurisdiction whether or not there is a binding arbitration agreement.

## THE ARBITRAL TRIBUNAL

## 19.6. GENERAL PROVISIONS

19.6.1.<sup>188</sup> The empanelment of arbitrators and appellate arbitrators shall be with the prior approval of the Securities and Exchange Board of India. Only members of the panel of arbitrators and appellate arbitrators can be appointed as arbitrators or appellate arbitrators on any Arbitral Tribunal or Appellate Arbitration Tribunal either by the parties to the dispute or by the Committee. In case of any difference or dispute regarding appointment of any person(s) as the arbitrator(s), the procedure laid down under section 11 of Arbitration and Conciliation Act, 1996 shall be complied with.

19.6.2.<sup>189</sup> The panels for arbitration and appellate arbitration shall be separate. Further, for appellate arbitration, at least one member should be a retired Judge.

19.6.3.<sup>190</sup> Such panel shall comprise persons of ability, integrity and standing, and having adequate knowledge and experience of or having shown capacity in dealing with problems relating to capital market, securities transactions, securities law, accountancy, commerce or administration, and willing to serve as arbitrators. The Committee shall provide adequate information as to the qualifications and experience of such persons. NSDL shall disseminate information of profiles of arbitrators, their qualifications, areas of experience/ expertise, number of arbitration matters handled, pre-arbitration experience etc. of the arbitrators on its website.

19.6.4. Every arbitrator must be and remain independent of the parties involved in the arbitration.

19.6.5. Before appointment or confirmation, a prospective arbitrator shall sign a statement of independence and disclose in writing to the Secretariat any facts or circumstances which might be of such a nature as to call into question the arbitrator's independence in the eyes of the parties. The Secretariat shall provide such information to the parties in writing and fix a time limit for any comments from them.

19.6.6. An arbitrator shall immediately disclose in writing to the Secretariat and to the parties any facts or circumstances of a similar nature which may arise during the arbitration.

### Notes

<sup>188</sup> **Amended w.e.f. July 24, 2017. Prior to this amendment, Rule 19.6.1 read as follows:**

19.6.1. Only members of the panel of arbitrators of NSDL can be appointed as arbitrators on any Arbitral Tribunal either by the parties to the dispute or by the Committee. In case of any difference or dispute regarding appointment of any person(s) as the arbitrator(s), the procedure laid down under section 11 of Arbitration and Conciliation Act, 1996 shall be complied with.

<sup>189</sup> **Amended w.e.f. July 24, 2017. Prior to this amendment, Rule 19.6.3 read as follows:**

19.6.3. Such panel shall comprise persons of ability, integrity and standing, and having adequate knowledge and experience of or having shown capacity in dealing with problems relating to capital market, securities transactions, securities law, accountancy, commerce or administration, and willing to serve as arbitrators. The Committee shall provide adequate information as to the qualifications and experience of such persons.

<sup>190</sup> **Inserted Rules 19.6.2 w.e.f. July 24, 2017, Rules 19.6.2, 19.6.3, 19.6.4, 19.6.5, 19.6.6, 19.6.7 and 19.6.8 were renumbered as 19.6.3, 19.6.4, 19.6.5, 19.6.6, 19.6.7, 19.6.8 and 19.6.9 respectively.**

19.6.7. The decisions of the Committee as to the appointment, confirmation, challenge or replacement of an arbitrator shall be final and the reasons for such decisions shall not be communicated.

19.6.8. By accepting to serve, every arbitrator undertakes to carry out his responsibilities in accordance with these Rules.

19.6.9. Insofar as the parties have not provided otherwise, the Arbitral Tribunal shall be constituted in accordance with the provisions of Rules 19.7, 19.8 and 19.9.

## **19.7. NUMBER OF ARBITRATORS**

19.7.1. The disputes shall be decided by a sole arbitrator or by three arbitrators.

19.7.2. Save and except, as provided in Rule 19.7.3, in all claims, differences and disputes, whether or not involving NSDL, the Arbitral Tribunal shall comprise a sole arbitrator.

19.7.3. In all claims, differences and disputes involving only two parties, NSDL being one of the parties to the dispute, the Arbitral Tribunal shall comprise three arbitrators, one arbitrator to be appointed by each Party and the two arbitrators so appointed, in turn appointing the third arbitrator. The third arbitrator so appointed shall preside over the Arbitral Tribunal.

19.7.4. Where the Arbitral Tribunal is required to consist of three arbitrators under Rule 19.7.3 above, and any of the parties to the dispute fails to make the necessary deposit towards the cost and expenses of arbitration, instead of three arbitrators, the Committee may subject to the other provisions of these Rules appoint a sole arbitrator.

19.7.5. Notwithstanding anything contained in these Rules, where there are more than two parties to a dispute, the Arbitral Tribunal that adjudicates upon such dispute shall consist of a sole arbitrator.

19.7.6. Where the dispute is to be settled by a sole arbitrator, the parties may, by agreement, nominate the sole arbitrator for confirmation. If the parties fail to nominate a sole arbitrator within 30 days from the date when the Claimant's Request for Arbitration has been received by the other party, or within such additional time as may be allowed by the Secretariat, the sole arbitrator shall be appointed by the Committee.

19.7.7. Where the dispute is to be referred to three arbitrators, each party shall nominate in the Request and the Answer, respectively, one arbitrator for confirmation by the Committee. If a party fails to nominate an arbitrator, the appointment shall be made by the Committee. The third arbitrator, who shall act as chairman of the Arbitral Tribunal, shall be appointed by the Committee. Should such procedure not result in a nomination within the time limit fixed by the parties or the Committee, the third arbitrator shall be appointed by the Committee.

## **19.8. APPOINTMENT AND CONFIRMATION OF THE ARBITRATORS**

19.8.1. In confirming or appointing arbitrators, the Committee shall consider the prospective arbitrator's residence, business interests and other relationships with the parties and the prospective arbitrator's availability and ability to conduct the arbitration in accordance with these Rules. The same shall apply where the Chairman confirms arbitrators pursuant to Rule 19.8.2.

19.8.2. The Chairman may confirm as co-arbitrators, sole arbitrators and Chairman of Arbitral Tribunals persons nominated by the parties or pursuant to their particular agreements, provided they have filed a statement of independence without qualification or a qualified statement of independence has not given rise to objections. Such confirmation shall be reported to the Committee at its next session. If the Chairman considers that a co-arbitrator, sole arbitrator or Chairman of an Arbitral Tribunal should not be confirmed, the matter shall be submitted to the Committee.

## **19.9. MULTIPLE PARTIES**

19.9.1. Where there are multiple parties, whether as Claimant or as Respondent, and where the dispute is to be referred to three arbitrators, the multiple Claimants, jointly, and the multiple Respondents, jointly, shall nominate an arbitrator for confirmation pursuant to Rule 19.8.

19.9.2. In the absence of such a joint nomination and where all parties are unable to agree to a method for the constitution of the Arbitral Tribunal, the Committee may appoint each member of the Arbitral Tribunal and shall

designate one of them to act as Chairman. In such case, the Committee shall be at liberty to choose any person it regards as suitable to act as arbitrator, applying Rule 19.8 when it considers this appropriate.

## **19.10. CHALLENGE OF ARBITRATORS**

19.10.1. A challenge of an arbitrator, whether for an alleged lack of independence or otherwise, shall be made by the submission to the Secretariat of a written statement specifying the facts and circumstances on which the challenge is based.

19.10.2. For a challenge to be admissible, it must be sent by a party either within 30 days from receipt by that party of the notification of the appointment or confirmation of the arbitrator, or within 30 days from the date when the party making the challenge was informed of the facts and circumstances in which the challenge is based if such date is subsequent to the receipt of such notification.

19.10.3. The Committee shall decide on the admissibility, and, at the same time, if necessary, on the merits of a challenge after the Secretariat has afforded an opportunity for the arbitrator concerned, the other party or parties and any other members of the Arbitral Tribunal, to comment in writing within a suitable period of time. Such comments shall be communicated to the parties and to the arbitrators.

## **19.11. REPLACEMENT OF ARBITRATORS**

19.11.1. An arbitrator shall be replaced upon his death, upon the acceptance by the Committee of the arbitrator's resignation, upon acceptance by the Committee of a challenge or upon the request of all the parties.

19.11.2. An arbitrator shall also be replaced on the Committee's own initiative when it decides that he is prevented *de jure or de facto* from fulfilling his functions, or that he is not fulfilling his functions in accordance with the Rules or within the prescribed time limits.

19.11.3. When, on the basis of information that has come to its attention, the Committee considers applying Rule 19.11.2, it shall decide on the matter after the arbitrator concerned, the parties and any other members of the Arbitral Tribunal have had an opportunity to comment in writing within a suitable period of time. Such comments shall be communicated to the parties and to the arbitrators.

19.11.4. When an arbitrator is to be replaced, the Committee has discretion to decide whether or not to follow the original nominating process. Once reconstituted, and after having invited the parties to comment, the Arbitral Tribunal shall determine if and to what extent prior proceedings shall be repeated before the reconstituted Arbitral Tribunal.

## **THE ARBITRAL PROCEEDINGS**

## **19.12. TRANSMISSION OF THE FILE TO THE ARBITRAL TRIBUNAL**

19.12.1.<sup>191</sup> The Secretariat shall transmit the File to the Arbitral Tribunal along with its electronic format/soft copies to the Arbitral Tribunal as soon as it has been constituted, provided the advance on costs requested by the Secretariat at this stage has been paid.

### **Notes :**

<sup>191</sup> **Amended w.e.f. July 24, 2017. Prior to this amendment, Rule 19.12.1 read as follows:**

19.12.1. The Secretariat shall transmit the File to the Arbitral Tribunal as soon as it has been constituted, provided the advance on costs requested by the Secretariat at this stage has been paid.

## **19.13. PLACE OF THE ARBITRATION**

19.13.1.<sup>192</sup> The place of the arbitration shall be at Mumbai, New Delhi, Kolkata and Chennai, as the case may be.

19.13.2. The Arbitral Tribunal may, after consultation with the parties, conduct hearings and meetings at any other location it considers appropriate unless otherwise agreed by the parties, subject always to the permission of the Secretariat.

## **19.14. RULES GOVERNING THE PROCEEDINGS**

19.14.1. The proceedings before the Arbitral Tribunal shall be governed by these Rules.

19.14.2. In all cases, the Arbitral Tribunal shall act fairly and impartially and ensure that each party has a reasonable opportunity to present its case.

## **19.15. LANGUAGE OF THE ARBITRATION**

The language of arbitration shall be English.

## **19.16. APPLICABLE RULES OF LAW**

19.16.1. Reliance shall be had to the rules of law prescribed under The Depositories Act, 1996, Companies Act, 1956, Securities Contract (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, any other applicable Laws, SEBI (Depositories and Participants) Regulations, 1996 or any other SEBI Regulations or Guidelines and the Bye Laws and Business Rules of NSDL.

19.16.2. In all cases the Arbitral Tribunal shall take account of the provisions of the contract and the relevant trade usages.

19.16.3. The Arbitral Tribunal shall assume the powers of an amiable compositeur or decide the matter by a “Documents Only” arbitration if the parties have agreed to give it such powers.

19.16.4. Notwithstanding anything contained herein, where the amount in dispute is of a value below Rupees Twenty-five Thousand (25,000) Only, the Arbitral Tribunal shall conduct a “Documents Only” arbitration and the parties to the dispute shall be bound by the same.

## **19.17. TERMS OF REFERENCE; PROCEDURAL TIMETABLE**

19.17.1. As soon as it has received the File from the Secretariat, the Arbitral Tribunal shall draw up, on the basis of documents or in the presence of the parties and in the light of their most recent submissions, a document defining its Terms of Reference. This document shall include the following particulars:

- a) the full names and descriptions of the parties;
- b) the addresses of the parties’ to which notifications and communications arising in the course of the arbitration may be made;
- c) a summary of the parties’ respective claims and of the relief sought by each party, with an indication to the extent possible of the amounts claimed or counterclaimed;
- d) unless the Arbitral Tribunal considers it inappropriate, a list of issues to be determined;
- e) the full names, descriptions and addresses of the arbitrators;
- f) the place of the arbitration; and
- g) particulars of the applicable procedural rules and, if such is the case, reference to the power conferred upon the Arbitral Tribunal to act as amiable compositeur or to decide by means of a “Documents Only” arbitration.

### **Notes :**

<sup>192</sup> Amended w.e.f. March 31, 2003. Prior to this amendment, Rule 19.13.1 read as follows:  
The place of the arbitration shall be at the head office of NSDL.

19.17.2. The Terms of Reference shall be signed by the parties and the Arbitral Tribunal. Within two months of the date on which the File has been transmitted to it, the Arbitral Tribunal shall transmit to the Committee the Terms of Reference signed by it and by the parties. The Committee may extend this time limit pursuant to a reasoned request from the Arbitral Tribunal.

19.17.3. If any of the parties refuses to take part in the drawing up of the Terms of Reference or to sign the same, they shall be submitted to the Committee for approval. When the Terms of Reference are signed in accordance with Rule 19.17.2 or approved by the Committee, the arbitration shall proceed.

19.17.4. When drawing up the Terms of Reference, or as soon as possible thereafter, the Arbitral Tribunal, after having consulted the parties, shall establish in a separate document a provisional timetable that it intends to follow for the conduct of the arbitration and shall communicate it to the Committee and the parties. Any subsequent modifications of the provisional timetable shall be communicated to the Committee and the parties.

## **19.18. NEW CLAIMS**

19.18.1. After the Terms of Reference have been signed or approved by the Committee, no party shall make new claims or counterclaims which fall outside the limits of the Terms of Reference unless it has been authorized to do so by the Arbitral Tribunal, which shall consider the nature of such new claims or counterclaims, the stage of the arbitration and other relevant circumstances.

## **19.19. ESTABLISHING THE FACTS OF THE CASE**

19.19.1. The Arbitral Tribunal shall proceed within as short a time as possible to establish the facts of the case by all appropriate means.

19.19.2. After studying the written submissions of the parties and all documents relied upon, the Arbitral Tribunal shall hear the parties together in person if any of them so requests or, failing such a request, it may of its own motion decide to hear them.

19.19.3. The Arbitral Tribunal may decide to hear witnesses, experts appointed by the parties or any other person, in the presence of the parties, or in their absence provided they have been duly summoned.

19.19.4. The Arbitral Tribunal, after having consulted the parties, may appoint one or more experts, define their terms of reference and receive their reports. At the request of a party, the parties shall be given the opportunity to question at a hearing any such expert appointed by the Tribunal.

19.19.5. At any time during the proceedings, the Arbitral Tribunal may summon any party to provide additional evidence.

19.19.6. The Arbitral Tribunal may decide the case solely on the documents submitted by the parties unless any of the parties reasonably requests a hearing.

19.19.7. The Arbitral Tribunal may take measures for protecting trade secrets and confidential information.

## **19.20. HEARINGS**

19.20.1. When a hearing is to be held, the Arbitral Tribunal, giving reasonable notice, shall summon the parties to appear before it on the day and at the place fixed by it.

19.20.2. If any of the parties, although duly summoned, fails to appear without valid excuse, the Arbitral Tribunal shall have the power to proceed with the hearing.

19.20.3. The Arbitral Tribunal shall be in full charge of the hearings, at which all the parties shall be entitled to be present. Save with the approval of the Arbitral Tribunal and the parties, persons not involved in the proceedings shall not be admitted.

## **19.21. CLOSING OF THE PROCEEDINGS**

19.21.1. When it is satisfied that the parties have had a reasonable opportunity to present their cases, the Arbitral Tribunal shall declare the proceedings closed. Thereafter, no further submission or argument may be made, or evidence produced, unless requested or authorised by the Arbitral Tribunal.

19.21.2. When the Arbitral Tribunal has declared the proceedings closed, it shall indicate to the Secretariat an approximate date by which the Award will be finalised. Any postponement of that date shall be communicated to the Secretariat by the Arbitral Tribunal.

## **19.22. CONSERVATORY AND INTERIM MEASURES**

19.22.1. Unless the parties have otherwise agreed, as soon as the File has been transmitted to it, the Arbitral Tribunal may, at the request of a party, order any interim measure it deems appropriate. The Arbitral Tribunal may make the granting of any such measure subject to appropriate security being furnished by the requesting party. Any such measure shall take the form of an order, giving reasons, or of an Award, as the Arbitral Tribunal considers appropriate.

19.22.2. If any party has applied to any competent judicial authority for interim or conservatory measures, such application shall not affect the powers of the Arbitral Tribunal. The applying party shall be obliged to notify such application and any measures taken by the judicial authority without delay to the Secretariat. The Secretariat shall inform the Arbitral Tribunal thereof.

## **AWARDS**

### **19.23. TIME LIMIT FOR THE AWARD**

19.23.1. The time limit within which the Arbitral Tribunal must render its final Award is six months. Such time limit shall start to run from the date of the last signature by the Arbitral Tribunal or of the parties of the Terms of Reference, or, in the case of application of Rule 19.17.3 the date of the notification to the Arbitral Tribunal by the Secretariat of the approval of the Terms of Reference by the Committee.

19.23.2. The Arbitral Tribunal may extend this time limit if it decides it is necessary to do so, for reasons to be recorded in writing.

### **19.24. MAKING OF THE AWARD**

19.24.1. When the Arbitral Tribunal is composed of more than one arbitrator, an Award is given by a majority decision. If there be no majority, the Award shall be made by the Chairman of the Arbitral Tribunal alone.

19.24.2. The Award shall state the reasons upon which it is based.

19.24.3. The Award shall be deemed to be made on the date stated therein.

19.24.4.<sup>191</sup> In order to safe guard the interest of the parties involved in arbitration and to ensure speedy implementation of the Award, the rate of interest on the Award passed by the Arbitral Tribunal shall be in compliance with the Arbitration and Conciliation Act, 1996.

### **19.25. AWARD BY CONSENT**

19.25.1. If the parties reach a settlement after the File has been transmitted to the Arbitral Tribunal in accordance with Rule 19.12, the settlement shall be recorded in the form of an Award made by consent of the parties if so requested by the parties and if the Arbitral Tribunal agrees to do so.

### **19.26. NOTIFICATION, DEPOSIT AND ENFORCEABILITY OF THE AWARD**

19.26.1. An original of each Award made in accordance with the present Rules shall be deposited with the Secretariat.

19.26.2. Once an Award has been made, the Secretariat shall notify to the parties the text signed by the Arbitral Tribunal, provided always that the costs of the arbitration have been fully paid to NSDL by the parties or by one of them.

19.26.3. Additional copies certified true by the Chairman shall be made available on request and at any time to the parties, but to no one else.

19.26.4. By virtue of the notification made in accordance with Rule 19.26.1 of this Rule, the parties waive any other form of notification or deposit on the part of the Arbitral Tribunal.

19.26.5. The Arbitral Tribunal and the Secretariat shall assist the parties in complying with whatever further formalities that may be necessary.

19.26.6. Every Award shall be binding on the parties. By submitting the dispute to arbitration under these Rules, the parties undertake to carry out any Award without delay and shall be deemed to have waived their right to any form of recourse insofar as such waiver can validly be made.

19.26.7.<sup>193</sup> A party aggrieved by the Arbitral Award may file an appeal before the Appellate Arbitrator by paying such fees as may be prescribed by the Arbitration Committee from time to time in addition to the statutory dues ( stamp duty, service tax etc.) along with the appeal.

19.26.8.<sup>193</sup> The above articles 19.6 to 19.25 shall be applicable to Appellate Arbitration.

## **19.27. CORRECTION AND INTERPRETATION OF THE AWARD**

19.27.1. On its own initiative, the Arbitral Tribunal may correct a clerical, computational or typographical error, or any errors of similar nature contained in an Award within 30 days of the date of such Award.

19.27.2. Any application of a party for the correction of an error of the kind referred to in Rule 19.27.1, or for the interpretation of an Award, must be made to the Secretariat within 30 days of the receipt of the Award by such party, in a number of copies as stated in Rule 19.2.1. After transmittal of the application to the Arbitral Tribunal, it shall grant the other party a short time limit, normally not exceeding 30 days, from the receipt of the application by that party to submit any comments thereon. If the Arbitral Tribunal decides to correct or interpret the Award, it shall submit its decision in draft form to the Committee not later than 30 days following the expiration of the time limit for the receipt of any comments from the other party or within such other period as the Committee may decide.

19.27.3. The decision to correct or to interpret the Award shall take the form of an addendum and shall constitute part of the Award. The provisions of Rules 19.24 and 19.26 shall apply mutatis mutandis.

## **COSTS**

## **19.28. ADVANCE TO COVER THE COSTS OF THE ARBITRATION**

19.28.1. After receipt of the Request, the Chairman may request the Claimant to pay a provisional advance in an amount intended to cover the costs of arbitration until the Terms of Reference have been drawn up.

19.28.2. As soon as practicable, the Committee shall fix the advance on costs in an amount likely to cover the fees and expenses of the arbitrators and the NSDL administrative costs for the claims and counterclaims which have been referred to it by the parties. This amount may be subject to readjustment at any time during the arbitration. Where, apart from the claims, counterclaims are submitted, the Committee may fix separate advances on costs for the claims and the counterclaims.

19.28.3. The advance on costs fixed by the Committee shall be payable in equal shares by the Claimant and the Respondent. Any provisional advance paid on the basis of Rule 19.28.1. will be considered as a partial payment thereof. However, any party shall be free to pay the whole of the advance on costs in respect of the principal claim or the counterclaim should the other party fail to pay its share. When the Committee has set separate advances on costs in accordance with Rule 19.28.2, each of the parties shall pay the advance on costs corresponding to its claims.

### **Notes:**

<sup>193</sup> Inserted w.e.f. July 24, 2017.

19.28.4. When a request for an advance on costs has not been complied with, and after consultation with the Arbitral Tribunal, the Chairman may direct the Arbitral Tribunal to suspend its work and set a time limit, which must be not less than 15 days, on the expiry of which the relevant claims, or counterclaims, shall be considered as withdrawn. Should the party in question wish to object to this measure it must make a request within the aforementioned period for the matter to be decided by the Committee. Such party shall not be prevented on the ground of such withdrawal from reintroducing the same claims or counterclaims at a later date in another proceeding.

19.28.5. If one of the parties claims a right to a set-off with regard to either claims or counterclaims, such set-off shall be taken into account in determining the advance to cover the costs of arbitration in the same way as a separate claim insofar as it may require the Arbitral Tribunal to consider additional matters.

## **19.29. DECISION AS TO THE COSTS OF THE ARBITRATION**

19.29.1. The costs of the arbitration shall include the fees and expenses of the arbitrators and the NSDL administrative costs fixed by the Committee, in accordance with the scale in force at the time of the commencement of the arbitral proceedings, as well as the fees and expenses of any experts appointed by the Arbitral Tribunal and the reasonable legal and other costs incurred by the parties for the arbitration.

19.29.2. The Committee may fix the fees of the arbitrators at a figure higher or lower than that which would result from the application of the relevant scale should this be deemed necessary due to the exceptional circumstances of the case. Decisions on costs other than those fixed by the Committee may be taken by the Arbitral Tribunal at any time during the proceedings.

19.29.3. The final Award shall fix the costs of the arbitration and decide which of the parties shall bear them or in what proportion they shall be borne by the parties.

## **MISCELLANEOUS**

### **19.30. MODIFIED TIME LIMITS**

19.30.1. The parties may agree to shorten the various time limits set out in these Rules. Any such agreement entered into subsequent to the constitution of an Arbitral Tribunal shall become effective only upon the approval of the Arbitral Tribunal.

19.30.2. The Committee, on its own initiative, may extend any time limit which has been modified pursuant to Rule 19.30.1. if it decides that it is necessary to do so in order that the Arbitral Tribunal or the Committee may fulfill their responsibilities in accordance with these Rules.

### **19.31. WAIVER**

19.31.1. A party which proceeds with the arbitration without raising its objection to a failure to comply with any provision of these Rules, or of any other rules applicable to the proceedings, any direction given by the Arbitral Tribunal, or any requirement under the arbitration agreement relating to the constitution of the Arbitral Tribunal, or to the conduct of the proceedings, shall be deemed to have waived its right to object.

### **19.32. EXCLUSION OF LIABILITY**

19.32.1. Neither the arbitrators, nor the Committee and its members, nor the NSDL and its employees, nor NSDL's various committees shall be liable to any person for any act or omission in connection with the arbitration.

### **19.33. GENERAL RULE**

19.33.1. In all matters not expressly provided for in these Rules, the Committee and the Arbitral Tribunal shall act in the spirit of these Rules and shall make every effort to make sure that the Award is enforceable at law.



## **APPENDIX - I**

### **ARBITRATION COMMITTEE OF THE NSDL**

#### **Article 1 - Function**

- (1) The function of the Arbitration Committee of NSDL (“the Committee”) is to ensure the application of the Rules of Arbitration of NSDL.
- (2) The Committee shall be constituted by the Executive Committee of the NSDL in order that it carries out these functions in an independent and quasi-judicial manner.

#### **Article 2 - Composition of the Committee**

The Committee shall consist of a Chairman, Vice-Chairman, and members and alternate members (collectively designated as members).

#### **Article 3 - Appointment**

- (1) The Chairman shall be appointed by the Board of Directors of NSDL based on the recommendation of the Executive Committee of NSDL.
- (2) Four other members shall be appointed by the Executive Committee based on the recommendation of the Chairman. Such members shall comprise persons of ability, integrity and standing, and having adequate knowledge or experience of or having shown capacity in dealing with problems relating to capital market, securities transactions, securities law, accountancy, commerce and administration. The Committee shall provide adequate information as to the qualifications and experience of such persons.

#### **Article 4 - Meetings of the Committee**

The meetings of the Committee shall be presided over by the Chairman, or, in his absence, by any other member of the Committee designated by him. The deliberations shall be valid when at least three members are present. Decisions are taken by a majority vote, the Chairman having a casting vote in the event of a tie.

#### **Article 5 - Confidentiality**

The work of the Committee is of a confidential nature and shall be respected by everyone who participates in that work in whatever capacity. The Committee lays down the rules regarding the persons who can attend the meetings of the Committee and its Committees and who are entitled to have access to the materials submitted to the Committee and its Secretariat.

## **APPENDIX - II**

### **INTERNAL RULES OF THE ARBITRATION COMMITTEE**

- (1) The sessions of the Committee, whether plenary or those of a Committee of the Committee, are open only to its members and to the Secretariat. However, in exceptional circumstances, the Chairman of the Committee may invite other persons to attend. Such persons must respect the confidential nature of the work of the Committee.
- (2) The Secretariat will in each matter referred to arbitration under the Rules retain in the archives of the Committee all awards, terms of reference, and decisions of the Committee as well as copies of the pertinent correspondence of the Secretariat.
- (3) Any documents, communications or correspondence submitted by the parties or the arbitrators may be destroyed unless a party or an arbitrator requests in writing within a period fixed by the Secretariat the return of such documents. All related costs and expenses for the return of those documents shall be paid by such party or arbitrator.
- (4) The Chairman and the members of the Secretariat of the Committee may not act as arbitrators or as counsel in matters referred to arbitration.
- (5) The Committee shall not appoint members of the Committee as arbitrators. They may, however, be proposed for such duties by one or more of the parties, or, pursuant to any other procedure agreed upon by the parties, subject to confirmation by the Committee.
- (6) When the Chairman, a Vice-Chairman or a member of the Committee or of the Secretariat is involved in any capacity whatsoever in proceedings pending before the Committee, such person must inform the Executive Committee upon becoming aware of such involvement.
- (7) Such person must refrain from participating in the discussions or in the decisions of the Committee concerning the proceedings and must be absent from the Committee meeting room whenever the matter is considered.
- (8) Such person will not receive any material documentation or information pertaining to such proceedings.
- (9) The Committee shall have a Secretary who shall have the authority to carry out the day-to-day operations of the Committee. In case of absence, the Secretary may delegate the authority to confirm arbitrators, to certify true copies of awards and to request the payment of a provisional advance, respectively provided for in Articles 19.8.2, 19.26.3. and 19.28.1 of the Rules to any member of the Committee.
- (10) The Secretariat may, with the approval of the Committee, issue notes and other documents for the information of the parties and the arbitrators, or as necessary for the proper conduct of the arbitral proceedings.
- (11)<sup>194</sup> The Committee shall review the performance of the arbitrators annually and submit the review report to the Board of depository

---

**Note :-**

<sup>194</sup> Inserted w.e.f. July 24, 2017.

## **APPENDIX - III**

### **ARBITRATION FEES, EXPENSES AND COSTS**

- (1) The Arbitral Tribunal shall be entitled to allow fees and expenses of witnesses, expenses connected with the examination of documents, charges, conveyance, hire, cost of legal or technical advice or proceedings in respect of any matter arising out of the arbitration incurred by the arbitration tribunal, and any other incidental expenses and charges in connection with or arising out of the reference or award as the arbitration tribunal may, in its absolute discretion think fit.
- (2) The costs of the reference and the award including charges, fees and other expenses shall be the discretion of the Arbitral Tribunal, which may, direct to and by whom, and in what proportion, such charges, fees and other expenses and any, part thereof shall be borne and paid, and may fix and settle the amount of costs to be so paid or any part thereof and may award costs to be paid as between the parties. In the event, any administrative fees and expenses are due to the Executive Committee, the Arbitral Tribunal may, award them in favour of the Executive Committee.

- (3) The fees, costs and expenses incidental to the reference and the award shall include the following:

(a) **Application Fee**

A non-refundable application fee of ₹1000/- shall be payable by Claimant along with the application for reference.

(b) <sup>195</sup>**Administrative Fee and Arbitrator's Fee**

The Administrative Fee of NSDL and Arbitrator's fee (for each arbitrator) will be fixed separately with regard to, the amount in dispute in each case, as under:

<b>Amount of Claim / Counter Claim, whichever is higher (₹)</b>	<b>If claim is filed within six months from the date of dispute</b>	<b>If claim is filed after six months from the date of dispute</b>	<b>If the claim is filed beyond the timeline prescribed in column 3, (only for Participant)</b>
≤ 10,00,000	1.3% subject to a minimum of ₹10,000	3.9% subject to a minimum of ₹30,000	Additional fee of ₹ 3,000/- per month over and above fee prescribed in column 3
> 10,00,000 - 25,00,000 ≤	₹ 13,000 plus 0.3% amount above ₹ 10 lakh	₹ 39,000 plus 0.9% amount above ₹ 10 lakh	Additional fee of ₹ 6,000/- per month over and above fee prescribed in column 3
> 25,00,000	₹ 17,500 plus 0.2 % amount above ₹ 25 lakh subject to maximum of ₹ 30,000	₹ 52,500 plus 0.6 % amount above ₹ 25 lakh subject to maximum of ₹90,000	Additional fee of ₹ 12,000/- per month over and above fee prescribed in column 3

The Arbitrator Fee shall be upwardly revised to ₹18,000 (Rupees Eighteen Thousand) per case. The additional expenses attributable to the client over and above the fee structure specified above shall be borne by the client (wherever applicable) and Depository equally. The total expense attributable to the Participant has to be borne by the concerned Participant.

(c) In addition to the above:

- (i) Each arbitrator, will be entitled to receive a Special Fee for study of the pleadings, case material, writing of the award etc. with regard to the amount in dispute in each case as under:

Upto ₹ 5 Lakhs (₹ 500,000)	₹ 1,000/- LUMPSUM
From ₹ 5 lakh one to ₹ 5 crore (₹ 5,00,001 to ₹ 50,000,000)	₹ 2,000/- LUMPSUM
₹ 5 crore one and above (₹ 50,000,001 and above)	₹ 5,000/- LUMPSUM

- (ii) <sup>196</sup> NSDL may at its discretion charge an additional Special Fee of ₹ 1000/- per hearing from each of the Parties to arbitration, for providing facilities in terms of hardware viz., computer, scanner printer, etc. and required software at the arbitration hearing. Provided that such discretion shall be based on the number of hearings conducted, extent of use of facilities and such other criteria.
- (4) Notwithstanding anything contained herein, Committee may prescribe the Arbitrator's fees and the Administrative fees of NSDL at a figure higher than those prescribed herein, in exceptional circumstances and if the Committee is of the opinion that such increase in fees is necessary.
- (5) Where two or more applications for arbitration are received by the Committee and the issues involved in the dispute arise out of same transactions, and the Committee thinks it proper to and with the consent of all the relevant parties, fix the hearings of the disputes to be heard jointly or refer the applications to the same Arbitral Tribunal, the Arbitrator's fee and the Administrative fee of NSDL shall be fixed by computing the fee applicable to the larger claim in addition to 60% of the applicable fees of all claims being tried jointly. Provided that the Committee shall have the power to prescribe the Arbitrator's Fee and Administrative Fee under this Sub-Rule in any other manner, having regard to the nature and facts of the matters under reference.
- (6) The cost to be incurred on payment of travelling expenses to an arbitrator nominated by a party will be borne and paid by the party nominating the arbitrator. It will be the responsibility of the party nominating the arbitrator for reimbursement of any enhanced expenses for attending the arbitration hearing. The expenses payable to the third arbitrator or sole arbitrator will be borne and paid by both the parties in equal proportion or in such other manner as may be determined by the Arbitral Tribunal.

**Notes :**

<sup>195</sup> **Amended w.e.f. July 24, 2017. Prior to this amendment the clause 3 of Appendix III read as follows:**

(b) Administrative Fee and Arbitrator's Fee

The Administrative Fee of NSDL and Arbitrator's fee (for each arbitrator) will be fixed separately with regard to, the amount in dispute in each case, as under:

Claim Amount	Fee Payable
Less than Rs 25,000	Rs 2,500/-
From ₹ 25,001 to ₹ 5 Lakhs (₹500,000)	₹4,000/-
From ₹ 5 Lakhs one to ₹ 25 Lakhs (₹ 500,001 to ₹ 2,500,000).	₹ 4,000/- plus ₹ 175/- for every Rupees One Lakh of the amount exceeding ₹ 5 Lakhs.
From ₹ 25 Lakhs one to ₹ 1 crore Rupees (₹ 2,500,001 to ₹ 10,000,000)	₹ 7,500/- plus ₹ 125/- for every Rupees One Lakh of the amount exceeding ₹ 25 Lakhs.
From ₹ 1 crore one to ₹ 5 crore (₹ 10,000,001 to ₹ 50,000,000)	₹ 16,875/- plus ₹ 5,000/- for every Rupees One crore of the amount exceeding Rupees One crore.
From ₹ 5 crore one to ₹ 10 crore (₹ 50,000,001 to ₹ 100,000,000)	₹ 36,875/- plus ₹ 3,125/- for every Rupees One crore of the amount exceeding ₹ 5 crore
Over ₹ 10 crore (₹ 100,000,000)	₹ 52,500/- plus ₹ 1,250/- for every Rupees One crore of the amount exceeding ₹ 10 crore.

\* **The original the clause 6 of Appendix III has been deleted w.e.f. July24, 2017. Prior to deletion clause 6 of Appendix III read as follows :**

(6)The arbitrator may be paid an amount of ₹ 1000 towards local conveyance for attending each arbitration hearing. In respect of joint trial, the hearing will be treated as one irrespective of the number of cases.

\* **Amended w.e.f. August 30, 2008. Prior to this amendment the clause 6 of Appendix III to Rule 19 read as follows:**

(6) The arbitrator may be paid an amount of ₹ 250/- towards local conveyance for attending each arbitration hearing in Mumbai. In respect of joint trial, the hearing will be treated as one irrespective of the number of cases.

<sup>196</sup> **Amended w.e.f. July 24, 2017. Prior to this amendment the clause 3 (c)(ii) of Appendix III read as follows:**

NSDL may at its discretion charge an additional Special Fee of ₹ 1000/-per hearing from each of the Parties to arbitration, for providing facilities at the arbitration hearing. Provided that such discretion shall be based on the number of hearings conducted, extent of use of facilities and such other criteria.

## 20.<sup>197</sup> FEES AND DEPOSITS

Since deleted w.e.f. may 1, 2002, refer Chapter 21 on Fees and Deposits

Prior to deletion the provisions of Chapter 20 were as under

The following Business Rules shall be effective from September 1, 2000.

### 20.1. ISSUERS OR ITS REGISTRAR AND TRANSFER AGENTS FEE FOR DISTRIBUTION OF NON-CASH CORPORATE BENEFITS

- i) In case of offers for sale by an offeror or disinvestment by GOI, a fee at the rate of 0.02% (two basis points) of the value of securities based on the offer price will be charged to the Issuer / Offeror.
- ii) In case of all other corporate actions, viz., bonus, rights, public issues, shares split, merger, demerger, etc., a fee at the rate of 0.02% (two basis points) of the value of securities based on the market price as on the date of allotment or the offer price, as the case may be, or ₹ 20/- per record whichever is lower, shall be charged to the Issuer.
- iii) In case of conversion of shares of non pari-passu to pari-passu, partly-paid to fully-paid etc., no fee shall be charged.
- iv) In case of companies which have paid/pay one time custody fee, no corporate action fee as mentioned at (i) and (ii) above shall be charged till March 31, 2002.
- v) <sup>198</sup> In case of any corporate action of commercial papers, a flat fee of ₹ 10,000/- shall be levied on the Issuer. Provided however that with effect from January 1, 2001, a flat fee of ₹ 10,000/- shall be levied on the Issuer for all issues of commercial papers during a calendar year.

### 20.2. PARTICIPANTS

20.2.1. ENTRY FEES: Each Participant shall pay, to the Depository, a non- refundable entry fee of ₹ 25,000.

20.2.2. ANNUAL FEES: Each Participant shall pay to the Depository, an annual fee as per the schedule given below:

Average market value of dematerialised securities with the Participant.	ANNUAL FEES
Upto ₹ 200 crore	₹ 1,00,000
Between ₹ 200 crore and ₹ 500 crore	₹ 2,50,000
More than ₹ 500 crore	₹ 5,00,000

The fee shall be charged on a yearly basis from October 1 to September 30. This fee shall be paid before October 31 of the following year.

Provided that all Participants who join the depository in the second half (on or after April 1) of any year shall be required to pay only half of the annual fee for that year.

#### Notes:

<sup>197</sup> Inserted w.e.f. August 1, 2000.

<sup>198</sup> Amended w.e.f. Dec. 20, 2000. Prior to this amendment Rule 20.1 (v) read as follows :

Provided however that in case of any corporate action of commercial papers, a flat fee of ₹ 10,000/- shall be levied on the issuer.

**20.2.3. TRANSACTION RELATED FEES:** The following transaction related fees shall be payable by the Participants to the Depository :

- i) A settlement fee at the rate of 0.02% (two basis points) of the value of the securities (other than debt instruments and commercial papers) debited to the account(s) of its Client(s) in respect of all transactions shall be charged to the Participant.
- ii) <sup>199</sup> A settlement fee at the rate of 0.002% (0.2 basis points) of the value of these securities received from the Clearing Corporation into the Receipt - in Account of each Clearing Member maintained with the Participant subject to a minimum of ₹ 2000/- and maximum of ₹ 20,000/- per quarter per CM Account shall be charged to the Participant.

**Provided however that with effect from January 1, 2001, the minimum fee per quarter per CM Account shall be ₹1000/-.** Further, a settlement fee at the rate of 0.02% (two basis points) of the value of the securities transferred by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant. However, no settlement fee will be payable for inter-settlement transfer of securities effected in the additional CM Accounts maintained for the purpose of VyajBadla or ALBM transactions. Further, a settlement fee at the rate of 0.02% (two basis points) of the value of the securities transferred from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided however that;

- a) in case of debt instruments, other than Commercial Papers, in respect of all transactions, a settlement fee at the rate of 0.01% (one basis point) on the value of debt securities debited and credited to the account(s) of its Clients shall be charged to the Participant. The above settlement fee of one basis point shall be subject to a maximum of ₹100/- for each transaction for each different security.
  - b) in respect of commercial papers, no settlement fee shall be charged.
- iii) No settlement fee shall be charged in the following cases:-
- a) in the case of transfers necessitated by transmission;
  - b) in the case of transfer of the account of the Client from one Participant to another as a consequence of the expulsion or suspension of such Participant;
  - c) when the Client closes its account with a Participant and transfers the entire balance in its account to its account maintained with another Participant.
- iv) When a pledge/hypothecation is created or closed, a fee at the rate of 0.01% (one basis point) of the value of the securities pledged / hypothecated shall be charged to the Participant of the pledgor / hypothecator.

**Notes:**

<sup>199</sup> **Amended w.e.f. December 20, 2000. Prior to this amendment Rule 20.2.3 (ii) amended w.e.f. November 27, 2000 read as follows:**

- ii) A settlement fee at the rate of 0.002% (0.2 basis points) of the value of the securities received from the Clearing Corporation into the Receipt-in Account of each Clearing Member maintained with the Participant subject to a minimum of ₹ 2000/- and maximum of ₹ 20,000/- per quarter per CM Account shall be charged to the Participant. Further, a settlement fee at the rate of 0.02% (two basis points) of the value of the securities transferred by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant. However, no settlement fee will be payable for inter-settlement transfer of securities effected in the additional CM Accounts maintained for the purpose of VyajBadla or ALBM transactions. Further, a settlement fee at the rate of 0.02% (two basis points) of the value of the securities transferred from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member. Provided however that;
- a) in case of debt instruments, other than Commercial Papers, in respect of all transactions, a settlement fee at the rate of 0.01% (one basis point) on the value of debt securities debited and credited to the account(s) of its Clients shall be charged to the Participant. The above settlement fee of one basis point shall be subject to a maximum of ₹ 100/- for each transaction for each different security.
- b) in respect of commercial papers, no settlement fee shall be charged.

- v) When a pledge / hypothecation is invoked, a fee at the rate of 0.02% (two basis points) of the value of the securities credited to the account(s) of its Client(s) shall be charged to the Participant of the Pledgee.
- vi) A fee at the rate of 0.02% (two basis points) of the value of the securities lent by the intermediary to the borrower shall be charged to the Participant of the borrower if the transaction is for a period upto 3 months. In case, the transaction extends beyond 3 months, the Participant of the borrower shall pay an additional fee at the rate of 0.02% (two basis points) of the value of the securities lent. The transaction fee shall be collected from the Participants at the beginning of the transaction and any roll over of transaction beyond 3 months.

**20.2.4. CUSTODY FEES:** Each Participant shall pay custody fee at the rate of 0.01% (1 basis point) per annum on the average value of securities held by the Participant in dematerialised form. This fee will be collected quarterly on the basis of average holding during the quarter. Provided however that, the custody fees payable by a Participant will be subject to an annual overall ceiling as given below:

Average market value of dematerialised securities with the Participant during the quarter	Annual Ceiling (to be recovered quarterly)
Upto ₹ 200 crore	₹ 25,000
More than ₹ 200 crore and upto ₹ 500 crore	₹ 50,000
More than ₹ 500 crore and upto ₹ 2000 crore	₹ 1,25,000
More than ₹ 2000 crore	₹ 4,00,000

Provided further that while calculating the custody value as mentioned above, the value of the shares of those companies which have paid a one time custody fee will not be included.

In case of debt instruments and Government Securities, each Participant shall pay custody fee at the rate of 0.005% (0.5 basis point) per annum on the average value of the securities held by the Participant in dematerialised form subject to the overall ceiling as given above.

#### **20.2.5. FEE FOR DEMATERIALISATION & REMATERIALISATION**

No fee shall be charged by the Depository on Dematerialisation requests. However, in case of Rematerialisation, a fee at the rate of 0.02% (two basis points) of the value of the securities requested for rematerialisation or ₹ 10/- per certificate, whichever is higher will be charged.

#### **20.2.6. SECURITY DEPOSITS**

Every Participant will be required to pay an amount of ₹ 10 lakh by way of interest free refundable security deposit. However, a Clearing Corporation or a Clearing House of a Stock Exchange will be exempt from payment of the security deposit.

#### **20.2.7. ONE TIME CUSTODY FEES**

20.2.7.1. An issuer may pay a one time custody fee to NSDL at the rate of 0.05% on the market capitalisation of the company. The market capitalisation of a company will be determined on the basis of the average market price for a period of 26 weeks preceding the date on which the company agrees to make such payment. Consequent upon such payment, NSDL shall not levy any custody fee on the Participants.

20.2.7.2. If a company opts to pay the aforesaid one time fee, it will also be required to agree to pay on the newly issued shares, a custody fee at the rate of 0.05% (five basis points) on the value of shares calculated on the basis of issue price of newly issued shares. In case the company does not pay this amount, NSDL shall charge custody fee as per provision mentioned at Rule 20.2.4 above. However, the issuer shall not be required to pay any custody fee on any subsequent issue of Bonus shares by the company.

**20.2.8. The Business Rules 20.1 to 20.2.7 shall apply till April 30, 2002 and the Rules contained in Chapter 21 will come into effect from May 1, 2002.**

## 21.<sup>200</sup> FEES AND DEPOSITS

### 21.1. FEE PAYABLE BY ISSUERS

#### 21.1.1. FEE FOR DISTRIBUTION OF NON-CASH CORPORATE BENEFITS

- i) <sup>201</sup> In case of offers for sale by an offerer or disinvestment by GOI, bonus, rights, public issue, preferential issue, split, merger, demerger, capital reduction, redemption, etc., a fee at the rate of ₹ 10 per record for debits or credits to accounts as the case may be, shall be charged to the Issuer, subject to a minimum fee of ₹ 1000 per corporate action.

#### Notes:

<sup>200</sup> Inserted w.e.f. May 1, 2002.

<sup>201</sup> Amended w.e.f. July 1, 2008. Prior to this amendment Rule 21.1.1.(i) was amended on November 1, 2007, which read as follows:

21.1.1.(i) In case of offers for sale by an offerer or disinvestment by GOI, bonus, rights, public issue, preferential issue, split, merger, demerger, capital reduction, redemption, etc., a fee at the rate of ₹ 6 per record for debits or credits to accounts as the case may be, shall be charged to the Issuer, subject to a minimum fee of ₹ 500 per corporate action.

Provided however that with effect from November 1, 2007, in case of offers for sale by an offerer or disinvestment by GOI, bonus, rights, public issue, preferential issue, split, merger, demerger, capital reduction, redemption, etc., a fee at the rate of ₹ 8 per record for debits or credits to accounts as the case may be, shall be charged to the Issuer, subject to a minimum fee of ₹ 1000 per corporate action.

Prior to this amendment Rule 21.1.1. (i) was amended on October 1, 2005, which read as follows:

21.1.1.(i) In case of offers for sale by an offerer or disinvestment by GOI, bonus, rights, public issue, preferential issue, split, merger, demerger, capital reduction, redemption, etc., a fee at the rate of ₹ 8 per record for debits or credits to accounts as the case may be, shall be charged to the Issuer, subject to a minimum fee of ₹ 500 per corporate action.

Provided however that with effect from October 1, 2005, in case of offers for sale by an offerer or disinvestment by GOI, bonus, rights, public issue, preferential issue, split, merger, demerger, capital reduction, redemption, etc., a fee at the rate of ₹ 6 per record for debits or credits to accounts as the case may be, shall be charged to the Issuer, subject to a minimum fee of ₹ 500 per corporate action.

Prior to this amendment Rule 21.1.1. (i) was amended on January 1, 2004, which read as follows: 21.1.1.(i) In case of offers for sale by an offerer or disinvestment by GOI or issue of shares arising out of bonus, rights, public issues, shares split, merger, demerger, etc., a fee at the rate of ₹ 10/- per record shall be charged to the Issuer, subject to a minimum fee of ₹ 500 per corporate action.

Provided however that with effect from January 1, 2004, in case of offers for sale by an offerer or disinvestment by GOI, bonus, rights, public issues, preferential issue, split, merger, demerger, capital reduction, redemption, etc., a fee at the rate of ₹ 8/- per record for debits or credits to accounts as the case may be, shall be charged to the Issuer, subject to a minimum fee of ₹ 500 per corporate action.

Prior to this amendment Rule 21.1.1. (i) amended w.e.f. October 1, 2002 read as follows:

21.1.1. (i) In case of offers for sale by an offerer or disinvestment by GOI or issue of shares arising out of bonus, rights, public issues, shares split, merger, demerger, etc., a fee at the rate of 0.02% (two basis points) of the value of securities based on the market price or the offer price as on the date of allotment, as the case may be, or ₹ 20 per record whichever is lower, shall be charged to the Issuer, subject to a minimum fee of ₹ 500 per corporate action.

Provided however that with effect from October 1, 2002, in case of offers for sale by an offerer or disinvestment by GOI or issue of shares arising out of bonus, rights, public issues, shares split, merger, demerger, etc., a fee at the rate of ₹ 10/- per record shall be charged to the Issuer, subject to a minimum fee of ₹ 500 per corporate action.

Prior to this amendment Rule 21.1.1. (i) read as follows:

21.1.1. (i) In case of offers for sale by an offerer or disinvestment by GOI or issue of shares arising out of bonus, rights, public issues, shares split, merger, demerger, etc., a fee at the rate of 0.02% (two basis points) of the value of securities based on the market price or the offer price as on the date of allotment, as the case may be, or ₹ 20 per record whichever is lower, shall be charged to the Issuer, subject to a minimum fee of ₹ 500 per corporate action.



- ii) <sup>202</sup> In case of issue of Commercial Papers, a fee of ₹10,000 shall be levied on the Issuer for five issues of Commercial Papers during the financial year.  
Provided however that an additional fee of ₹ 10,000 shall be levied on the Issuer for every additional five issues.
- iii) <sup>203</sup> In case of issue of short term debt instruments viz; certificate of deposits, MIBOR linked papers etc., a fee of ₹ 10,000 shall be levied on the Issuer for five such issues made in a financial year.  
Provided however an additional fee of ₹10,000 shall be levied on the Issuer for every additional five issues.

#### **Notes:**

\* **The original Rule 21.1.1 (ii) has been deleted w.e.f. April 1, 2008. Prior to deletion original Rule 21.1.1 (ii) read as follows :**

21.1.1. (ii) In case of conversion of shares of non pari-passu to pari-passu, partly-paid to fully-paid etc., no fee shall be charged.

<sup>202</sup> **The original Rule 21.1.1.(iii) has been renumbered as Rule 21.1.1.(ii) w.e.f. April 1, 2008. Prior to this amendment original Rule 21.1.1.(iii) was amended on April 1, 2005, which read as follows:**

21.1.1. (iii) In case of issue of Commercial Papers, a flat fee of ₹10,000 shall be levied on the Issuer for all issues of Commercial Papers during the calendar year.

Provided however that, with effect from April 1, 2005, in case of issue of Commercial Papers, a flat fee of ₹10,000 shall be levied on the Issuer for all issues of Commercial Papers during the financial year. Provided further that for the first quarter of the calendar year 2005, an amount of ₹ 2,500 shall be levied on the Issuer for all such issues during the first quarter of calendar year 2005.

**Prior to this amendment Rule 21.1.1.(iii) read as follows:**

21.1.1. (iii) In case issue of Commercial Papers, a flat fee of ₹ 10,000 shall be levied on the Issuer for all issues of Commercial Papers during the calendar year.

<sup>203</sup> **The original Rule 21.1.1.(iv) has been renumbered as 21.1.1.(iii) w.e.f. April 1, 2008. Prior to this amendment original Rule 21.1.1.(iv) was amended on April 1, 2005, which read as follows:**

21.1.1.(iv) In case of issue of short term debt instruments viz., certificate of deposits, MIBOR linked papers etc., a flat fee of ₹ 10,000 shall be levied on the Issuer for 10 such issues made in a calendar year. Provided however that an additional fee of ₹ 1,000 shall be levied on the Issuer for each subsequent issue.

Provided however that, with effect from April 1, 2005, in case of issue of short term debt instruments viz., certificate of deposits, MIBOR linked papers etc., a flat fee of ₹ 10,000 shall be levied on the Issuer for ten such issues made in a financial year and an additional fee of ₹ 1,000 shall be levied on the Issuer for each subsequent issue.

Provided further that for the first quarter of the calendar year 2005, an amount of ₹ 2,500 would be charged to issuers for three such issues and an additional fee of ₹ 1,000 shall be levied on the Issuer for each subsequent issue.

**Prior to this amendment Rule 21.1.1. (iv) amended w.e.f. July 13, 2002 read as follows:**

21.1.1. (iv) In case of issue of short term debt instruments viz., certificate of deposits, MIBOR linked papers etc., a flat fee of ₹ 10,000 shall be levied on the Issuer for 10 such issues made in a calendar year. Provided however that an additional fee of ₹ 1,000 shall be levied on the Issuer for each subsequent issue.

**Prior to this amendment Rule 21.1.1. (iv) read as follows:**

21.1.1. (iv) In case of issue of short term debt instruments viz., certificate of deposits, MIBOR linked papers etc., a flat fee of ₹ 10,000 shall be levied on the Issuer for 10 such issues made in a calendar year. Provided however that an additional fee of ₹ 10,000 shall be levied on the Issuer for subsequent 10 issues and so on.

### 21.1.2. ONE TIME CUSTODY FEES

21.1.2.1.<sup>204</sup> An Issuer may pay a one time custody fee to NSDL at the rate of 0.05% plus service tax as applicable on the market capitalisation of the company. The market capitalisation of a company will be determined on the basis of the average market price for a period of 26 weeks preceding the date on which the company agrees to make such payment. Consequent upon such payment, NSDL shall not levy any custody fee on the Participants or annual custody fee on the Issuer.

Provided that with effect from November 1, 2011, no issuer can opt to pay the one time custody fee to NSDL.

21.1.2.2.<sup>205</sup> If an Issuer has opted to pay the aforesaid one time custody fee till October 31, 2011, it will also be required to agree to pay on the newly issued shares, a one time custody fee at the rate of 0.05% (five basis points) on the value of shares calculated on the basis of issue price of newly issued shares. In case the company does not pay this amount, NSDL shall charge annual custody fee as per the provision mentioned at Rule 21.1.3. However, the Issuer shall not be required to pay any one time custody fee on any subsequent issue of Bonus shares by the company.

#### **Notes:**

<sup>204</sup> **Amended w.e.f. November 1, 2011. Prior to this amendment Rule 21.1.2.1 was amended w.e.f. June 24, 2005 read as follows :**

21.1.2.1. An Issuer may pay a one time custody fee to NSDL at the rate of 0.05% plus service tax as applicable on the market capitalisation of the company. The market capitalisation of a company will be determined on the basis of the average market price for a period of 26 weeks preceding the date on which the company agrees to make such payment. Consequent upon such payment, NSDL shall not levy any custody fee on the Participants or annual custody fee on the Issuer.

**Prior to this amendment Rule 21.1.2.1 read as follows:**

21.1.2.1. An Issuer may pay a one time custody fee to NSDL at the rate of 0.05% on the market capitalisation of the company. The market capitalisation of a company will be determined on the basis of the average market price for a period of 26 weeks preceding the date on which the company agrees to make such payment. Consequent upon such payment, NSDL shall not levy any custody fee on the Participants.

<sup>205</sup> **Amended w.e.f. November 1, 2011. Prior to this amendment Rule 21.1.2.2 amended w.e.f. June 24, 2005 read as follows:**

21.1.2.2 If a company opts to pay the aforesaid one time fee, it will also be required to agree to pay on the newly issued shares, a one time custody fee at the rate of 0.05% (five basis points) on the value of shares calculated on the basis of issue price of newly issued shares. In case the company does not pay this amount, NSDL shall charge annual custody fee or custody fee as per provision mentioned at Rule 21.1.3 and Rule 21.2.3 hereunder, as the case may be. However, the Issuer shall not be required to pay any one time custody fee on any subsequent issue of Bonus shares by the company.

**Prior to this amendment Rule 21.1.2.2 amended w.e.f. February 18, 2005 read as follows:**

21.1.2.2. If a company opts to pay the aforesaid one time fee, it will also be required to agree to pay on the newly issued shares, a custody fee at the rate of 0.05% (five basis points) on the value of shares calculated on the basis of issue price of newly issued shares. In case the company does not pay this amount, NSDL shall charge custody fee as per provision mentioned at Rule 21.1.3 and Rule 21.2.3 hereunder, as the case may be. However, the Issuer shall not be required to pay any custody fee on any subsequent issue of Bonus shares by the company.

**Prior to this amendment Rule 21.1.2.2 read as follows:**

21.1.2.2. If a company opts to pay the aforesaid one time fee, it will also be required to agree to pay on the newly issued shares, a custody fee at the rate of 0.05% (five basis points) on the value of shares calculated on the basis of issue price of newly issued shares. In case the company does not pay this amount, NSDL shall charge custody fee as per provision mentioned at Rule 21.2.3 hereunder. However, the Issuer shall not be required to pay any custody fee on any subsequent issue of Bonus shares by the company.

### 21.1.3. <sup>206</sup> ANNUAL CUSTODY FEE

- i) An Issuer shall pay an annual custody fee at the rate of ₹ 11 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below, plus taxes as applicable:

Nominal Value of securities admitted (₹)	Amount (₹)
Upto Rs. 2.5 crore (applicable only for issuer of unlisted shares)	5,000
Upto 5 crore	9,000
Above 5 crore and upto 10 crore	22,500
Above 10 crore and upto 20 crore	45,000
Above 20 crore	75,000

- ii) The above fee would be applicable on all securities i.e. equity (except for temporary ISINs), debt, units of mutual funds, pass through certificates, certificates of deposit, commercial papers, preference shares etc., except Government securities.
- iii) The fee will be based on average number of folios (ISIN positions) during the previous financial year. Average number of folios (ISIN positions) will be arrived at by dividing the total number of folios (ISIN positions) for the entire previous financial year by the total number of working days in the said previous financial year.

Provided however that, in case the issued capital or ISIN positions increase during the financial year due to issue of further shares, by way of public offer, the custody fee would be charged on a pro-rata basis, at the time of such issue.

- iv) The fee will be charged every year on a financial year basis and shall be payable by April 30 of that financial year.

#### Notes :-

<sup>206</sup>

**Amended w.e.f. September 25, 2018. Prior to this amendment, Rule 21.1.3 (i) as amended on October 1, 2017 read as follows:**

- i) An Issuer shall pay an annual custody fee at the rate of ₹ 11 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below, plus taxes as applicable:

Nominal Value of securities admitted (₹)	Amount (₹)
Upto 5 crore	9,000
Above 5 crore and upto 10 crore	22,500
Above 10 crore and upto 20 crore	45,000
Above 20 crore	75,000

**Amended w.e.f. October 1, 2017. Prior to this amendment, Rule 21.1.3 (i) as amended on December 16, 2015 read as follows:**

- i) An Issuer of listed securities shall pay an annual custody fee at the rate of ₹ 11 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below, plus taxes as applicable:

Nominal Value of securities admitted (₹)	Amount (₹)
Upto 5 crore	9,000
Above 5 crore and upto 10 crore	22,500
Above 10 crore and upto 20 crore	45,000
Above 20 crore	75,000

**Amended w.e.f. December 16, 2015. Prior to this amendment, Rule 21.1.3 as amended on February 10, 2012 read as follows:**

- i) An Issuer of listed securities shall pay an annual custody fee at the rate of ₹ 8 per folio (ISIN positions) in NSDL, subject to a minimum amount as mentioned below, plus service tax as applicable:

Nominal Value of securities admitted (₹)	Amount (₹)
Upto 5 crore	6,000
Above 5 crore and upto 10 crore	15,000
Above 10 crore and upto 20 crore	30,000

Above 20 crore	50,000
----------------	--------

- ii) The above fee would be applicable on all securities i.e. equity, debt, Units of mutual funds, pass through certificates, certificates of deposit, commercial papers, preference shares etc., except Government securities.
- iii) The fee will be based on average number of folios (ISIN positions) during the previous financial year. Average number of folios (ISIN positions) will be arrived at by dividing the total number of folios (ISIN positions) for the entire previous financial year by the total number of working days in the said previous financial year.
- Provided however that, in case the issued capital or ISIN positions increase during the financial year due to issue of further shares, by way of public offer, the custody fee would be charged on a pro-rata basis, at the time of such issue.
- iv) The fee will be charged every year on a financial year basis and shall be payable by April 30 of that financial year.

**Prior to this amendment, Rule 21.1.3 read as follows:**

- i) An Issuer of listed securities shall pay an annual custody fee at the rate of ₹ 8 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below, plus service tax as applicable:

Nominal Value of securities admitted (₹)	Amount (₹)
Upto 5 crore	6,000
Above 5 crore and upto 10 crore	15,000
Above 10 crore and upto 20 crore	30,000
Above 20 crore	50,000

- ii) The above fee would be applicable on all securities i.e. equity, debt, units of mutual funds, pass through certificates, certificates of deposit, commercial papers, preference shares etc., except Government securities.
- iii) The fee will be based on the total ISIN positions (folios) as on March 31, of the previous financial year. Provided however that, in case the issued capital or ISIN positions increase during the financial year due to issue of further shares, by way of public offer, the custody fee would be charged on a pro-rata basis, at the time of such issue.
- iv) The fee will be charged every year on a financial year basis and shall be payable by April 30 of that financial year.

**21.1.3 ANNUAL CUSTODY FEE**

- i) With effect from April 1, 2005, an Issuer of listed securities shall pay an annual custody fee at the rate of ₹ 5 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below, plus service tax as applicable :

Nominal Value of securities admitted (₹)	Amount (₹)
Upto 5 crore	4,000
Above 5 crore and upto 10 crore	10,000
Above 10 crore and upto 20 crore	20,000
Above 20 crore	30,000

- ii) The above fee would be applicable on all securities i.e. equity, debt, Units of mutual funds, pass through certificates, certificates of deposit, commercial papers, preference shares etc., except
- iii) The fee will be based on the total ISIN positions (folios) as on March 31, of the previous financial year. Provided however that, in case the issued capital or ISIN positions increase during the financial year due to issue of further shares, by way of public offer, the annual custody fee would be charged on a pro-rata basis, at the time of such issue.
- iv) The fee will be charged every year on a financial year basis and shall be payable by April 30 of that financial year.

**Prior to this amendment the Rule 21.1.3 inserted w.e.f. April 1, 2005 read as follows:**

**21.1.3 ANNUAL CUSTODY FEE**

- i) With effect from April 1, 2005, an Issuer of listed securities shall pay an annual custody fee at the rate of ₹ 5 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below, plus service tax as applicable :

Nominal Value of securities admitted (₹)	Amount (₹)
Upto 5 crore	4,000
Above 5 crore and upto 10 crore	10,000
Above 10 crore and upto 20 crore	20,000
Above 20 crore	30,000

- ii) The above fee would be applicable on all securities i.e. equity, debt, Units of mutual funds, pass through certificates, certificates of deposit, commercial papers, preference shares etc., except Government securities.
- iii) The fee will be based on the total ISIN positions (folios) as on March 31, of the previous financial year. Provided however that, in case the issued capital or ISIN positions increase during the financial year due to issue of further shares, by way of public offer, the custody fee would be charged on a pro-rata basis, at the time of such issue.
- iv) The fee will be charged on a financial year basis and shall be payable by April 30 every year.

21.1.4 <sup>207</sup> If an Issuer fails to pay the fees mentioned in Rule 21.1.3 by the due date, the Depository may charge interest @ 12% p.a. on the amount, from the due date of payment till the payment is received by the Depository.

Provided further that the Depository may stop providing details of clients / clearing members / clearing corporation to the Issuer and / or its Registrar and Transfer Agent as mentioned in the Bye Laws and Business Rules.

Provided further that the Depository may not permit the Issuer to use its infrastructure including for issue of further securities in electronic form.

#### 21.1.5 Joining Fee by Issuers

21.1.5.1 <sup>208</sup> Issuer of unlisted securities shall pay a joining fee of Rs. 15,000 plus taxes and Issuer of listed securities shall pay a joining fee of Rs. 20,000 plus taxes at the applicable rate at the time of joining NSDL, for the purpose of making its shares available for dematerialisation.

Provided however that in case the Issuer gets its securities listed on any recognized stock exchange within one year of joining NSDL, the joining fee paid by the Issuer will get adjusted against Annual Custody Fee as per Rule 21.1.3.

21.1.5 [<sup>209</sup>]

#### **Notes:**

<sup>208</sup> **Amended w.e.f. September 25, 2018. Prior to this amendment Rule 21.1.5.1 read as follows:**

21.1.5.1 With effect from April 1, 2014, an Issuer of unlisted securities shall pay a joining fee of ₹ 30,000 plus taxes at the applicable rate at the time of joining NSDL, for the purpose of making its shares available for dematerialisation.

<sup>207</sup> **Amended w.e.f. May 10, 2008. Prior to this amendment Rule 21.1.4 was amended w.e.f. June 24, 2005, which read as follows:**

21.1.4 If an Issuer fails to pay the fees mentioned in Rule 21.1.3 by the due date, the Depository may charge interest @ 12% p.a. on the amount, from the due date of payment till the payment is received by the Depository.

Provided further that the Depository may stop providing details of clients / clearing members / clearing corporation / intermediary to the Issuer and / or its Registrar and Transfer Agent as mentioned in the Bye Laws and Business Rules.

Provided further that the Depository may not permit the Issuer to use its infrastructure including for issue of further securities in electronic form.

**Prior to this amendment the Rule 21.1.4 inserted w.e.f. April 1, 2005 read as follows:**

21.1.4 If an Issuer fails to pay the fees mentioned in Rule 21.1.3 by the due date, the Depository may charge interest @ 12% p.a. on the amount, from the due date of payment till the payment is received by the Depository. Provided further that the Depository may stop providing details of clients / clearing members / clearing corporation / intermediary to the Issuer and / or its Registrar and Transfer Agent as mentioned in the Bye Laws and Business Rules.

Provided further that the Depository may not permit the Issuer to use its infrastructure to issue further securities in electronic form.

<sup>208</sup> **Inserted w.e.f. November 15, 2005. The original Rule 21.1.5 was renumbered as 21.1.5.1 w.e.f. September 14, 2006.**

<sup>208</sup> **Amended w.e.f. April 1, 2014. Prior to this amendment Rule 21.1.5.1 read as follows:**

21.1.5.1 With effect from November 15, 2005, an Issuer of unlisted securities shall pay a joining fee of ₹ 20,000 plus taxes at the applicable rate at the time of joining NSDL, for the purpose of making its shares available for dematerialisation.

Provided however that in case the Issuer gets its securities listed on any recognised stock exchange within one year of joining NSDL, the joining fee paid by the Issuer will get adjusted against the one time custody fee as per Rule 21.1.2 or Annual Custody Fee as per Rule 21.1.3, as the case may be.

### **21.1.6 <sup>210</sup> Non extinguishment fee**

With effect from February 1, 2008 a non extinguishment fee of ₹ 100 per ISIN per day shall be charged to the Issuer in case the debt securities are not extinguished by the Issuer by the end of the month following the month in which the redemption was due unless the Issuer has decided to restructure or defer the redemption of securities.

Provided however that if an issuer fails to pay the non-extinguishment fees by the due date, the Depository may stop providing details of clients/clearing members/ Clearing Corporation to the Issuer and / or its Register and Transfer Agent as mentioned in the Bye Laws and Business Rules.

Provided further that the Depository may not permit the Issuer to use its infrastructure including for issue of further securities in electronic form.

### **21.1.7 <sup>211</sup> Document Processing Fee**

21.1.7.1. A fee of ₹20,000 plus applicable taxes shall be charged to listed/to be listed companies for processing documents in respect of issue/ alteration/ cancellation of shares.

Provided that in case of issue of shares arising out of employee share benefit schemes, a fee of ₹5,000 for document processing in respect of issue of shares, subject to a maximum of ₹20,000 per financial year for an issuer in case of employee share benefit scheme by listed Issuer.

21.1.7.2. A fee of ₹250 plus applicable taxes shall be charged to the Issuers processing document in respect of issue/ cancellation/ alteration/ redemption for securities.

Provided that no such fees shall be levied in respect of mutual fund units and Government Securities.

#### **Notes:**

<sup>211</sup> **Inserted w.e.f. April 1, 2018.**

<sup>209</sup> **Rule 21.1.5.2 has been deleted w.e.f. October 1, 2017. Prior to this deletion Rule 21.1.5.2 read as follows:**

21.1.5.2 If an issuer gets its securities delisted from all stock exchanges where its securities were listed, it shall pay joining fee as provided at Rule 21.1.5.1. If an Issuer fails to pay the fees, the Depository may stop providing details of clients/ clearing members/ clearing corporation/ intermediary to the Issuer and / or its Registrar and Transfer Agent as mentioned in the Bye Laws and Business Rules. Provided further that the Depository may not permit the Issuer to use its infrastructure including for issue of further securities in electronic form.

## 21.2. FEE PAYABLE BY PARTICIPANTS

### 21.2.1. <sup>212</sup> Entry Fees

Each Participant shall pay, at the time of submitting its application, to the Depository, a non-refundable Entry Fee of ₹25,000.

**21.2.2. TRANSACTION RELATED FEES:** The following transaction related fees shall be payable by the Participants to the Depository:

#### 21.2.2.1. <sup>213</sup> Settlement fee:

- (i) <sup>213</sup> A settlement fee at the rate of ₹5.00 per debit instruction in a Client's account shall be charged to the Participant of the Client.
- (ii) <sup>214</sup> A settlement fee at the rate of Re. 1.00 per instruction in respect of securities received from the Clearing Corporation into the Pool account of each Clearing Member maintained with the Participant subject to a minimum of ₹ 1500 and a maximum of ₹ 5,000 per quarter per CM Account shall be charged to the Participant.

A settlement fee at the rate of ₹5.00 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.

#### Notes:

\* **Amended w.e.f. April 6, 2015.** Prior to this amendment Rule 21.1.5.2 was amended w.e.f. May 10, 2008, which read as follows:

21.1.5.2 If an issuer gets its securities delisted from all stock exchanges where its securities were listed, it shall pay joining fee of ₹ 20,000 plus taxes at the applicable rate. If an Issuer fails to pay the fees, the Depository may stop providing details of clients/ clearing members/ clearing corporation to the Issuer and / or its Registrar and Transfer Agent as mentioned in the Bye Laws and Business Rules. Provided further that the Depository may not permit the Issuer to use its infrastructure including for issue of further securities in electronic form.

**Prior to this amendment Rule 21.1.5.2 inserted w.e.f. September 14, 2006, which read as follows:**

21.1.5.2 If an issuer gets its securities delisted from all stock exchanges where its securities were listed, it shall pay joining fee of ₹ 20,000 plus taxes at the applicable rate. If an Issuer fails to pay the fees, the Depository may stop providing details of clients/ clearing members/ clearing corporation/ intermediary to the Issuer and / or its Registrar and Transfer Agent as mentioned in the Bye Laws and Business Rules. Provided further that the Depository may not permit the Issuer to use its infrastructure including for issue of further securities in electronic form.

<sup>210</sup> **Amended w.e.f. September 29, 2014.** Prior to this amendment the Rule 21.1.6 was inserted w.e.f. February 1, 2008 read as follows:

21.1.6 Non extinguishment fee

With effect from February 1, 2008 a non extinguishment fee of ₹ 100 per ISIN per day shall be charged to the Issuer in case the debt securities are not extinguished by the Issuer by the end of the month following the month in which the redemption was due unless the Issuer has decided to restructure or defer the redemption of securities.

<sup>212</sup> **Amended w.e.f. November 15, 2006.** Prior to this amendment the Rule 21.2.1 read as follows:

21.2.1. ENTRY FEES: Each Participant shall pay, to the Depository, a non-refundable Entry Fee of ₹ 25,000.

<sup>213</sup> **Amended w.e.f. June 1, 2019.** Prior to this amendment the Rule 21.2.2.1 was amended on April 1, 2010, which read as follows:

(i) A settlement fee at the rate of ₹ 4.50 per debit instruction in a Client's account shall be charged to the Participant of the Client.

(iii) A settlement fee at the rate of ₹4.50 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.



(iv) A settlement fee at the rate of ₹4.50 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

<sup>214</sup> **Amended w.e.f. April 1, 2010. Prior to this amendment the Rule 21.2.2.1 was amended on April 1, 2008, which read as follows:**

**21.2.2.1. Settlement fee:**

(i) A settlement fee at the rate of ₹ 5 per debit instruction in a Client's account shall be charged to the Participant of the Client.

<sup>212</sup> (ii) A settlement fee at the rate of Re. 1.00 per instruction in respect of securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant subject to a minimum of ₹1000 and a maximum of ₹20,000 per quarter per CM Account shall be charged to the Participant.

(iii) A settlement fee at the rate of ₹5 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.

(iv) A settlement fee at the rate of ₹5 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided further that no settlement fee shall be charged in case of:

(i) transfers necessitated by transmission on death of the Client; and

(ii) transfer of the accounts of Clients from one Participant to another as a consequence of expulsion or suspension of such Participant.

**Prior to this amendment the Rule 21.2.2.1 was amended w.e.f. January 1, 2008, read as follows:**

**21.2.2.1. Settlement fee:**

i) A settlement fee at the rate of ₹ 6 per debit instruction in a Client's account shall be charged to the Participant of the Client.

Provided however that **with effect from January 1, 2008**, a settlement fee at the rate of ₹ 5 per debit instruction in a Client's account shall be charged to the Participant of the Client.

ii) A settlement fee at the rate of Re.1.00 per instruction in respect of securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant subject to a minimum of ₹1000 and a maximum of ₹20,000 per quarter per CM Account shall be charged to the Participant.

iii) A settlement fee at the rate of ₹ 6 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.

Provided however that **with effect from January 1, 2008**, a settlement fee at the rate of ₹5 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.

iv) A settlement fee at the rate of ₹6 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided however that **with effect from January 1, 2008**, a settlement fee at the rate of ₹5 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided further that no settlement fee shall be charged :

(a) in respect of commercial papers and short term debt instruments such as certificate of deposits, MIBOR linked papers etc.; and

(b) in case of :

(i) transfers necessitated by transmission on death of the Client; and

(ii) transfer of the accounts of Clients from one Participant to another as a consequence of expulsion or suspension of such Participant.

**Prior to this amendment the Rule 21.2.2.1. amended w.e.f. October 1, 2005 read as follows:**

**21.2.2.1. Settlement fee:**

(i) A settlement fee at the rate of ₹ 8 per debit instruction in a Client's account shall be charged to the Participant of the Client.

Provided however that **with effect from October 1, 2005**, a settlement fee at the rate of ₹ 6 per debit instruction in a Client's account shall be charged to the Participant of the Client.

ii) A settlement fee at the rate of Re.1.00 per instruction in respect of securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant subject to a minimum of ₹1000 and a maximum of ₹20,000 per quarter per CM Account shall be charged to the Participant.

iii) A settlement fee at the rate of ₹8 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.

Provided however that **with effect from October 1, 2005**, a settlement fee at the rate of ₹6 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.

- iv) A settlement fee at the rate of ₹8 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided however that **with effect from October 1, 2005**, a settlement fee at the rate of ₹6 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided further that no settlement fee shall be charged :

- (a) in respect of commercial papers and short term debt instruments such as certificate of deposits, MIBOR linked papers etc.; and  
(b) in case of :  
(i) transfers necessitated by transmission on death of the Client; and  
(ii) transfer of the accounts of Clients from one Participant to another as a consequence of expulsion or suspension of such Participant.

**Prior to this amendment the Rule 21.2.2.1. amended w.e.f. January 1, 2004 read as follows:**

- i) A settlement fee at the rate of ₹ 10 per debit instruction in a Client's account shall be charged to the Participant of the Client.

Provided however that with effect from January 1, 2004, a settlement fee at the rate of ₹ 8 per debit instruction in a Client's account shall be charged to the Participant of the Client.

- ii) A settlement fee at the rate of Re.1.00 per instruction in respect of securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant subject to a minimum of ₹1000 and a maximum of ₹20,000 per quarter per CM Account shall be charged to the Participant.

- iii) A settlement fee at the rate of ₹10 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.

Provided however that with effect from January 1, 2004, a settlement fee at the rate of ₹8 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.

- iv) A settlement fee at the rate of ₹10 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided however that with effect from January 1, 2004, a settlement fee at the rate of ₹ 8 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided further that no settlement fee shall be charged :

- a) in respect of commercial papers and short term debt instruments such as certificate of deposits, MIBOR linked papers etc.; and  
b) in case of :  
i) transfers necessitated by transmission on death of the Client; and  
ii) transfer of the accounts of Clients from one Participant to another as a consequence of expulsion or suspension of such Participant.

(iv) A settlement fee at the rate of ₹5.00 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided that no settlement fee shall be charged in case of:

- (i) transfers necessitated by transmission on death of the Client; and
- (ii) transfer of the accounts of Clients from one Participant to another as a consequence of expulsion or suspension of such Participant.

**21.2.2.2. Pledge fee:** A fee at the rate of ₹25 per instruction for creation of pledge

hypothecation shall be charged to the Participant of the pledgor/ hypothecator. No fee shall be charged when a pledge / hypothecation is closed or invoked.

**Notes:**

**Prior to this amendment the Rule 21.2.2.1. read as follows:**

- i) A settlement fee at the rate of ₹ 10 per debit instruction in a Client's account shall be charged to the Participant of the Client.
- ii) A settlement fee at the rate of Re.1.00 per instruction in respect of securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant subject to a minimum of ₹1000 and a maximum of ₹20,000 per quarter per CM Account shall be charged to the Participant.
- iii) A settlement fee at the rate of ₹10 per debit instruction for transfer of securities by way of inter-settlement transfers in the CM Account(s) shall be charged to the Participant.
- iv) A settlement fee at the rate of ₹10 per debit instruction for transfer of securities from the CM account of a Clearing Member to the CM account of another Clearing Member shall be charged to the Participant of the delivering Clearing Member.

Provided however that no settlement fee shall be charged :

- a) in respect of commercial papers and short term debt instruments such as certificate of deposits, MIBOR linked papers etc.; and
- b) in case of :

- i) transfers necessitated by transmission on death of the Client; and
- ii) transfer of the accounts of Clients from one Participant to another as a consequence of expulsion or suspension of such Participant.

<sup>213</sup> **Amended w.e.f. February 11, 2016. Prior to this amendment the Rule 21.2.2.1.(ii) read as follows:**

- (ii) ‡A settlement fee at the rate of Re. 1.00 per instruction in respect of securities received from the Clearing Corporation into the Pool account of each Clearing Member maintained with the Participant subject to a minimum of ₹1000 and a maximum of ₹ 5,000 per quarter per CM Account shall be charged to the Participant.

**Prior to this amendment the Rule 21.2.2.1.(ii) read as follows:**

21.2.2.1.(ii) A settlement fee at the rate of Re. 1.00 per instruction in respect of securities received from the Clearing Corporation into the Receipt-in account of each Clearing Member maintained with the Participant subject to a minimum of ₹1000 and a maximum of ₹20,000 per quarter per CM Account shall be charged to the Participant.

**\* Rule 21.2.2.3 has been deleted w.e.f. May 10, 2008. Prior to this deletion Rule 21.2.2.3 read as follows:**

**21.2.2.3. Lending and Borrowing fee:** A fee at the rate of ₹25 per instruction shall be charged to the Participant of the borrower in respect of credit of securities to the account of the borrower. No fee shall be charged at the time of repay or recall of securities.

<sup>215</sup> 21.2.2.3 Fees for hold on securities for Non-Disposal Undertakings/Agreement (NDU)

Participant of Client on whose securities hold is created for NDU shall be charged @ 0.01% of the value of securities upon creation of hold, subject to a minimum of Rs. 25.”

**\*21.2.3.**

**Notes**

<sup>215</sup> **Inserted w.e.f. October 12, 2018**

**\*W.e.f. November 10, 2005 the original Rule 21.2.3 has been deleted. Prior to deletion, the original Rule 21.2.3, which was amended on June 24, 2005 read as follows:**

**21.2.3. CUSTODY FEES:**

A custody fee at the rate of Re.1/- per quarter (₹4/- per annum) for unlisted securities held under each ISIN in each and every account maintained with the Participant shall be charged to the Participant, on a quarterly basis.

**Prior to this amendment the Rule 21.2.3. amended w.e.f. April 1, 2005 read as follows :**

**21.2.3. CUSTODY FEES:**

A custody fee at the rate of Re.1/- per quarter (₹4/- per annum) for securities held under each ISIN in each and every account maintained with the Participant shall be charged to the Participant, on a quarterly basis. In case an account has no security balance, such an account shall also be charged at the rate of Re.1/- per quarter. Provided however that with effect from April 1, 2005, this provision will be applicable only to unlisted securities. Notwithstanding anything contained in Rule 21.1.3. and 21.2.3, no custody fee will be charged on the securities of companies which have paid one time custody fee as per Rule 21.1.2 to NSDL.

**Prior to this amendment the Rule 21.2.3. amended w.e.f. April 1, 2004 read as follows :**

A custody fee at the rate of Re.0.50 per month (₹6 per annum) for securities held under each ISIN (International Securities Identification Number) in each and every account maintained with the Participant shall be charged to the Participant, on a monthly basis. In case an account has no security balance, such an account shall also be charged at the rate of Re.0.50 per month.

Provided however that with effect from April 1, 2004, a custody fee at the rate of Re.1/- per quarter (₹4/- per annum) for securities held under each ISIN in each and every account maintained with the Participant shall be charged to the Participant, on a quarterly basis. In case an account has no security balance, such an account shall also be charged at the rate of Re.1/- per quarter.

Provided further that no custody fee will be charged on the securities of companies which have paid one time custody fee to NSDL.

**Prior to this amendment the Rule 21.2.3 amended w.e.f. October 1, 2002 read as follows:** A custody fee at the rate of Re.0.75 per month (₹9 per annum) for securities held under each ISIN (International Securities Identification Number) in each and every account maintained with the Participant shall be charged to the Participant, on a monthly basis. In case an account has no security balance, such an account shall also be charged at the rate of Re.0.75 per month.

Provided however that with effect from October 1, 2002, a custody fee at the rate of Re.0.50 per month (₹6 per annum) for securities held under each ISIN in each and every account maintained with the Participant shall be charged to the Participant, on a monthly basis. In case an account has no security balance, such an account shall also be charged at the rate of Re.0.50 per month.

Provided further that no custody fee will be charged on the securities of companies which have paid one time custody fee to NSDL.

**Prior to this amendment the Rule read as follows:**

A custody fee at the rate of Re.0.75 per month (₹9 per annum) for securities held under each ISIN (International Securities Identification Number) in each and every account maintained with the Participant shall be charged to the Participant, on a monthly basis. In case an account has no security balance, such an account shall also be charged at the rate of Re.0.75 per month. Provided however that no custody fee will be charged on the securities of companies which have paid one time custody fee to NSDL.

#### **21.2.2.4<sup>216</sup> Fees for Margin Pledge**

- (i) A fee at the rate of ₹ 5.00 for each margin pledge initiation and each margin pledge release between the account of the client and the account of the Trading Member or Clearing Member shall be charged to the Participant of the Client and Participant of Trading Member or Clearing Member respectively.
- (ii) A fee at the rate of ₹ 1.00 for each re-pledge and each margin pledge release between the account of the Trading Member and the account of the Clearing Member shall be charged to the Participant of the Trading Member and Clearing Member respectively.
- (iii) A fee at the rate of ₹ 1.00 for each re-pledge from the account of the Clearing Member to the account of the Clearing Corporation shall be charged to the Participant of the Clearing Member.
- (iv) A fee at the rate of ₹ 5.00 for each margin pledge invocation by Trading Member and Clearing Member shall be charged to the Participant of the Trading Member and Clearing Member respectively.

#### **21.2.4.<sup>217</sup> Fee for Dematerialisation & Rematerialisation**

No fee shall be charged by the depository for dematerialisation of securities. Participant shall be charged the following fee for rematerialisation of securities:

- a) a fee of ₹10 for every hundred securities or part thereof subject to maximum fee of ₹ 5,00,000; or
- b) a flat fee of ₹10 per certificate, whichever is higher.

Provided that, no rematerialisation fee shall be charged for Government Securities.

#### **21.2.5.<sup>218</sup> Fee for Conversion, Reconversion and Redemption of Mutual Fund units**

With effect from April 1, 2014, No fee shall be charged by the depository for Conversion of Mutual Fund units represented by SoA into dematerialised form. Participant shall be charged the following fee for Reconversion and Redemption of Mutual Fund Units:

- a) a fee of ₹ 10 per instruction for Reconversion of Mutual Fund units into Statement of Account (SoA).
- b) a fee of ₹ 4.50 per instruction for Redemption of Mutual Fund units through Participants.

#### **21.2.6. SECURITY DEPOSIT**

Every Participant shall pay to the Depository ₹10 lakh by way of interest free refundable security deposit. However, a Clearing Corporation or a Clearing House of a Stock Exchange will be exempt from payment of security deposit.

#### **21.2.7.<sup>219</sup> ANNUAL MAINTENANCE FEE FOR CORPORATE ACCOUNTS**

With effect from October 1, 2013, a fee at the rate of ₹ 500 per corporate account shall be charged to the Participant in a financial year.

#### **21.2.8.<sup>220</sup> MINIMUM FEE**

In case the total fee billed to the Participant in a financial year is less than the minimum fee of ₹ 1,00,000 then the Participant shall be charged the difference thereof.

#### **21.2.9<sup>221</sup> ANNUAL MAINTENANCE FEE FOR CLIENT SECURITIES MARGIN PLEDGE ACCOUNT**

A fee at the rate of ₹ 500 per Client Securities Margin Pledge Account shall be charged to the Participant in a financial year.

Provided that if a fee under Rule 21.2.7 is charged as a corporate account, no separate fee under this Rule shall be charged.

#### **Notes:**

<sup>216</sup> Inserted w.e.f. August 01, 2020.

<sup>217</sup> Amended w.e.f. April 16, 2012. Prior to this amendment the original Rule 21.2.4 was amended w.e.f. November 1, 2006, which read as follows :

No fee shall be charged by the depository for dematerialisation of securities. Participant shall be charged the following fee for rematerialisation of securities :

a) a fee of ₹10 for every hundred securities or part thereof ; or

b) a flat fee of ₹10 per certificate, whichever is higher.

Provided however that with effect from March 1, 2008, no rematerialisation fee shall be charged for Government Securities.

**Prior to this amendment the original Rule 21.2.4 read as follows :**

**21.2.4. Fee for Dematerialisation & Rematerialisation**

No fee shall be charged by the depository for dematerialisation of securities. In case of rematerialisation of securities, a fee of ₹ 10 for each certificate to be rematerialised shall be charged to the Participant. Provided however that with effect from November 1, 2006, the Participant shall be charged the following fee for rematerialisation of securities :

a) a fee of ₹10 for every hundred securities or part thereof ; or

b) a flat fee of ₹10 per certificate,

whichever is higher.

**Prior to this amendment the original Rule 21.2.4 read as follows :**

**21.2.4. FEE FOR DEMATERIALISATION & REMATERIALISATION**

No fee shall be charged by the Depository on dematerialisation requests. However, in case of rematerialisation request, a flat fee of ₹10 per certificate shall be charged to the Participant.

<sup>218</sup> **Inserted w.e.f. April 11, 2014. The original Rule 21.2.5, 21.2.6 renumbered as 21.2.6, 21.2.7.**

<sup>219</sup> **Inserted w.e.f. August 30, 2013. The original Rule 21.2.6 has been renumbered as 21.6.7.**

<sup>220</sup> **Amended w.e.f. September 1, 2009. Prior to this amendment Rule 21.2.6 read as follows:**

**21.2.6. MINIMUM FEE**

In case the total fee billed to the Participant in a financial year is less than the minimum fee of ₹ 1,50,000 then the Participant shall be charged the difference thereof.

<sup>221</sup> **Inserted w.e.f. August 01, 2020.**

## **22.<sup>222</sup> TERMINATION/ SURRENDER OF PARTICIPANTSHIP**

22.1.<sup>223</sup> No participant shall accept any fresh application from any person for opening a new Client account, or any Dematerialisation Request Form or Form for creation of pledge or hypothecation or margin pledge or hold, with effect from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository; or from the effective date of the order of Participant's Expulsion passed by the Depository; or from the date of the receipt of the order of Participant's expulsion passed by the Depository; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI.

22.2. The participant shall intimate all its clients that, it intends to close down its depository operations, within a period of seven days from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository; or from the effective date of the order of Participant's expulsion passed by the Depository; or from the date of the receipt of the order of Participant's Expulsion passed by the Depository; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI.

### **Notes :**

<sup>222</sup> Amended w.e.f. March 30, 2007. Prior to this amendment the Rule 22 which was inserted w.e.f. February 18, 2003 read as follows :

#### **22. TERMINATION/ SURRENDER OF PARTICIPANTSHIP**

22.1. The Participant, within seven days from the receipt of termination order as per Bye Law 6.5.1 or within seven days of sending an intimation to the Depository about its decision to surrender the participantship under Bye Law 6.5.3, will intimate all its Clients who have balances in their accounts either to transfer the securities to their accounts maintained with other Participant(s) or get the securities rematerialised, within thirty days from the date of receipt of such intimation by the Client.

22.2. In case Clients do not respond to the above, the Participant may request the Depository to manage the accounts of such Clients on its behalf, on such terms and conditions as may be prescribed by the Depository from time to time.

22.3. Upon the Participant satisfying the conditions laid down by the Depository as per Rule 22.2 and submission of all necessary documents to the Depository, the Depository may advise the Participant to transfer the securities held in the accounts of such Clients to the computer system set-up by the Depository and freeze such accounts.

22.4. The Participant, within seven days of transferring the securities as referred in Rule 22.3, shall inform all such Clients the procedure to get the securities transferred to their accounts maintained with other Participant(s).

22.5. The Depository shall transfer the securities to the account of the Client maintained with another Participant, as and when the Client approaches the Depository and proves its identity, to the satisfaction of the Depository.

<sup>223</sup> Amended w.e.f. August 01, 2020. Prior to this amendment the Rule 22.1 which was inserted w.e.f. February 8, 2018 read as follows :

22.1. No participant shall accept any fresh application from any person for opening a new Client account, or any Dematerialisation Request Form or Form for creation of pledge or hypothecation or hold, with effect from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository; or from the effective date of the order of Participant's Expulsion passed by the Depository; or from the date of the receipt of the order of Participant's expulsion passed by the Depository; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI.

**Amended w.e.f. February 8, 2018. Prior to this amendment the Rule 22.1 read as follows :**

22.1. No participant shall accept any fresh application from any person for opening a new Client account, or any Dematerialisation Request Form or Form for creation of pledge or hypothecation, with effect from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository, or, from the effective date of the order of Participant's Expulsion passed by the Disciplinary Action Committee; or from the date of the receipt of the order of Participant's expulsion by the Disciplinary Action Committee of the Depository; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI.

22.3 The Participant shall along with the intimation as stated in Rule 22.2, provide a latest transaction statement to all its clients, with a direction to confirm their holdings, if any, and shall inform them that after thirty days from the date of receipt of such direction by the clients from the Participant, the Participant shall not entertain any instruction from the client except for transfer of securities to their accounts held with the other Participant(s) or rematerialisation of securities, as the case may be for the purpose of closing its account.

**Provided** that the Participant shall send the said direction in the form of a letter and send it to all its client.

22.4 <sup>224</sup> The Participant shall close all zero balance Client accounts held with it after giving a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository.

22.5 The Participant shall, issue a public notice within a period of 15 days from the date stated in the Business Rule No.22.2 in one national English daily newspaper and in one vernacular daily newspaper, declaring thereby to the public its intention to close down its depository operations as Participant from the date specified in the public notice.

22.6 The Participant shall appoint an auditor for conducting the concurrent audit of all its transactions, pertaining to the closing operations within a period of 15 days from the date as stated in the Business Rule No.22.2. and shall further confirm the said appointment of the auditor to the Depository.

**Provided** that, if the Participant expresses its inability to appoint or fails to appoint the Auditor within the stipulated time, then the Depository shall on behalf of the Participant, appoint the Auditor for conducting the concurrent audit of all its transactions, at the cost of the Participant.

22.7 The Participant shall furnish to the Depository the following every month, by the 10th day of the following month, till the Participant successfully closes down its entire depository operations as a Participant:

- i) Status on the closure of accounts giving details viz. Client ID., date and reference number of the letter, status of the closure of the account ( if closed provide details of target account where the securities have been transferred) and details of investor grievances and the action taken.
- ii) Back-up of the DPM as of the end of every month, and
- iii) Concurrent audit report

22.8 <sup>225</sup> Without prejudice to any other rights of the Clients, when the Participant is unable to close all client accounts ; the Participant may request the Depository to manage the accounts of such clients on its behalf as per the terms and conditions prescribed by the Depository from time to time .

**Provided** that the Depository may, on its own, decide to manage the accounts of the clients of such Participant(s), or may nominate one or more participants to whom such accounts shall stand transferred.

**Provided**, however, that the requirement of furnishing transaction statement including statement of accounts as per Bye Law 6.4.4 will not apply to these Client accounts.

22.9 Without prejudice to any other rights of the Clients, on receipt of the request from the Participant to manage its account and submission of all necessary documents by the Participant as prescribed by the Depository, the Depository may direct the Participant to transfer the securities held by it in the client accounts, to the system set-up by the Depository and thereafter, the Depository shall freeze such accounts.

#### Notes:

<sup>224</sup> **Amended w.e.f. April 4, 2014. Prior to this amendment Rule 22.4 read as follows :**

22.4 The Participant shall close all zero balance Client accounts held with it, in accordance with clause 8 of the agreement entered between the Participant and Client.

<sup>225</sup> **Amended w.e.f. January 21, 2020. Prior to this amendment Rule 22.8 read as follows :**

22.8 Without prejudice to any other rights of the Clients, when the Participant is unable to close all client accounts; the Participant may request the Depository to manage the accounts of such clients on its behalf as per the terms and conditions prescribed by the Depository from time to time .

Provided that the Depository may, on its own, decide to manage the accounts of the clients of such Participant(s), so as to enable the Clients to get the securities transferred to another Participant.

Provided, however, that the requirement of furnishing transaction statement including statement of accounts as per Bye Law 6.4.4 will not apply to these Client accounts.



22.10 Without prejudice to any other rights of the clients, the Participant shall within a period of seven days from the date of transfer of the securities as referred to in Business Rule 22.9, intimate to all such clients about such transfer and shall further intimate them about the procedure to get their securities transferred to their Client accounts held with other Participant(s) or depository as the case may be.

22.11 The Depository shall transfer the securities from the account(s) of the client(s) held in the system managed by the Depository, to account(s) maintained with other Participant(s) and close such Client accounts subsequent to such transfer, on receipt of the necessary documents, to the satisfaction of the Depository.

22.12 The Participant shall surrender the original certificate of registration as a Participant to the Depository, for the purpose of forwarding the same to the SEBI for cancellation.

22.13 The Participant, upon the cancellation of the certificate of Registration by SEBI, shall issue a public notice in one English daily newspaper and in one vernacular daily newspaper, intimating thereby the public about the closure of the depository operations and in case of termination of operations of Participant by the Depository, such public notice may be issued by the Depository, at the cost of the Participant.

22.14 The participant shall meet all its outstanding obligations to the Depository while the Participant was acting as such.

22.15 Any Participant who is required to follow the aforesaid business rules, fails to follow it, or commits a breach of any of the said rule, it shall be liable to the penalty of rupees five hundred for each day during which the failure continues or rupees fifty thousand, whichever is less.

## 23.<sup>226</sup> TRANSFER OF DEPOSITORY BUSINESS

---

23.1. The transfer of the business or functions of the Transferor Participant to the Transferee Participant shall require the following:-

- i) the Transferee Participant shall meet all applicable eligibility criteria prescribed for conduct of business as a Participant;
- ii) the Transferor Participant shall give written notice to each of its Clients about the proposed transfer providing each client an option, which may be exercised within a period of not less than 30 days from receipt of such notice; and
- iii) the Transferor Participant and the Transferee Participant shall publish a joint advertisement of the notice of the proposed transfer in such form as may be prescribed by the depository in one English national daily, one Hindi national daily with wide circulation and a regional language daily with wide circulation.

23.2 Upon receipt of such notice, each Client shall have a right to elect in writing either

- i) to continue as a Client of the Transferee Participant on the same terms and conditions as governed by the receipt of services from the Transferor Participant; or ii) to terminate its existing arrangement with the Transferor Participant and provide to the Transferor Participant details of the new Participant selected by the Client for shifting of all securities held through the Participant. Failure to issue such written election within the prescribed option period shall be deemed an election by the Client to continue as a Client of the Transferee participant. Nothing contained herein shall restrict the ability of the Client to terminate its relationship with the Transferee Participant.

23.3 After such transfer, the Transferee Participant shall notify the Clients in writing as regards the completion of the transfer of the business in favour of the Transferee Participant.

---

### **Notes :**

<sup>226</sup> Inserted w.e.f. April 9, 2019.

## ANNEXURE A

ABC COMPANY LTD.	
Regd. Address: 2nd Floor, Victoria Bldg., Fort, Mumbai	
AMOUNT PAID UP PER SHARE	Rs. 5/-
FACE VALUE PER EQUITY SHARE	Rs. 10/-
Folio No. : A658542	Certificate No.: 0123456
Name : AJAY SHAH	
JTI : MEHUL SHAH	
SURRENDERED FOR DEMATERIALISATION	
*** 200***	
Distinctive No. : 932654701- 932654900	
Authorised signatory	Company Seal

## **ANNEXURE B**

### **PATTERN OF HOLDING AT THE TIME OF DEMATERIALISATION**

At the time of dematerialisation of securities, the securities shall be credited to the account of the holders only if the pattern of holding as per the security certificate(s) submitted for dematerialisation or the names of the applicants in the case of any public or rights issue of securities matches with the pattern of holding as per the account maintained with the Participant to which it is credited.

Provided however that, in case of transposition and dematerialisation of securities, the securities held by A B and C can be dematerialised in an account opened in the combination of A C & B, B C & A, B A & C, C A & B and C B & A.

## **ANNEXURE C**

### **PATTERN OF HOLDING AT THE TIME OF REMATERIALISATION**

At the time of rematerialisation of securities the securities shall be issued to the persons as per the pattern of holdings in the account of the Participant from which such securities are rematerialised. This can be explained as follows:

**1. In case of rematerialisation of securities from the account held solely in the name of A :-**

These securities shall only be issued in the name of A. They cannot be issued in the names of A and any other person.

**2. In case of rematerialisation of securities from the account held jointly by A and B:-**

These securities shall only be issued in the names of A and B and cannot be issued in the individual name of A or B or any other persons including A and/ or B (eg. issue of the securities in the joint names of A,B,C and D). The issue of such securities in the joint names of A and B also depends on the order in which the names of the persons appear in the accounts held with the Participant from which such securities have been rematerialised. The order of such names and manner could either be; or

**a) A is the first holder and B the second holder:-**

In this case the securities can only be issued in the joint names of A and B in which A is the first security holder and B is the second security holder. It cannot be issued in the joint names of A and B where B is shown as the first security holder.

**b) B is the first holder and A the second holder:-**

In this case the securities can only be issued in the joint names of A and B in which B is the first security holder and A is the second security holder. It cannot be issued in the joint names of A and B where A is shown as the first security holder.

## **Annexure D**

### **INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM**

#### **A. IMPORTANT POINTS:**

1. Self-attested copy of PAN card is mandatory for all clients, including Promoters/ Partners/Karta/Trustees and whole time directors and persons authorized to deal in securities on behalf of company/firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/PIO Card/OCI Card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.

#### **B. Proof of Identity (POI): - List of documents admissible as Proof of Identity:**

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

#### **C. Proof of Address (POA): - List of documents admissible as Proof of Address: (^Documents having an expiry date should be valid on the date of submission.)**

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook -- Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/ Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/ State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks,

Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.

7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostiled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

**D. Exemptions/clarifications to PAN** (^Sufficient documentary evidence in support of such claims to be collected.)

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

**E. List of people authorized to attest the documents:**

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy /Consulate General in the country where the client resides are permitted to attest the documents.

**F. In case of Non-Individuals, additional documents to be obtained from non-individuals, over & above the POI & POA, as mentioned below:**

Types of entity	Documentary requirements
<b>Corporate</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year).</li> <li>• Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI take over Regulations, duly certified by the company secretary/Whole time director/MD (to be submitted every year).</li> <li>• Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge of day to day operations.</li> <li>• Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly.</li> <li>• Copies of the Memorandum and Articles of Association and certificate of incorporation.</li> <li>• Copy of the Board Resolution for investment in securities market.</li> <li>• Authorised signatories list with specimen signatures.</li> </ul>
<b>Partnership Firm</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year).</li> <li>• Certificate of registration (for registered partnership firms only).</li> <li>• Copy of partnership deed.</li> <li>• Authorised signatories list with specimen signatures.</li> <li>• Photograph, POI, POA, PAN of Partners.</li> </ul>
<b>Trust</b>	<ul style="list-style-type: none"> <li>• Copy of the balance sheets for the last 2 financial years (to be submitted every year).</li> <li>• Certificate of registration (for registered trust only).</li> <li>• Copy of Trust deed.</li> <li>• List of trustees certified by managing trustees/CA.</li> <li>• Photograph, POI, POA, PAN of Trustees.</li> </ul>

<b>HUF</b>	<ul style="list-style-type: none"> <li>• PAN of HUF.</li> <li>• Deed of declaration of HUF/ List of coparceners.</li> <li>• Bank pass-book/bank statement in the name of HUF.</li> <li>• Photograph, POI, POA, PAN of Karta.</li> </ul>
<b>Types of entity</b>	<b>Documentary requirements</b>
<b>Unincorporated association or a body of individuals</b>	<ul style="list-style-type: none"> <li>• Proof of Existence/Constitution document.</li> <li>• Resolution of the managing body &amp; Power of Attorney granted to transact business on its behalf.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Banks/ Institutional Investors</b>	<ul style="list-style-type: none"> <li>• Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Foreign Institutional Investors (FII)</b>	<ul style="list-style-type: none"> <li>• Copy of SEBI registration certificate.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Army/ Government Bodies</b>	<ul style="list-style-type: none"> <li>• Self-certification on letterhead.</li> <li>• Authorized signatories list with specimen signatures.</li> </ul>
<b>Registered Society</b>	<ul style="list-style-type: none"> <li>• Copy of Registration Certificate under Societies Registration Act.</li> <li>• List of Managing Committee members.</li> <li>• Committee resolution for persons authorised to act as authorised signatories with specimen signatures.</li> <li>• True copy of Society Rules and Bye Laws certified by the Chairman/Secretary.</li> </ul>



## **ANNEXURE E**

### **AGREEMENT BETWEEN THE CLEARING CORPORATION AND NATIONAL SECURITIES DEPOSITORY LIMITED**

This Agreement made and entered into at Mumbai on this \_\_\_\_\_ day of \_\_\_\_\_ between \_\_\_\_\_, a company registered under the Companies Act, 1956 and having its Registered Office at \_\_\_\_\_ herein after called the "Clearing Corporation" (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the ONE PART and the National Securities Depository Limited a company registered under the Companies Act, 1956 and having its Registered Office at 4th Floor 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 hereinafter called the "NSDL" (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the OTHER PART

#### **Witnesseth**

#### **WHEREAS**

1. The Clearing Corporation is in the process of establishing a settlement mechanism by which deals by its clearing members in securities held through NSDL are settled through NSDL and for this purpose desires to establish an interface with NSDL.
2. NSDL is willing to establish an interface with the Clearing Corporation to undertake the job of settlement as envisaged on the terms and conditions mutually agreed upon by the Clearing Corporation and NSDL and the Parties thereto are desirous of entering into an agreement to record the terms and conditions so agreed upon.

**NOW THEREFORE** in consideration of NSDL and Clearing Corporation having agreed to establish interface and give mutually agreed services, both the parties to this Agreement hereby covenant and agree as follows :

1. The Clearing Corporation shall not be an agent of NSDL and NSDL shall not be responsible for any act of omission or commission of the Clearing Corporation except as provided under this agreement
2. The Clearing Corporation agrees to comply with the provisions of the Depositories Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 Bye Laws and Business Rules of NSDL and any orders, notices or directions issued there under to the extent applicable.
3. The Clearing Corporation shall be bound by any amendment to the Bye Laws and Business Rules of NSDL with respect to any transaction occurring subsequent to the time of such amendment. NSDL shall give reasonable notice of any such amendments, orders, notices or directions issued thereunder to the Clearing Corporation prior to the implementation. Such amendments shall take effect as if it were originally a part of the Bye Laws and Business Rules of NSDL,  
Provided however that no such amendments shall affect the rights of the Clearing Corporation to terminate this agreement.
4. The Clearing Corporation shall be solely responsible for all instructions to NSDL to debit or credit the account of the members of Clearing Corporation (herein after called the clearing member) and the Clearing Corporation. NSDL shall be responsible to give effect to such instructions of debit and credit in such accounts in such form and manner as may be mutually agreed upon.  
Provided further that such instructions shall be issued in conformity with the provisions of the Bye Laws and Business Rules. NSDL shall have no liabilities for errors made by the Clearing Corporation.
5. The Clearing Corporation shall be solely responsible to confirm payments, wherever applicable, for any securities transferred by NSDL on the basis of instructions from the Clearing Corporation. NSDL shall not be liable for losses

as a result of failure of the Clearing Corporation to make payment to the clearing members or the failure of the clearing members to make payments to its clients.

6. The Clearing Corporation and NSDL shall establish a continuous electronic means of communication with each other, and NSDL shall provide necessary manuals and procedural guidelines if any from time to time to the Clearing Corporation, as is necessary for effective, and prompt conduct of the business relating to depository operations. The Clearing Corporation shall maintain such systems, procedures, means of communication, adequate infrastructure, hardware, software security devices, and back-up facilities for the purpose of operation of the depository system as may be prescribed by NSDL.
7. The Clearing Corporation shall pay such fees and charges, if any, as may be mutually agreed between NSDL and the Clearing Corporation.
8. NSDL shall intimate the Clearing Corporation of the list of securities admitted to the Depository to be held in dematerialised form and any additions or deletions made to such list on a timely basis in such form and manner as may be mutually agreed upon.
9. NSDL shall allocate unique identity codes to the Clearing Corporation to facilitate identification of the Clearing Corporation in respect of the transactions on the depository system.
10. The Clearing Corporation shall allocate identity codes to the clearing members to facilitate interface with NSDL which shall be used by NSDL for effecting settlement as per instructions of the Clearing Corporation.
11. The Clearing Corporation shall intimate NSDL of the settlement schedule and any changes therein on a timely basis in such form and manner as may be mutually agreed upon which shall be adhered to by NSDL for effecting settlement of transactions as per the instructions of the Clearing Corporation.
12. The Clearing Corporation and NSDL shall from time to time mutually draw up a time schedule for data transfer between each other and shall comply with the time schedule.
13. The Clearing Corporation shall maintain records of all transactions effected through NSDL and shall provide on demand to NSDL any information relating to transaction that the clearing members may have under the depository system.
14. NSDL shall maintain records of all transactions effected through NSDL and shall provide on demand to Clearing Corporation any information relating to transaction that the clearing members may have under the depository system.
15. The Clearing Corporation shall maintain suitable internal control measures in order to maintain the integrity of the data transmitted to NSDL and shall preserve the records for a minimum period of five years.
16. NSDL shall maintain suitable internal control measures in order to maintain the integrity of the data transmitted to Clearing Corporation and shall preserve the records for a minimum period of five years.
17. The Clearing Corporation shall notify NSDL forthwith :
  - a) when it is being wound up;
  - b) upon its becoming aware of the admission of any petition for its winding up or attachment of its property;
  - c) on the convening of any meeting to consider a resolution for the winding up.
18. NSDL shall indemnify the Clearing Corporation and keep the Clearing Corporation fully and effectively indemnified on demand and without demur against any loss or damages to the securities, money, property and persons caused by negligence, act of omission or commission by NSDL or its employees and agents.

19. The Clearing Corporation shall indemnify NSDL and keep NSDL fully and effectively indemnified on demand and without demur against any loss or damages to the securities, money, property and persons caused by negligence, act of omission or commission by Clearing Corporation or its employees and agents.
20. Any declaration or other notice given by one party of this agreement to another in pursuance of this agreement shall be in writing and shall be legally effective only when it is delivered to the addressee by Registered letter, fax or telegram or by personal delivery duly acknowledged to the other party at the address first specified above.
21. NSDL shall keep strictly confidential any and all technical and business information including, but not limited to that which may be disclosed or confided to it by the Clearing Corporation, or which it may obtain from the Clearing Corporation in the course of performance of this agreement, and shall not disclose the same to any third party without prior approval of the Clearing Corporation.
22. The Clearing Corporation shall keep strictly confidential any and all technical and business information including, but not limited to that which may be disclosed or confided to it by NSDL, or which it may obtain from the Clearing Corporation in the course of performance of this agreement, and shall not disclose the same to any third party without prior approval of NSDL.
23. The Clearing Corporation and NSDL shall abide by the arbitration and conciliation procedure prescribed under the Byelaws of NSDL and that such procedure shall be applicable to any disputes between the Clearing Corporation and NSDL.
24. The Clearing Corporation and NSDL further agree that all claims, differences and disputes, arising out of or in relation to dealings on the Depository including any agreements, contracts and transactions made subject to the Bye-Laws or Business Rules of the Depository or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties there to and including any question of whether such dealings, transactions, agreements and contracts have been entered into or not, shall be subject to the exclusive jurisdiction of the courts at Mumbai only.
25. The agreement may not be assigned by either party without the express prior written consent to the other party. Any purported assignment in contravention of the terms of this agreement shall be null and void.
26. The terms and provisions of this agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assignees and it is not the intention of the parties to confer third party beneficiary rights upon any other person, including without limitation any clearing member or participant of NSDL.
27. The exercise of any right, remedy or option by a party to this agreement shall not be construed as a waiver of the right to exercise at the same time or thereafter any other right, remedy or any other option.
28. This agreement shall be effective as of the date it is executed by or on behalf of both parties.
29. This agreement may be terminated by either party by giving notice in writing to the other party of such intent to terminate the agreement at least six months prior to the planned date of such termination.
30. Notwithstanding such termination of such agreement the representations, rights and obligations under the clauses pertaining to the indemnification, secrecy records and arbitration shall survive and continue to be binding on the parties in respect of transactions effected during the period when such agreement was effective.

**IN WITNESS WHEREOF** the Clearing Corporation and the Depository has caused these presents to be executed as of the day and year first above written.

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of the Clearing Corporation)

\_\_\_\_\_  
Witness

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of the Depository)

\_\_\_\_\_  
Witness

## **ANNEXURE F**

### **TRIPARTITE AGREEMENT BETWEEN THE CLEARING HOUSE, THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED**

This Tripartite Agreement made and entered into at Mumbai on this \_\_\_\_\_ day of \_\_\_\_\_

#### **BETWEEN**

\_\_\_\_\_, having its registered office at hereinafter called “the Clearing House”(which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the FIRST PART ;

#### **AND**

\_\_\_\_\_, a stock exchange recognized under the provisions of the Securities Contracts (Regulation) Act, 1956, having its registered office at \_\_\_\_\_ hereinafter called “the Exchange”(which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the SECOND PART ;

#### **AND**

The National Securities Depository Limited, a company registered under the Companies Act, 1956 and having its registered office at 4th Floor ‘A’ Wing, Trade World, Kamala Mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai 400 013 hereinafter called “NSDL” (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the THIRD PART

#### **Witnesseth**

#### **WHEREAS**

1. The Clearing House has been engaged by the Exchange for conducting the activity of clearing and settlement of trades done on the Exchange.
2. The Clearing House is in the process of establishing a settlement mechanism by which deals by its Clearing Members in securities held through NSDL are settled through NSDL and for this purpose desires to establish an interface with NSDL.
3. NSDL is willing to establish an interface with the Clearing House to undertake the job of settlement as envisaged on the terms and conditions mutually agreed upon by the Clearing House, the Exchange and NSDL and the parties thereto are desirous of entering into an agreement to record the terms and conditions so agreed upon.

NOW THEREFORE in consideration of the Clearing House, the Exchange and NSDL having agreed to establish interface and give mutually agreed services, all the parties to this Agreement hereby covenant and agree as follows :

1. The Clearing House not being an agent of NSDL, NSDL shall not be responsible for any act of omission or commission of the Clearing House, save and except the obligations of NSDL to the Clearing House under this agreement.
2. The Clearing House agrees to comply with the provisions of the Depositories Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Bye-laws and Business Rules of NSDL and any orders, notices or directions issued there under to the extent applicable.
3. The Clearing House shall be bound by any amendment to the Bye-laws and Business Rules of NSDL with respect to any transaction occurring subsequent to the time of such amendment. NSDL shall give reasonable notice of any such

amendments, orders, notices or directions issued there under to the Clearing House prior to the implementation. Such amendments shall take effect as if it were originally a part of the Bye-laws and Business Rules of NSDL. The Bye-laws and Business Rules of NSDL shall always prevail.

4. Any amendments to the Rules, Bye-laws and Regulations of the Exchange shall not be contrary to or inconsistent with NSDL's Bye-laws, Business Rules, notices and directions as may be in force from time to time and no such amendments shall affect any rights of NSDL under this agreement.
5. The Clearing House shall be solely responsible for all instructions to NSDL to debit or credit the accounts of the members of Clearing House (hereinafter called "the Clearing Member") and the Clearing House. The instructions given by the Clearing House shall be deemed to be given by the Exchange. NSDL shall be responsible to give effect to such instructions of debit and credit in such accounts in such form and manner as may be mutually agreed upon. The instructions given by the Clearing House shall be deemed to be given by the Exchange. Such instructions shall imply that all necessary payments or other operating guidelines for all transfer instructions have been complied with and it is made clear that the Exchange guarantees that such payments have been effected before such instructions are given. The Exchange guarantees clearance and payments of all transactions in regard to which instructions have been given.

Provided further that such instructions shall be issued in conformity with the provisions of the Bye-laws and Business Rules of NSDL. NSDL shall have no liabilities for errors made by the Clearing House. The Exchange and the Clearing House shall indemnify and keep indemnified NSDL harmless from all claims and consequences of NSDL's compliance with such instructions.

6. The Clearing House and the Exchange shall be solely responsible to confirm payments, wherever applicable, in accordance with the Exchange's Rules, Bye-laws and Regulations, for any securities transferred by NSDL on the basis of instructions from the Clearing House. The confirmations given by the Clearing House shall be deemed to be given by the Exchange. NSDL shall not be liable for losses as a result of failure of the Clearing House or the Exchange to make payment to the Clearing Members or the failure of the Clearing Members to make payments to its clients and the Exchange shall indemnify and keep indemnified NSDL harmless for any claims or consequences of such failure.
7. All instructions given by the Clearing House for debit and credit of accounts of the Clearing Members shall be deemed to have been given under the authority of the Exchange and on behalf of the Clearing Members.
8. The Clearing House and the Exchange agree that under no circumstances unwinding of transactions effected for debit or credit of accounts of the Clearing Members shall be asked for once the instructions for credit of accounts of the Clearing Members are given.
9. The Clearing House and NSDL shall establish a continuous electronic means of communication with each other, and NSDL shall provide necessary manuals and procedural guidelines, if any, from time to time to the Clearing House, as is necessary for effective, and prompt conduct of the business relating to depository operations. The Clearing House shall maintain such systems, procedures, means of communication, adequate infrastructure, hardware, software, security devices and back-up facilities for the purpose of operation of the depository system as may be prescribed by NSDL.
10. The Clearing House shall pay such fees and charges, if any, as may be mutually agreed between NSDL and the Clearing House from time to time. Such agreement shall be deemed to be confirmed by the Exchange.
11. NSDL shall intimate the Clearing House of the list of securities admitted to the Depository to be held in dematerialised form and any additions or deletions made to such list on a timely basis in such form and manner as may be mutually agreed upon.
12. NSDL shall allocate unique identity codes to the Clearing House to facilitate identification of the Clearing House in respect of the transactions on the depository system.
13. The Clearing House shall allocate unique identity codes to the Clearing Members to facilitate interface with NSDL which shall be used by NSDL for effecting settlement as per instructions of the Clearing House.

14. The Clearing House shall intimate NSDL of the settlement schedule and any changes therein on a timely basis in such form and manner as may be mutually agreed upon which shall be adhered to by NSDL for effecting settlement of transactions as per the instructions of the Clearing House.
15. The Clearing House and NSDL shall from time to time mutually draw up a time schedule for data transfer between each other and shall comply with the time schedule.
16. The Clearing House shall maintain records of all transactions effected through NSDL and shall provide on demand to NSDL any information relating to transaction that the Clearing Members may have under the depository system.
17. NSDL shall maintain records of all transactions effected through NSDL and shall provide on demand to the Clearing House any information relating to transaction that the Clearing Members may have under the depository system.
18. The Clearing House and NSDL shall preserve the records of all data for a period of five years.
19. The Clearing House shall notify NSDL forthwith :
  - a) when it is being wound up;
  - b) upon its becoming aware of the admission of any petition for its winding up or attachment of its property;
  - c) on the convening of any meeting to consider a resolution for the winding up.
20. NSDL shall indemnify the Clearing House and keep the Clearing House fully and effectively indemnified on demand and without demur against any loss or damages to the securities, money, property and persons caused by negligence, act of omission or commission by NSDL or its employees and agents.
21. The Clearing House and the Exchange shall indemnify NSDL and keep NSDL fully and effectively indemnified on demand and without demur against any loss or damages to the securities, money, property and persons caused by negligence, act of omission or commission by them or their employees and agents.
22. Any declaration or other notice given by one party of this agreement to another in pursuance of this agreement shall be in writing and shall be legally effective only when it is delivered to the addressee by Registered letter, fax or telegram or by personal delivery duly acknowledged to the other party at the address first specified above or by electronic data transfer.
23. NSDL shall keep strictly confidential any and all technical and business information including, but not limited to that which may be disclosed or confided to it by the Clearing House and/ or the Exchange, or which it may obtain from the Clearing House and/or the Exchange in the course of performance of this agreement, and shall not disclose the same to any third party without prior approval of the Clearing House and the Exchange save and except as may be required (i) by law, (ii) by any order of a court, tribunal, board or other Governmental or statutory authority, (iii) in order to protect its interests and/or (iv) to such of its employees, officers, directors and lawyers as may be required in order to enable them to effectively perform their functions.
24. The Clearing House and the Exchange shall keep strictly confidential any and all technical and business information including, but not limited to that which may be disclosed or confided to it by NSDL, or which it may obtain from the NSDL in the course of performance of agreement, and shall not disclose the same to any third party without prior approval of NSDL save and except as may be required (i) by law, (ii) by any order of a court, tribunal, board or other Governmental or statutory authority, (iii) in order to protect its interests and/ or (iv) to such of its employees, officers, directors and lawyers as may be required in order to enable them to effectively perform their functions.
25. The Clearing House and NSDL shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of NSDL and that such procedure shall be applicable to any disputes between the Clearing House and NSDL.
26. The Clearing House and NSDL further agree that all claims, differences and disputes, arising out of or in relation to dealings on the Depository including any agreements, contracts and transactions made subject to the Bye-laws or

Business Rules of the Depository or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment of the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions, agreements and contracts have been entered into or not, shall be subject to the above arbitration clause and exclusive jurisdiction of the courts at Mumbai only.

27. The agreement may not be assigned by any party without the express prior written consent of the other parties. Any purported assignment in contravention of the terms of this agreement shall be null and void.
28. The terms and provisions of this agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assignees and it is not the intention of the parties to confer any third party beneficiary rights upon any other person, including without limitation any Clearing Member or Participant of NSDL.
29. The exercise of any right, remedy or option by a party to this agreement shall not be construed as a waiver of the right to exercise at the same time or thereafter any other right, remedy or any other option.
30. This agreement shall be effective as of the date it is executed by or on behalf of all parties.
31. This agreement may be terminated by any party by giving notice in writing to the other parties of such intent to terminate the agreement at least six months prior to the planned date of such termination.
32. Notwithstanding such termination of such agreement the representations, rights and obligations accrued under this agreement and those pertaining to the indemnification, secrecy records and arbitration shall survive and continue to be binding on the parties in respect of transactions effected during the period when such agreement was effective.
33. Notwithstanding anything contained in this agreement, it is hereby agreed by and between the parties that it shall be the responsibility of the Exchange to ensure that all payments by and between the Clearing Members, or their agents, clients are effected and neither NSDL nor the Clearing House shall be liable in this regard.

IN WITNESS WHEREOF the Clearing House, the Exchange and NSDL has caused these presents to be executed as of the day and year first above written.

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of the Clearing House)

\_\_\_\_\_  
Witness

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of the Exchange)

\_\_\_\_\_  
Witness

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of NSDL)

\_\_\_\_\_  
Witness

## **ANNEXURE G**

### **TRIPARTITE AGREEMENT BETWEEN THE CLEARING HOUSE, THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED**

This Tripartite Agreement made and entered into at Mumbai on this \_\_\_\_\_ day of \_\_\_\_\_

#### **BETWEEN**

\_\_\_\_\_, having its registered office at \_\_\_\_\_  
\_\_\_\_\_ hereinafter called “the Clearing House” (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the FIRST PART;

#### **AND**

\_\_\_\_\_, a stock exchange recognised under the provisions of the Securities Contracts (Regulation) Act, 1956, having its registered office at hereinafter called “the Exchange” (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the SECOND PART;

#### **AND**

National Securities Depository Limited, a company registered under the Companies Act, 1956 and having its registered office at Trade World, 4th Floor, ‘A’ Wing, Kamala Mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai 400 013 hereinafter called “NSDL” (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the THIRD PART

#### **Witnesseth**

#### **WHEREAS**

1. The Clearing House has been engaged by the Exchange for conducting the activity of clearing and settlement of trades done on the Exchange.
2. The Clearing House is in the process of establishing a settlement mechanism by which deals by the Members/Dealers of the Exchange (hereinafter referred to as “Clearing Members”) in securities held through NSDL are settled through NSDL and for this purpose desires to establish an interface with NSDL.
3. NSDL is willing to establish an interface with the Clearing House to undertake the job of settlement as envisaged on the terms and conditions mutually agreed upon by the Clearing House, the Exchange and NSDL and the parties thereto are desirous of entering into an agreement to record the terms and conditions so agreed upon.

**NOW THEREFORE** in consideration of the Clearing House, the Exchange and NSDL having agreed to establish interface and give mutually agreed services, all the parties to this Agreement hereby covenant and agree as follows:

1. The Clearing House not being an agent of NSDL, NSDL shall not be responsible for any act of omission or commission of the Clearing House, save and except the obligations of NSDL to the Clearing House under this agreement.
2. The Clearing House and the Exchange agrees to comply with the provisions of the Depositories Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Bye-laws and Business Rules of NSDL and any orders, notices or directions issued there under to the extent applicable.



3. The Clearing House and the Exchange shall be bound by any amendment to the Bye-laws and Business Rules of NSDL with respect to any transaction occurring subsequent to the time of such amendment. NSDL shall give reasonable notice of any such amendments, orders, notices or directions issued there under to the Clearing House and the Exchange prior to the implementation. Such amendments shall take effect as if it were originally a part of the Bye-laws and Business Rules of NSDL. The Bye-laws and Business Rules of NSDL shall always prevail.
4. Any amendments to the Rules, Bye-laws and Regulations of the Exchange shall not be contrary to or inconsistent with NSDL's Bye-laws, Business Rules, notices and directions as may be in force from time to time and no such amendments shall affect any rights of NSDL under this agreement.
5. The Clearing House shall be solely responsible for all instructions to NSDL to debit or credit the accounts of the Clearing Members and the Clearing House. NSDL shall be responsible to give effect to such instructions of debit and credit in such accounts in such form and manner as may be mutually agreed upon. The instructions given by the Clearing House shall be deemed to be given by the Exchange. Such instructions shall imply that all necessary payments or other operating guidelines for all transfer instructions have been complied with and it is made clear that the Exchange guarantees that such payments have been effected before such instructions are given. The Exchange guarantees clearance and payments of all transactions in regard to which instructions have been given.

Provided further that such instructions shall be issued in conformity with the provisions of the Bye-laws and Business Rules of NSDL. NSDL shall have no liabilities for errors made by the Clearing House. The Exchange and the Clearing House shall indemnify and keep indemnified NSDL harmless from all claims and consequences of NSDL's compliance with such instructions.

6. The Clearing House and the Exchange shall be solely responsible to confirm payments, wherever applicable, in accordance with the Exchange's Rules, Bye-laws and Regulations, for any securities transferred by NSDL on the basis of instructions from the Clearing House. The confirmations given by the Clearing House shall be deemed to be given by the Exchange. NSDL shall not be liable for losses as a result of failure of the Clearing House or the Exchange to make payment to the Clearing Members or the failure of the Clearing Members to make payments to its clients and the Exchange shall indemnify and keep indemnified NSDL harmless for any claims or consequences of such failure.
7. All instructions given by the Clearing House for debit and credit of accounts of the Clearing Members shall be deemed to have been given under the authority of the Exchange and on behalf of the Clearing Members.
8. The Clearing House and the Exchange agree that under no circumstances unwinding of transactions effected for debit or credit of accounts of the Clearing Members shall be asked for once the instructions for credit of accounts of the Clearing Members are given.
9. The Clearing House and NSDL shall establish a continuous electronic means of communication with each other, and NSDL shall provide necessary manuals and procedural guidelines, if any, from time to time to the Clearing House, as is necessary for effective and prompt conduct of the business relating to depository operations. The Clearing House shall maintain such systems, procedures, means of communication, adequate infrastructure, hardware, software, security devices and back-up facilities for the purpose of operation of the depository system as may be prescribed by NSDL.
10. The Clearing House shall pay such fees and charges, if any, as may be mutually agreed between NSDL and the Clearing House from time to time. Such agreement shall be deemed to be confirmed by the Exchange.
11. NSDL shall intimate the Clearing House of the list of securities admitted to the Depository to be held in dematerialised form and any additions or deletions made to such list on a timely basis in such form and manner as may be mutually agreed upon.
12. NSDL shall allocate unique identity codes to the Clearing House to facilitate identification of the Clearing House in respect of the transactions on the depository system.

13. The Clearing House shall allocate unique identity codes to the Clearing Members to facilitate interface with NSDL which shall be used by NSDL for effecting settlement as per instructions of the Clearing House.
14. The Clearing House shall intimate NSDL of the settlement schedule and any changes therein on a timely basis in such form and manner as may be mutually agreed upon which shall be adhered to by NSDL for effecting settlement of transactions as per the instructions of the Clearing House.
15. The Clearing House and NSDL shall from time to time mutually draw up a time schedule for data transfer between each other and shall comply with the time schedule.
16. The Clearing House and the Exchange shall maintain records of all transactions effected through NSDL and shall provide on demand to NSDL any information relating to transaction that the Clearing Members may have under the depository system.
17. NSDL shall maintain records of all transactions effected through NSDL and shall provide on demand to the Clearing House and the Exchange any information relating to transaction that the Clearing Members may have under the depository system.
18. The Clearing House and the Exchange and NSDL shall preserve the records of all data for a period of five years.
19. The Clearing House shall notify NSDL forthwith :
  - a) when it is being wound up;
  - b) upon its becoming aware of the admission of any petition for its winding up or attachment of its property;
  - c) on the convening of any meeting to consider a resolution for the winding up.
20. NSDL shall indemnify the Clearing House and the Exchange and keep the Clearing House and the Exchange fully and effectively indemnified on demand and without demur against any loss or damages to the securities, money, property and persons caused by negligence, act of omission or commission by NSDL or its employees and agents.
21. The Clearing House and the Exchange shall indemnify NSDL and keep NSDL fully and effectively indemnified on demand and without demur against any loss or damages to the securities, money, property and persons caused by negligence, act of omission or commission by them or their employees and agents.
22. Any declaration or other notice given by one party of this agreement to another in pursuance of this agreement shall be in writing and shall be legally effective only when it is delivered to the addressee by Registered letter, fax or telegram or by personal delivery duly acknowledged to the other party at the address first specified above or by electronic data transfer.
23. NSDL shall keep strictly confidential any and all technical and business information including, but not limited to that which may be disclosed or confided to it by the Clearing House and/ or the Exchange, or which it may obtain from the Clearing House and/or the Exchange in the course of performance of this agreement, and shall not disclose the same to any third party without prior approval of the Clearing House and the Exchange save and except as may be required (i) by law, (ii) by any order of a court, tribunal, board or other Governmental or statutory authority, (iii) in order to protect its interests and/or (iv) to such of its employees, officers, directors and lawyers as may be required in order to enable them to effectively perform their functions.
24. The Clearing House and the Exchange shall keep strictly confidential any and all technical and business information including, but not limited to that which may be disclosed or confided to it by NSDL, or which it may obtain from the NSDL in the course of performance of agreement, and shall not disclose the same to any third party without prior approval of NSDL save and except as may be required (i) by law, (ii) by any order of a court, tribunal, board or other Governmental or statutory authority, (iii) in order to protect its interests and/ or (iv) to such of its employees, officers, directors and lawyers as may be required in order to enable them to effectively perform their functions.

25. The Clearing House, the Exchange and NSDL shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of NSDL and that such procedure shall be applicable to any disputes between the Clearing House and NSDL.
26. The Clearing House, the Exchange and NSDL further agree that all claims, differences and disputes, arising out of or in relation to dealings on the Depository including any agreements, contracts and transactions made subject to the Bye-laws or Business Rules of the Depository or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment of the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions, agreements and contracts have been entered into or not, shall be subject to the above arbitration clause and exclusive jurisdiction of the courts at Mumbai only.
27. The agreement may not be assigned by any party without the express prior written consent of the other parties. Any purported assignment in contravention of the terms of this agreement shall be null and void.
28. The terms and provisions of this agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assignees and it is not the intention of the parties to confer any third party beneficiary rights upon any other person, including without limitation any Clearing Member or Participant of NSDL.
29. The exercise of any right, remedy or option by a party to this agreement shall not be construed as a waiver of the right to exercise at the same time or thereafter any other right, remedy or any other option.
30. This agreement shall be effective as of the date it is executed by or on behalf of all parties.
31. This agreement may be terminated by any party by giving notice in writing to the other parties of such intent to terminate the agreement at least six months prior to the planned date of such termination.
32. Notwithstanding such termination of such agreement the representations, rights and obligations accrued under this agreement and those pertaining to the indemnification, secrecy records and arbitration shall survive and continue to be binding on the parties in respect of transactions effected during the period when such agreement was effective.

**IN WITNESS WHEREOF** the Clearing House, the Exchange and NSDL has caused these presents to be executed as of the day and year first above written.

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of the Clearing House)

\_\_\_\_\_  
Witness

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of the Exchange)

\_\_\_\_\_  
Witness

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of NSDL)

\_\_\_\_\_  
Witness

## **ANNEXURE H**

### **AGREEMENT BETWEEN THE EXCHANGE AND NATIONAL SECURITIES DEPOSITORY LIMITED**

This Agreement made and entered into at Mumbai on this \_\_\_\_\_ day of \_\_\_\_\_

#### **BETWEEN**

\_\_\_\_\_, a stock exchange recognised under the provisions of the Securities Contracts (Regulation) Act, 1956, having its registered office at hereinafter called “the Exchange” (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the PART ONE;

#### **AND**

National Securities Depository Limited, a company registered under the Companies Act, 1956 and having its registered office at 4th Floor ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 hereinafter called “NSDL” (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assignees) of the OTHER PART

#### **Witnesseth**

#### **WHEREAS**

1. The Exchange conducts the activity of clearing and settlement of trades done on the Exchange.
2. The Exchange is in the process of establishing a settlement mechanism by which deals by its Clearing Members in securities held through NSDL are settled through NSDL and for this purpose desires to establish an interface with NSDL.
3. NSDL is willing to establish an interface with the Exchange to undertake the job of settlement as envisaged on the terms and conditions mutually agreed upon by the Exchange and NSDL and the parties thereto are desirous of entering into an agreement to record the terms and conditions so agreed upon.

**NOW THEREFORE** in consideration of the Exchange and NSDL having agreed to establish interface and give mutually agreed services, both the parties to this Agreement hereby covenant and agree as follows:

1. The Exchange not being an agent of NSDL, NSDL shall not be responsible for any act of omission or commission of the Exchange, save and except the obligations of NSDL to the Exchange under this agreement.
2. The Exchange agrees to comply with the provisions of the Depositories Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, Bye-laws and Business Rules of NSDL and any orders, notices or directions issued there under to the extent applicable.
3. The Exchange shall be bound by any amendment to the Bye-laws and Business Rules of NSDL with respect to any transaction occurring subsequent to the time of such amendment. NSDL shall give reasonable notice of any such amendments, orders, notices or directions issued there under to the Exchange prior to the implementation. Such amendments shall take effect as if it were originally a part of the Bye-laws and Business Rules of NSDL. The Bye-laws and Business Rules of NSDL shall always prevail.
4. Any amendments to the Rules, Bye-laws and Regulations of the Exchange shall not be contrary to or inconsistent with NSDL’s Bye-laws, Business Rules, notices and directions as may be in force from time to time and no such amendments shall affect any rights of NSDL under this agreement.

5. The Exchange shall be solely responsible for all instructions to NSDL to debit or credit the accounts of the members of Exchange (hereinafter called “the Clearing Member”) and the Exchange. NSDL shall be responsible to give effect to such instructions of debit and credit in such accounts in such form and manner as may be mutually agreed upon. Such instructions shall imply that all necessary payments or other operating guidelines for all transfer instructions have been complied with and it is made clear that the Exchange guarantees that such payments have been effected before such instructions are given. The Exchange guarantees clearance and payments of all transactions in regard to which instructions have been given.

Provided further that such instructions shall be issued in conformity with the provisions of the Bye-laws and Business Rules of NSDL. NSDL shall have no liabilities for errors made by the Exchange. The Exchange shall indemnify and keep indemnified NSDL harmless from all claims and consequences of NSDL’s compliance with such instructions.

6. The Exchange shall be responsible to confirm payments, wherever applicable, in accordance with the Exchange’s Rules, Bye-laws and Regulations, for any securities transferred by NSDL on the basis of instructions from the Exchange. NSDL shall not be liable for losses as a result of failure of the Exchange to make payment to the Clearing Members or the failure of the Clearing Members to make payments to their clients and the Exchange shall indemnify and keep indemnified NSDL harmless for any claims or consequences of such failure.
7. All instructions given by the Exchange for debit and credit of accounts of the Clearing Members shall be deemed to have been given under the authority of and on behalf of the Clearing Members.
8. The Exchange agrees that under no circumstances unwinding of transactions effected for debit or credit of accounts of the Clearing Members shall be asked for once the instructions for credit of accounts of the Clearing Members are given.
9. The Exchange and NSDL shall establish a continuous electronic means of communication with each other, and NSDL shall provide necessary manuals and procedural guidelines, if any, from time to time to the Exchange, as is necessary for effective and prompt conduct of the business relating to depository operations. The Exchange shall maintain such systems, procedures, means of communication, adequate infrastructure, hardware, software, security devices and back-up facilities for the purpose of operation of the depository system as may be prescribed by NSDL.
10. The Exchange shall pay such fees and charges, if any, as may be mutually agreed between NSDL and the Exchange from time to time.
11. NSDL shall intimate the Exchange of the list of securities admitted to the Depository to be held in dematerialised form and any additions or deletions made to such list on a timely basis in such form and manner as may be mutually agreed upon.
12. NSDL shall allocate unique identity codes to the Exchange to facilitate identification of the Exchange in respect of the transactions on the depository system.
13. The Exchange shall allocate unique identity codes to the Clearing Members to facilitate interface with NSDL which shall be used by NSDL for effecting settlement as per instructions of the Exchange.
14. The Exchange shall intimate NSDL of the settlement schedule and any changes therein on a timely basis in such form and manner as may be mutually agreed upon which shall be adhered to by NSDL for effecting settlement of transactions as per the instructions of the Exchange.
15. The Exchange and NSDL shall from time to time mutually draw up a time schedule for data transfer between each other and shall comply with the time schedule.

16. The Exchange shall maintain records of all transactions effected through NSDL and shall provide on demand to NSDL any information relating to transaction that the Clearing Members may have under the depository system.
17. NSDL shall maintain records of all transactions effected through NSDL and shall provide on demand to the Exchange any information relating to transaction that the Clearing Members may have under the depository system.
18. The Exchange and NSDL shall preserve the records of all data for a period of five years.
19. The Exchange shall notify NSDL forthwith :
  - a) when it is being wound up;
  - b) upon its becoming aware of the admission of any petition for its winding up or attachment of its property;
  - c) on the convening of any meeting to consider a resolution for the winding up.
20. NSDL shall indemnify the Exchange and keep the Exchange fully and effectively indemnified on demand and without demur against any loss or damages to the securities, money, property and persons caused by negligence, act of omission or commission by NSDL or its employees and agents.
21. The Exchange shall indemnify NSDL and keep NSDL fully and effectively indemnified on demand and without demur against any loss or damages to the securities, money, property and persons caused by negligence, act of omission or commission by them or their employees and agents.
22. Any declaration or other notice given by one party of this agreement to another in pursuance of this agreement shall be in writing and shall be legally effective only when it is delivered to the addressee by Registered letter, fax or telegram or by personal delivery duly acknowledged to the other party at the address first specified above or by electronic data transfer.
23. NSDL shall keep strictly confidential any and all technical and business information including, but not limited to that which may be disclosed or confided to it by the Exchange, or which it may obtain from the Exchange in the course of performance of this agreement, and shall not disclose the same to any third party without prior approval of the Exchange save and except as may be required (i) by law, (ii) by any order of a court, tribunal, board or other Governmental or statutory authority, (iii) in order to protect its interests and/or (iv) to such of its employees, officers, directors and lawyers as may be required in order to enable them to effectively perform their functions.
24. The Exchange shall keep strictly confidential any and all technical and business information including, but not limited to that which may be disclosed or confided to it by NSDL, or which it may obtain from the NSDL in the course of performance of agreement, and shall not disclose the same to any third party without prior approval of NSDL save and except as may be required (i) by law, (ii) by any order of a court, tribunal, board or other Governmental or statutory authority, (iii) in order to protect its interests and/or (iv) to such of its employees, officers, directors and lawyers as may be required in order to enable them to effectively perform their functions.
25. The Exchange and NSDL shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of NSDL and that such procedure shall be applicable to any disputes between the Exchange and NSDL.
26. The Exchange and NSDL further agree that all claims, differences and disputes, arising out of or in relation to dealings on the Depository including any agreements, contracts and transactions made subject to the Bye-laws or Business Rules of the Depository or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment of the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions, agreements and contracts have been entered into or not, shall be subject to the above arbitration clause and exclusive jurisdiction of the courts at Mumbai only.
27. The agreement may not be assigned by any party without the express prior written consent of the other party. Any purported assignment in contravention of the terms of this agreement shall be null and void.
28. The terms and provisions of this agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assignees and it is not the intention of the parties to confer any third party beneficiary rights upon any other person, including without limitation any Clearing Member or Participant of NSDL.
29. The exercise of any right, remedy or option by a party to this agreement shall not be construed as a waiver of the right to exercise at the same time or thereafter any other right, remedy or any other option.
30. This agreement shall be effective as of the date it is executed by or on behalf of both parties.

31. This agreement may be terminated by either party by giving notice in writing to the other party of such intent to terminate the agreement at least six months prior to the planned date of such termination.

32. Notwithstanding such termination of such agreement the representations, rights and obligations accrued under this agreement and those pertaining to the indemnification, secrecy records and arbitration shall survive and continue to be binding on the parties in respect of transactions effected during the period when such agreement was effective.

**IN WITNESS WHEREOF** the Exchange and NSDL has caused these presents to be executed asof the day and year first above written.

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of the Exchange)

\_\_\_\_\_  
Witness

Signed and delivered by

\_\_\_\_\_  
(for and on behalf of NSDL)

\_\_\_\_\_  
Witness

## ANNEXURE I

### Proforma Of Government Securities Certificate

<div><div>Lion Capital</div><div><p>GOVERNMENT OF INDIA</p><p>INSCRIBED STOCK OF THE</p><p>13.85 PER CENT. GOVERNMENT STOCK, 2001</p><p>BOOK DEBT CERTIFICATE No. BY34 OF <i>Mumbai</i> for ₹ 70,000/-</p><p>REPAYABLE ON THE 25<sup>TH</sup> DAY OF MARCH, 2001</p><p>I hereby certify that ABC Ltd. is the registered proprietor of Rupees <u>Seventy Thousand only</u> Government Stock of the 13.85 per cent. Government Stock, 2001 which will bear interest at 13.85 per cent per annum, payable half- yearly from the 25<sup>th</sup> March 1996.</p><table><tr><td>Public Debt Office</td><td>Sd/-</td></tr><tr><td>Reserve Bank of India</td><td>Governor, Reserve Bank of India</td></tr><tr><td>Date</td><td>Sd/- for Chief General Manager</td></tr></table><p>Not transferable by endorsement</p></div></div>	Public Debt Office	Sd/-	Reserve Bank of India	Governor, Reserve Bank of India	Date	Sd/- for Chief General Manager
Public Debt Office	Sd/-					
Reserve Bank of India	Governor, Reserve Bank of India					
Date	Sd/- for Chief General Manager					



Rules regarding Inscribed Stock (Book Debt) of Government of India

Loans .....

---

**PRE-PRINTED RULES**

---

MEMORANDUM OF TRANSFERS

Number	Date of Transfer	Name(s) of Transferee(s)	Initials	Signature of Manager/ Asst. Gen, Manager
	DD MM YYYY	Tendered for Cancellation and credit to SGL A/c No. SG020196 of National Securities Depository Limited, Mumbai		

## ANNEXURE J

## TRANSACTION STATEMENT

**Depository Participant's Name [ DP ID :                      ]**

**DP Address**

Date	DD	MM	YYYY
------	----	----	------

<b>Transactions</b>		<b>From Date :</b>		<b>To Date :</b>	
<b>Client ID</b>		<b>Category</b>		<b>Status</b>	
<b>Name(s) of Holders</b>					
<b>Address</b>					
<b>Pin Code</b>					
<b>ISIN</b>		<b>Security Name</b>			
<b>Transaction Type</b>					
<b>Date</b>	<b>Transactions No.</b>	<b>Description</b>	<b>Credit</b>	<b>Debit</b>	<b>Balance</b>
XXXXXX	Opening Balance				XXXXXX
XXXXXX	Closing Balance				XXXXXX

***Depository Participant's Seal & Initials***

## **Annexure K**

### **Rights and Obligations of the Beneficial Owner and Depository Participant General Clause**

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

#### **Beneficial Owner information**

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

#### **Fees/Charges/Tariff**

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat accounts"
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/ directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

#### **Dematerialization**

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

#### **Separate Accounts**

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/Business Rules of the Depositories.

#### **Transfer of Securities**

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

**Statement of account**

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

**Manner of Closure of Demat account**

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository.

Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

**Default in payment of charges**

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.
20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

**Liability of the Depository**

21. As per Section 16 of Depositories Act, 1996,
  1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
  2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

**Freezing/ Defreezing of accounts**

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

**Redressal of Investor grievance**

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

**Authorized representative**

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

**Law and Jurisdiction**

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI.
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

**Annexure L**

**FORM 1**

**COMPUTATION OF NETWORTH**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year (₹)</b>	<b>Previous Year (₹)</b>
	Paid-up Capital + Free Reserves – Share Application Money (total reserves less Revaluation Reserves and Specified Reserves) Less:		
<b>A</b>	Accumulated Losses		
<b>B</b>	Receivable (more than 6 months old)		
<b>C</b>	Receivable from Group Companies		
<b>D</b>	Intangible Assets		
<b>E</b>	Preliminary and Preoperative expenses not written off		
<b>F</b>	Value of Stock Exchange Card		
<b>G</b>	Loan in excess of value of Pledged Securities		
<b>H</b>	Loan in excess of value of Pledged Assets		
<b>I</b>	Investment in Group Companies		
<b>J</b>	Networth required for other depositories		
<b>K</b>	Loans and advances to group Companies		
<b>L</b>	Statutory Contingent Liabilities		

**Notes:**

1. Details of item mentioned under Sr. no. C, F, G, H, I, K and L shall be provided as annexure to the certificate.
2. In case of statutory contingent liabilities, only 50% of the liabilities shall be deducted.
3. In case of Bank DPs, if provisions for NPAs have been made as per RBI guidelines and Auditor's certificate to this effect has been provided, no deduction to be made for receivables more than six months old.
4. Security-wise details of all investments (quoted as well as unquoted securities) shall be provided as annexure to the certificate.

The applicant for Participant ship should submit a certificate of Net worth computed in accordance with these guidelines from the Chartered Accountant in the following format:

### **CERTIFICATE FOR PARTNERSHIP FIRMS**

This is to certify that the Networth of M/s \_\_\_\_\_  
as on \_\_\_\_\_ as per the statement of computation of even date annexed  
to this report is Rupees \_\_\_\_\_ only.

It is further certified that the computation of Networth based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Place:

Date:

For (Name of Accounting Firm)

Name of Partner

Chartered Accountant

Membership Number

## **CERTIFICATE FOR INDIVIDUALS**

This is to certify that the Networth of Mr/Ms \_\_\_\_\_  
as on \_\_\_\_\_ as per the statement of computation of even date annexed  
to this report is Rupees \_\_\_\_\_ only.

It is further certified that the computation of Networth based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Place:

Date:

For (Name of Accounting Firm)

Name of Partner

Chartered Accountant

Membership Number



## CERTIFICATE FOR CORPORATES

This is to certify that the Networth of \_\_\_\_\_  
as on \_\_\_\_\_ as per the statement of computation of even date annexed  
to this report is Rupees \_\_\_\_\_ only.

It is further certified that the computation of Networth based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Place:

Date:

For (Name of Accounting Firm)

Name of Partner

Chartered Accountant

Membership Number

## **FORM 2**

Participant's Name, Address & DP ID  
(Pre-printed)

### **CONVERSION REQUEST FORM FOR EXISTING MUTUAL FUND UNITS (REPRESENTED BY STATEMENT OF ACCOUNT) INTO DEMATERIALISED FORM - THROUGH DEPOSITORY PARTICIPANT**

Serial No (Pre Printed)

Date \_\_\_\_\_

I/We request you to convert the following units represented by Statement of Account (enclosed) issued by the Issuer into my/our account as per the details given below:

Client ID								
Sole/First Holder Name								
Second Holder Name								
Third Holder Name								
Type of Scrutiny	MF Units / Others (please specify)							
Folio Number								

**Details of Units :**

**Free Units**

**Locked Units**

ISIN	Mutual Fund Name	Unit Description	Quantity*	CRN (To be filled in by Participant)

\* For conversion of all the units in respect to a mutual fund scheme (ISIN) held in the folio of the Client at the time of confirmation of request by the AMC/R&T Agent, specify "All" against Quantity.

**Total No. of pages of Statement of Account:** \_\_\_\_\_

**Details of Locked-in units (if any):**

ISIN	Lock-in reason	Lock-in release date

**Notes:**

1. In case the space is found to be insufficient, an annexure containing the said details in the same format may be attached.
2. Please use separate form for free units and locked-in units

## Declaration

I/We hereby declare that the above mentioned units are registered in my/our name and are not already dematerialised and no certificates are issued against these units. I/We also hereby declare that the units requested by me/us for conversion into dematerialised form are free from any lien or charge or encumbrance and represent the bonafide units of the Issuer to the best of my/our knowledge and belief.

Holder(s)	Signature(s)
Sole/ First Holder	
Second Holder	
Third Holder	

## Participant Authorisation

We have received the abovementioned units for conversion into dematerialised form. It is certified that the holders of the securities have beneficiary account with us in the same name(s).

Name of the official :

Signature :

Participant's Stamp & Date

-----

## Acknowledgement

Serial No (pre-printed)

We hereby acknowledge the receipt of following units requested for conversion into dematerialised form by  
Mr/Ms/M/s \_\_\_\_\_ having DP ID \_\_\_\_\_ and Client ID \_\_\_\_\_

Mutual Fund Name	Unit Description	Quantity

Date:

Participant's Stamp & Signature

### **FORM 3**

**Reconversion Request Form for conversion of Mutual Fund Units held in Dematerialised form to Statement of Account form (Pre-printed serial nos.)**

<b>To</b>	<b>Date</b>	<b>DD</b>	<b>MM</b>	<b>YYYY</b>
<b>DP Name (Pre Printed)</b>				
<b>DP ID (Pre Printed)</b>				
<b>DP Address (Pre Printed)</b>				

I/We hereby declare that the below mentioned account may be debited to the extent of my/our reconversion request and equivalent units into Statement of Account form be issued for the same. I/We hereby declare that the below mentioned units are registered in the name(s) of below mentioned person(s).

Client Details									
<b>Client ID</b>									
<b>Name of the Account Holder(s)</b>	<b>Sole/First Holder</b>								
	<b>Second Holder</b>								
	<b>Third Holder</b>								

**Details of Units :**

<b>Mutual Fund Name</b>			
<b>Free Units</b>	<input type="text"/>	<b>Locked - in Units</b>	<input type="text"/>

Sr. No.	ISIN	Unit Description	Quantity	Details of Lock-in (if applicable)		Reconversion request number (RRN) (To be filled in by Participant)
				Reason	Release Date	

**Notes :**

1. In case the space is found to be insufficient, an annexure containing the said details in the same format may be attached.
2. Please use separate form for free units and locked-in units

Authorised Signatory(ies)

<b>Holder(s)</b>	<b>Signature(s)</b>
<b>Sole/ First Holder</b>	
<b>Second Holder</b>	
<b>Third Holder</b>	

### Participant Authorisation

Received the above mentioned Units for reversion into Statement of Account form:

Client Details									
Client ID									
Name of the Account Holder(s)	Sole/First Holder								
	Second Holder								
	Third Holder								

The application form is verified with the details of the Client account and certify that the application form is in order. The account has sufficient balances to accept the reversion request as requested. It is also certified that the Clients' signatures are verified and found in order.

**Date:**

**Forwarded by (Name of the Official) :**

**(Participant's Stamp)**

**Signature:**

---

### Acknowledgment

**Participant's Name, Address and ID** (*pre-printed serial no.*)

We hereby acknowledge the receipt of a reversion request for \_\_\_\_\_ (*quantity*) of Mutual fund units of \_\_\_\_\_ (*security details*) from \_\_\_\_\_ (*Name*) having Client ID \_\_\_\_\_ surrendered on \_\_\_\_\_ (*date*) to be delivered in the form of Mutual Fund units represented by Statement of Account.

**(Participant's Stamp and Signature)**

---

## **FORM 4**

**Participant's Name, Address & DP ID**

**(pre-printed)**

### **DEMATERIALISATION REQUEST FORM**

DRN

(to be filled-in by the DP) \_\_\_\_\_

Serial No. (Pre Printed)

Date : \_\_\_\_\_

I/We request you to dematerialise the enclosed certificates into my/our account as per the details given below:

Client ID									
Sole/First Holder Name									
Second Holder Name									
Third Holder Name									
Type of Scrutiny	Equity / Others (please specify)								
Quantity to be dematerialised (in figures) (in words)									
Face Value									
ISIN (To be filled up by the DP)	I	N							

**Details of Securities :**

₹ Free Securities			₹ Locked-in Securities		
Folio No	Certificate Nos.		Distinctive Nos.		Quantity
	From	To	From	To	

**Total No. of Certificates :** \_\_\_\_\_

**Details of Locked-in Securities:**

Lock-in Reason	
Lock-in Release Date	

(In case the space is found to be insufficient, an annexure containing the certificate details in the same format may be attached. Please use separate form for free securities and locked-in securities)

### Declaration

I/We hereby declare that the above mentioned securities are registered in my/our name. The original certificates are hereby surrendered by me/us for dematerialisation. I/We also hereby declare that the securities surrendered by me/us for dematerialisation are free from any lien or charge or encumbrance and represents the bonafide securities of the company to the best of my/our knowledge and belief.

Holder(s)	Signature(s)
Sole/ First Holder	
Second Holder	
Third Holder	

### Participant Authorisation

We have received the above-mentioned securities for dematerialisation. The application form is verified with the certificates surrendered for dematerialisation and we certify that the application form is in accordance with the details mentioned in the enclosed certificates. It is also certified that the holders of the securities have beneficiary account with us in the same name(s).

**Name of the Executive :**

**Signature :**

**Participant's Stamp & Date**

-----

### Acknowledgement

**Serial No. (pre-printed)**

We hereby acknowledge the receipt of \_\_\_\_\_ shares/units/bonds/  
debentures of \_\_\_\_\_  
surrendered for dematerialisation by Mr/Ms/M/s \_\_\_\_\_  
\_\_\_\_\_ having Client ID \_\_\_\_\_ .

**Date :**

**Participant's Stamp & Signature**

## **FORM 5**

### **SHARE APPLICATION FORM**

Application form for equity shares for the Indian Public (Please read instructions carefully before filling up this form)

#### **THE ABC COMPANY LIMITED**

Reg. office : First Floor , Victoria Bldg., S.A.Brelvi Road, Fort, Mumbai - .

The ABC Company Limited (hereinafter referred to as “The Company”) was incorporated on, etc., etc.

<b>Equity Opens on</b>	<b>:</b>	<b>Monday, 13th May 1996</b>	<b>Serial No. : 0252185</b>
<b>Earliest Closing</b>	<b>:</b>	<b>Friday, 17th May 1996</b>	
<b>Issue closing not later than</b>	<b>:</b>	<b>Thursday, 23rd May 1996</b>	

Broker's stamp & code	Sub-broker's stamp & code	Bank's stamp	Bank's serial no.	Registrar's serial no.

Public issue of 18,00,000 equity shares of ₹ 10 each for cash at par aggregating to ₹180 Lakhs.	Application must be for a minimum of 500 Equity shares & in multiples of 100 thereafter.	
Cheques /DD/Stock invest must be drawn in favour of company from the account of the first/sole applicant.	Amount payable per equity share on application @ ₹5/- per share.	
Please write the application no. on the reverse of the Cheque /DD/Stock invest.	No. of equity Shares applied for	Amount payable on Application
	500	2500
	600	3000
	800	4000
	1000	5000

To  
The Board of Directors,  
ABC COMPANY LIMITED  
First Floor, Victoria Bldg.,  
S. A. Brelvi Road, Fort, Mumbai

Dear Sirs,

On the basis of the company's prospectus I/we hereby apply to you for allotment to me/ us of the equity shares stated below, out of the above issue. The amount payable on application as shown below is remitted herewith. I/we hereby agree to accept the equity shares applied for or for lesser number as may be allotted to me etc.



No. of Shares Applied	Amount Paid (₹)	Cash	Instrument No.
In figures	In figures	Cheque	Date of Issue
In Words	In Words	Demand Draft	Drawn on (Bank)
		Stock Invest	Branch
Sole/First Applicant	Name Surname	Date	Occupant of first applicant
Name in full (Mr. /Mrs. / Miss./ Ms.)		Age	1. Service 2. Business 3. Student 4. Housewife 5. Professional 6. Farmer 7. Others
Address		Status (Please tick) Individual ₹ Ltd. Co. ₹ Others ₹	
Father's / Husband's Name			
Second Applicant			Age :
Third Applicant			Age :

<b>Option for receipt of allotted securities (Please Tick)</b>
Physical ₹      Electronic (Depository) ₹
In case of Electronic (Depository) : Name of Depository : Name of Depository Participant : Account Number : _____

Investor's bank particulars for refund		Specimen Signature	PAN / GIR No.	Circle/ Ward/ District
SB a/c No.	Sole/ First Applicant			
Bank	Second Applicant			
Branch	Third Applicant			

THE ABC COMPANY LIMITED

Reg. office: First Floor, Victoria Bldg., S. A. Brelvi Road, Fort, Mumbai –

Acknowledgment slip (To be filled in by the first applicant)

**Serial No. : 0252185**

**Date :**

Received From	Equity shares applied for		Amount Paid		Cash (___/)	Bank Stamp & Signature
Address _____ _____ _____	In figures	In Words	In figures	In words	Cheque / DD/ Stock Invest No.	Dated _____
Pin code					Drawn On _____ _____	

For electronic holdings Account No. _____ Name of the Depository Name of the DP	All future communication in connection with the application should be addressed to the registrars to the issue quoting the full name of the First/sole applicant, application sr. no., of equity shares applied for, Date & name of the bank branch where the application was submitted, at the following address : In House Share Registry, First Floor, Victoria Bldg, S. A. Brelvi Road, Fort, Mumbai.	(Cheques/ DD/ Stock invest are subject to realization)
--	---	--

Notes :-

1. For subscription in electronic form, names in the share application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
2. Share application forms for part subscription in electronic form and part in physical form will be treated as invalid and rejected.
3. This IPO form may not be complete in all respects.

**Additions made to the existing share application form are shown in shaded area.**

**FORM 6**

## REMATERIALISATION REQUEST FORM

(pre-printed serial nos.)

PARTICIPANT NAME																			
DEPOSITORY PARTICIPANT - ID																			
RRN										DATE									

I/We hereby declare that the below mentioned account may be debited to the extent of my/our rematerialisation request and equivalent certificates be issued for the same. I/We hereby declare that the below mentioned person(s) are the beneficial owners of the securities mentioned.

[illegible]

The rematerialisation request is for locked shares      Yes/ No

Quantity :

Lock In Reason :

Lock In Release Date : (dd-mm-yyyy)

--	--	--	--	--	--	--	--

Address : (to be filled in only if change in address is to be recorded)

[illegible]

Authorised Signature(s)

Name

Signature

First/ Sole Holder

### Second Holder

### Third Holder

## Participant Authorisation

Received the above mentioned securities for rematerialisation from :

[illegible]

The application form is verified with the details of the beneficial owner's account and certify that the application form is in order. The account has sufficient balances to accept the rematerialisation as requested. It is also certified that the beneficial owners signatures are verified and found in order. The other details of the beneficial owners as extracted from the records are enclosed.

Forwarded by : \_\_\_\_\_ (Seal)

Signature : \_\_\_\_\_ (Name of the Executive)

(to be printed from the system)

**Remat Request No.**

**Status :** **Sub-Status :** **(Occupation) :**

### In Case of Individuals

[illegible]

### In case of Corporates

Name

[illegible]

### Full Address

[illegible]

## Tax Information

PAN/GIR No.

Circle/Ward/ District

Sole / First Applicant

### Second Applicant

### Third Applicant

**Residential Status :**      **Resident/NRI**

### In case of NRI Holding

[illegible]

### Lock in Reason :

**Lock in Release Date (dd-mm-yyyy)**

--	--	--	--	--	--	--	--

## Acknowledgement

**Participant's Name Address and ID (pre-printed serial No.)**

We hereby acknowledge the receipt of a rematerialisation request for \_\_\_\_\_ no. of shares  
of \_\_\_\_\_ (security details) from \_\_\_\_\_ (Name) holding  
a/c no. \_\_\_\_\_ surrendered on \_\_\_\_\_ (date) to be delivered in market lots / jumbo lots  
of \_\_\_\_\_ certificates.

**Participant's Signature**

(Seal)

**FORM 7****REPURCHASE / REDEMPTION FORM**

Participant's Name, Address &amp; DP ID

(Pre-printed)

Serial No (Pre Printed)

Date : \_\_\_\_\_

I/We offer the below mentioned securities for repurchase/ redemption and declare that my/our account be debited by the number of securities to the extent of my/our repurchase/ redemption request and make the payment as per the bank account details available in the depository system. I/We hereby declare that the below mentioned person(s) are the beneficial owners of the securities mentioned.

Client ID								
Sole / First Holder Name								
Second Holder Name								
Third Holder Name								
Type of Security	MF Units / Others (please specify)							

ISIN	Mutual Fund / Issuer Name	All Units/No. of Units/Amount (₹) (Please mention as applicable)	RRN (Repurchase / Redemption Request Number) (To be filled in by Participant)
		Units	
		Amount	
		Units	
		Amount	
		Units	
		Amount	

**Note :** 1. In case the space is found to be insufficient, a duly signed annexure containing therefore said details in the same format may be attached.

2. If 'Units' and 'Amount' both are mentioned, the request will be processed based on the 'Units'
3. 'All' and 'Amount based' options are available only for redemption requests.

Holder (s)	Signature(s)
First/ Sole Holder	
Second Holder	
Third Holder	

### Acknowledgement

**Serial No (pre-printed)**

We hereby acknowledge the receipt of following request(s) for repurchase / redemption from  
Mr/Ms/M/s \_\_\_\_\_ having DP ID \_\_\_\_\_  
and Client ID \_\_\_\_\_ .

ISIN	Mutual Fund / Issuer Name	All Units/No. of Units/Amount (₹) (Please mention as applicable)
		<input type="text" value="Units"/>
		<input type="text" value="Amount"/>
		<input type="text" value="Units"/>
		<input type="text" value="Amount"/>
		<input type="text" value="Units"/>
		<input type="text" value="Amount"/>

**Name of the Official :**

**Participant's Stamp & Date**

**Signature :**

(pre-printed serial nos.)

I/We wish to convert my/our securities from ISIN \_\_\_\_\_ to ISIN \_\_\_\_\_. I/We hereby authorise my/our account to be debited under the ISIN \_\_\_\_\_ and receive credit under ISIN \_\_\_\_\_.

Specimen Signature(s)

Signature

### Third Holder

Received request for ISIN Conversion from :

The application form is verified with the details of the beneficial owner's account and certified that the application form is in order . The account has sufficient balances to accept the ISIN Conversion Request. It is also certified that the beneficial owners signatures are verified and found in order. The other details of the beneficial owners as extracted from the records are enclosed.

Forwarded by : Name

(Seal)

---

## Acknowledgment

**Participant's Name Address and ID**

**(pre-printed serial No.)**

We hereby acknowledge the receipt of ISIN Conversion request for \_\_\_\_\_ no. of  
Securities from \_\_\_\_\_ (Name) holding a/c no. \_\_\_\_\_ .

From ISIN													
To ISIN													

**Participant's Signature**

(Seal)

**Date :**



## FORM 9

FORM 9																					
PART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Individuals)																					
Name and address of intermediary (pre-printed)																					
Please fill this form in ENGLISH and in BLOCK LETTERS																					
<b>A. IDENTITY DETAILS</b>												Photograph <small>Please affix your recent passport size photograph</small>									
1	Name of the Applicant										<div style="border: 1px solid black; width: 40px; height: 40px; margin: 0 auto;"></div> <small>Signature/Name photograph</small>										
2	Father's / Husband's Name																				
3	a) Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female		b) Marital status	<input type="checkbox"/> Single <input type="checkbox"/> Married		c) Date of Birth			<div style="display: flex; justify-content: space-between;"> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> </div>											
4	a) Nationality	<input type="checkbox"/> Indian <input type="checkbox"/> Other <small>(Please specify: _____)</small>					a) Status			<input type="checkbox"/> Resident Individual <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreign National											
5	a) PAN	<div style="display: flex; justify-content: space-between;"> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> </div>		b) Aadhaar Number, if any			<div style="display: flex; justify-content: space-between;"> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> </div>														
6	Specify the proof of identity submitted				<input type="checkbox"/> PAN card <input type="checkbox"/> Any other (Please specify: _____)																
<b>B. ADDRESS DETAILS</b>																					
1		Residence / Correspondence Address    <div style="display: flex; justify-content: space-between;"> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> </div>										<input type="checkbox"/> Correspondence Address					<input type="checkbox"/> Residence Address				
												City/town/village					PIN Code				
												State					Country				
												Specify the proof of address submitted for Residence / correspondence address									
3		Contact Details   <div style="display: flex; justify-content: space-between;"> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> </div>										Tel. (Off.)					Tel. (Res.)				
												Fax No.					Mobile No.				
												Email ID									
4		Permanent Address (If different from above. Mandatory for Non-Resident Applicant to specify overseas address)   <div style="display: flex; justify-content: space-between;"> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> <div style="border-bottom: 1px solid black; width: 40px;"></div> </div>										City/town/village					PIN Code				
												State					Country				
<b>C. DECLARATION</b>																					
I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.																					
Signature of the Applicant _____										Date <div style="display: flex; justify-content: space-between;"> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> <div style="border-bottom: 1px solid black; width: 15px;"></div> </div>											

=====

FOR OFFICE USE ONLY												
Sr. No.	Particulars											
1	<input type="checkbox"/> Originals verified and Self-Attested Document copies received											
2	In-Person-Verification (IPV) details:											
	a)	Name of the person doing IPV										
	b)	Designation										
	c)	Name of Organization										
	d)	Signature										
	e)	Date						DD	MM	YY	HH	MM
Name & Signature of the Authorised Signatory										Seal/Stamp of the intermediary		
Date												

**FORM 9**  
**PART II – ACCOUNT OPENING FORM**  
**(FOR INDIVIDUALS)**

Participant Name (DP ID _____) Address (Pre-printed)		<b>Client -ID</b> (To be filled by Participant)		
I/We request you to open a depository account in my/our name as per the following details: <i>(Please fill all the details in CAPITAL LETTERS only)</i>		<b>Date</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
<b>A) Details of Account holder(s):</b>				
Account holder(s)	Sole/ First Holder	Second Holder	Third Holder	
Name				
PAN				
Occupation <i>(please tick any one and give brief details)</i>	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculture	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculture
	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retail	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retail
	<input type="checkbox"/> Government Service	<input type="checkbox"/> Housewife	<input type="checkbox"/> Government Service	<input type="checkbox"/> Housewife
	<input type="checkbox"/> Business	<input type="checkbox"/> Student	<input type="checkbox"/> Business	<input type="checkbox"/> Student
	<input type="checkbox"/> Professional	<input type="checkbox"/> Others (Please specify): _____	<input type="checkbox"/> Professional	<input type="checkbox"/> Others (Please specify): _____
	Brief details:			
<b>B) For Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., although the account is opened in the name of the natural persons, the name &amp; PAN of the Association of Persons (AOP), Partnership Firm, Unregistered Trust, etc., should be mentioned below:</b>				
a) Name		b) PAN		
<b>C) Type of account</b>				
<input type="checkbox"/> Ordinary Resident <input type="checkbox"/> NRI-Repatriable <input type="checkbox"/> NRI-Non Repatriable <input type="checkbox"/> Qualified Foreign Investor <input type="checkbox"/> Foreign National <input type="checkbox"/> Promoter <input type="checkbox"/> Margin <input type="checkbox"/> Others (Please specify) _____				
<b>D) Gross Annual Income Details</b>				
Income Range per annum (please tick any one)				
<input type="checkbox"/> Below ₹ 1 lac <input type="checkbox"/> ₹ 1- 5 lac <input type="checkbox"/> ₹ 5- 10 lac <input type="checkbox"/> ₹ 10- 25 lac <input type="checkbox"/> More than ₹ 25 lac				
<b>E) In case of NRIs/ Foreign Nationals</b>				
RBI Approval Reference Number				
RBI Approval date				
<b>F) Bank details</b>				
1	Bank account type <input type="checkbox"/> Savings Account <input type="checkbox"/> Current Account <input type="checkbox"/> Others (Please specify) _____			
2	Bank Account Number			
3	Bank Name			

	4	Branch Address										
			City/town/village				PIN Code					
			State				Country					
	5	MICR Code										
6	IFSC											
G) Please tick, if applicable: <input type="checkbox"/> Politically Exposed Person (PEP) <input type="checkbox"/> Related to a Politically Exposed Person (PEP)												
H) <b>Standing Instructions</b>												
1		I/We authorise you to receive credits automatically into my/our account.								<input type="checkbox"/> Yes <input type="checkbox"/> No		
2		Account to be operated through Power of Attorney (PoA)								<input type="checkbox"/> Yes <input type="checkbox"/> No		
3		<b>SMS Alert facility:</b> [Mandatory if you are giving Power of Attorney (PoA). Ensure that the mobile number is provided in the KYC Application Form]										
		Sr. No.	Holder						Yes	No		
		1	Sole/First Holder						<input type="checkbox"/>	<input type="checkbox"/>		
		2	Second Holder						<input type="checkbox"/>	<input type="checkbox"/>		
		3	Third Holder						<input type="checkbox"/>	<input type="checkbox"/>		
4		Mode of receiving Statement of Account [Tick any one]		<input type="checkbox"/> Physical Form <input type="checkbox"/> Electronic Form [Read Note 3 and ensure that email ID is provided in KYC Application Form]								
I) <b>Guardian Details</b> (where sole holder is a minor): [For account of a minor, two KYC Application Forms must be filled i.e. one for the guardian and another for the minor (to be signed by guardian)]												
		Guardian Name										
		PAN										
		Relationship of guardian with minor										
J) <b>Nomination Option</b>												
		<input type="checkbox"/> I/We wish to make a nomination. [Details are provided at FORM 10]						<input type="checkbox"/> I/We do not wish to make a nomination.				

### Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. In case non-resident account, I/we also declare that I/we have complied and will continue to comply with FEMA regulations. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

Name(s) of holder(s)		Signature(s) of holder
Sole/ First Holder/ Guardian (in case sole holder is minor) (Mr./Ms.)		X
Second Holder (Mr./Ms.)		X
Third Holder (Mr./Ms.)		X

**Notes :**

1. All communication shall be sent at the address of the Sole/First holder only.
2. Thumb impressions and signatures other than English or Hindi or any of the other language not contained in the 8<sup>th</sup> Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate.
3. For receiving Statement of Account in electronic form:
  - I. Client must ensure the confidentiality of the password of the email account.
  - II. Client must promptly inform the Participant if the email address has changed.
  - III. Client may opt to terminate this facility by giving 10 days prior notice. Similarly, Participant may also terminate this facility by giving 10 days prior notice.
4. Strike off whichever is not applicable.

=====

### Acknowledgement

Participant Name, Address & DP ID

Received the application from Mr/Ms \_\_\_\_\_ as the sole/first holder alongwith \_\_\_\_\_ and \_\_\_\_\_ as the second and third holders respectively for opening of a depository account. Please quote the DP ID & Client ID allotted to you in all your future correspondence.

Date:

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Participant Stamp & Signature

**FORM 10**[illegible]

**Notes:**

1. The nomination can be made only by individuals holding beneficiary owner accounts on their own behalf singly or jointly. Non- individuals including society, trust, body corporate and partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the account is held jointly, all joint holders will sign the nomination form.
2. A minor can be nominated. In that event, the name and address of the Guardian of the minor nominee shall be provided by the beneficial owner.
3. The Nominee(s) shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of Attorney holder. A non-resident Indian can be a Nominee, subject to the exchange controls in force, from time to time.
4. Nomination in respect of the beneficiary owner account stands rescinded upon closure of the beneficiary owner account. Similarly, the nomination in respect of the securities shall stand terminated upon transfer of the securities.
5. Transfer of securities in favour of a Nominee(s) shall be valid discharge by the depository and the Participant against the legal heir.
6. The cancellation of nomination can be made by individuals only holding beneficiary owner accounts on their own behalf singly or jointly by the same persons who made the original nomination. Non- individuals including society, trust, body corporate and partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot cancel the nomination. If the beneficiary owner account is held jointly, all joint holders will sign the cancellation form.
7. On cancellation of the nomination, the nomination shall stand rescinded and the depository shall not be under any obligation to transfer the securities in favour of the Nominee(s).
8. Nomination can be made upto three nominees in a demat account. In case of multiple nominees, the Client must specify the percentage of share for each nominee that shall total upto hundred percent. In the event of the beneficiary owner not indicating any percentage of allocation/share for each of the nominees, the default option shall be to settle the claims equally amongst all the nominees.
9. On receipt of Substitution of existing nominees by the beneficial owner, the earlier nomination shall stand rescinded. Hence, details of nominees as mentioned in the FORM 9B at the time of substitution will be considered. Therefore, please mention the complete details of all the nominees.
10. Copy of any proof of identity must be accompanied by original for verification or duly attested by any entity authorized for attesting the documents, as provided in Annexure D.
11. Savings bank account details shall only be considered if the account is maintained with the same participant.
12. DP ID and client ID shall be provided where demat details is required to be provided.

## **FORM 11**

### **PART I - KNOW YOUR CLIENT (KYC) APPLICATION FORM (For Non-Individuals)**

[Name and address of intermediary (pre-printed)]

<p>Photograph</p> <p>Please affix the recent passport size photograph and sign across it</p>
--

Please fill this form in ENGLISH and in BLOCK LETTERS

<b>A. IDENTITY DETAILS</b>																		
1.	Name of Applicant																	
2.	Date of Incorporation	D	D	M	M	Y	Y	Y	Y	Place of Incorporation								
3.	Date of commencement of business									D	D	M	M	Y	Y	Y	Y	
4.	a) PAN									b) Registration No. (e.g. CIN)								
5.	Status (please tick any one) :																	
	<input type="checkbox"/> Private Limited Co.					<input type="checkbox"/> Bank					<input type="checkbox"/> Partnership							
	<input type="checkbox"/> Public Ltd. Co.					<input type="checkbox"/> Government Body					<input type="checkbox"/> FI							
	<input type="checkbox"/> Body Corporate					<input type="checkbox"/> Non Government Organization					<input type="checkbox"/> FII							
	<input type="checkbox"/> Trust					<input type="checkbox"/> Defense Establishment					<input type="checkbox"/> HUF							
	<input type="checkbox"/> Charities					<input type="checkbox"/> Society					<input type="checkbox"/> AOP							
	<input type="checkbox"/> NGO's					<input type="checkbox"/> LLP					<input type="checkbox"/> BOI							
	<input type="checkbox"/> Others (please specify) _____																	
<b>B. ADDRESS DETAILS</b>																		
1.	Correspondence Address																	
City/ town/ village						PIN Code												
State						Country												
2.	Specify the proof of address submitted for correspondence address																	
3.	Contact Details		Tel. (off)						Tel. (Res.)									
Fax No.						Mobile No.												
Email ID																		
4.	Registered Address (if different from above)																	
City/ Town/ Village						PIN Code												
State						Country												



C. OTHER DETAILS																			
1.	Name, PAN, residential address and photographs of Promoters/ Partners/ Karta/ Trustees and whole time directors:	<p>If space is insufficient, enclose these details separately  <i>[Illustrative format enclosed]</i></p>																	
2.	DIN of whole time directors:																		
3.	Aadhaar Number of Promoters Partners Karta																		
D. DECLARATION																			
<p>I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.</p>																			
Name & Signature of the Authorised Signatory(ies) _____											Date	D	D	M	M	Y	Y	Y	Y
=====																			
FOR OFFICE USE ONLY																			
₹ Originals verified and Self-Attested Documents copies received																			
Name and Signature of the Authorised Signatory		_____								Seal / Stamp of the intermediary									
Date		D	D	M	M	Y	Y	Y	Y										

**Details of Promoters/ Partners/ Karta / Trustees and whole time directors forming a part of Know Your Client (KYC) Application Form for Non-Individuals**

Sr. No.	Name	Relationship with Applicant (i.e. Promoters, whole time directors etc)	PAN	Residential / Registered Address	DIN of whole time directors / Aadhaar number of Promoters / Partners/ Karta	Signature						
1.												
2.												
3.												
4.												
5.												
Name & Signature of the Authorised Signatory(ies)				Date	D	D	M	M	Y	Y	Y	Y

# FORM 11

## FORM 11 PART II – ACCOUNT OPENING FORM (FOR NON-INDIVIDUALS)

Participant Name (DP ID _____) Address (Pre-printed)		Client -ID (To be filled by Participant)	
We request you to open a depository account in our name as per the following details: (Please fill all the details in CAPITAL LETTERS only)		Date	D D M M Y Y Y Y
A) Details of Account holder(s):			
Name		PAN	
Sole/ First Holder			
Second Holder			
Third Holder			
B) Type of account			
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> FI	<input type="checkbox"/> FII	
<input type="checkbox"/> Qualified Foreign Investor	<input type="checkbox"/> Mutual Fund	<input type="checkbox"/> Trust	
<input type="checkbox"/> Bank	<input type="checkbox"/> CM	<input type="checkbox"/> HUF	
<input type="checkbox"/> Other (Please specify) _____			
C) For Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., although the account is opened in the name of the partner(s), trustee(s) etc., the name & PAN of the Partnership Firm, Unregistered Trust, Association of Persons (AOP) etc., should be mentioned below:			
a) Name		b) PAN	
D) Income Details: (please specify)			
Income Range per annum	and	Networth	
<input type="checkbox"/> Below ₹ 20 Lac		Amount (₹) _____	
<input type="checkbox"/> ₹ 20 – 50 Lac		As on (date) D D M M Y Y Y Y	
<input type="checkbox"/> ₹ 50 Lac – 1 crore		(Networth should not be older than 1 year)	
<input type="checkbox"/> Above ₹ 1 crore			
E) In case of FIIs/ Others (as may be applicable)			
RBI Approval Reference Number			
RBI Approval date		D D M M Y Y Y Y	
SEBI Registration Number (for FIIs)			
F) Bank details:			
1	Bank account type <input type="checkbox"/> Savings Account <input type="checkbox"/> Current Account <input type="checkbox"/> Others (Please specify) _____		
2	Bank Account Number		
3	Bank Name		
4	Branch Address		
	City/town/village	PIN Code	
	State	Country	

5	MICR Code																		
6	IFSC																		
G)	Please tick, if applicable, for any of your authorized signatories/Promoters/Partners/Karta/Trustees/whole time directors:																		
	<input type="checkbox"/> Politically Exposed Person (PEP) <input type="checkbox"/> Related to a Politically Exposed Person (PEP)																		
H)	<b>Clearing Member Details (to be filled up by Clearing Members only)</b>																		
1	Name of Stock Exchange																		
2	Name of Clearing Corporation/ Clearing House																		
3	Clearing Member ID																		
4	SEBI Registration Number																		
5	Trade Name																		
6	CM-BP-ID (to be filled up by Participant)																		
I)	<b>Standing Instructions:</b>																		
1	We authorise you to receive credits automatically into our account.																<input type="checkbox"/> Yes <input type="checkbox"/> No		
2	Account to be operated through Power of Attorney (PoA)																<input type="checkbox"/> Yes <input type="checkbox"/> No		
3	<b>SMS Alert facility</b>																		
	Sr. No.	Holder												Yes	No				
	1	Sole/First Holder												<input type="checkbox"/>	<input type="checkbox"/>				
	2	Second Holder												<input type="checkbox"/>	<input type="checkbox"/>				
	3	Third Holder												<input type="checkbox"/>	<input type="checkbox"/>				
4	Mode of receiving Statement of Account [Tick any one]																<input type="checkbox"/> Physical Form <input type="checkbox"/> Electronic Form [Read Note 3 and ensure that email ID is provided in KYC Application Form].		
J)	<b>List of family members (Separate Annexure maybe used in case number of members is higher)</b>																		
	Sr No.	Name of Coparcener/Member												Gender	Date of Birth	Relation with Karta	Whether Coparcener/Member (please specify)		

#### Declaration

The rules and regulations of the Depository and Depository Participants pertaining to an account which are in force now have been read by us and we have understood the same and we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. We hereby declare that the details furnished above are true and correct to the best of our knowledge and belief and we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, we are aware that we may be held liable for it. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

# FORM 12

Participant's copy / Client's copy

DP LOGO DP NAME		FORM 12 - DELIVERY INSTRUCTIONS BY CLIENT										NSDL Technology, Trust & Reach	
<b>Instructions:</b> (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) For Off - market trades, please mention reason code from the list given at reverse side of cover page. (5) Please write correct ISIN and Quantity (both in figures and words). If We hereby request you to debit my / our account as per following details:													
DP ID	Pre-printed	Client ID	Pre-printed	Pre-printed	Serial No.	Date	D	M	M	Y	Y	Y	Y
(Fill up the relevant box and strike off whichever is not applicable)													
For Market Trades (Receiver Details)						For Off - Market Trades (Receiver Details)							
CM-SP-ID	IN	DP-ID	IN	DP Name	Client ID	Reason Code	Reason / Purpose	Quantity (in figures)	Quantity (in words)	Instruction No. (to be filed by DP)			
OM Name													
Market Type													
Settlement No.													
OR						Mandatory for reason code 1 (off-market sale)							
Sr. No.	ISIN	Security Name	Quantity (in figures)	Quantity (in words)	Instruction No. (to be filed by DP)								
1	IN												
2	IN												
3	IN												
4	IN												
5	IN												
No. (count) of ISINs to be transferred		Phone No.	Execution Date		D	D	M	M	Y	Y	Y	Y	
1. _____ 2. _____ 3. _____ <b>Authorised Signatory (ies)</b> Instruction will be accepted by DP at Client's risk without any liability / claim in following cases: a) Non-pay in (Off-market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date. To be filed by DP													
Date and Time of Receipt and DP Stamp with Signature		Maker	Checker	Additional Checker (if applicable)	Remarks (For High value transactions/Demand accounts if any)								
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>													

Participant's copy / Client's copy

DP LOGO DP NAME		FORM 13 - DELIVERY INSTRUCTIONS BY BWER OF ATTORNEY HOLDER ON BEHALF OF CLIENTS												NSDL Technology, Trust & Speech							
Instructions: (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) For Off market trades, please mention reason code from the list given at reverse side of cover page. (5) Please write correct ISIN and Quantity (both in figures and words).														Pre-printed							
DP ID		Pre-printed		POA ID		Pre-printed		Pre-validated		Serial No.		Date		D	D	M	M	Y	Y		
(Fill up the relevant box and strike off whichever is not applicable)																					
For Market Trades (Receiver Details)										For Off - Market Trades (Receiver Details)											
CM-EP-ID		IN								DP-ID		IN									
CM Name										DP Name											
Market Type										Client ID											
Settlement No.										Reason Code						Reason / Purpose		Consideration (in Rs.)			
										Refer instruction no. 4						Specify for reason code 99 (off-market sale)		Mandatory for reason code 1 (off-market sale)			
OR																					
Sr. No.		Source Client ID		ISIN		Security Name		Quantity (in figures)		Quantity (in words)		Instruction No. (to be filled by DP)									
1				IN																	
2				IN																	
3				IN																	
4				IN																	
5				IN																	
No. (count) of ISINs to be transferred				Phone no.						Execution Date				D	D	M	M	Y	Y		
1. _____ 2. _____ 3. _____																					
Date and Time of Receipt and DP Stamp with Signature										Authorised Signatory (ies)											
										Instruction will be accepted by DP at Client's risk without any liability / claim in following cases: a) Non-pay in (Off-market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.											
										To be filled by DP											
										Maker		Checker		Additional Checker (if applicable)		Remarks (For High value transactions/Dormant accounts if any)					
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>																					

Participant Name, Address & DP ID

**FORM 14**

(Pre-Printed)

**RECEIPT INSTRUCTION**

Serial No. (Pre-printed)

Client ID. (Pre-stamped)

I/We hereby request you to **Credit** my/our account as per the following details:

(To be filled in if deliverer is a **Clearing Member**) (To be filled in for **Market Trades**)

CM-BP-ID	I	N						
CM Name								

Market Type						
Settlement No.						

(To be filled in if Deliverer is a **Client**)

DP-ID	I	N						
DP Name								
Client ID								

ISIN	Security Name	Quantity (In Figures)	Instruction No. ( to be filled by DP)

Execution Date \_\_\_\_\_

**Participant Stamp, Date & Time**

**Authorised Signatory(ies)**

**Instructions:**

1. To be submitted in duplicate for acknowledgement.
2. In case of joint holdings, all holders must sign.

# FORM 15

Participant's copy / Client's copy

DP LOGO DP NAME		FORM 15 - INTER - DEPOSITORY DELIVERY INSTRUCTIONS										NSDL Technology, Trade & Research	
<b>Instructions:</b> (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) Please mention reason code from the list given at reverse side of cover page. Not required in case of Source account is Clearing Member. (5) Please write correct ISIN and Quantity (both in figures and words).													
I/We hereby request you to debit my / our account as per following details:													
DP ID	Pre-printed	Client ID	Pre-printed/ Pre-stamped		Serial No.		Date					Pre-printed	
<b>Target details [Depository - ID : IN000026]</b>													
Client ID												To be filled if the Source account is a Clearing Member	
Settlement details												Market Type	
Reason Code												Settlement No.	
Refer instruction no. 4													
Reason / Purpose													
Specify for reason code 99 (others)													
Consideration (in Rs)													
Mandatory for reason code 1 (off-market sale)													
Sr. No.	ISIN	Security Name	Quantity (in figures)	Quantity (in words)	Instruction No. (to be filled by DP)								
1	IN												
2	IN												
3	IN												
4	IN												
5	IN												
No. (count) of ISINs to be transferred		Phone no.											
1.		2.		3.									
<b>Authorized Signatory (ies)</b> Instruction will be accepted by DP at Client's risk without any liability / claim in following cases: a) Non-pay in (Off-market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.													
Date and Time of Receipt and DP Stamp with Signature													
To be filled by DP													
		Maker		Checker		Additional Checker (if applicable)		Remarks (For High value transactions/Dormant accounts if any)					
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>													



# FORM 16

Participant's copy : Client's copy

DP LOGO DP NAME		FORM 16 - INTER-DEPOSITORY DELIVERY INSTRUCTIONS BY POA HOLDER												NSDL Technology, Trust & Reach	
<b>Instructions:</b> (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please mention reason code from the list given at reverse side of cover page. Not required in case of Source account is Clearing Member. (5) Please write correct ISIN and Quantity (both in figures and words).															
I/We hereby request you to debit my / our account as per following details:														Pre-printed	
DP ID	Pre-printed	POA ID	Pre-printed	Pre-stamped	Serial No.	Date						Pre-printed			
Client ID		Target details [Depository - ID : IN000026]										To be filled if the Source account is a Clearing Member			
Settlement details												Market Type			
Reason Code		Reason / Purpose										Settlement No.			
Refer instruction no. 4		Specify for reason code 59 (others)													
		Consideration (in Rs)													
		Mandatory for reason code 1 (off-market sale)													
Sr. No.	Source Client ID	ISIN	Security Name	Quantity (in figures)	Quantity (in words)	Instruction No. (to be filled by DP)									
1	IN														
2	IN														
3	IN														
4	IN														
5	IN														
No. (count) of ISINs to be transferred		Phone no.		Execution Date		D		M		Y		Y			
1. _____ 2. _____ 3. _____															
<b>Authorised Signatory (ies)</b> Instruction will be accepted by DP at Client's risk without any liability / claim in following cases: a) Non-pay in (Off-market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.															
Date and Time of Receipt and DP Stamp with Signature To be filled by DP															
Additional Checker (if applicable) Remarks (For High value transactions/Dormant accounts if any)															
Maker Checker This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>															

## **FORM 17**

Participant Name, Address & DP ID.

(Pre-printed)

### **INTER-DEPOSITORY RECEIPT INSTRUCTIONS**

Serial No. (Pre-printed)										
Client ID. (Pre-stamped)						Date _____				
I/We hereby request you to <b>credit</b> my /our account as per the following details :										
Market Type : _____ (To be filled if the deliverer is a Clearing Member)						Settlement No.				
Target Depository - ID		ISIN	Security Name	Quantity (In figures)	Quantity (In Words)	Instrument No.	Reason / Purpose (*) (#)		Consideration (*)	
Target Client - ID	Target Settlement Details									
Execution Date _____										
Participant Stamp, Date & Time						Authorised Signatory(ies)				

#### Instructions:

1. To be submitted in duplicate for acknowledgement
2. (\*) – This Information is required only if Target Client ID is a Beneficiary Owner.
3. (#) – Like Gift, Donation, etc.

# FORM 18

Participant's copy / Client's copy

DP LOGO DP NAME		FORM 18 - DELIVERY - OUT INSTRUCTIONS FOR PAY-IN BY CLEARING MEMBER										NSDL Technology, Trust & Results	
<b>Instructions:</b> (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) Irreversible delivery-out instructions are instructions which cannot be cancelled once effected. (3) Use separate forms for reversible delivery-out instructions and irreversible delivery-out instructions. (4) In case it is not explicitly mentioned that it is an irreversible delivery-out instruction, it will be assumed to be a reversible delivery-out instruction. (5) Please strike off unused rows. (6) Please write correct ISIN and Quantity (both in figures and words).													
I/We request to debit my/our CM account as per following details:													
DP ID	Pre-printed	Client ID	Pre-printed	Pre-stamped	Serial No.	Date	D	M	M	Y	Y	Y	Y
Instruction Type (Please tick in only one of the boxes as applicable)		Name of Clearing Corporation		Settlement No.		Quantity (in figures)		Quantity (in words)		Instruction No. (to be filled by DP)			
<input type="checkbox"/> Reversible <input type="checkbox"/> Irreversible													
Market Type	ISIN	Security Name											
Sr. No.													
1	IN												
2	IN												
3	IN												
4	IN												
5	IN												
No. (count) of ISINs to be transferred		Phone no.				Execution Date		D	M	M	Y	Y	Y
1. _____ 2. _____ 3. _____													
<b>Authorised Signatory (ies)</b>													
Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date will be accepted by DP at 'Client's risk' without any liability / claim.													
Date and Time of Receipt and DP Stamp with Signature													
To be filled by DP													
Maker													
Checker													
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>													

# FORM 19

Participant's copy / Client's copy

DP LOGO DP NAME		FORM 19 - INTER - SETTLEMENT INSTRUCTIONS BY CLEARING MEMBER										NSDL Technology, Trade & Research	
<b>Instructions:</b> (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) Please strike off unused rows. (3) Please write correct ISIN and Quantity (both in figures and words).													
I/We hereby request you to move securities in my/our account as per the following details:													
DP ID	Pre-printed	Client ID	Pre-printed	Pre-stamped	Serial No.	Date	D	D	M	M	Y	Y	Y
From		To											
Market Type		Market Type											
Settlement No.		Settlement No.											
Sr. No.	ISIN	Security Name	Quantity (in figures)	Quantity (in words)	Instruction No. (to be filled by DP)								
1	IN												
2	IN												
3	IN												
4	IN												
5	IN												
No. (count) of ISINs to be transferred		Phone no.	Execution Date		D	D	M	M	Y	Y	Y	Y	Y
1. _____ 2. _____ 3. _____ <b>Authorised Signatory (ies)</b> To be filled by DP													
Data and Time of Receipt and DP Stamp with Signature						Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date will be accepted by DP at Client's risk without any liability / claim.							
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>						Maker							
						Checker							

# FORM 20

Participant's copy / Client's copy

DP LOGO DP NAME		FORM 20 - POOL TO POOL INSTRUCTIONS BY CLEARING MEMBER										NSDL Technology, Trust & Research	
Instructions: (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) Please strike off unused rows. (3) Please write correct ISIN and Quantity (both in figures and words).		Pre-printed		Pre-printed/ Pre-stamped		Serial No.		Date		Pre-printed			
DP ID	Client ID	From	To	Market Type	Settlement No.	CM-BP-ID	IN	IN	IN	IN	IN		
Sr. No.	ISIN	Security Name	Quantity (in figures)	Quantity (in words)	Instruction No. (to be filled by DP)								
1	IN												
2	IN												
3	IN												
4	IN												
5	IN												
No. (count) of ISINs to be transferred		Phone no.	Execution Date										
1. _____		2. _____		3. _____									
Date and Time of Receipt and DP Stamp with Signature		Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date will be accepted by DP at Client's risk without any liability / claim.											
To be filled by DP		To be filled by DP											
Maker		Checker											
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>													

**FORM 21**

Participant Name, Address & DP ID.  
(Pre-printed)

**CM POOL TO CM POOL RECEIPT INSTRUCTIONS BY CLEARING MEMBERS**

Serial No. (Pre-printed)

Date : \_\_\_\_\_

Client ID. (Pre-stamped)

I/We hereby request you to credit my/our account as per the following details :

<b>To</b>							
Market Type							
Settlement No.							

<b>From</b>							
Market Type							
Settlement No.							
CM-BP-ID							

ISIN	Security Name	Quantity (In Figures)	Quantity (In Words)	Instruction No. (To be filled by DP)

Execution Date : \_\_\_\_\_

**Participant Stamp, Date & Time**

**Authorised Signatory(ies)**

Instructions: To be submitted in duplicate for acknowledgement

<b>DP LOGO DP NAME</b>		<b>FORM 22 - DELIVERY INSTRUCTIONS UPON PAY-OUT BY CLEARING MEMBER</b>										<b>NSDL</b> <small>National Securities Depository Limited</small>									
<b>Instructions:</b> (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment), (2) Please strike off unused rows. (3) Please write correct ISIN and Quantity (both in figures and words).																					
		Pre-printed				Serial No.				Pre-printed Pre-stamped				Date				Printed			
		Client ID		Settlement No.		Security Name		Quantity (in figures)		Quantity (in words)		Instruction No. (to be filled by DP)									
Market Type:		Client ID		DP ID		DP Name		ISIN		Security Name		Quantity (in figures)		Quantity (in words)		Instruction No. (to be filled by DP)					
Sr. no.																					
1								IN													
2								IN													
3								IN													
4								IN													
5								IN													
No. (count) of ISINs to be transferred								Phone no.						Execution Date							

1. \_\_\_\_\_ 2. **Authorised Signatory (ies)** \_\_\_\_\_ 3. \_\_\_\_\_

To be filled by DP		Maker		Checker	
Date and Time of Receipt and DP Stamp with Signature					

This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>.

**FORM 23**

Participant's Name, Address &amp; DP ID (pre-printed)

**DEMATERIALISATION REQUEST FORM FOR GOVERNMENT SECURITIES**

Serial No. (Pre Printed)

Date : \_\_\_\_\_

DRN: \_\_\_\_\_

I/We request you to dematerialise Government Securities into my/our account as per the details given below:

Tick (✓) whichever is applicable

A	Submit Physical Government Securities to NSDL	
B	Value Free Transfer of Government Securities to NSDL SGL II	

Client ID									
Sole/First Holder Name									
Second Holder Name									
Third Holder Name									
Face Value of Securities (in ₹)									
to be Dematerialised / Transferred									
(in figures)									
(in words )									
Nomenclature of the Security									
Loan Code*									
ISIN*	I	N							
Issued by PDO (In case of Physical Certificate)									

\*To be filled by the DP / in consultation with the DP

**Details of Securities :**

<i>Sr. No.</i>	<i>Certificate No.</i>	<i>Face Value</i>

(In case the space is found to be insufficient, an annexure containing the certificate details in the same format may be attached.



## Declaration

### Part A: Applicable when Physical Securities are submitted

I/We hereby declare that the above mentioned person(s) are the bonafide beneficial owners of the above mentioned securities. I/We also hereby declare that the securities submitted by me/us for dematerialisation are free from any lien or charge or encumbrance and represent bona fide Government Securities to the best of my/our knowledge and belief.

I/We am/are also submitting an attested Form of Transfer favouring "National Securities Depository Limited". This is being done to facilitate a credit in the SGL Constituent Account of NSDL and should not in anyway be construed as an intention of the person(s) mentioned below to sell the securities to NSDL.

### Part B: Applicable for Value Free Transfer of Government Securities to NSDL SGL II

I/We hereby declare that the above mentioned person(s) are the bonafide beneficial owners of the above mentioned securities.

I/We am/are submitting **request letter for Inter SGL Transfer for dematerialisation**. This is being done to facilitate a credit in the SGL Constituent Account of NSDL and does not in anyway constitute a sale of the securities to NSDL.

#### Authorised Signature(s)

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

## Participant Authorisation

The application form is verified with the certificates surrendered for dematerialisation / **request letter for Inter SGL Transfer** and we certify that the application form is in accordance with the details mentioned in the enclosed certificates / **request letter for Inter SGL Transfer**. It is also certified that the holders of the securities have beneficiary account with us in the same name(s).

Name of the Executive :

Signature :

Participant's Stamp & Date

---

---

## Acknowledgment

Participant's Name, Address & DP ID

(pre-printed)

Serial No. (pre-printed)

We hereby acknowledge the receipt of certificate(s) / **request letter for Inter SGL Transfer for dematerialisation of**

Face Value of \_\_\_\_\_

\_\_\_\_\_ (description of securities) surrendered for

dematerialisation by Mr/Ms/M/s \_\_\_\_\_

having Client ID \_\_\_\_\_.

Date :

Participant's Stamp & Signature

**FORM 24**  
**FORM OF TRANSFER**

Transfer Index Regn. No	

I / We\* \_\_\_\_\_  
\_\_\_\_\_ (transferor/s)

do hereby assign and transfer my/our \* interest or share in the Inscribed Stock certificate No. \_\_\_\_\_  
of \_\_\_\_\_ Percent Government Loan of \_\_\_\_\_ amounting to ₹  
\_\_\_\_\_ being the amount/a portion of the stock for  
₹ \_\_\_\_\_ as specified on the face of this instrument together with  
the accrued interest thereon to \_\_\_\_\_ (transferee/s) his/her/their  
\* executors, administrators or assigns, and I/We \* \_\_\_\_\_ do  
freely accept the Stock certificate number to the extent it has been transferred to me/us.\*

I/We\* \_\_\_\_\_  
[Transferee (s)]

hereby request that on my / our \* being registered as the holder/s of the stock transferred to me / us \* the above Stock Certificate to the extent it has been transferred to me / us \* may be renewed in my / our \* name(s) / converted in my/our \* name(s).

@ I / We \* \_\_\_\_\_  
\_\_\_\_\_ (transferor/s)

hereby request that on the above transferee (s) being registered as the holder/s of the Stock hereby transferred to him/them \*, the aforesaid Stock Certificate to the extent it has not been transferred to him / them \* may be renewed in my/our \* name(s).

As Witness, our hand the \_\_\_\_\_ day of \_\_\_\_\_ two thousand and \_\_\_\_\_

Signed by the above named transferor in the	Signature of transferor _____
presence of ** _____	Address _____
Signed by the above-named transferee in the	_____
presence of ** _____	Signature of transferee _____
	Address _____
	_____

\* Delete whichever is not applicable

@ This paragraph is to be used only when a portion of the Certificate is transferred.

\*\* \*\* Signature, occupation and address of witness. Witness should be different for transferor and transferee.

Transferred

S/c. Issued No/s. \_\_\_\_\_ dated \_\_\_\_\_ Manager, Reserve Bank of India \_\_\_\_\_

**FORM 25**

Participant's Name, Address & DP ID  
(pre-printed)

**REMATERIALISATION REQUEST FORM FOR GOVERNMENT SECURITIES**

Serial No. (Pre Printed)

DATE : \_\_\_\_\_

RRN : \_\_\_\_\_

I/We request you to dematerialise Government Securities from my/our account as per the details given below:

Tick (✓) whichever is applicable

A	Convert to Physical Government Securities
B	Transfer of Government Securities from NSDL SGL II


**Part A :** I/We hereby declare that the below mentioned account may be debited to the extent of my/our rematerialisation request and equivalent certificates be issued for the same. I/We hereby declare that the below mentioned person(s) are the beneficial owners of the securities mentioned.

**Part B:** I/We hereby declare that the below mentioned account may be debited to the extent of my/our rematerialisation request and equivalent securities be credited to my SGL account maintained with another eligible entity. I/We hereby declare that the below mentioned person(s) are the beneficial owners of the securities mentioned.

I/We am/are submitting request letter for inter SGL transfer for rematerialisation with Transferee details duly filled in.

This is being done to facilitate a debit in my SGL Constituent Account of NSDL.

Client ID									
Sole/First Holder Name									
Second Holder Name									
Third Holder Name									
Face Value of Securities (in ₹) to be Dematerialised / Transferred (in figures)									
(in words )									
Nomenclature of the Security									
Loan Code*									
ISIN*	I	N							

\*To be filled by the DP / in consultation with the DP

(For Part A only)

Total No. of Certificates \_\_\_\_\_

No. of Certificates	Denomination	Amount (₹)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
GRAND TOTAL		_____

**Authorised Signature(s)**

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

**Participant Authorisation**

The application form is verified with the details of the beneficial owner's account and certify that the application form is in order. The account has sufficient balances to accept the rematerialisation as requested. It is also certified that the beneficial owners signatures are verified and found in order.

The other details of the beneficial owners as extracted from the records are enclosed.

Name of the Executive :

Signature :

Participant's Stamp & Date

---

---

**Acknowledgment**

Participant's Name, Address & DP ID (pre-printed)

Serial No. ( pre-printed)

We hereby acknowledge the receipt of a rematerialisation request (Part A/ Part B) for \_\_\_\_\_

Face Value of \_\_\_\_\_ (description of securities)

from Mr/Ms/M/s \_\_\_\_\_

having Client ID \_\_\_\_\_

**Date :**

**Participant's Stamp & Signature**

**FORM 26**

Participant's Name, Address &amp; DP ID (pre-printed)

**INTER SGL TRADES ( Sale Instruction) Government Securities debited from NSDL SGL-II (To be used for sale of Government Securities to other eligible SGL entity)**

Serial No. (Pre-Printed)

Date : \_\_\_\_\_

\*RRN : \_\_\_\_\_

Client ID															
Sole/First Holder Name															
Second Holder Name															
Third Holder Name															
Face Value of Securities Sold															
(in words)															
(in figures )															
Nomenclature of the Security															
Loan Code*															
ISIN*	I	N													

\* To be filled by the DP / in consultation with the DP

**Buyer SGL Name** :**Buyer's SGL A/c Number** :**RBI Current A/c No. of the Buyer** :**Transaction Details**

(i) Sale date as per contract :

(ii) Sale price of the security in percent :

(iii) Total cost of Security sold :

[ (ii)/100 x Face value ]

(iv) (+) Accrued interest on securities :

(v) ( - ) Income -tax :

(vi) Other payments, if any (+/-) :

(vii) For Buyer : Broker Code \_\_\_\_\_

Brokerage Amount \_\_\_\_\_

(viii) For Seller : Broker Code \_\_\_\_\_

Brokerage Amount \_\_\_\_\_

**Amount of consideration to be transferred (in words)****Amount in figures**

Rupees \_\_\_\_\_

\_\_\_\_\_

**Authorised Signature(s)**

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

**DP Authorisation**

Name of the Executive :

Signature :

Participant's Stamp &amp; Date

To be filled in duplicate for acknowledgement

## FORM 27

Participant's Name, Address & DP ID (pre-printed)

### INTER SGL TRADES ( Purchase Instruction)

#### Government Securities credited from NSDL SGL-II

(To be used for Purchase of Government Securities from other eligible SGL entity)

Serial No. (Pre-Printed)

Date : \_\_\_\_\_

\*DRN : \_\_\_\_\_

Client ID										
Sole/First Holder Name										
Second Holder Name										
Third Holder Name										
Face Value of Securities Purchased (in words) (in figures )										
Nomenclature of the Security										
Loan Code*										
ISIN*	I	N								

\* To be filled by the DP / in consultation with the DP

**Seller SGL Name** :

**Seller's SGL A/c Number** :

**RBI Current A/c No. of the Seller** :

**Transaction Details**

(i) Sale date as per contract :

(ii) Sale price of the security in percent :

(iii) Total cost of Security sold :  
[ (ii)/100 x Face value ]

(iv) (+) Accrued interest on securities :

(v) ( - ) Income -tax :

(vi) Other payments, if any (+/-) :

(vii) For Buyer : Broker Code \_\_\_\_\_ ₹ Brokerage Amount \_\_\_\_\_

(viii) For Seller : Broker Code \_\_\_\_\_ ₹ Brokerage Amount \_\_\_\_\_

**Amount of consideration to be transferred (in words)**

**Amount in figures**

Rupees \_\_\_\_\_

Mode of Payment \_\_\_\_\_

**Authorised Signature(s)**

Holder(s)	Signature(s)
Sole/First Holder	
Second Holder	
Third Holder	

**DP Authorisation**

Name of the Executive :

Signature :

To be filled in duplicate for acknowledgement

Participant's Stamp & Date

**FORM 28**

<b>Pre-printed Serial No.</b>							
<b>PLEDGE/HYPOTHECATION FORM</b> <b>Participant Name</b> <b>Participant ID</b> <b>Participant Address</b>							
Please tick in any <b>one</b> of the boxes as may be applicable							
₹ Create the pledge/hypothecation				₹ Confirm the creation of pledge/hypothecation			
₹ Close the pledge/hypothecation				₹ Confirm the closure of pledge/hypothecation			
₹ Invoke the pledge/hypothecation				₹ Confirm the invocation of pledge/hypothecation			
₹ Unilateral closure the pledge/hypothecation							
Date				Instrumentation Type (Pledge / Hypothecation)			
Client ID		<b>Prestamped</b>		Counterparty Pledgor/pledge Client ID			
Client Name				Counterparty Pledgor/pledge Name			
Agreement No. (as provided by pledge)				Counterparty Pledgor/pledge DP ID			
Closure Date				Counterparty Pledgor/pledge DP Name			
Sr. No.	ISIN	Security Name	Reasons & Release date for locked-in securities (if any)	Quantity (in figures) (Refer Instruction No. 2)	Quantity (in words) (Refer Instruction No. 2)	Pledge Order No. (Refer Instruction No. 3)	Reasons for rejections (if any) (To be filled in at the time of confirmation)

Execution Date : \_\_\_\_\_
Authorised Signatory(ies)

**Instructions:**

1. To be submitted in duplicate for acknowledgement.
2. Pledged Quantity, Closure Quantity or the Invoked Quantity to be mentioned as the case may be.
3. Pledge Order No. to be filled in by the client (except at the time of creation of pledge to be filled in by the participant).
4. Locked-in securities cannot be invoked before the lock-in release date.
5. Strike out whichever is not applicable.

**FORM 29****Erroneous Transfer Form**

No.	Details	Description
1.	Request by:	Name of Participant (DP)/ Clearing corporation (CC) /CH: DP/CCID:
2.	Mistake is on the part of :	₹ Client                      ₹ DP/CC/CH
3.	Details of Client or Clearing Member from whose account the erroneous instruction was given	DP ID : Client ID : Client Name : CM BP ID:
4.	Details of securities erroneously transferred	ISIN 1 : Company 1 Name : Quantity : ISIN 2 : Company 2 Name : Quantity : ISIN 3 : Company 3 Name : Quantity : etc.,.
5.	Details of Client to whose account securities were erroneously transferred:	DP ID : Client ID :
6.	Date of erroneous transfer of securities	
7.	Details of Client or Clearing Member to whose account securities were to be transferred	DP ID : Client ID : CM BP ID: Client Name :
8.	Whether <b>indemnity</b> as per Annexure LC has been executed by the Participant (given to NSDL):	₹ Yes   ₹ No ₹ Annexure LC has already been furnished vide our letter ref. No. _____ dated _____

1. I / We request NSDL to initiate preventive measures to restrain the person mentioned in (5) above from transferring and/or creating any interest/rights/ encumbrance in favour of any third person(s) with respect to the securities mentioned in (4) above within which (name of DP) shall undertake to furnish the supporting documents evidencing the erroneous transaction as per the procedure prescribed by the NSDL.
2. I/we hereby certify that the information furnished at nos. 1 to 8 above are true and correct as per my/ our knowledge based on the official records of the transaction and that no part of it is false.

Date :

**Signature :**  
**Name :**  
**Designation :**

**Notes:**

1. This Annexure shall be submitted on the letter head of the Depository Participant.
2. This Annexure shall be signed by the Compliance Officer of the Depository Participant.



## Format for Erroneous Transfer Indemnity

(To be stamped as per Stamp Act).

Ref. No. \_\_\_\_\_

Dated. \_\_\_\_\_

To.

\_\_\_\_\_  
National Securities Depository Ltd.  
4th Floor, Trade World, 'A' Wing,  
Kamala Mills Compound, Senapati  
Bapat Marg, Lower Parel, Mumbai  
400 013.

Dear Sir,

1. In consideration of NSDL having at the request of \_\_\_\_\_ (name of DP) agreeing to initiate the preventive measures to restrain the transferee (receiving client) from transferring or creating any interest/ rights/ encumbrance in favour of any third person(s) with respect to the securities that have been transferred erroneously / wrongly (hereinafter referred to as the said "securities") by the transferor (Our Client), We, \_\_\_\_\_ (name and address of DP) hereby guarantee to NSDL the payment against any and all claims, demands, proceedings, losses, damages, costs, charges, expenses and actions of any kind which may arise against or incurred or suffered by NSDL whether jointly or severally with any person on account of or by reason of or in consequence of NSDL having initiated the preventive measures to restrain the transferee from transferring or creating any interest/rights/ encumbrance with respect to the said securities on account of any claim being made against NSDL, and its successor(s) and established by any person or persons found to have suffered damages / losses on account of the preventive measures initiated by NSDL.
2. Notwithstanding anything contained herein, this guarantee is executed in favour of NSDL, in addition to the Rights and Obligations arising out of the provisions of Law or any contractual obligations of the transferor in favour of \_\_\_\_\_ ( name of the DP) and NSDL; and the same shall remain in force till NSDL is relieved and discharged from all liabilities arising out of the said preventive measures initiated by NSDL with respect to the said securities.
3. This guarantee shall be a continuing guarantee to cover all such requests that we as a Depository Participant may make to NSDL, with respect to all such erroneous / wrong transfer(s) of securities that may be made by our client(s) (transferor(s)) and shall remain operative in respect of each of the obligations, liabilities or commitments of \_\_\_\_\_ (Name of DP) severally and may be enforced as such in the discretion of NSDL, as if each of the obligations, liabilities or commitments had been separately guaranteed by \_\_\_\_\_ (Name of DP). The guarantee shall not be considered as cancelled or in anyway effected on either the transferor ceasing to be our client or on account of any demand being raised by NSDL and shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of \_\_\_\_\_ (Name of DP) on any demand being raised but our liability there under shall not under any circumstances exceed the sum / amount that NSDL may have to incur in making payments to any person or persons found to have suffered damages / losses on account of the said preventive measures initiated by NSDL or in defending any such Claims, Complaints, Applications, Suit / Case filed by any person before any Court, Tribunal or any Statutory Authority.
4. This guarantee shall not be affected by any change in the constitution of \_\_\_\_\_ (Name of DP) and it shall remain in force notwithstanding and forbearance or indulgence that may be shown by NSDL to \_\_\_\_\_ (Name of DP).
5. We, \_\_\_\_\_ (name of DP), undertake to pay the amount hereby guaranteed within \_\_\_\_\_ days of being served a written notice at the following address delivered by hand

or

registered post or by speed post or courier requiring the payment of the amount guaranteed failing which NSDL may charge interest @ **24% p.a.** for such period of delay.

6. We, \_\_\_\_\_ (name of DP) undertake not to revoke this guarantee except with the previous consent of NSDL in writing.

Yours Faithfully,

For \_\_\_\_\_ (name of DP)

( )

Name &

Designation

Compliance Officer/ Company Secretary/ Director/ Managing Director

**FORM 30**  
**TRANSMISSION FORM**

Date	D	D	M	M	Y	Y	Y	Y
------	---	---	---	---	---	---	---	---

To,

Name of Participant

Address of Participant

**(1) I/We, the undersigned, being the**

Executor(s) of the will

Legal heir(s)

Administrator(s) of the Estate

Joint holder(s)

Successor(s) to the Estate

Nominee

of Mr./ Mrs. /Ms. \_\_\_\_\_, Mr. / Mrs/Ms. \_\_\_\_\_ and Mr. / Mrs./ Ms. \_\_\_\_\_ the deceased, of which \* Nomination/ probate/ letter of administration/ succession certificate was duly granted to me/us on the \_\_\_\_\_ day of \_\_\_\_\_ of \_\_\_\_\_ hereby request you to register me/ us as the beneficial owner(s) in respect of the securities standing in the name of the said deceased under Client ID \_\_\_\_\_ DP ID \_\_\_\_\_.

**(2) I/We give hereunder the details of my/our account with a Participant to which the security balances are requested to be transmitted:**

Name	Client ID	DP ID

**(3) List of Documents enclosed (for Individual accounts) (tick as applicable):**

☐

For surviving holder(s) in a joint account

₹ Copy of Death Certificate duly attested by a Notary Public or by a Gazetted Officer.

☐

For nominee of the deceased :

₹ Copy of Death Certificate duly attested by a Notary Public or by a Gazetted Officer.

₹ In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the nominee.

☐

For legal heir(s)/legal representative(s) where deceased was a sole holder and no nomination in the account - Value of holding not exceeding ₹ 5 lakh on the date of application

₹ Copy of Death Certificate duly attested by a Notary Public or by a Gazetted Officer.

₹ In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the claimant.

₹ Indemnity (format given at Annexure OC)

₹ Affidavit (format given at Annexure OD)

₹ No objection certificate(s) (format given at Annexure OE)

₹ Family settlement Deed [as an alternate to No-objection certificate(s)]

- ☐ For legal heir(s)/Legal representative(s) where deceased was a sole holder and no nomination in the account - Value of holding was ₹ 5 lakh or more on the date of application.
- ₹ Copy of death Certificate duly attested by a Notary Public or by a Gazetted Officer
- ₹ In case the account of the claimant is not with the Participant, copy of Client Master Report of the account of the claimant.
- ₹ Succession certificate
- ₹ Letter of Administration
- ₹ Probate of the Will

**(4) Declaration :**

*(Applicable only for legal heir(s)/legal representative(s) where deceased was a sole holder and no nomination in the account - Value of holding not exceeding ₹ 5 Lakh on the date of application)*

We declare that the below mentioned person(s) are the only legal heir(s) of the deceased and there are no other legal heir(s). Of these, as specified below, some/all of them are claimants and some of them have given a No Objection Certificate in favour of other legal heir(s). Details are given below:

Sr. No.	Name of the legal heir(s)	Specify whether a claimant or given a No Objection Certificate

**(5) Signature**

Sr. No.	Name of Claimant	Signature Claimant

**Notes:**

1. This request form should be signed by the surviving joint holder(s)/legal heir(s)/legal representative(s)/nominee, as the case may be.
2. \*Strike off whichever is not applicable.

**Indemnity to be executed on Non-judicial Stamp paper of appropriate value**

**LETTER OF INDEMNITY**

*(to be given by legal heir(s)/legal representative(s) - value of holding not exceeding ₹ 5 lakh on the date of application)*

To,  
DP and NSDL  
Address

Dear Sirs,

**Sub : Transmission of securities standing in the name of Late  
Mr./Mrs. \_\_\_\_\_ .**

I/We hereby inform you that Mr./ Mrs. \_\_\_\_\_ the deceased, was holding a Client account no. \_\_\_\_\_ with \_\_\_\_\_ a Depository Participant having DP ID \_\_\_\_\_.

The said deceased was holding the following securities :

ISIN	Name of Company	No. of Securities

The said deceased died intestate without leaving a Will on the \_\_\_\_\_ day of \_\_\_\_\_  
We further inform you that he/she left behind him/her as his/her only surviving heirs and next of kin, the following persons according to the Law of Intestate Succession applicable to him/her by which he/she was governed at the time of his/her death.

- (a) \_\_\_\_\_  
(b) \_\_\_\_\_  
(c) \_\_\_\_\_

We have, therefore, approached you with a request to transfer the aforesaid securities in the name of the undersigned Mr./Mrs./Ms. \_\_\_\_\_ on my/our behalf without insisting of production of a succession certificate or an order of the court of competent jurisdiction and you have kindly agreed to do so on my/our executing an indemnity as is herein contained and on relying on the information herein given by us believing the same to be true.

In consideration therefore of your having at our request agreed to transfer securities to the name of the undersigned \_\_\_\_\_ I/we hereby jointly and severally agree and undertake to indemnify and keep indemnified, saved, defended, harmless you and your successors and assigns for all time hereafter against all losses, costs, claims, actions, demands, risks, charges, expenses, damages etc., whatsoever which you may suffer and/or incur by reason of your, at my/ our request, transferring the said securities as herein above mentioned, to the undersigned \_\_\_\_\_ without insisting on production of a succession certificate or an order of the court of competent jurisdiction.

IN WITNESS WHEREOF THE said \_\_\_\_\_ [name(s) of applicant(s) ] have here unto set their respective hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ of \_\_\_\_\_

Signed, sealed and delivered by the said applicant(s)

\_\_\_\_\_  
Signature(s) of applicant(s)

### **SURETY**

I the undersigned certify that the above facts are true to the best of my knowledge and bind myself as surety to make good all claims, charges, costs, damages, demands, expenses and losses which the Participant/NSDL, its successors and assigns may sustain, incur or be liable for in consequence of complying with the request contained above of the applicant(s) herein and the Participant/ NSDL and its successors, assigns will be entitled to claim and realise all claims, charges, costs, damages, demands, expenses and losses from me or from my properties, as the case may be.

\_\_\_\_\_  
Signature of Surety

Name : \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Date : \_\_\_\_\_

Place : \_\_\_\_\_

\_\_\_\_\_  
(Signature of Magistrate/Notary)

Full Name and : \_\_\_\_\_

Address of \_\_\_\_\_

Magistrate/ \_\_\_\_\_

Notary \_\_\_\_\_

PIN \_\_\_\_\_

Regd.No. \_\_\_\_\_

Use space below to affix

Notarial/Court Fee Stamp	Official Seal of Magistrate/Notary
--------------------------	------------------------------------

**Note:** This indemnity is to be executed in the presence of a first class Judicial or stipendiary Magistrate/Public notary.

**This affidavit is to be executed on Non-judicial Stamp paper of appropriate value**

**A F F I D A V I T**

*(to be given by legal heir(s)/legal representative(s) - value of holding not exceeding ₹5 lakh on the date of application)*

I, \_\_\_\_\_ son/daughter/spouse of \_\_\_\_\_  
\_\_\_\_\_ residing at \_\_\_\_\_ do  
hereby solemnly affirm on oath and state as under :-

1. That Mr./Mrs. \_\_\_\_\_ the deceased, was holding an account having Client ID  
\_\_\_\_\_ with \_\_\_\_\_ a Depository Participant having DP ID \_\_\_\_\_.

The said deceased was holding, the following securities:

ISIN	Name of Company	No. of securities

2. That the deceased had died intestate on \_\_\_\_\_ at \_\_\_\_\_.

3. That the following are the only legal heir(s) of late Mr./Mrs. \_\_\_\_\_

	Name	Address	Age	Relationship with the deceased
1				
2				
3				
4				

4. That out of aforesaid legal heirs Master/ Kum. \_\_\_\_\_ aged \_\_\_\_\_ years  
is a minor and he/she is being represented by his/her/her father/mother and natural guardian Mr./Mrs. \_\_\_\_\_

5. That all the legal heirs of my deceased \_\_\_\_\_ have applied to  
\_\_\_\_\_ **(DP name)** to register the aforesaid securities in my/our individual/joint beneficial owner account  
and have executed a Letter of Indemnity in favour of the Participant/NSDL holding the Participant/NSDL  
indemnified against any loss, cost, expenses or damages which may be caused to them in consequence of any  
claim which may be made by or on behalf of any person claiming any interest in the said shares.

\_\_\_\_\_  
DEPONENT

### **VERIFICATION**

I hereby solemnly affirm and say that what is stated herein above are true to my knowledge and nothing has been concealed therein and that I am competent to contract and entitled to rights and benefits of the above securities.

Solemnly affirmed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ of \_\_\_\_\_ .

Signed in the presence of

Full Name and : \_\_\_\_\_

Address of \_\_\_\_\_

Magistrate/ \_\_\_\_\_

Notary \_\_\_\_\_

\_\_\_\_\_  
(Signature of Magistrate/Notary)

Pin :

Regd. No \_\_\_\_\_

Use space below to affix:

Notarial/Court Fee Stamp	Official Seal of Magistrate/Notary
--------------------------	------------------------------------

Notes:

1. This affidavit is to be executed in the presence of a first class Judicial or stipendiary Magistrate/Public notary.
2. This affidavit should be signed by each deponent separately



### **NO OBJECTION CERTIFICATE**

(to be given by legal heir(s)/legal representative(s) - value of holding not exceeding ₹ 5 lakh on the date of application)

Date	D	D	M	M	Y	Y	Y	Y
------	---	---	---	---	---	---	---	---

To,  
Name of Participant  
Address of Participant

Dear Sirs,

Re : Transmission of security balances standing in the name of late \_\_\_\_\_  
under Client ID \_\_\_\_\_ DP ID \_\_\_\_\_.

1. In connection with the above, I wish inform you that Mr./ Mrs. \_\_\_\_\_  
expired on \_\_\_\_\_ and was holding, the following securities under the client ID  
\_\_\_\_\_ and DP ID \_\_\_\_\_.

ISIN	Name of Company	No. of securities

2. I the undersigned, residing at \_\_\_\_\_, am a legal heir of the said deceased.
3. I do not desire to make any claim of title of the said securities and have no objection whatsoever in transmitting the said securities in the name(s) of Mr./Mrs. \_\_\_\_\_ who has/have opened a beneficial owner account(s) under Client ID \_\_\_\_\_ and DP ID \_\_\_\_\_.
4. In consideration of registration of the aforesaid securities in the client account of Mr./Mrs. \_\_\_\_\_ under DP ID \_\_\_\_\_ Client ID \_\_\_\_\_ at my request, I hereby agree to renounce all my rights existing as well as they may accrue to me in future in respect of the aforesaid securities.

Signed in the presence of

\_\_\_\_\_  
Bank Manager  
Full Name and Address of Bank Manager

\_\_\_\_\_  
Signature of the legal heir

**Note: This No Objection Certificate should be signed by each legal heir separately.**

**FORM 31**  
**TRANSPPOSITION FORM**

(for transposition and demat cases)

Date	D	D	M	M	Y	Y	Y	Y
------	---	---	---	---	---	---	---	---

To,  
Name of Participant  
Address of Participant

We, the undersigned, being the joint holder(s) of securities of (Name of the Company) wish to have our holdings transposed in the following order in which we have an account with you. We are also submitting the certificate(s) along with DRF for dematerialisation.

Names on the certificate of security:

Name	Signature(s)

Details of our client account:

DP ID	Client ID	Names of the account holders

Note: Separate Transposition form should be filled by the joint holders for securities having distinct ISINs

**FORM 32****FORM FOR TRANSMISSION ALONGWITH DEMATERIALISATION**

To,  
Participant's Name, Address & DP ID  
(pre-printed)

Date : \_\_\_\_\_

I/We, the undersigned, being the joint holders of the following securities along with Mr./Mrs. Ms. \_\_\_\_\_ (*name of the deceased*) wish to have the name of the deceased deleted from the security certificates. A copy of the death certificate, duly attested by a Notary Public or by a Gazetted officer and the dematerialisation request form along with the physical certificates are enclosed. I/We request you to process the same and advise the Issuer/R & T Agent accordingly. The details are given below:

Client ID								
Company Name								
Type of Security Equity/Others (please specify)								
Quantity								
(in figures)								
(in words )								

Sr. No.	Name of the survivor(s)	Signature(s)
1.		
2.		
3.		

(to be filled -in by the Participant)

ISIN*	I	N										
Dematerialisation Request No. (DRN) of the dematerialisation request												

**Instructions :**

1. Separate forms should be filled up for each ISIN by the survivor(s).
2. Each form should be accompanied by a copy of the death certificate, duly attested by a Notary Public or by a Gazetted Officer.

**Form 33****APPLICATION FOR FREEZING/UNFREEZING OF AN ACCOUNT AND/OR ISIN AND/OR SPECIFIC  
NUMBER OF SECURITIES**

<b>To</b> <b>DP Name (Pre printed)</b> <b>DP ID (Pre printed)</b> <b>DP Address (Pre Printed)</b>	<b>Date</b>	<b>DD</b>	<b>MM</b>	<b>YYYY</b>		
1. I/We request you as follows:		Type of Instruction (Please tick any one) <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="border: 1px solid black; padding: 2px 10px;">Freeze</div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="border: 1px solid black; padding: 2px 10px;">Unfreeze</div> <div style="border: 1px solid black; width: 40px; height: 20px;"></div> </div>				
2. Client ID <span style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></span> <span style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></span> <span style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></span> <span style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></span> <span style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></span> <span style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></span> <span style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></span> <span style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></span>						
3. Execution Date (date of freeze / unfreeze)			<b>DD</b>	<b>MM</b>		
4. Account level		Tick any one		Instruction No. (To be filled by DP)		
		For debit only	For debit and credit			
5. ISIN Level	Sr. No.	ISIN	Security Description	Tick any one	Instruction No. ( To be filled by DP)	
				For debit only	For debit and credit	
6. Quantity Level (For debit only)	Sr. No.	ISIN	Security Description	Quantity	Instruction No. (To be filled by DP)	
1 _____, 2 _____, 3 _____ <div style="text-align: center;">Authorised Signatory(ies)</div>						

Participant Stamp, Date &amp; Time

## Instructions:

1. Tick at 4, 5 and/or 6 above, as may be applicable
2. Separate forms should be filled-in for freeze and unfreeze.  
Please strike off as N.A. wherever not applicable

**FORM 34****APPLICATION FOR CLOSING AN ACCOUNT****(For Beneficiary Account only)**

Date	D	D	M	M	Y	Y	Y	Y
------	---	---	---	---	---	---	---	---

To,

DP Name:

DP Address:

DP ID:

1. I / We hereby request you to close my/our account with you as per following details:

Name of the holder(s)	
Sole/ First Holder	
Second Holder	
Third Holder	

2. Reason/s for Closure of depository account \_\_\_\_\_

3. Client ID (of account to be closed)
- |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|

4. Please tick the applicable option(s)

<input type="checkbox"/> <b>Option A</b> [There are no balances / holdings in this account ]																																	
<input type="checkbox"/> <b>Option B</b> [Transfer the balances /holdings In this account as per details given]	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Transfer to my / our own account            (Provide target account details and enclose Client Master Report of Target Account)   <input type="checkbox"/> Transfer to any other account            (Submit duly filled Delivery Instruction Slip signed by all holders)         </td> <td style="width: 50%; vertical-align: top;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="10">Target Account Details</th></tr> <tr> <td style="width: 10%;"><input type="checkbox"/> NSDL</td><td style="width: 15%;">DP ID</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td><input type="checkbox"/> CDSL</td><td>Client ID</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table> </td></tr> </table>	<input type="checkbox"/> Transfer to my / our own account (Provide target account details and enclose Client Master Report of Target Account)  <input type="checkbox"/> Transfer to any other account (Submit duly filled Delivery Instruction Slip signed by all holders)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="10">Target Account Details</th></tr> <tr> <td style="width: 10%;"><input type="checkbox"/> NSDL</td><td style="width: 15%;">DP ID</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td><input type="checkbox"/> CDSL</td><td>Client ID</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table>	Target Account Details										<input type="checkbox"/> NSDL	DP ID									<input type="checkbox"/> CDSL	Client ID								
<input type="checkbox"/> Transfer to my / our own account (Provide target account details and enclose Client Master Report of Target Account)  <input type="checkbox"/> Transfer to any other account (Submit duly filled Delivery Instruction Slip signed by all holders)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="10">Target Account Details</th></tr> <tr> <td style="width: 10%;"><input type="checkbox"/> NSDL</td><td style="width: 15%;">DP ID</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td><input type="checkbox"/> CDSL</td><td>Client ID</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table>	Target Account Details										<input type="checkbox"/> NSDL	DP ID									<input type="checkbox"/> CDSL	Client ID										
Target Account Details																																	
<input type="checkbox"/> NSDL	DP ID																																
<input type="checkbox"/> CDSL	Client ID																																
<input type="checkbox"/> <b>Option C</b> [Rematerialise / Reconvert (Submit duly filled Remat / Reconversion Request Form-for mutual fund units)]																																	

**5. Signatures**

Sole//First Holder	
Second Holder	
Third Holder	

**Acknowledgement**

We hereby acknowledge the receipt of your request for closing the following Account subject to verification:

DP ID										Client ID									
Name of Sole/First Holder																			
Name of Second Holder																			
Name of Third Holder																			
<b>Signature of the Authorised Signatory</b>															<b>Seal/Stamp of Participant</b>				
<b>Date</b>																			

**FORM 35****APPLICATION FOR CLOSING AN ACCOUNT  
(For Clearing Member Account only)**

Date	D	D	M	M	Y	Y	Y	Y
------	---	---	---	---	---	---	---	---

To,

DP Name:

DP Address:

DP ID:

1. I / We hereby request you to close my/our account with you as per following details:

Name of the Clearing Member								
Client ID								
DP ID	I	N						
CM-BP ID								
CC-CM ID								

**2. Reason for Closure  
(Please tick)**☐ Shifting of Account☐ Others

(Please specify \_\_\_\_\_)

**Note for Participant:**

In accordance with stipulated procedure for Account Shifting of Clearing Member, if the reason for closure is "Shifting of Account," Participant must close account in the DPM System only after receipt of confirmation from NSDL

**3. Signature(s)**

Name of the Authorised Signatories	Signature(s)

**Acknowledgment**

We hereby acknowledge the receipt of your request for closing the following Account subject to verification:

DP ID									Client ID								
CM-BP-ID									CC-CM-ID								
Name of Cleaning Member																	
Signature of the Authorised Signatory										Seal/Stamp of Participant							
Date																	

# FORM 36

Participant's copy / Client's copy

DP LOGO DP NAME		<b>FORM 36 – COMBINED DELIVERY INSTRUCTIONS BY CLIENT</b>										 <b>NSDL</b> <small>Technology. Trust &amp; Reach</small>																																																																																	
<b>Instructions:</b> (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for acknowledgment). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) For Off-market trades and Inter Depository instructions, please mention reason code from the list given at the reverse side of cover page. (5) Please write correct ISIN and Quantity (both in figures and word).																																																																																													
I/We hereby request you to debit my / our account as per following details: <div style="float: right;">             Serial No. <span style="border: 1px solid black; padding: 2px 10px;"></span>             Priorities <span style="border: 1px solid black; padding: 2px 10px;"></span> </div>																																																																																													
DP ID	Pre-printed	Client ID	Pre-printed / Pre-validated					Date	D	M	Y	Y	Y	Y																																																																															
(Please tick any one and fill up the relevant box. Strike off whichever is not applicable)																																																																																													
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> <b>For Market Trades (Receiver Details)</b> <table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.7em;"> <tr><td>CM-BP-ID</td><td>IN</td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>CM Name</td><td colspan="7"></td></tr> <tr><td>Market Type</td><td colspan="7"></td></tr> <tr><td>Settlement No.</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table> </div> <div style="width: 45%;"> <input type="checkbox"/> <b>For Off-Market Trades (Receiver Details)</b> <input type="checkbox"/> <b>Inter Depository Instructions (Receiver Details)</b> <table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.7em;"> <tr><td>DP-ID</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>Client ID</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>DP Name</td><td colspan="7"></td></tr> <tr> <td>Reason Code</td> <td colspan="3">Reason / Purpose</td> <td colspan="4">Commission (in Rs.)</td> </tr> <tr> <td style="font-size: 0.6em;">Refer instruction no. 4</td> <td colspan="3" style="font-size: 0.6em;">Specify for reason code 02 (others)</td> <td colspan="4" style="font-size: 0.6em;">Mandatory for reason code 1 (off-market sale)</td> </tr> <tr><td>Settlement details</td><td colspan="7"></td></tr> </table> </div> </div>														CM-BP-ID	IN							CM Name								Market Type								Settlement No.								DP-ID								Client ID								DP Name								Reason Code	Reason / Purpose			Commission (in Rs.)				Refer instruction no. 4	Specify for reason code 02 (others)			Mandatory for reason code 1 (off-market sale)				Settlement details							
CM-BP-ID	IN																																																																																												
CM Name																																																																																													
Market Type																																																																																													
Settlement No.																																																																																													
DP-ID																																																																																													
Client ID																																																																																													
DP Name																																																																																													
Reason Code	Reason / Purpose			Commission (in Rs.)																																																																																									
Refer instruction no. 4	Specify for reason code 02 (others)			Mandatory for reason code 1 (off-market sale)																																																																																									
Settlement details																																																																																													
Sl. No.	ISIN	Security Name	Quantity (in figure)	Quantity (in words)	Instruction No. (to be filled by DP)																																																																																								
1	IN																																																																																												
2	IN																																																																																												
3	IN																																																																																												
4	IN																																																																																												
No. (count) of ISINs to be transferred		Phone No.				Execution Date		D	M	Y	Y	Y	Y																																																																																
1. _____ 2. _____ 3. _____																																																																																													
<b>Authorized Signatory (ies)</b>																																																																																													
Instruction will be accepted by DP at 'Client's risk' without any liability / claim in following cases: a) Non-pay in (DP=market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.																																																																																													
To be filled by DP																																																																																													
Date and Time of Receipt and DP Stamp with Signature				<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	Additional Checker (If applicable)	Remarks (For High value transactions/Current accounts if any)																																																																																						
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>																																																																																													

# FORM 37

DP LOGO DP NAME		FORM 37 – COMBINED DELIVERY INSTRUCTIONS BY POA HOLDER ON BEHALF OF CLIENT		NSDL Technology, Trust & Touch		
<small>Instructions: (1) Submit two copies of DIS - Participant's copy (to be retained by Participant) and Client's copy (for a downloaded grant). (2) In case of joint holdings, all joint holders must sign. (3) Please strike off unused rows. (4) For Off-market trades and inter-depository instructions, please mention reason code from the list given at reverse side of cover page. (5) Please write correct ISIN and Quantity (both in figures and words).</small>						
I/We hereby request you to debit my / our account as per following details:		Serial No.		Pre-printed		
DP ID	Pre-printed	POA ID	Pre-printed / Pre-downloaded	Date	D D M M Y Y Y Y	
(Please tick any one and fill up the relevant box. Strike off whichever is not applicable)						
<input type="checkbox"/> For Market Trades (Receiver Details)			<input type="checkbox"/> For Off-Market Trades (Receiver Details) <input type="checkbox"/> Inter-Depository Instructions (Receiver Details)			
CM-BP-ID	IN		DP-ID			
CM Name			Client ID			
Market Type			DP Name			
Settlement No.			Reason Code	Reason / Purpose	Consideration (in Rs.)	
			Refer instruction no. if	Specify for reason code 06 (if any)	Mandatory for reason code 1 (off-market sale)	
Settlement details			For Inter-Depository Instructions			
Sr. No.	Source Client ID	ISIN	Security Name	Quantity (in figures)	Quantity (in words)	Instruction No. (to be filled by DP)
1		N				
2		N				
3		N				
4		N				
No. (count) of ISINs to be transferred			Phone no.			Execution Date
						D D M M Y Y Y Y
1. _____		2. _____		3. _____		
Date and Time of Receipt and DP Stamp with Signature		Authorized Signatory (ies)				
		Instruction will be accepted by DP at 'Client's risk' without any liability / claim in following cases: a) Non-pay in (Off-market) related instruction received on the day of execution. b) Pay-in (Market) instruction received after 4 p.m. on the previous day of the settlement date.				
		To be filled by DP				
		Master	Checker	Additional Checker (if applicable)	Remarks (For high value transactions/Comment accounts if any)	
This DIS is issued by <DP Name>. If found, please return to <DP name> at <DP Address>						



## FORM 38

<b>DP LOGO</b> <b>DP NAME</b>	<b>FORM 38 – ADDITIONAL FORM FOR OPENING SARAL ACCOUNT</b>	 <small>Technology. Trust &amp; Reach</small>
----------------------------------	--	---

Participant Name (DP ID _____)	Client –ID
Address (Pre-printed)	(To be filled by Participant)

I request you to open a depository account in my name as per the details provided in SARAL AOF.

	Date	_	_	_	_	_	_
--	------	---	---	---	---	---	---

**A Details of Account holder:**

Name							
PAN							
Occupation (please tick any one and give brief details)	<input type="checkbox"/> Private Sector	<input type="checkbox"/> Agriculturist	<input type="checkbox"/> Public Sector	<input type="checkbox"/> Retired	<input type="checkbox"/> Government service	<input type="checkbox"/> Housewife	
	<input type="checkbox"/> Business	<input type="checkbox"/> Student	<input type="checkbox"/> Professional	<input type="checkbox"/> Others (Please specify)			
Brief details of occupation:							

**B Gross Annual Income Details**

Income Range per annum (please tick any one)				
<input type="checkbox"/> Below Rs 1 lac	<input type="checkbox"/> Rs 1- 5 lac	<input type="checkbox"/> Rs 5- 10 lac	<input type="checkbox"/> Rs 10- 25 lac	<input type="checkbox"/> More than Rs 25 lac

**C** Please tick, if applicable: ☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)

**D SMS Alert facility\*:** ☐ Yes ☐ No  
(\*Ensure that mobile no. is provided in SARAL application form)

**E Nomination Option:** (# As per details given in SARAL application form.)

<input type="checkbox"/> I/We wish to make nomination#	<input type="checkbox"/> I/We do not wish to make a nomination.
--	---

**F) Correspondence / residence address proof not available :** If yes, Please tick ☐


I confirm that my correspondence / residence address as mentioned in the Account Opening Form is correct and same shall be used for any further communication addressed to me. In case of any change in aforesaid address, I hereby undertake to intimate the new address within two weeks of such a change.

**Declaration**

The Bye Laws and Business Rules of NSDL and Depository Participants pertaining to an account which are in force now have been read by me/us and I/we have understood the same and I/we agree to abide by and to be bound by the rules as are in force from time to time for such accounts. I/we hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/ we are aware that I/we may be held liable for it. I/we acknowledge the receipt of copy of the document, "Rights and Obligations of the Beneficial Owner and Depository Participant".

<b>Signature of holder</b>	<b>X</b>
----------------------------	----------


### FORM 39

DP Logo		<b>FORM 39 - HOLD ON SECURITIES FOR NON DISPOSAL UNDERTAKING/ AGREEMENT</b>					
Participant Name				Serial No.			
Participant Address				Date			
I/We request you to (Please tick in any one of the boxes as may be applicable)							
<input type="checkbox"/> Create the Hold <input type="checkbox"/> Release the Hold				<input type="checkbox"/> Confirm the Creation of Hold <input type="checkbox"/> Confirm the Release of Hold <input type="checkbox"/> Cancellation of the confirmation of Release of Hold			
Details of Client in whose account the securities are held				Details of Other party in whose favor hold is created			
DP ID				Other Party DP ID			
DP Name				Other Party DP Name			
Client ID				Other Party Client ID			
Client Name				Other Party Name			
To be filled in case of request of creation		Name of Company (if part of NDU)					
		Name of Promoters (if part of NDU)					
		NDU/ Agreement Reference Number					
Please tick in any one of the boxes as may be applicable for cooling period of release the hold. (If not ticked default cooling period will be 4 days)				<input type="checkbox"/> 2 days <input type="checkbox"/> 3 days <input type="checkbox"/> 4 days			
Sr. No.	ISIN	Security Name	Quantity (In figures) (Refer Instruction No.2)	Quantity (In words) (Refer Instruction No. 2)	Hold DM Order No. (Refer Instruction No. 3)	Reasons for rejections (if any) (To be filled in at the time of Confirmation)	
Execution Date				Please tick in case of request for creation hold			
				<input type="checkbox"/> I/we _____ <name of the other party> hereby <del>authorise</del> the Participant of the Client holding the securities on which hold is being created to access the my / authorized <del>signatory(jes)</del> signatures as recorded in my/our aforesaid Demat Account.			
<div style="border-top: 1px solid black; margin-top: 50px;">             Authorised Signatory(jes)           </div>				<div style="border-top: 1px solid black; margin-top: 50px;">             Other Party Authorised Signatory(jes)           </div>			
Signatures of both Client as well as other party are required in case of request of creation of hold and release hold to be submitted to the Participant of Client.							

#### Instructions:

1. To be submitted in duplicate for acknowledgement.
2. Hold Quantity or Release Quantity to be mentioned as the case may be.
3. Hold DM Order No. to be filled by the client (except at the time of creation of hold to be filled in by the participant).
4. Strike out whichever is not applicable.

**FORM 40**

DP Logo		<b>FORM 40 - REQUEST FOR CHANGE OF NAME OF KARTA</b> (to be given by new <del>karta</del> and other surviving members of HUF in the event of death of Karta)									
To, <Name of Participant> <Address of Participant>		Date	D	D	M	M	Y	Y	Y	Y	
		DP ID	I	N							
		Client ID									
		Name of HUF									
1	Name of Deceased Karta										
2	Death certificate of Karta is enclosed (Original/ Notarized / attested by gazette officer) [Please tick]										<input type="checkbox"/>
3	I/We intend to continue the HUF in its current status even after the sad demise of Karta [Please tick]										<input type="checkbox"/>
4	I/We do not have any objection whatsoever in appointing new Karta as per following details [Please tick]										<input type="checkbox"/>
5	Details of Newly Appointed Karta									Photograph of new Karta of HUF	
	a) Name of New Karta										
	b) Date of Birth						c) Gender (Please tick)				
	d) PAN						<input type="checkbox"/> Male <input type="checkbox"/> Female				
	e) Aadhaar										
6	We state that the below list of surviving members is complete and exhaustive, and does not leave out any member of the HUF. We confirm that this list is accurate in all respect whatsoever. We also state that all the information provided herein is complete and accurate in all respect and that all the members of the HUF are fully aware of the above request made to the Participant and there is no pending dispute, difference, objection or claim to the same among any of the members of the HUF in this regard.										
	List of Surviving members of HUF [In case space for providing list of surviving member is not sufficient please use separate sheet]										
	Sr. No.	Name of Coparcener Member	Date of Birth (DD/MM/YY)	Gender	Relation with Karta	Coparcener/ Member (please specify)	Signature & Date (in case of minor to be signed by Guardian)				
	1										
	2										
3											
7	Name of new Karta				Signature of New Karta						

**FORM 42**


**SIGNATURE VARIATION FORM**  
**(to be submitted along with Demat Request Form)**

Date								
------	--	--	--	--	--	--	--	--

To,  
Participant's Name, Address and DP ID  
(Pre-printed)

Client ID								
DRN No.	(to be filled by the DP)							
<div style="margin-left: 20px;"><div>1. I/We wish to inform that my/our signature in the records of Issuer or RTA may vary from the signature as captured in my/our demat account (Details of which have been mentioned in Dematerialisation Request Form).</div><div>2. My/our signature/s might have changed/altered by passing of time and therefore I/we request you to forward this form to the Issuer/RTA alongwith the Demat Request Form to facilitate the Issuer/RTA to process the dematerialisation.</div></div>								
<b>Signature details</b>								
	<b>Signature with Issuer/RTA</b>							
First/Sole Holder								
Second Holder								
Third Holder								

### **FORM 43**

DP Logo	<b>FORM 43 – MARGIN PLEDGE FORM</b>										 <small>Technology. Trust &amp; Growth</small>													
Participant Name Participant Address								Serial Number																
								Date		D	D	M	M	Y	Y	Y	Y							
DP ID	I	N						Client ID	<b>Prestamped</b>															
I/We request you to execute margin pledge instructions as per following details. Further, I/we hereby give my/our express consent for re-pledge of the securities by the Trading Member to Clearing Member and further by the Clearing Member to the Clearing Corporation.																								
<input type="checkbox"/> Initiate Margin Pledge/Re-pledge <input type="checkbox"/> Request Release of Margin Pledge/Re-Pledge								<input type="checkbox"/> Confirm Margin Pledge/Re-Pledge Initiation <input type="checkbox"/> Release Margin Pledge/Re-Pledge <input type="checkbox"/> Invoke Margin Pledge/Re-Pledge																
Counterparty DP ID								I	N					Agreement No.										
Counterparty Client ID															Indicative Date	Closure	D	D	M	M	Y	Y	Y	Y
Counterparty Client Name												Execution Date		D	D	M	M	Y	Y	Y	Y			
Unique Client Code								Segment																
Trading Member Code								Trading Member Name																
								Stock Exchange Name																
Clearing Member ID								Clearing Corporation Name																
Sr No	ISIN		Security Name		Lock-In Reason and Release Date (If Any)		Quantity (In Figures)		Quantity (In words)		Margin Pledge Order Number		Consideration Amount (₹) (To be filled in case of Invocation)											
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div>1. _____</div> <div>2. _____</div> <div>3. _____</div> </div> <div style="text-align: center; margin-top: 5px;">       _____        Authorised Signatory(ies)     </div>																								

**Instructions:**

1. To be submitted in duplicate for acknowledgement.
2. Margin Pledge Order No. to be filled in by the client (except for margin pledge initiation - to be filled in by the Participant).
3. Locked-in securities cannot be invoked before the lock-in release date.
4. Strike out whichever is not applicable.

## **Annexure N**

### **Terms and Conditions to avail electronic facility provided by Depository for submission of instruction in electronic form to Participant**

#### **1. Definitions and Interpretation**

In this, words and expressions listed in this Clause shall carry the meaning assigned to them in this Clause:

- i) "PIN" shall mean the Personal Identification Number, either assigned to the Client or chosen by the Client for its Digital Signature Certificate, which may be necessary for the Client to access electronic facility.
  - ii) "Possessed Object" shall mean such object which are capable of storing information and affixing digital signature and which may be used by the Client for authorising any instruction issued by the Client to the Participant through electronic facility.
  - iii) "Pre-notified Accounts" shall mean accounts of such type and number as to which NSDL may permit the Client to transfer securities from the Client's account, if the Client uses only Remembered Information for the purposes of accessing electronic facility.
  - iv) "Remembered Information" shall mean and include such confidential information such as password or such other information used for authentication of the Client while making use of electronic facility provided by Depository, as may be generated by the Client or changed from time to time.
  - v) "Electronic facility" shall mean the Internet-based common infrastructure facility provided by NSDL, which is being used by the Participant to accept instructions from the Client and to provide information about Client's account in relation to the operation of the Client's account.
2. The Client have an option of either having a Possessed Object for validation of the Client's access to electronic facility or generating the Client's own Remembered Information for validation of such access by the Client. Client shall abide by such measures as may be required to ensure the safety and security of the Client's access to and usage of electronic facility and instructions received from Participant or NSDL.
3. The Client agrees to take adequate safety measures for accessing electronic facility, including but not limited to:
- a) In case the Client has opted for Remembered Information for access to electronic facility, the Client shall take all the necessary steps to ensure confidentiality and secrecy of the Client's Remembered Information used for authentication of the Client and shall not reveal the same to any employee, agent or official of the Participant or to any other person. The Client acknowledges that failure to adhere to safety and security measures prescribed by NSDL and the Participant could lead to a loss of confidentiality and secrecy of the Remembered Information, thereby exposing the Client to the risk of financial losses.
  - b) In case the Client has opted for the Possessed Object, for the purpose of identifying the Client in the process of authenticating the Client's access to electronic facility, the Client shall take all necessary steps to ensure that the Possessed Object is kept safely with itself and not to part with possession of the same to any third party. The Client shall also ensure that the safety instructions issued for the usage of the Possessed Object are strictly adhered to.
4. The Client acknowledges that in the interests of the security of the Client's usage of electronic facility, if the Client does not opt for Possessed Object as a means of authenticating the Client's access to electronic facility, the Client shall be entitled to transfer securities only to the Pre-notified Accounts. Further, the Client shall submit to the Participant an undertaking in the enclosed format from the holder of the pre-notified account.
5. The Client acknowledges that all instructions received by the Participant, authenticated pursuant to use of Remembered Information or Possessed Object shall be conclusive evidence of such instructions having been issued by the Client and shall be attributed to the Client. The Participant shall not be held liable for acting on the instructions so received.

6. If the Client has reason to believe that the confidentiality of the Remembered Information has been compromised or that the Possessed Object has been lost/ misplaced/ stolen, the Client shall intimate the Participant forthwith about such compromise or loss. The Participant shall take best efforts to forthwith disable the Client's access to electronic facility not later than one Working Day of receipt of such intimation from the Client. However, if any instructions are received prior to such disablement, the Participant shall not be liable for losses, if any, arising out of execution of such instructions.
7. The Client agrees that in the event of the Client desiring to operate any joint account through electronic facility, it shall be a condition precedent for usage of electronic facility that all the joint holders shall execute a Power of Attorney favouring any one individual who shall be deemed to be the user of the Remembered Information or the Possessed Object for access to electronic facility and issue of instructions to the Participant. The Client hereby ratifies and upholds all such instructions issued through electronic facility using such Remembered Information or Possessed Object, as the case may be. In the event the Client changes the holder of the power of attorney, the Client shall deposit the new power of attorney with the Participant and ensure that authority to access electronic facility is transferred from the old power of attorney holder to the new power of attorney holder. The usage of and access to electronic facility using the Remembered Information or Possessed Object, as the case may be, shall be deemed to have been made by the holder of the power of attorney at the time of such access and use.
8. The Client shall enter all its instructions in a timely manner to ensure that the same are capable of being received by the Participant by accessing electronic facility at least one clear Working Day prior to the execution date expected by the Client. (For e.g. if the execution date is on a Friday, the instructions must be received by electronic facility latest by Wednesday) The receipt of instructions by electronic facility shall be indicated by means of message receipt confirmation screen that shall be generated on the Client's computer screen, which shall be capable of being printed out for the Client's record. If the instructions are received through electronic facility before the aforesaid deadline, the Participant shall be fully responsible for executing the same within the prescribed deadline. If the instructions are received through electronic facility after the aforesaid deadline, the instructions may be executed by the Participant on a best-efforts basis, and the Participant shall not be liable for non-execution of the same. The Client further acknowledges that the Client shall not have any right to any claim against either the Participant or NSDL for losses, if any, incurred due to non-execution of such instructions received late and/or executed on a best-effort basis. In the event of any dispute relating to the date and time of receipt of the instructions on electronic facility, NSDL's records shall be conclusive evidence and the Parties agree that NSDL's decision on the same shall be final and binding on both Parties.
9. The Participant shall promptly inform the Client through electronic facility about the status of the instructions received through electronic facility, but in no case later than 12.00 noon of the next Working Day of execution date of instructions.
10. The Client may opt out from this facility at any time by giving a notice in writing or through electronic facility to the Participant. The Participant shall terminate the service within fifteen (15) days of receipt of such notice.
11. This facility unless opt out by Client earlier shall be deemed to be opt out immediately on closure of demat account.
12. The Client agrees to indemnify, keep indemnified and hold the Participant and NSDL harmless from any loss, damage, claim, suits, legal proceedings, investigations, expenses of every kind and any other liability whatsoever, including reasonable attorney's fees and fees of such experts as may become necessary for NSDL and / or the Participant to engage, caused due to the availing of the services by the Client in any and all circumstances including without limitation, the following:
  - a. Falsehood or misrepresentation of any nature by the Client (or any person acting on behalf of the Client);
  - b. Failure to use a trustworthy system for access the electronic facility
  - c. Failure to take the precautions necessary to prevent the compromise, loss, disclosure, modification, or unauthorised use of the Client's Remembered Information, Possessed Object or the private key used to execute the Client's digital signature

13. Notwithstanding anything contained herein, the Client recognises and acknowledges that the Participant may, in accordance with instructions received by the Participant from NSDL, prescribe such other security measures as it deems fit, in replacement of or supplementing the validation process through the use of Remembered Information or Possessed Objects, including without limitation the use of biometrics and such other methods as would validate the identity of the Client for access to the electronic facility. The Client agrees that a condition precedent for the Client's access to electronic facility is that the Client shall provide such information, data, and access to its representatives and personnel, as may be designated by the Client as the users of the electronic facility in order to enable Participant to generate such biometric criteria or other criteria in accordance with the security measures prescribed by Participant, in accordance with instructions received by the Participant from NSDL.
14. The Participant may withdraw the access of the Client to electronic facility at any time provided a notice of at least thirty (30) days is given to the Client. The Participant may suspend or terminate the service without prior notice if the Client has breached any of these terms and conditions or rights and obligation of demat account, or if the Participant learns of the death, bankruptcy, lunacy or loss of legal capacity of the Client.
15. Any dispute or difference between the Parties shall be resolved solely by means of reference to binding arbitration under the arbitration mechanism as provided in the Bye-Laws and Business Rules.
16. The above terms and conditions are in addition to and do not undermine in any manner whatsoever the terms and conditions forming a part of the rights and obligation of Participant and Client.



(Draft undertaking to be given on the letter head of the clearing member)

Date:

Name of the client

Address

Depository Account No.: (DP Id & Client Id)

Dear Sir/Madam,

We acknowledge your request to nominate our depository account as a pre-notified account for the purpose of receiving credits from your account. We have no objection for the same.

We agree that if any securities are moved to our accounts which are not due to us for any reasons including but not limited to an error or fraud, we undertake to immediately return the securities to you. The details of our account are as under:

CM-BP-Id	I	N						

Yours faithfully,

(Authorised Signatories)

To be signed by the Clearing Member

=====

I/We hereby nominate the above account holder as our pre-notified account where securities can be credited from my/our account using the common infrastructure through internet.

(Authorised Signatories)

To be signed by the Client